



Asian Development Bank's Role in Facilitating Investments in the Energy Sector



Bayanjargal Byambasaikhan, Energy Specialist, ADB

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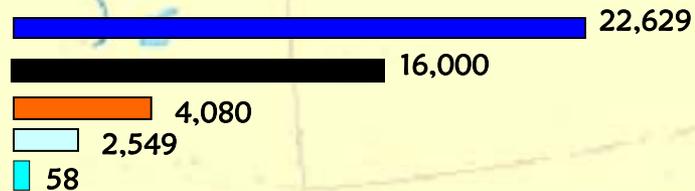


Central Asia Energy Map

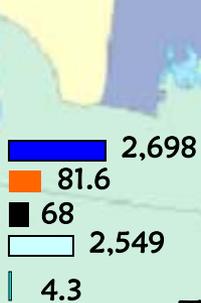
Legend

- Total Fossil Fuel MTOE
- Coal MTOE
- Crude Oil MTOE
- Gas MTOE
- Hydro MTOE (25 years Potential annual energy)

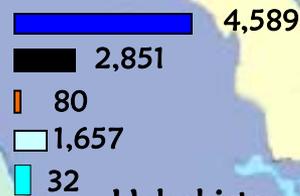
Source: International Energy Agency, 2007



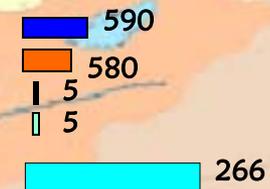
Kazakhstan



Turkmenistan



Uzbekistan



The Kyrgyz Republic



Tajikistan

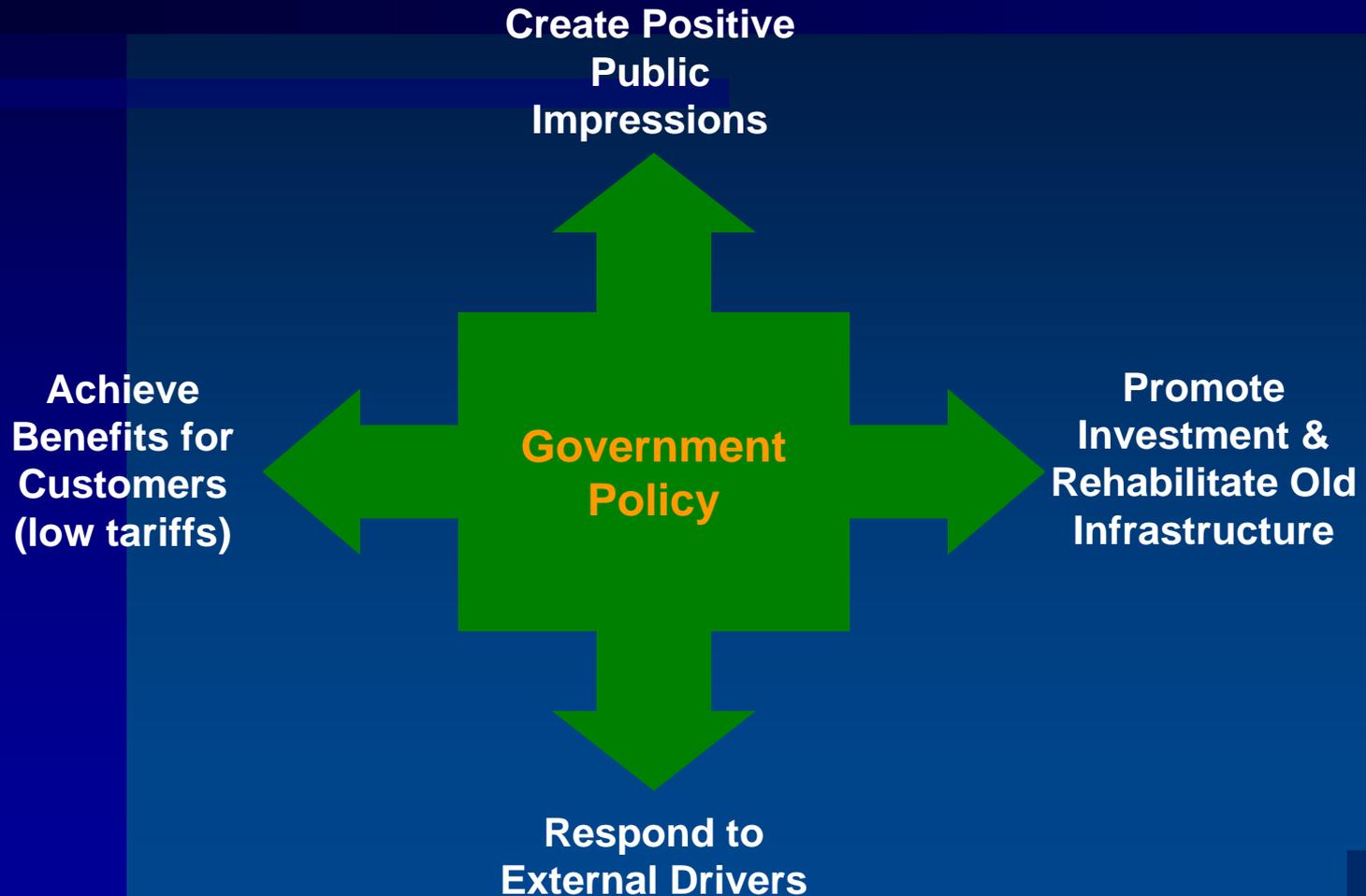
CENTRAL ASIA REGIONAL ECONOMIC COOPERATION REGIONAL POWER AND NATURAL GAS TRANSMISSION NETWORKS



