

 Early Warning System

ADB-58381-001

Azerbaijan : Promoting Heating Sector Decarbonization and Renewable
Heat Integration



Quick Facts

Countries	Azerbaijan
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Voting Date	2025-01-30
Borrower	Government of Azerbaijan
Sectors	Energy, Law and Government, Technical Cooperation
Investment Type(s)	Advisory Services
Investment Amount (USD)	\$ 1.10 million
Project Cost (USD)	\$ 1.10 million



Project Description

As stated by the ADB, the technical assistance (TA) aims to modernize Azerbaijan's heating subsector by advancing efficiency, sustainability, and decarbonization. It will enhance space heating (and potentially cooling) services, promote the integration of renewable energy through a small-scale pilot project, and strengthen the policy and regulatory framework. Key outputs include developing a national heating strategy and drafting a new heat law, with a focus on updating regulatory instruments such as the heat tariff methodology. The TA will also assess the performance of Azeristiliktechizat Open Joint-Stock Company (AIT), Azerbaijan's primary state-owned heating operator, and provide actionable recommendations to improve corporate governance, optimize business processes, reduce reliance on state subsidies, and enhance operational commercialization.

The TA is aligned with the following impacts: (i) renewable energies integrated in all sectors of the economy; and (ii) heat supply subsector reforms accelerated, and efficiency increased in Azerbaijan. These impacts lead to the outcome of an improved legal and regulatory framework for decarbonization, financial sustainability, and increased efficiency of the heating subsector.



Investment Description

- Asian Development Bank (ADB)

As stated by the ADB, the TA financing amount is \$1.1 million, of which (i) \$0.5 million will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF -other sources), and (ii) \$0.6 million will be financed on a grant basis by the Clean Energy Fund under the Clean Energy Financing Partnership Facility and is being administered by ADB. The key expenditure items are listed in Annex 1 (Cost Estimates and Financing Plan).



Contact Information

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No contacts provided at the time of disclosure.

ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

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ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.



Bank Documents

- [Technical Assistance Report](#)