

Data Sheet

USAID Mission:	ANE Regional
Program Title:	South Asia Regional Initiative for Energy
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	498-023
Status:	Continuing
Planned FY 2005 Obligation:	\$4,000,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$2,252,000 DA
Year of Initial Obligation:	2000
Estimated Year of Final Obligation:	2008

Summary: The South Asia Regional Initiative for Energy (SARI-Energy) program works to expand and improve access to economic and social infrastructure in the energy sector. The program promotes effective policies and agreements for cross-border cooperation on sustainable energy in South Asia. The initiative focuses on the following four theme areas: increasing energy security in the region through regional energy cooperation and cross-border trade; building capacity of newly-legislated or under-consideration energy regulatory entities to create effective private sector-oriented energy sectors, which will lead to greater opportunities for regional energy cooperation; improving cooperation in electric power distribution with a special focus on rural energy access; assisting with the harmonization of energy efficiency standards to create an expanded South Asian market for energy efficient appliances.

Inputs, Outputs, Activities:

FY 2005 Program: Expand and Improve Access to Economic and Social Infrastructure (\$4,000,000 DA). SARI-Energy builds mutually beneficial energy linkages among Afghanistan, Bangladesh, Bhutan, India, Nepal, the Maldives, Pakistan, and Sri Lanka. The program will continue its earlier focus on the four theme areas listed above. The inclusion of Pakistan and Afghanistan in the SARI-Energy program in 2004, a long-sought objective, opens the door to a range of cross-border cooperation activities. The logistics and security issues of program operation in these countries will be addressed. Afghanistan needs assistance to build human resource capacity using South Asian regional institutions. Sharing of experience in regulatory authority development between Pakistan and India will be beneficial to both. SARI-Energy is structured to support multiple energy sector institutions and regional linkages as Pakistani participation is gradually built up. Pakistan and Afghanistan, as well as other countries, will pursue the continuum of 1) identification of excellent grade renewable energy resources (especially wind and solar); and 2) mapping and policy/program/project analysis using Geographical Information Systems, the Geo-Spatial Toolkit, and least-cost energy service decision-making tools. Development of renewable energy enhances energy security in the region, reduces strain on local economies from fossil fuel imports, and improves security of supply.

Program Partners: 1) Nexant, Inc. Contractor responsible for technical assistance, training, peer exchanges, SARI-Energy website, and resource center; 2) United States Energy Association. Grantee responsible for SARI-Energy partnerships which support regulatory reform, technical and managerial improvements in electricity transmission and management of distribution utilities, and stronger, better informed media and parliamentary engagement in the sector; 3) Winrock International. Grantee managing the SARI-Energy small grants program which builds relationships among non-governmental organizations in the subcontinent in pursuit of research and outreach on energy cooperation; 4) U.S. Chamber of Commerce. Grantee managing the South Asia Regional Energy Coalition, a grouping of national-level business associations which advocate and support sectoral reform, increased trade, and cooperation in the energy field; 5) U.S. National Renewable Energy Laboratory, U.S. Department of Energy. Assists in mapping wind, solar, and small hydroelectric resource potentials; location of viable sites; and training in various software tools.

FY 2006 Program: Expand and Improve Access to Economic and Social Infrastructure (\$2,252,000 DA). SARI-Energy is a key USG 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. During FY 2006, the SARI-Energy program will be fully engaged in Pakistan and Afghanistan. Initiatives in regulatory reform, capacity building, technology transfer, and renewable energy development started in FY 2005 will continue. Closer contact with energy professionals from other South Asian countries will be further developed. Support for new regulatory institutions will continue in Sri Lanka, India, and Bangladesh to further build strong foundations for energy trade and cooperation. Program partners: same implementers as above.

Performance and Results: USAID's economic growth program promotes regional cooperation in energy development and eventual trade in clean energy resources among South Asian countries. Energy is a requirement for economic and social development. Although rich in fossil and renewable energy resources, the countries of South Asia have very low per capita availability of energy. The region's potential clean energy resources - e.g. hydroelectric power and natural gas reserves - can only be fully developed through trade. Cooperating effectively to develop energy resources for mutual benefit will also attract considerable foreign investment and foster more rapid economic growth. Sri Lanka is now joining India as a participant in the wind power industry.

The seeds of regional energy cooperation and trade that the SARI-Energy program has been planting since 2000 are taking root. The South Asia Association for Regional Cooperation, established in 1985 by seven governments (Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka), began setting up its first-ever senior and technical-level energy committees in late 2003, and the seven heads of state signed off on an "energy ring" and harmonized energy efficiency standards for the region in the Islamabad Declaration in January 2004. The areas of technical support that SARI-Energy provides to the region closely mirror the prioritized topics that these committees focus on.

During the past year, the program assessed the socio-economic benefits of regional energy cooperation, highlighting electricity trade in three sub-regional groupings: 1) India-Nepal-Bhutan-Bangladesh; 2) India-Sri Lanka; and 3) India-Pakistan. Workshops to discuss these benefits were well received in all of the countries. Prefeasibility studies are underway on intra- and inter-regional options to trade natural gas.

SARI-Energy capacity building has helped to unbundle and commercialize utilities in Bangladesh and Sri Lanka, as utilities in those countries devolve into market-driven corporations and distribution reform proceeds.

A rural electricity distribution reform pilot concluded in Karnataka state in southern India focused on involving local governance bodies, and is now being replicated state-wide. SARI-Energy has established a regional rural energy training institutions network to help address the urgent need for capacity building in rural distribution. The successful Bangladesh model has been shared across the region.

A SARI-Energy proposal, based on shared experiences from India's energy efficiency policy framework, catalyzed approval of a half-million dollar energy efficiency fund in Sri Lanka by the Ministry of Power and Energy. The fund will encourage industry investment in energy-saving measures, filling an important need.

US Financing in Thousands of Dollars

ANE Regional

498-023 South Asia Regional Initiative for Energy	CSH	DA	ESF
Through September 30, 2003			
Obligations	75	18,811	28,156
Expenditures	75	7,205	22,936
Unliquidated	0	11,606	5,220
Fiscal Year 2004			
Obligations	0	7,500	0
Expenditures	0	0	0
Through September 30, 2004			
Obligations	75	26,311	28,156
Expenditures	75	7,205	22,936
Unliquidated	0	19,106	5,220
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2005 NOA			
Obligations	0	4,000	0
Total Planned Fiscal Year 2005			
Obligations	0	4,000	0
Proposed Fiscal Year 2006 NOA			
Obligations	0	2,252	0
Future Obligations	0	5,000	0
Est. Total Cost	75	37,563	28,156