



# Pakistan: Balakot Hydropower Development Project (formerly Hydropower Development Investment Project)

Project Name	Balakot Hydropower Development Project (formerly Hydropower Development Investment Project)	
Project Number	49055-007	
Country	Pakistan	
Project Status	Proposed	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan: Hydropower Development Investment Project	
	Ordinary capital resources	US\$ 350.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships	
Sector / Subsector	Energy - Large hydropower generation	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>The project will provide financing to construct a 300 megawatt (MW) run-of-river hydro power plant located on the Kunhar river in Mansehra District, Khyber Pakhtunkhwa (KPK) province of Pakistan. The project will (i) improve energy security by increasing the clean energy share in the country's energy mix currently dominated by thermal power generation, (ii) boost provincial economy and promote revenue generating investments in the hydro abundant province of KPK, and (iii) build capacity and awareness on climate change impacts, adaptation and mitigation measures. The project also targets to improve the quality of life for women in communities surrounding the project area and promotes gender mainstreaming.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>Pakistan is rich in hydropower resources. Despite its 100 gigawatts (GW) recognized and 60 GW identified hydropower potential (30 GW of which is located in KPK Province), only 9,825 MW (16%) has been harnessed. Considering the huge hydro potential and need for clean energy, under ideal situation Pakistan's energy mix should be rationalized and made more hydro and renewable energy-dependent rather than thermal. Rationalization of the generation mix is aligned with ADB's Country Partnership Strategy outcomes which prioritize development of domestic energy resources (such as hydropower and renewable energy) and greater availability, affordability, and efficiency in the sector. The proposed project is included in the current Country Operations Business Plan and supports, (i) operational priority 1, 2, 3, 5 and 6 of the ADB Strategy 2030 by contributing to addressing poverty and reducing inequalities, gender equality and reducing time poverty for women, building climate and disaster resilience, environmental sustainability, rural development, and improvement in financial management of PEDO; and (ii) Sustainable Development Goals 7 and 13 by providing affordable, clean and sustainable energy, and in meeting the country's climate change mitigation and adoption priorities and objectives.</p> <p>Recognizing the challenges, the government introduced the Power Generation Policy 2015 to (i) bestow power and authority to the provincial governments to function as a facilitator for IPPs; (ii) simplify investment decision making by local and federal authorities, identifying zones of responsibilities in processing and implementation of generation projects; and (iii) extend the federal government's support backing up the payment obligation of the federal power purchaser and political and other risks in the projects to the provincial government-initiated projects when conforming to certain requirements. In line with this, the government of KPK issued the KPK Hydropower Policy 2016, which assigns Pakhtunkhwa Energy Development Organization (PEDO) as the single facilitator for all investors for hydropower projects in KPK, and aims to develop projects through the private and public sectors window.</p>	
Impact	Reduced carbon footprint and energy sector made more renewable, efficient and reliable	
Outcome	Energy security in Khyber Pakhtunkhwa enhanced	
Outputs	<p>Disaster-resilient hydropower plant commissioned. Capacity for climate change risk management in hydropower production enhanced. PEDO's revenues from indigenous resources increased. Income-earning opportunities and skills for local communities increased.</p>	
Geographical Location	Balakot	
<b>Safeguard Categories</b>		
Environment		A
Involuntary Resettlement		A
Indigenous Peoples		C
<b>Summary of Environmental and Social Aspects</b>		
Environmental Aspects		
Involuntary Resettlement		
Indigenous Peoples		

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Responsible ADB Officer	Adnan Tareen
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Energy Division, CWRD
Executing Agencies	Energy and Power Department, Government of Khyber Paktunkhwa E&P-GoKPK, Abdul Wali Khan Multiplex, Block A, Civil Secretariat, Peshawar, Pakistan

Timetable

Concept Clearance	29 Sep 2016
Fact Finding	12 Jun 2019 to 21 Jun 2019
MRM	13 Aug 2019
Approval	-
Last Review Mission	-
Last PDS Update	23 Sep 2019

Project Page	<a href="https://www.adb.org/projects/49055-007/main">https://www.adb.org/projects/49055-007/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=49055-007">http://www.adb.org/forms/request-information-form?subject=49055-007</a>
Date Generated	26 September 2019

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.