

Data Sheet

USAID Mission:	South Asia Regional
Program Title:	Promote Energy Security in South Asia
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	398-001
Status:	Continuing
Planned FY 2006 Obligation:	\$4,941,000 DA; \$990,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$5,000,000 DA
Year of Initial Obligation:	2006
Estimated Year of Final Obligation:	2008

Summary: USAID's South Asia Regional Initiative for Energy (SARI/Energy) is an eight country program that promotes regional energy security. Begun in 2000, the SARI/Energy program focuses on regional approaches to meet South Asia's energy security needs through increased trade, investment, and access to clean energy. USAID fosters and facilitates mutually beneficial energy linkages for access to sufficient and affordable energy for Afghanistan, Bangladesh, Bhutan, India, Nepal, the Maldives, Pakistan, and Sri Lanka. USAID promotes regional energy cooperation with the objective of trade and investment in clean energy resources in South Asia, a region where only 41% of the population has access to modern energy and the level of energy consumption per capital is the world's lowest.

This constitutes notification for planned obligations of FY 2006 funds under the SARI/Energy program.

Inputs, Outputs, Activities:

FY 2006 Program:

Expand and Improve Access To Economic and Social Infrastructure (\$4,941,000 DA; \$990,000 ESF). The program objective is to increase access to diversified, clean energy and harmonizing markets to enable regional energy trade. Specifically, USAID efforts facilitate investments in cross-border energy infrastructure; continuing partnership areas targeting capacity building for 50-80 senior level executives from South Asia; providing management and organization support to the South Asia Regional Energy Coalition (SAREC), expanding membership, developing public-private partnerships, and making SAREC operationally sustainable; and commissioning solar and wind mapping studies for development of regional renewable energy resources in Afghanistan and Pakistan.

This objective is achieved by providing technical assistance and training support to key players including governments, regulators, the private sector, institutions, and non-government organizations (NGOs). USAID will focus on a market initiative to address barriers to and provide training for mechanisms that will facilitate regional trade and investment. Principal Implementers: Nexant, Inc., the U.S. National Renewable Energy Laboratory (NREL), the U.S. Department of Energy (DOE), the U.S. Energy Association (USEA), and the U.S. Chamber of Commerce.

FY 2007 Program:

Expand and Improve Access To Economic and Social Infrastructure (\$5,000,000 DA). SARI/Energy is a key U.S. Government program that brings Pakistan and India together, serving as a vehicle for dialogue in a development sector of vital importance to economic growth and poverty reduction in both countries. Initiatives in regulatory reform, capacity building, technology transfer, and renewable energy development will continue. Principal Implementers: NREL, DOE, and USEA.

Performance and Results: During FY 2005, USAID continued to support regional energy cooperation with the objective of enhancing energy security and clean energy access by initiating cross-border investment and trading projects in the energy sector. USAID facilitated three major cross-border energy infrastructure investment agreements, including: (1) Indo-Nepal oil product pipeline (memorandum of understanding signed; Joint Venture agreement under negotiation); (2) Power Purchase Agreement between PTC India Ltd. and West Seti Hydro Power for 750 MW hydropower generation; and (3) Power

Purchase Agreement between TATA (a leading Indian industrial group) and the Power Grid Corporation of Bangladesh for supply of excess energy from a power plant implemented as part of cross-border investment of \$2 billion committed by TATA in Bangladesh. To promote energy savings, USAID established a permanent, regional Forum on Regional Harmonization of Energy Efficiency Standards and Labeling. USAID also helped launch a Sustainable Guarantee Fund in Sri Lanka that will leverage investments up to \$3 million by providing partial financial guarantees to commercial energy efficiency and conservation projects. To encourage cross-border, grassroots cooperation, the SARI/Energy Small Grants Program awarded five rounds of grants in seven South Asian countries for implementing 38 projects (e.g., energy based rural income generation and poverty reduction, rural electrification, and bilateral hydropower cooperation) proposed by 63 local NGOs and academic institutions as regional or bilateral consortiums.

USAID established a new partnership for energy policy makers involving elected members of parliament or similar bodies representing the public. In its first meeting in Washington in September 2005, members exchanged their views on cross-border issues such as compatibility of grid codes, compatibility of regulation frameworks for cross-border trade, sharing of best practices, and delivering power to consumers by distribution utilities. The private-sector platform SAREC was expanded and reorganized with assistance from USAID in 2005. Its advocacy campaign centered on promoting reforms and foreign direct investment in the energy sector and expanding regional energy trade. This program continues to leverage extensive media coverage on regional energy cooperation, with more than 500 newspaper and magazine articles published in member countries and nearly 30 news clips and stories aired on regional television channels.

By the end of FY 2008, SARI/Energy will have promoted energy security in South Asia. This USAID program is expected to increase access to diversified clean energy supplies in the region and harmonize markets to enable regional energy trade.

US Financing in Thousands of Dollars

South Asia Regional

	DA	ESF
398-001 Promote Energy Security in South Asia		
Through September 30, 2004		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2005		
Obligations	0	0
Expenditures	0	0
Through September 30, 2005		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2006 NOA		
Obligations	4,941	990
Total Planned Fiscal Year 2006		
Obligations	4,941	990
Proposed Fiscal Year 2007 NOA		
Obligations	5,000	0
Future Obligations	5,000	0
Est. Total Cost	14,941	990