

Central Asia Power Sector Investment Study

Outline Terms of Reference



Central Asia Regional Economic Cooperation Program

- **Review the economic performance of each Central Asian country (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan) over the past five years, and assess its medium to long term economic prospects, particularly in terms of fiscal balance, gross international reserves, and external account.**



- **Analyze government budgetary allocations for, and actual expenditures on, social and physical infrastructure development projects and programs, over the past five years, and identify reasons for surpluses or shortfalls, if any.**



- **Review budgetary allocations for power infrastructure (generation, transmission and distribution) development, in each country, for both national and regional projects and programs.**
- **Review national and regional power sector master plans and road maps to determine investment requirements for power infrastructure development, and identify financing gaps, relative to budgetary allocations, for each country.**



- **Review assistance programs of bilateral and multilateral donor agencies for power sector projects and programs in each country, and for regional projects and programs, and determine the residual financing requirements (i.e., in addition to budgetary allocation and donor assistance) to be met from other sources, including sovereign wealth funds, export credit agencies, and commercial/private sources.**



- **Examine the portfolio of national and regional power sector projects and programs in each country (i.e., those identified in national and regional energy sector master plans and road maps) and categorize each project and program in terms of financing options (i.e., government budget, donor assistance, sovereign wealth funds, export credit agencies, and/or commercial/private sources.**
- **Provide the rationale for such categorization.**



- **Identify projects suitable for Public-Private-Partnership (PPP), in each country. Such projects will subsequently (i.e., as a separate exercise, beyond the scope of the current TOR) be prepared/developed for inviting private sector interest by undertaking a more detailed analysis of, *inter alia*: (i) technical and economic viability; (ii) government priority; (iii) private sector interest; (iv) size of capital investment; (v) risk profile; and (vi) revenue stream.**



- **Review the enabling environment in each country for private investment in the power sector, including: (i) policy and legal frameworks; (ii) regulatory framework; (iii) governance; (iv) institutional setting; (v) industry structure; (vi) supporting physical infrastructure; (vii) investment regime, including tax provisions; (viii) credit-worthiness of key stakeholders; (ix) financial sector, including market liquidity; and (x) security environment.**



- **Recommend specific measures to be taken by each country, including in the areas identified above, to strengthen the enabling environment for promoting private investment in the power sector.**



- **Undertake a review of Project Development Facilities (PDFs) established in countries of the Asia-Pacific region (including in India, Indonesia, Philippines, Vietnam) and formulate recommendations in this regard for each of the Central Asian countries. The recommendations will cover, *inter alia*: (i) funding; (ii) structure; and (iii) institutional arrangements.**



- **Prepare a business plan for the proposed PDFs, based on an assessment of the services to be provided, including identification of projects of PPP potential, preparation of feasibility studies, bidder prequalification and tendering, contract management, and financial close.**



- **Review experiences from regional/sub-regional PDFs (e.g., the ASEAN-Singapore PDF and the proposed Asia Infrastructure PDF) and examine the prospects, and make recommendations, for the convergence of the national PDFs in the Central Asian countries into a sub-regional CAREC PDF with the objective of placing greater emphasis on the development of sub-regional energy infrastructure.**

