

"Traveler, your footsteps are the road, nothing more; traveler, there is no road, you make the road by walking. By walking you make the road, and when you look back you see the path that you'll never walk again. Traveler, there is no road, only wakes in the sea." (Antonio Machado)

Where we are:

- The Afghanistan Energy Study has run its course at 3.5 years;
- Energy Survey and Diaries need to be completed, funding for remaining 2 studies has run out;

What Next:

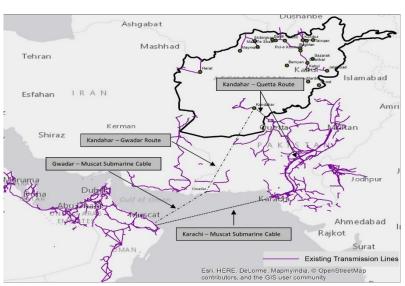
- Define a New Program over a 3-year period with issues and a budget;
- Potential funding sources: ESMAP and ASSIST program.
- Potential other contributors: ADB, GIZ

Issues That Remain....Three Broad Pillars

- Afghanistan's Energy Sector 2030 and beyond?
- Afghanistan's Energy Sector Institutional Reform
- Providing Modern Energy Services to Offgrid Areas

Afghanistan's Energy Sector 2030 and beyond?

- What happened to the Masterplan update?
- What next after CASA-1000, TUTAP, TAPI?
- How to leverage Afghanistan's vast renewable
 - energy resources?



Afghanistan's Energy Sector Institutional Reform

- Need to align the energy sector legal framework in line with new SOC/SOP law
- How to propel the development of the regulator?
- Firming up DABS' Governance Framework