CAREC Energy Sector Background

- Abundant and complimentary energy resources
 - Existing infrastructure in Central Asia
- High energy intensity and increasing demand
 - Ageing and dilapidated systems
- Common sector problems
 - Financial viability and sustainability
 - No new investment
 - Low tariffs
 - High energy loss
 - Low revenue collection
 - Lack of private sector participation

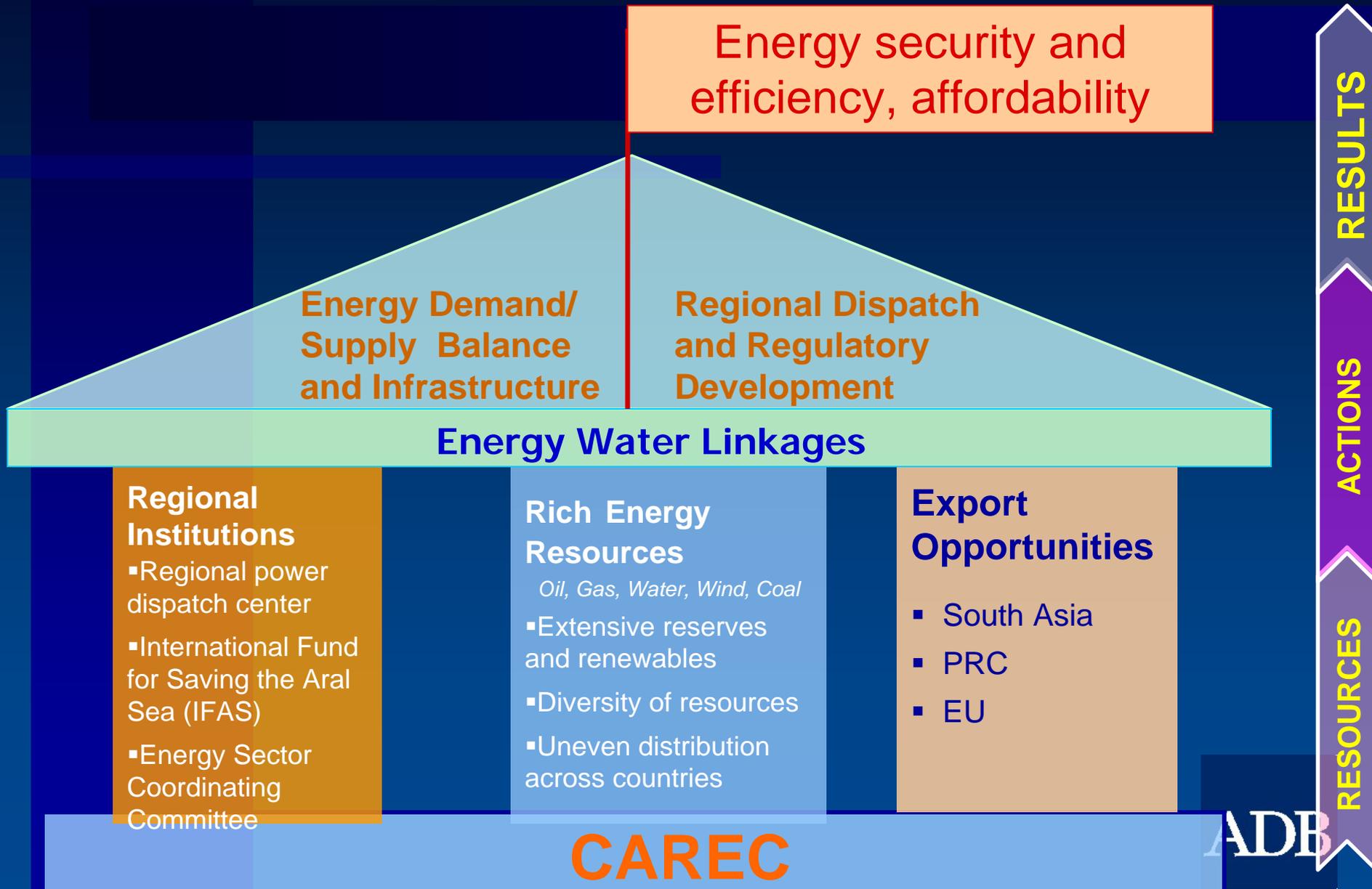
Governments Face Conflicting Energy Sector Goals



