



UNITED STATES
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USAID
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SOUTH ASIA REGIONAL

U.S. FOREIGN ASSISTANCE PERFORMANCE PUBLICATION

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FY 2009 FOREIGN ASSISTANCE GOALS

The economies of South Asia –where more than one-fifth of the world’s population resides – are booming, resulting in strong emerging global partners who are increasingly concerned about regional energy security to sustain current growth rates. United States foreign assistance through the South Asia Regional Program advances regional economic growth and increases energy security by promoting regional energy markets, adopting clean energy applications, implementing cross-border energy trade through power exchanges, and investing in clean energy resources. The U.S. Agency for International Development (USAID) South Asia Regional Program assists eight South Asian countries – Afghanistan, Bhutan, India, Nepal, Bangladesh, Pakistan, Sri Lanka, and the Maldives – in maximizing the full potential of national, regional, and global energy markets.

In FY 2009, the USAID South Asia Regional Program continued to engage country stakeholders towards promotion of cross-border energy trade between Central Asian and South Asian nations, Sri Lanka and India, and Nepal and India. Formation of regional energy markets was seen as an important means to drive trade, and hence targeted institutional support and capacity building measures were undertaken to ensure an informed decision making process on energy market systems and structures. U.S. foreign assistance enhanced regional energy security by providing technical advisory support towards advancement of two important crossborder power trade arrangements - the 500 megawatt (MW) Indo-Nepal Project, the 500 MW Indo-Sri Lanka Project, and the 1,300 MW Central Asia (Tajikistan and Kyrgyz Republic)-South Asia (Afghanistan and Pakistan) Project. A study was commissioned to evaluate the feasibility of interconnecting the power systems of various Maldivian Islands to ensure optimized use of their electricity resources. Resources of about \$4.3 million were leveraged from public and private sources in support of project development efforts.

USAID assistance also focused on strengthening national and regional energy market structures and systems aimed at harmonizing cross-border power transmission and trade policies. The program conducted a series of capacity-building training programs and international executive exchange events to expose relevant country participants to global best practices on energy market operations.

Programs discussed in this publication are funded through the U.S. Agency for International Development. The Department of State does not provide assistance to South Asia Regional.

Over 450 power sector professionals have been trained on market-based pricing, transmission operations, energy exchanges, and related policy and regulatory practices. For example, an exposure program on the Indian Energy Exchange business model was organized for a high-level delegation, comprised of various power sector institutions of Bangladesh, led by the Secretary of Power of Government of Bangladesh. Similarly, through a training workshop, the Nepal Electricity Authority was supported better to understand international best practices on Transmission Service Agreement relating to cross-border power trade.

Programmatic partnerships that advance energy security have been established with and between hundreds of energy enterprises to mainstream innovative practices and advance clean energy resource development. In Nepal, USAID mobilized technical support to the Alternative Energy Promotion Center to launch the Regional Center for Excellence in Small Hydro Power. In Sri Lanka, the Regional Center for Excellence in Energy Efficient Lighting under the Sustainable Energy Authority was supported to initiate relevant program activities. USAID supported the Sri Lankan Sustainable Energy Authority to deliver a workshop on financing and grid integration of wind energy projects in Sri Lanka. The workshop has translated into an increased understanding of the risks to the wind power projects and necessary mitigation measures by the energy planners and bankers in Sri Lanka, and they now understand the necessary upgrades to accommodate increased wind power capacity on the national grid and address risk factors. In India, USAID is collaborating with the Energy Management Center of the State Government of Kerala to set up a Center for Excellence that will focus on gender-sensitive energy issues through information dissemination, policy advocacy, and appropriate technology development.

Under a Small Grants Program, USAID supported 25 awards worth approximately \$350,000 to improve delivery of community-level energy services, particularly energy efficiency and renewable energy.