



**Ninth
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Reimagining South Asia in 2030

Parallel Session A1

Achieving Sustainable Energy for All in South Asia: Modalities of Cooperation

Presentation by

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CENTRE FOR POLICY DIALOGUE (CPD)
B A N G L A D E S H
a civil society think tank



Ninth South Asia Economic Summit [SAES-IX], Dhaka

**Achieving Sustainable Energy for All in South Asia:
Modalities of Cooperation**

Afghanistan- Transit country PLUS EXPORTER

Dhaka/ 16th October 2016

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Outline

I. Short Overview

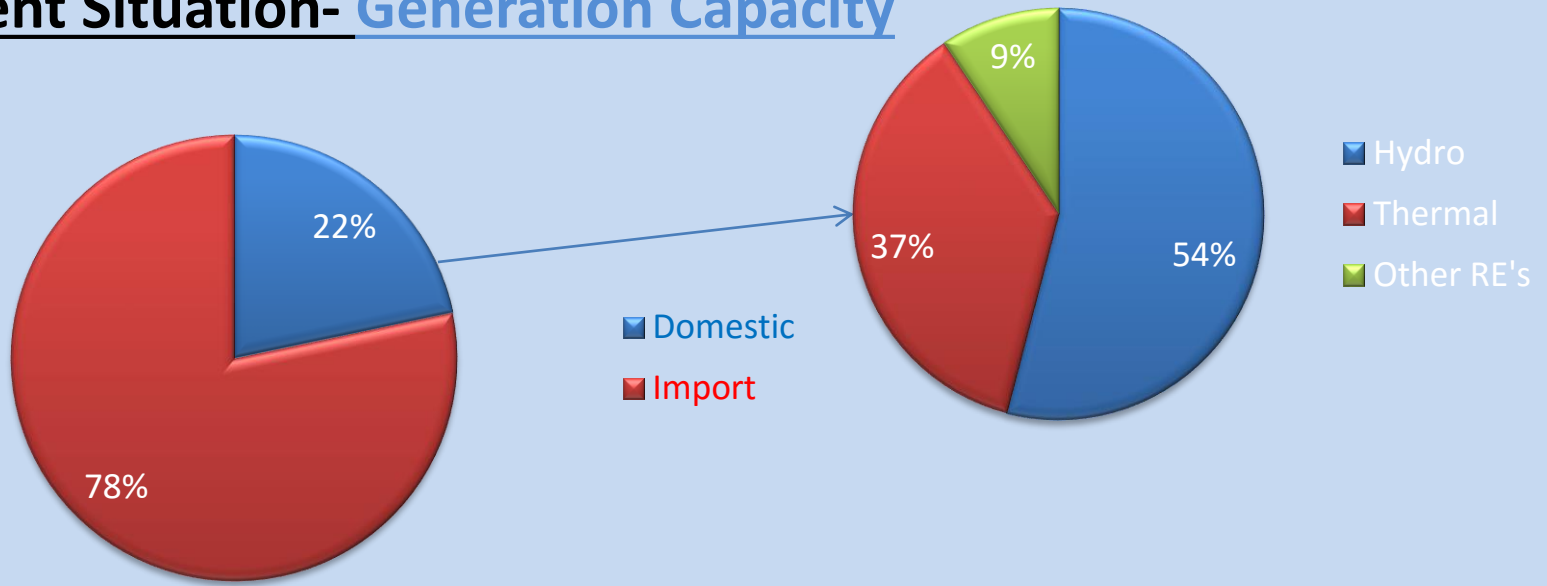
- Current Situation
- Domestic Potentials Afghanistan
- Development Plan of Afghan Government

II. JOINT Energy Projects and Regional Interests

- **Benefits** of JOINT ENERGY PROJECTS for Afghanistan and the region
- **Opportunities** for Afghanistan and the Region
- **Obstacles** for Afghanistan and the Region
- **Recommendations** – “Peace, Stability and Economic Growth through JOINT energy projects”

