



Afghanistan: North-South Power Transmission Enhancement Project (Additional Financing)

Project Name	North-South Power Transmission Enhancement Project (Additional Financing)	
Project Number	46392-002	
Country	Afghanistan	
Project Status	Proposed	
Project Type / Modality of Assistance	Grant	
Source of Funding / Amount	Grant: North-South Power Transmission Enhancement Project (Additional Financing)	
	concessional ordinary capital resources lending / Asian Development Fund	US\$ 30.00 million
Strategic Agendas	Inclusive economic growth Regional integration	
Drivers of Change	Partnerships	
Sector / Subsector	Energy - Electricity transmission and distribution	
Gender Equity and Mainstreaming	No gender elements	
Description	<p>The additional financing will allow the construction of a fully equipped incoming line bay, including two reactors, at Dashte Alwan 500-kilovolt (kV) substation for the energization of the 500-kV overhead transmission line from Turkmenistan to Dashte Alwan. The additional financing will also cover cost overruns of the 500-kV transmission line from the Dashte Alwan substation in Baghlan to the Arghundy substation in Kabul and the 500-kV/220-kV substation in Arghundy, Kabul. The project supports the National Energy Supply Program of the Government of Afghanistan, with the strategic objective of developing domestic power generation from fossil fuels and renewable energy while increasing its power imports. Afghanistan also plans to develop a transit transmission system through the country to supply power from energy-rich Central Asian countries to consumers in energy-scarce South Asia.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>The Afghanistan Power Sector Master Plan (2012-2032) envisaged Pul-e-Khumri substation to be a hub for imports from Tajikistan, Turkmenistan, and Uzbekistan (actual project substation is Dashte Alwan, adjacent to Pul-e-Khumri). As these three countries were not operating in parallel mode, in 2014 the Government of Afghanistan decided to construct a 500-MW back-to-back high voltage direct current (HVDC) converter station so that Afghanistan could develop a unified AC grid while trading with its neighboring countries in asynchronous mode. However, the recent developments in the region such as Uzbekistan's changed policy on regional power trade and series of high-level meetings between the Governments of Afghanistan, Tajikistan, Turkmenistan, and Uzbekistan on regional trade development, led to Afghanistan's aspiration to join Central Asia Power System (CAPS). Subsequently, in October 2019, the Government of Afghanistan decided to cancel the 500-MW back-to-back HVDC converter station package.</p> <p>The technical assistance on the Regional Cooperation on Increasing Cross-Border Energy Trading within the Central Asian Power System reviewed the technical aspects of the cancellation of the 500-MW back-to-back HVDC converter station, especially in connection with the reactive power of the newly constructed 500-kV transmission line. The study found that reactors for energizing the 500-kV transmission line were no longer available as they were part of the cancelled back-to-back converter station package. Based on these findings, DABS prepared the scope for additional financing to allow energizing the 500-kV transmission line from Turkmenistan to Dashte Alwan.</p> <p>The Asian Development Bank (ADB) approved the \$216.00 million North-South Power Transmission Enhancement Project on 25 November 2013. The project was signed on 14 December 2013 and became effective on 10 March 2014. The grant closing date is 30 June 2021, with the expected project completion date on 31 December 2020. The project is co-financed by the Government of Japan (\$13.00 million) and the United States Agency for International Development (\$104.00 million) through the Afghanistan Infrastructure Trust Fund. ADB financing of \$99.00 million is provided through the Asian Development Fund. The expected output of the original project is a 500-kV transmission line from Baghlan to Kabul (Dashte Alwan to Arghundy), including a 500-kV/220-kV substation in Arghundy, Kabul.</p> <p>The North-South Power Transmission Enhancement Project and its additional financing will add 1,000-1,300 megawatts (MW) to the existing 300 MW of constrained transmission capacity between northern and southern Afghanistan. The new line will transmit electricity produced domestically by hydropower and fossil fuel generation in the country's northern region. It will also accommodate power imports from neighboring Tajikistan, Turkmenistan, and Uzbekistan to supply Afghanistan's domestic needs and onward exports to Pakistan. The impact will be increased regional power trade between Afghanistan and its neighbors, and a higher rate of electrification within the country. The outcome of the project will be an increased supply of power from the north of Afghanistan to its southern and eastern regions.</p>	
Impact	<p>Current Project Increased power trade between Afghanistan and its neighbors, and a higher rate of electrification within the country (National Energy Supply Program)a Overall Project Above impacts unchanged</p>	
Outcome	<p>Current Project Supply of power from the north of Afghanistan to the south and east increased Overall Project Unchanged</p>	
Outputs	<p>Current Project A 500-kV transmission line from Baghlan to Kabul (Dashte Alwan to Arghundy) commissioned, including a 500-kV/ 220-kV substation in Arghundy, Kabul Additional Financing Dashte Alwan substation upgraded</p>	
Geographical Location	Nation-wide	
Safeguard Categories		
Environment	B	

Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples
Stakeholder Communication, Participation, and Consultation
During Project Design
During Project Implementation

Responsible ADB Officer	Mukhamedova, Takhmina
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Energy Division, CWRD
Executing Agencies	Da Afghanistan Breshna Sherkat Chaman Houzouri, Kabul, Islamic Republic of Afghanistan

Timetable

Concept Clearance	10 Jun 2022
Fact Finding	06 Jun 2020 to 10 Jun 2020
MRM	05 Aug 2020
Approval	-
Last Review Mission	-
Last PDS Update	08 Jul 2020

Project Page	https://www.adb.org/projects/46392-002/main
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