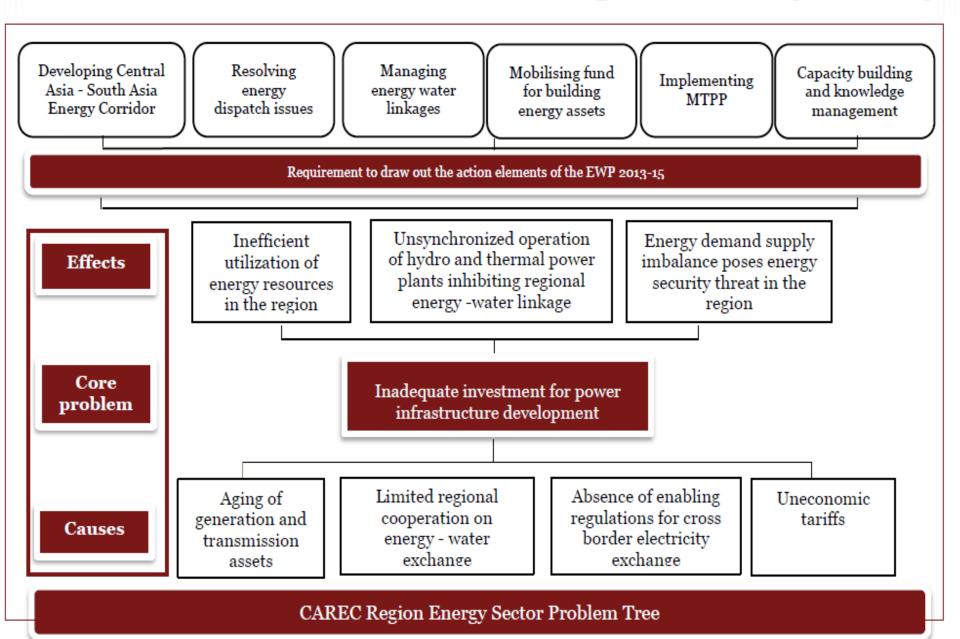


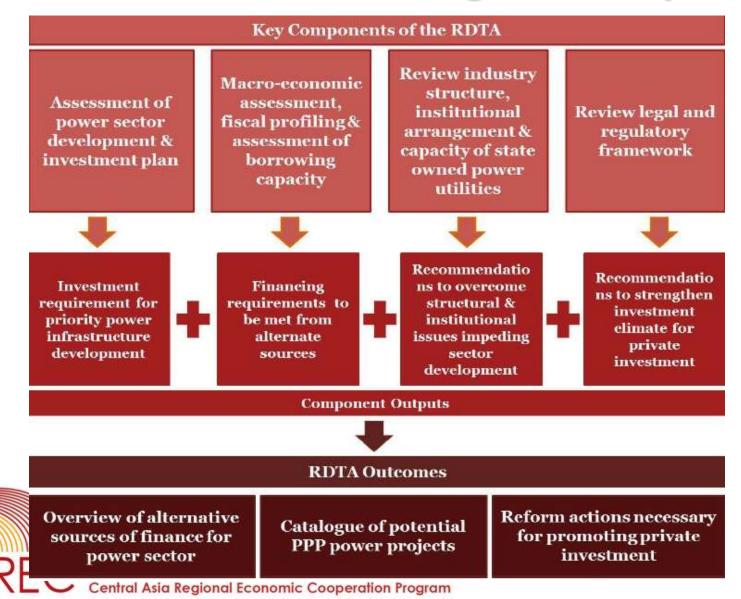
STUDY FOR A POWER SECTOR FINANCING ROADMAP WITHIN CAREC

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The TA aims to assess the capacity and willingness of CAREC countries to finance power infrastructure development from their own resources, and examine other potential sources of financing, for both national and cross-border projects.







Discuss and agree on the planned generation and transmission capacity addition projects



Review
investment in
the power sector
in the past 10
years, and
analyse its
trends



Discuss and agree on the phasing plans for agreed projects & programs over the medium and long term



Review prior capital cost estimates for the various projects and update the capital costs



Determine the investment requirement for power infrastructure development

Generation Projects

- Priority 1: Rehabilitation of existing power plants, if possible
- Priority 2: New power plants to replace power plants that cannot be rehabilitated
- Priority 3: New power plants, if required, due to higher demand

Transmission Projects

- Priority 1: Rehabilitation/ reconstruction of transmission lines and substations to ensure availability of existing network
- Priority 2: New transmission lines to remove bottlenecks
- Priority 3: New transmission lines and substation for connecting new generating stations
- Priority 4: Projects for inter regional power trade
- Priority 5: New transmission lines to optimize the power flow



Past trend of funding in energy sector as a % of total spending

 Developed by reviewing past assistance programmes of various donor agencies

Future annual funding assistance that will be provided by the donor agencies

 Developed by discussions with donor agencies and analyzing their CPS

Comparison of annual funding assistance vis-avis annual investment projected

- Annual investment projected in both national and regional master plans considered
- Developed based on discussions with officials in ministry, other related offices and donor agencies

Estimate the adequacy of available funding

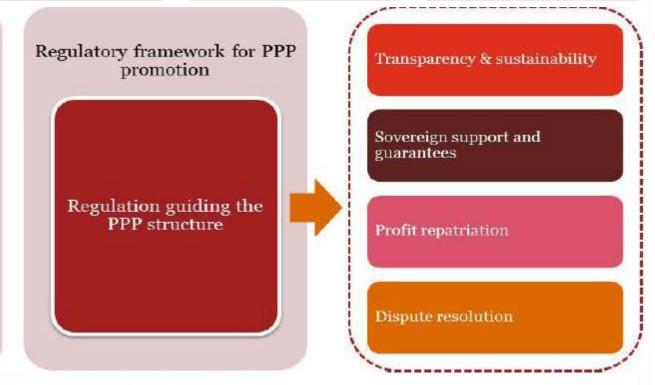
 Used to develop annual layout of funds available vis-a-vis the requirement in each countries

PPP models and associated risks

Types of PPP model (e.g. service or management contract, operating lease, BOOT etc)

Project category by types of PPP model

Risk allocation between government and private entities



Outcomes of the Study

Assessment of the medium to long term development objectives and growth prospects Fiscal and debt
profiling to
understand the
ability and
willingness of the
governments to fund
new projects

Understanding
prioritization
budgetary
allocations in the
overall socioeconomic context of
the countries

Investment requirement for power infrastructure development

Outcome 1

Assessment of the financial support envisaged from the donor agencies



Residual financing
requirements in addition to
government budgetary
allocation and donor
assistance to be met from
other sources

Assessment of key sources for residual financing like sovereign wealth funds, export credit agencies, commercial or private sources, etc.

Categorization of each project and program in terms of financing options with rationale for such categorization Industry structure, governance framework and institutional arrangements

Current PPP structures and issues thereof

> Legal and regulatory framework and investment climate

Outcome 2

Reform actions for creating enabling investment climate and promoting private participation

Assessment of national and regional projects and programs



Current PPP structure and level of private interest



Outcome 3 Catalogues of potential PPP projects



Inputs from CAREC Member Countries

- Counterpart support from CAREC member countries
 - 1. Quick access to data and information for the study;
 - 2. Office accommodation and counterpart staff
- Focal point for this study: 15 April
 - 1. Name of the focal point
 - 2. Position of the focal point
 - 3. Contact information of the focal point

Thank you!