CAREC Energy Program

- Promote efficient and rational use of energy
 - **Energy Strategy 2008**
 - Ensure that customers have access to adequate volumes of commercial energy supply
 - Attract private capital to reduce the need for government and donor financing
 - Take advantage of regional/export opportunities
 - **Energy Action Plan Framework 2009**

CAREC Energy Strategy and Action Plan



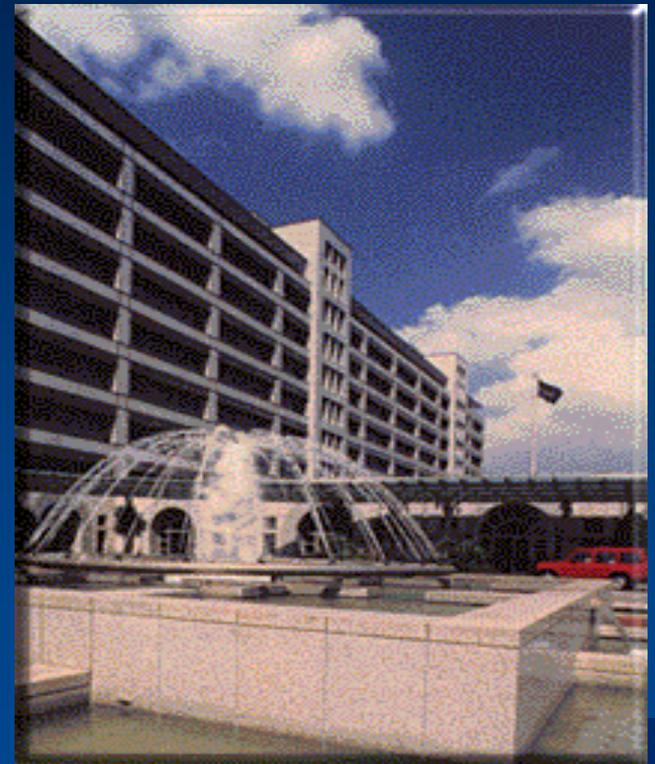
ADB Business

ADB funds development projects and programs in the Asia and Pacific Regions

2009

- **Loans \$ 13.23 billion**
- **92 Projects**
- **Grants \$ 1.11 billion**
- **TAs \$ 267.2 million**

These projects generate contracts for **goods, works, and services**



ADB

Benefits of ADB-financed Contracts

- Funds are available
- Internationally accepted procurement procedures
- Equal treatment of bidders
- No currency exchange risks
- ADB oversight

