Azerbaijan: Renewable Energy Development (Biomass Cogeneration) Project

**Project Name**: Renewable Energy Development (Biomass Cogeneration) Project

**Project Number**: 47008-001

**Country**: Azerbaijan

**Project Status**: Closed

**Project Type / Modality of Assistance**: Technical Assistance

**Source of Funding / Amount**: TA 8364-AZE: Renewable Energy Development (Biomass Cogeneration) Project
Clean Energy Fund under the Clean Energy Financing Partnership Facility
US$ 1.00 million

**Strategic Agendas**: Environmentally sustainable growth
Inclusive economic growth

**Drivers of Change**: Governance and capacity development

**Sector / Subsector**: Energy - Renewable energy generation - biomass and waste

**Gender Equity and Mainstreaming**: No gender elements

**Description**: The Project objective is to promote renewable energy development in Azerbaijan through developing two pilot renewable energy projects (biomass) with a total installed capacity of 20 megawatt for electricity and heating supply in Oghuz and Beylagan regions. The project impact will be increased renewable energy generation and supply in Azerbaijan. The expected project outcome will be two pilot demonstration biomass generation plants and heating supply systems in Oghuz and Beylagan regions. The project outputs consist of the following components: (i) construction of two biomass generation plants in Oghuz and Beylagan regions; (ii) construction of heating supply systems in Oghuz and Beylagan regions; and (iii) project implementation support comprising project management and supervision, safeguards compliance, and capacity building for the executing agency.

**Project Rationale and Linkage to Country/Regional Strategy**: The Government of Azerbaijan (the Government) is committed to pursue a sustained long-term plan to improve power infrastructure and services to the country. The overall strategic objectives is to meet fully the electric power, gas and other energy demand of both the population and economy through the continued development of the fuel and energy sector. Azerbaijan’s energy sector strategy is described in the State Program for Development of Fuel and Energy Sector in Azerbaijan (2005-2015), which set the following targets and goals: (i) efficient use of energy resources and increasing sector operational efficiency; (ii) establishing a sound regulatory environment to promote competition; (iii) improving the sector structure to attract more investments; (iv) promotion of renewable energy and sustainable development to ensure environmental safety; and (v) strengthening financial discipline in the sector and ensuring full payment for energy consumption.

**Impact**

**Project Outcome**

**Description of Outcome**

**Progress Toward Outcome**

**Implementation Progress**

**Description of Project Outputs**

**Status of Implementation Progress (Outputs, Activities, and Issues)**

**Geographical Location**

**Summary of Environmental and Social Aspects**

**Environmental Aspects**

**Involuntary Resettlement**

**Indigenous Peoples**

**Stakeholder Communication, Participation, and Consultation**

**During Project Design**: Stakeholders will be consulted during the project preparation. PPTA Consultant has been engaged to undertake comprehensive analysis and stakeholders consultations (in accordance with ADB’s Social Safeguard Policy) to factor in all land acquisition, resettlement and environmental considerations into projects design.

**During Project Implementation**: Consultation and information sharing with local communities will be made. Necessary social safeguards and environmental analyses will be undertaken and updated once the design work is initiated for sub-projects. Relevant documentation will be approved by ADB before contractor could be mobilized to undertake construction activities at project sites. Collaboration with stakeholders will be promoted to ensure compliance with national standards as well as ADB policies. A Final Report on Renewable Energy Development was submitted and presented in a workshop in Dec 2016.

**Business Opportunities**
A PPTA Consultant (firm) comprising of international and national experts was engaged and mobilized in October 2014. The PPTA Consultant, among other tasks, will undertake necessary due diligence for processing the loan for the project, and assist the pre-implementation works. The PPTA will also adequately address the following aspects relating to the ensuing loan project: (i) improved policy and regulation framework for promotion of biomass cogeneration investment projects; and (ii) detailed loan executing agency capacity assessment, and suggested remedial action plan to build the executing agency and the implementing agency capacity to minimize procurement and financial management risks.

An Inception Report was submitted in February 2015 identifying possible options for renewable energy sources in AZE. An Interim Report was submitted in May 2015 and finalized in September 2015.

SAARES confirmed in early 2016 its commitment in promoting renewable energy (RE) development with a comprehensive development plan in place. A Final Report on Renewable Energy Development was submitted and presented in a workshop in Dec 2016.

**TA 8364-AZE**

**Milestones**

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**Financing Plan/TA Utilization**

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**Project Page**

https://www.adb.org/projects/47008-001/main

**Request for Information**

http://www.adb.org/forms/request-information-form?subject=47008-001

**Date Generated**

12 August 2019

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