Early Warning System

ADB-49055-002

MFF Hydropower Development Investment Program

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Quick Facts

Countries	Pakistan
Financial Institutions	Asian Development Bank (ADB)
Status	Proposed
Bank Risk Rating	U
Sectors	Energy, Hydropower
Investment Type(s)	Loan
Investment Amount (USD)	$ 1,000.00 million

Project Description

The proposed investment program aims to (i) improve energy security by increasing the clean energy share in the energy mix currently dominated by thermal energy, (ii) promote private sector investments in hydropower development in the province of Khyber Phakhtunkhwa (KPK) which has the most hydro potential in the country, and (iii) build capacity and understanding on climate change impacts, adaptation and mitigation measures. Despite the potential to generate 60,000 megawatts (MW), Pakistan has only been able to install 7,000 MW (31% of total installed capacity) of hydropower generation, of which 3% has been developed by independent power producers (IPPs). Since 1994, IPPs have been investing in Pakistan but skewed to thermal power plants, accounting for 36% of the country's total installed capacity. With support from the Asian Development Bank (ADB) and the International Finance Corporation, IPPs recently made several investments in renewable energy projects. IPP's interest increases if the sector is supported by international financing institutions on the policy, process and investments. The provincial government of KPK plans to develop 21 run-of-the river hydropower plants (HPP) with feasibility study for most of them already completed, with a total potential of 3,600 MW over a period of 10 years with key focus on attracting IPPs. The investment program is structured to facilitate investments in the development of hydropower plants by utilizing both public and private sector investments and leveraging ADB funds through syndication and other financial structures. ADB catalytic financing in the long-term will support and create a business-friendly environment making HPP projects bankable for the private sector to mobilize and invest through debt or equity.

Investment Description

- Asian Development Bank (ADB)

MFF Facility Concept: MFF Hydropower Development Investment Program
Ordinary capital resources US$ 1,000.00 million

To be determined US$ 650.00 million

Contact Information

CONTACTS

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ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main

Bank Documents

- Hydropower Development Investment Program: Project Preparatory Technical Assistance Report [Original Source]
- Project Disclosure PDF

Other Related Projects

- ADB-49055-001 Hydropower Development Investment Program