Early Warning System

ADB-58545-001

Azerbaijan : Preparing the Azerbaijan Railway Company Decarbonization Project

Quick Facts

Countries	Azerbaijan
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Voting Date	2025-04-01
Borrower	Government of Azerbaijan - Ministry of Digital Development and Transportation
Sectors	Energy, Technical Cooperation, Transport
Investment Type(s)	Grant
Investment Amount (USD)	$ 1.25 million
Project Cost (USD)	$ 1.25 million

Project Description

According to the Bank’s website, Azerbaijan aims to establish itself as an international logistics hub by 2025, enhancing connectivity via the East-West and North-West Corridors and diversifying trade routes through the Middle Corridor to boost economic resilience and regional integration. With the growing volume of freight transport, the state-owned Azerbaijan Railway Company (ADY) is aligning with international best practices, focusing on decarbonization to support the country's climate targets. ADY is advancing its decarbonization agenda by shifting from diesel to electric traction and increasing the use of renewable electricity, enhancing operational efficiency and reducing costs. This transition will also generate co-benefits like improved air quality, reduced public health costs, and job creation in clean energy.

Early Warning System Project Analysis

According to the Technical Assistance Report, the Risk Categories are:

Environment: Not Applicable
Involuntary Resettlement: Not Applicable
Indigenous Peoples: Not Applicable

Investment Description

- Asian Development Bank (ADB)

The TA financing totals $1.25 million, of which (i) $1.00 million will be financed on a grant basis by the Smart Energy Innovation Fund under the Clean Energy Financing Partnership Facility, and administered by ADB; and (ii) $0.25 million will be financed on a grant basis by ADB’s Technical Assistance Special Fund (TASF-other sources). The TA is the “first of its kind” and not the subject of cost recovery.

Private Actors Description

Azerbaijan Railway Company (ADY) is the national state-owned rail transport operator in the Republic of Azerbaijan.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Azerbaijan Railways CSJC (ADY)	Contractor	-

Contact Information

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Bank Documents

- Preparing the Azerbaijan Railway Company Decarbonization Project: Technical Assistance Report