I. Short Overview Afghan Power Situation

Current Situation- Generation Capacity



- Total Connections rate : 32 % ; In rural areas < 10 %
- 90 % residential , only 6.7 % commercial customers

Source: Inter Ministerial Commission (ICE)- AFG

Afghan Power Generation - Potentials

✓ Hydropower	:	23,000 MW
✓ Solar	:	222,000 MW
✓ Wind	:	68,000 MW



- Only 1.4 % of hydro power potential used
- Solar and Wind almost 0%

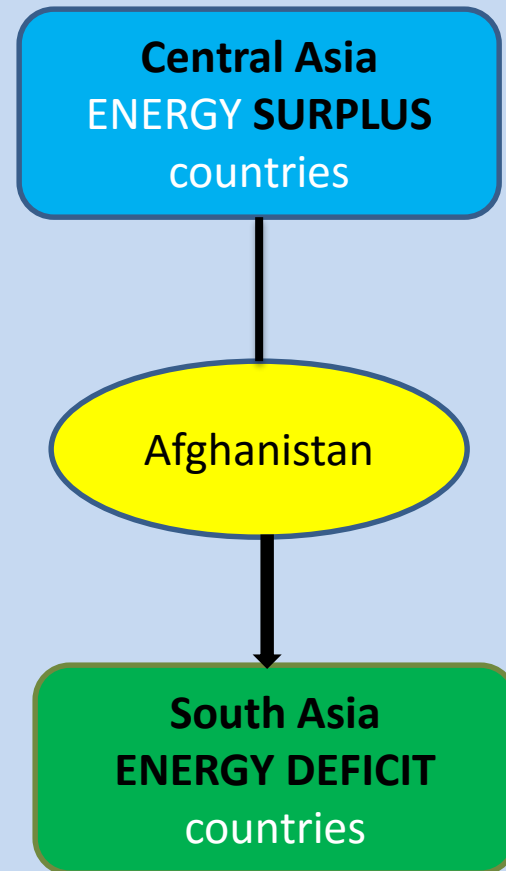
Afghan Power Development Plan up to 2032

		Investment optimized scenario [million USD]			
Overview on Investment type	Subtotal by project	Stage A [up to 2015]	Stage B [up to 2020]	Stage C [up to 2025]	Stage D [up to 2032]
Generation Development	7,329.6	327.6	348.5	981.5	5,671.9
Major Transmission Projects	1726.8	595.0	676.9	212.9	242.0
Transmission Development within the provinces	1,040.1	290.1	439.8	215.1	95.0
Total:	10,096.40	1,212.70	1,465.2	1409.5	6,009.0

Source: Afghan Power Sector Master Plan (2013)

- 65 % in rural and almost 100 % in urban areas will be connected to the grid
- Share of domestic generation will be 68 %

II. JOINT Energy Projects and Regional Interests



CASA-1000

Basis for Central Asia South Asia Regional Energy Market (CASAREM)

Objective:

- Supply of 1,000 MW power from Kyrgyzstan and Tajikistan through Afghanistan to Pakistan
- Additional 300 MW to Afghanistan (!!!!)
- Supply of Power for 5 months (summertime)
- Total Project Cost : 1.17 Billion USD
- Donors: World Bank (WB), Islamic Development Bank (IDB), European Investment Bank (EIB) and USAID
- ❖ Completion Date: 2020
- ❖ Latest: Bidding Process for Converter Station in Sangtuda (TAJ) and Nawshera (PAK) is launched

TUTAP

Turkmenistan-Uzbekistan-Tajikistan-Afghanistan-Pakistan Interconnection

Objective:

- Transmission of thermal and hydro power from Central Asia to Afghanistan and Pakistan
- Unification of the Afghan Power Grid , in order secure sustainable power supply to Afghanistan and Pakistan
- Total Project Cost : > 1 Billion USD

Donors: Asian Development Bank (ADB)

Current Status:

- ❖ Completion Date: 2020 (tentative)
- ❖ Realization depends on the outcome of negotiations between the involved countries.



