Regional: Integrated Resource Planning with Strategic Environmental Assessment for Sustainable Power Sector Development in the Greater Mekong Subregion

Project Name: Integrated Resource Planning with Strategic Environmental Assessment for Sustainable Power Sector Development in the Greater Mekong Subregion

Project Number: 49208-001

Country: Cambodia, Lao People’s Democratic Republic, Myanmar, China, People’s Republic of Thailand, Viet Nam

Project Status: Active

Project Type / Modality of Assistance: Technical Assistance

Source of Funding / Amount:
  - Technical Assistance Grant Fund (FRA) US$ 1.10 million
- TA 9003-REG: Integrated Resource Planning with Strategic Environmental Assessment for Sustainable Power Sector Development in the Greater Mekong Subregion (Supplementary)
- Regional Cooperation and Integration Fund US$ 500,000.00
- Cooperation Fund for Project Preparation in the Greater Mekong Subregion and in Other Specific Asian Countries US$ 500,000.00

Strategic Agendas:
- Environmentally sustainable growth
- Inclusive economic growth
- Regional integration

Drivers of Change:
- Governance and capacity development
- Knowledge solutions
- Partnerships
- Private sector development

Sector / Subsector: Energy - Energy sector development and institutional reform

Gender Equity and Mainstreaming: No gender elements

Description:
Based on the recommendations and lesson learnt of previous RETAs, the proposed RETA is designed to (i) enhance the GMS countries’ capacity in applying IRP with SEA in their PDPs; (ii) improve regulations, policies, programs and/or targets for RE and EE as necessary and as validated through the IRP; and (iii) support the cross-border interconnections as necessary and as validated through the IRP. The RETA will particularly focus on Viet Nam as the country has greater potential for mitigating climate change impacts. The RETA outputs will be also disseminated through RPTCC meetings, which are organized twice a year. The TA activities will be closely coordinated with the GMS Environment Operations Center (EOC)’s Core Environment Program (CEP), which has provided assistance on the SEA for power development planning in Viet Nam.

Project Rationale and Linkage to Country/Regional Strategy:
Demand for energy across the Greater Mekong Subregion (GMS) has risen strongly, often at a faster rate pace than economic growth. It is anticipated that energy demand will be tripled over the next 15-20 years. In particular, the demand for electricity is growing rapidly, which will require a major expansion of the power system. According to the current power development plans (PDPs) of the respective GMS countries, the total installed capacity of the region is projected to be almost doubled by 2025, mostly driven by large hydro and coal-fired power additions. Along with these developments, environmental and social pressures are expected to be heightened, adding concerns related to climate change. One way to address this concern is to improve the PDP planning process in a way to consider environmental and social impacts at the more upstream stage through strategic environmental assessment (SEA) and to examine all supply-side options and demand-side options using integrated resource planning (IRP). In this regard, this TA is designed to (i) enhance the GMS countries’ capacity in applying IRP with SEA in their PDPs; (ii) improve regulations, policies, programs and/or targets for RE and EE as necessary and as validated through the IRP; and (iii) support the cross-border interconnections as necessary and as validated through the IRP. The RETA will particularly focus on Viet Nam as the country has greater potential for mitigating climate change impacts. The RETA impact is a more economically, environmentally, and socially sustainable power sector developed for greater mitigation of climate change impacts in the GMS. The TA outcome is enhanced capacity of Viet Nam and awareness of other GMS countries in applying IRP with SEA in developing its PDP.

This TA is in line with ADB’s Strategy 2020 and ADB’s Energy Policy 2009, promoting regional integration and clean energy development. It is listed in the Regional Cooperation Strategy and Program (2012-2014), the GMS Economic Cooperation Program Strategic Framework (2012-2022) which is supported by the GMS Road Map for Expanded Energy Cooperation, and the GMS Regional Investment Framework 2013-2022.

Impact:
A more economically, environmentally, and socially sustainable power sector developed for greater mitigation of climate change impacts in the Greater Mekong Subregion

Project Outcome

Description of Outcome: Power sector planning in GMS countries using IRP and SEA strengthened

Progress Toward Outcome: With the increase in TA amount and change in scope, key activities have been enhanced to the capacity of power sector planning in the GMS countries using IRP and SEA, especially focusing on renewable energy and energy efficiency pipeline development.

Implementation Progress
Description of Project Outputs
1. Viet Nam’s IRP and SEA capacity enhanced
2. Awareness among GMS countries increased
3. Knowledge Products (KPs) Shared

Status of Implementation Progress (Outputs, Activities, and Issues)
The consulting firm was engaged in May 2016 with a total of 7 international and 7 national experts and has completed (i) inception report; (ii) six GMS Countries Gap Analysis Missions and Report; (iii) one regional workshop and three country workshops in Lao People’s Democratic Republic (PDR), Myanmar, and Thailand; (iv) Knowledge Product on Integrating SEA into Power Development Planning in Viet Nam published; (v) two twinning workshops in PRC on Renewable Energy Integration; and in Viet Nam on Strategic Environmental Assessment and (vi) draft report on Strengthening the Policy Framework for Power Sector Planning with Renewable Energy, Energy Efficiency and Climate Change Mitigation Targets in Viet Nam. Within the original scope, remaining activities are (i) country workshops in Cambodia and Viet Nam, (ii) draft knowledge product on Energy Sector Planning Guideline using IRP and SEA; (iii) Country technical guideline and briefing notes; and (iv) Final Report.

In Dec 2018, ADB extended the TA by 2 years with additional financing in support for renewable energy and energy efficiency development in the GMS and will publish the TORs in May 2019 calling for interest.

Geographical Location
Cambodia - Nation-wide; China - Nation-wide; Lao People’s Democratic Republic - Nation-wide; Myanmar - Nation-wide; Thailand - Nation-wide; Viet Nam - Nation-wide

Summary of Environmental and Social Aspects

Environmental Aspects

Indigenous Peoples

Involuntary Resettlement

Stakeholder Communication, Participation, and Consultation

During Project Design
GMS countries were directly consulted in developing this TA through their representatives in the regional power trade coordination committee (RPTCC). The consultations were held on 25-26 June 2014 during the 16th Meeting of the RPTCC held in Cambodia and on 24-25 November 2014 during the 17th Meeting of the RPTCC held in Lao PDR. The final scope and terms of reference were endorsed by the GMS countries at the 18th Meeting of the RPTCC held on 9-10 June 2015 in Myanmar.

During Project Implementation
Stakeholder communication, participation and consultation have been carried out through workshops and training sessions within each of the GMS countries and regular meetings of the regional meetings through RPTCC.

Business Opportunities

Consulting Services
On board are one international consulting firm and one individual consultant. The consulting firm was engaged to provide technical services for a total of 43 person-months of consulting services (22 person-months of international consulting inputs and 21 person-months of national consulting inputs).

Procurement
Some equipment will be procured through the consultant contract.

Responsible ADB Officer
Hyunjung Lee

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Energy Division, SERD

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Timetable

Concept Clearance 19 Aug 2015
Fact Finding -
MRM -
Approval 27 Nov 2015
Last Review Mission -
Last PDS Update 29 Mar 2019

TA 9003-REG

Milestones

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Financing Plan/TA Utilization

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