Example: Talimarjan Power Project in Uzbekistan

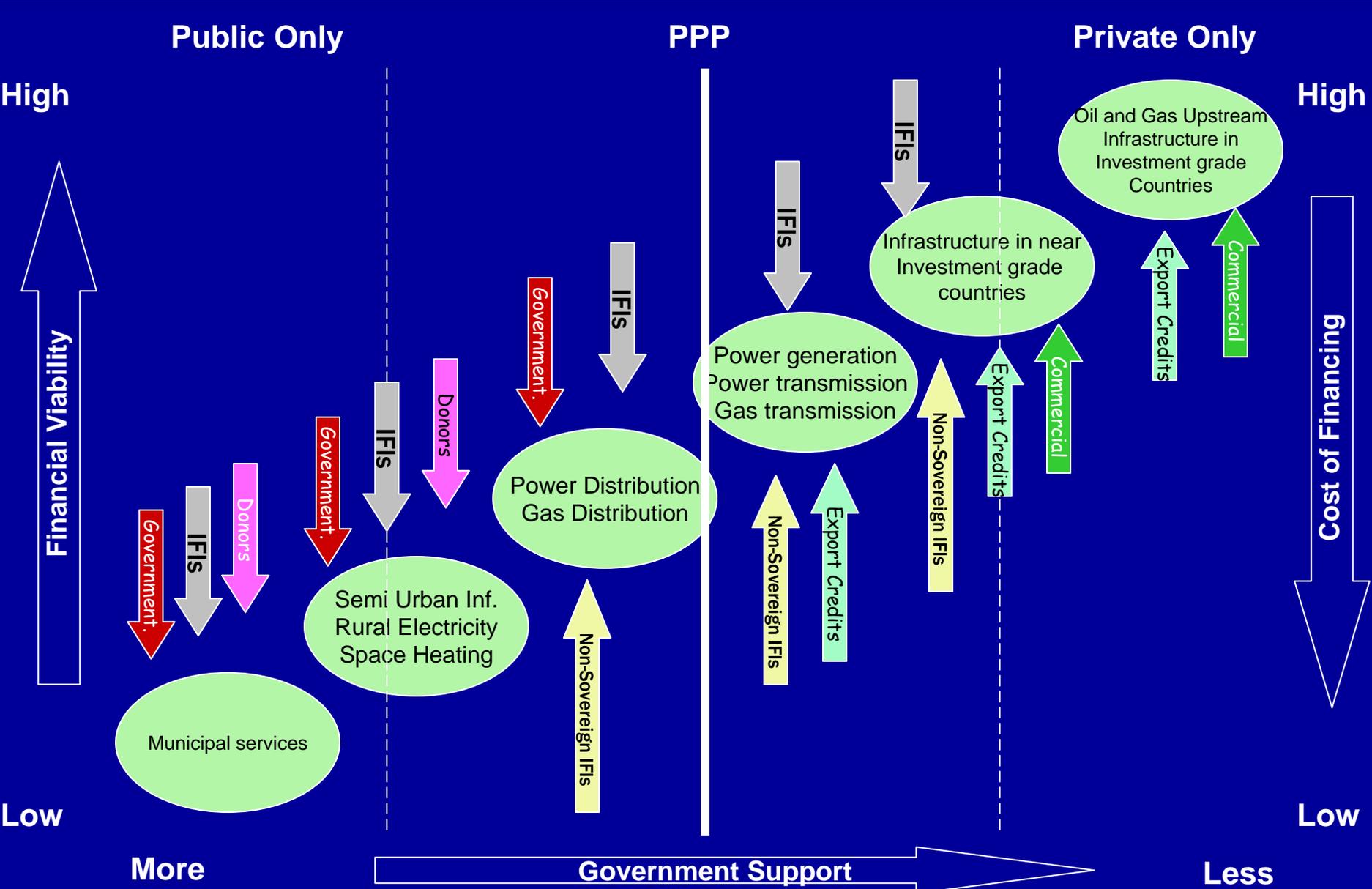
2 CCGT units

~800MW

- **\$1.3 billion**
- **EPC turn-key contract**
- **Efficiency 30% to 50%**
- **Less carbon emissions**
(~1m tons a year)



Energy Infrastructure Financing Spectrum



Why PPP in CAREC Energy Sector?

- Purely public financing is neither desirable nor feasible
- Governments now withdrawing from commercial activities and encouraging the private sector to fill the gap
- Electricity services transforming from purely a public service to more commercial
- Governments now agree that in the long run, the cost of service has to be recovered from customers and not funded out of tax receipts



Thank You