KUNAR Hydro Power Projects

Energy and Trust

Option 1 : KUNAR A-Shal (789 MW/4,772 GWh, Projected Completion 2022, Cost = 2 billion USD]

Status:

✓ Feasibility Study completed in 2008

→ Upon completion (within 5 years), the project could contribute to domestic energy demand and also as additional supply source for transmitting of power to Pakistan

Option 2: 1,200 MW Joint-Energy-Project (AFG-PAK)

Status:

✓ Pre-Feasibility Study completed

✓ World Bank indicated willingness to support the process technically

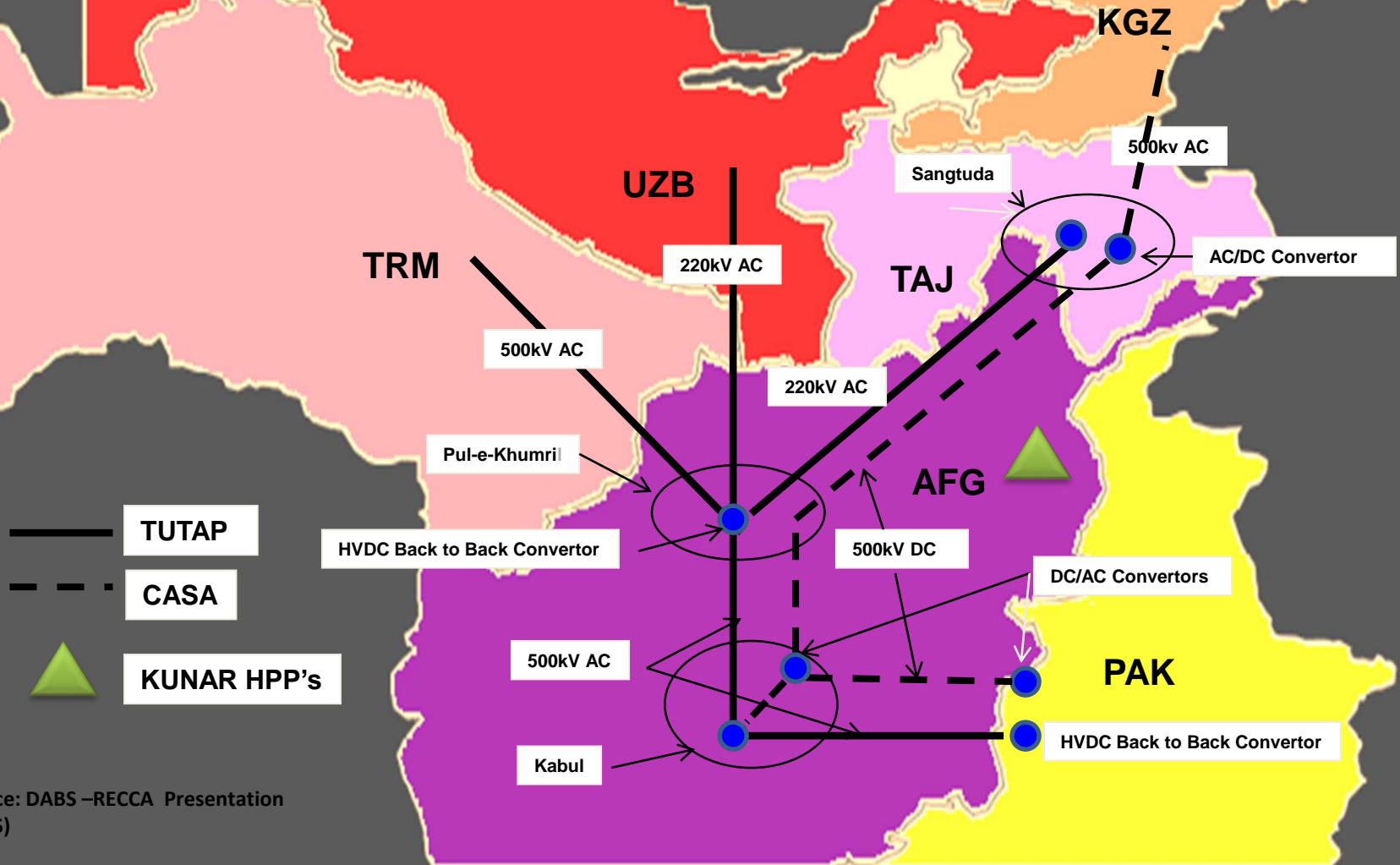
Benefits:

- Increase of AFG revenues and energy security
- Economic hydro energy supply to Pakistan
- Basis for “AFG-PAK”- trust building



Source: www.google.de- Watapur District, Kunar, AFG

CASA 1000 + TUTAP+ Kunar



BENEFITS of JOINT ENERGY PROJECTS for Afghanistan and the Region

Economic:

- **Generation reserves can be utilized more economically** in an interconnected regional system
- **Increase of revenues** for exporting countries and Afghanistan as transit country and later as an exporter
- **Decrease of power shortage** in importing countries and increase of revenue through cost efficient and eco-friendly energy supply
- **Less dependency** on cost intensive **petroleum products** for importing countries
- **Technology transfer** and **Human Resource Development** more possible and accessible
- **Enhancement of foreign investments**

Political:

- **Interdependency** among countries lead to more cooperation in other fields
- Existing and future conflicts between countries can be solved in a more peaceful environment and the light of common interests
- **Security improvement** through joint initiatives in the related fields
- **More trust of people in national governments** through provision of better services, which lead to **strengthening of the society and increased legitimacy of the government**

Social:

- **Better living conditions (health, education)** for the people through growth economic in the region
- **More Employment opportunities**, especially for young generation
- **Poverty Reduction** through GDP growth
- **Improvement of education and health** standards, due to increment of national budget
- **Cooperation between social society in the country and between CSO's** contribute to a peaceful environment and cooperation (student exchange programs, cultural events etc.)

Opportunities for Afghanistan and the Region

Pakistan

- **Economic growth** through energy transit and even export to neighboring countries
- **Cost efficient and reliable energy supply**
- **Less dependency on petroleum products** (currently 50 % of export earnings!)
- **Improvement of export opportunities of Pakistani products/ goods** through Afghanistan to Central Asia
- **Improved security and political stability** through provision of social services (education, health etc.) by the government
- **More efficiency in agriculture and industry** due to availability of financial resources

Afghanistan

- **Economic growth** through energy transit and even export to neighboring countries, especially Pakistan
- **Less dependency on foreign aid- self-reliance!**
- **Development of its infrastructure** (roads, railway network) through energy trade revenues
- **Development of a sustainable mining sector** through increased revenues and availability of infrastructure
- **Effective management of water resources** (increment of storage capacity) through available domestic resources
- **Improved security and political stability** through provision of social services (education, health etc.) by the government

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Central Asia

- **Economic growth** through energy export to Afghanistan and South Asia (Pakistan and India)
- **Access to Indian and Pakistani products / goods** in a more economic way, due to improved security situation
- **Further increment of revenues as transit route** from South Asian and also Iranian exports to Russia and Europe
- **Growth of other sectors, such as transportation and services** due to trade expansion

OBSTACLES for Afghanistan and the Region

+ Lack of

+ **Security** in Afghanistan and the Region

+ **Trust** between AFG & PAK and PAK & INDIA

+ Strong **Institutions** (governmental and non-governmental) and **facilitators**

+ **Human Resources**

+ Clear **Strategies** on national and regional level –
“Where are you?” & “Where we want to be?”

+ **Personalities** who act as “influencer” (DeGaulle or Andenauer in Europe during 1950s)

RECOMMENDATIONS

“ Peace, Stability and Economic Growth through JOINT energy projects”

Regional Level (Energy Office)

■ Establishment of an **“Regional Energy Office”** consisting of members of the national **“Energy Task Force”** teams of each country **in Kabul**

Thank you

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مننه

Katta Rahmat

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