Afghanistan's Energy Sector Institutional Reform: MOF-DABS Partnership

Agreement

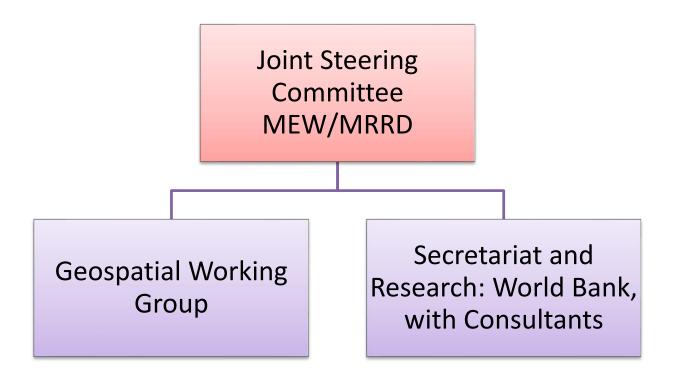
Target Number	Area of	Description of Deliverables/Targets in the Partnership Agreement	Responsibilit y	Target Date	2018	Year 2019				Year 2020				Year 2021			
	Reform				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1		Revision of the ARTICLES OF INCORPORATION of DABS in consultation with DABS' Shareholders, representatives from development agencies, experts and stakeholders by June 30, 2019	DABS	30-Jun-19													
2		Development of a series of benchmarks relating to power quality, reliability, efficiency, and all its administrative costs using international norms plus sanctions for non-compliance.	DABS	31-Dec-19													
3		DABS' financial accounts Audit Report will be without any disclaimers	DABS	31-Dec-21													
4		Development of a Tariff Methodology and Tariff Proposal which will ensure a tariff regime to fully recover the cost of DABS operations and investment plan. It will also include a mechanism to hedge against the fluctuating value of Afghan currency.	DABS	31-Dec-19													
5		Development of electrity tariff structure using acceptable industry standards, including developing the process for rate adjustment procedures.	Energy Regulatory Authority / MEW	31-Dec-20													
6		Adopting of the Tariff Methodology by Board of Directors and submission to the ENERGY REGULATION AUTHORITY	DABS	31-Jan-20													
7	Debt Restructuring	Conversion of \$1.86 billion DABS debt into equity of the MoF, conditional on performance improvement by DABS	MOF	31-Dec-20		Т		Г	П					Г			
8	HR Management	Review and revision of DABS's Organizational Structure to	DABS	31-Dec-19		Г								Т			
		meet the requirements of the new DABS' Business Plan Creation of transparency in recruitment processes through			\Box	Н		\vdash						Н			
9		effective and reliable mechanisms by i) improving recruitment procedures, ii) setting up a recruitment committee, iii) preparing a standardized interview questionnaire, and iv) recording interviews	DABS	31-Dec-19													
10		Development of staffing plan for DABS and formulation of clear job descriptions for all positions that are in exact conformity with the functional requirements of the positions.	DABS	30-Sep-19													
11		Implementation of the staffing plan including recruitment of new staff	DABS	30-Sep-20		Г								Г			
12		Establishment of a training center for training and building the capacity of staff in technical and vocational sectors	DABS	31-Dec-21													
13	Monitoring and Implementation	Subject to approval of the Board of Directors, establishment of General Project Management Office (General PMO) for effective management of projects being funded by ADB, the World Bank, and DABS 'Project Implementation Unit (PIU)	DABS	30-Jun-19													
14		Annual update of DABS Investment Plan by the Planning Department	DABS	31-Mar-19			Г										
15	Customer Services	Creation of dedicated fast track centers in Kabul with simplified procedures for provision of electricity services for large customers, in order to effectively manage their needs	DABS	31-Dec-19													
16		Creation of dedicated fast track centers in other MAJOR LOAD CENTERS with simplified procedures for provision of electricity services for large customers, in order to effectively manage their needs	DABS	31-Dec-21													
17	Communication	Setting up of a video conferencing system for better and effective communication between DABS' Headquarter and other zones, subject to availability of funding.	DABS	31-Dec-20													
18	Finance and Accounting	Integratation and expansion of the use of financial management software at the Headquarters and in the other MAJOR LOAD CENTERS (Subject to funding availability)	DABS	31-Dec-21													
19		Establishing of multi-disciplinary team at DABS, bringing together financial, engineering, legal and negotiations skills to optimize the management of import and IPP contracts.	DABS	30-Sep-19													
20 21	Reduction of	Installation of 60000 pre-payment meters in Herat province	DABS	31-Dec-21							20%		30%	F			50%
21	Commercial	Replacement of 20000 analogue meter with digital meters Sealing of 75000 meters	DABS	31-Dec-21 31-Dec-19	\vdash	\vdash	1	\vdash		\vdash	40%		40%	\vdash	Н	H	40%
23	Losses	Installation of 8600 bulk meters	DABS	31-Dec-19													
24	Reduction of	Detailed analysis of the T&D network system to determine the annual technical electricity losses	DABS	31-May-21													
25		Assessment of the level of losses in Transmission Grid and Sub-Transmission Grid	DABS	28-Feb-19													
26		Assessment of the level of losses in Medium Voltage Distribution Network	DABS	31-Jul-19													
27		Assessment of the level of losses at Distribution Transformers	DABS	31-Aug-19	Ш	Ĺ			Ш	L	L		Ш	Ľ			
28	Technical Losses	Assessment of the level of losses in Low Voltage Distribution Network	DABS	30-Sep-19	Ш	L							Щ	L			
29	1	Preparation of an investment plan to include measures to reduce technical losses	DABS	30-Nov-19		L				ш			Ш				
30	1	Preparation of implementation plan Identifying of financial resources for implmentation of	DABS	31-Jan-20 31-Mar-20	\vdash	\vdash	+	\vdash	H				Н	\vdash	Н	Н	
31	+	investment plan Award of at least one contract for implementation of	DABS	31-Mar-20 31-May-21	\vdash	⊬	+	\vdash	\mathbb{H}				Н	\vdash	Н	H	H
33	Revenue Collection	Clearing all of the outstanding debts of the GOVERNMENTAL ENTITIES owed to DABS, totally	MOF	31-May-21		r			H				H	H	H		
34		around AFN 4.9 billion Clearing all of the outstanding debts of the GOVERNMENTAL ENTITIES owed to DABS, totally around AFN 4.9 billion	MOF	31-Dec-19		T							H	T			
35		around AFN 4.9 billion Implementation of M-POWER PROGRAM in the entire country, subject to availability of funding.	DABS	31-Dec-19	\Box	T	T	Т		Т			Н		П		
36	Billing	Equiping of 300 meter readers with spot billing devices	DABS	31-Dec-19	Ħ	E				Ħ			Ħ				
		Establish SMS billing systems for 600000 customers and	DABS	31-Dec-19	1 1	1	1	1		1	1	1		1	1		1

Providing Modern Energy Services to Off-grid Areas

- Roles and responsibilities in the off-grid domain remain unclear, and so are the models of implementation;
- Extensions from transmission lines: GIS-based
 On-grid Electrification Plan that could be bid out.

What Stakeholder Framework Going Forward?

Original Framework under the AES -



What Stakeholder Framework Going Forward?

Approximate Current Framework under the AES -

Joint Steering Committee
MEW/MRRD with MOF/
DABS/Universities/Donors

Geospatial Working
Group: changing
composition based on
needs

Secretariat and Research: World Bank, with Consultants

What Stakeholder Framework Going Forward?

Proposed New Framework for Follow-on Effort -

Joint Steering Committee MEW/MRRD with MOF/DABS/Universities/Donors

Energy Sector Planning Working Group with GIS, PSSE, ETAP, and GAMS sub-groups Secretariat and
Research: World Bank,
ADB(?) with
Consultants