

**RENEWABLE ENERGY DEVELOPMENT PROJECT**  
**TECHNICAL ASSISTANCE PROVIDED BY ASIAN DEVELOPMENT BANK**

1. Asian Development Bank (ADB) had offered a Project Preparatory Technical Assistance (PPTA) in November, 2004 to analyse the renewable energy potential in each province and conduct feasibility studies of sample subprojects for financing under an ADB commercial lending scheme. AEDB was designated as the Executing Agency (EA), while the relevant departments in each province served as the Implementing Agencies (IAs).

2. Five feasibility studies of NWFP and five of Punjab were accepted by ADB for technical and financial analysis. By December' 2005, Technical, Environmental, Resettlement, Financial & Economic analyses of 05 hydel sites in Punjab and 05 hydel sites in NWFP were carried out and submitted to respective departments for study and comments. In the final tripartite meetings held with P&D departments of NWFP and Punjab in January, 2006, the following potential high-head and low-head hydel sites were selected by NWFP and Punjab, which were considered suitable for loan financing:-

**NWFP**

(a)	Ranolia	(11.5 MW)
(b)	Daral Khwar	(35 MW)
(c)	Machai	(3.5 MW)

**Punjab**

(a)	UCC Main Lower near Gujranwala	(4.8 MW)
(b)	Deg Fall Sheikhpura	(5.5 MW)
(c)	Pakpattan Canal	(3.3 MW)
(d)	LBDC Okara	(5 MW)
(e)	UCCM Marala	(11.5 MW)

3. The cost of eight subprojects in NWFP and Punjab identified under the first set of subprojects of the proposed MFF were estimated as \$145.0 million while \$80.0 and \$65.0 million for NWFP and Punjab provinces, respectively. The Government requested ADB to finance up to 80% of the total cost.

4. AEDB will be the Executing Agency (EA) for coordination and facilitation at the federal level, while the NWFP and Punjab governments will be the Executing Agencies at the provincial level. SHYDO will be the implementing agency in NWFP and the Punjab IPD will be the implementing agency (IA) in Punjab province.

5. Based on the investment potential of RE in Pakistan and MTF, a maximum of \$ 510.0 million was indicated by ADB under the Multi-tranche Finance Facility (MFF) for a period of 10 years (2007-2017) for Renewable Energy Development Sector Investment Program (REDSIP). The amount remaining after the approved projects would be available for any new Public or Public-Private RE projects that fit the ADB given selection criteria. The first tranche will be of \$ 115 Million which includes \$ 10 million of ADF loan.

6. The three subprojects of NWFP and five of Punjab were approved by their respective P&D departments. The PC-1 of both provinces were subsequently approved by the CDWP on 19<sup>th</sup> October, 2006. The Loan Negotiations for the eight sub-projects took place at the ADB Resident Office in Islamabad on 30<sup>th</sup> and 31<sup>st</sup> October, 2006. The ADB was represented by Mr Peter Fedon Country Director, Mr Piya Abegunawerdana Chief of Mission and Ms Asel Legal Expert from ADB HQ Manila. The Pakistan Government was represented by Ms Najma Siddiqi JS EAD as Team Leader, Mr Arif Nadeem Secretary I&P Punjab, Mr Khalid Gilani Secretary I&P NWFP, Mr Ishtiaq MD SHYDO and Mr Mujahid Sadiq from AEDB. After thorough deliberations, the loan negotiations successfully concluded with a signing ceremony.