Afghanistan: Energy Supply Improvement Investment Program Tranche 5

Project Name	Energy Supply Improvement Investment Program Tranche 5
Project Number	47282-008
Country	Afghanistan
Project Status	Proposed
Project Type / Modality of Assistance	Grant
Source of Funding / Amount	**Grant: Energy Supply Improvement Investment Program Tranche 5** concessional ordinary capital resources lending / Asian Development Fund — US$ 138.42 million concessional ordinary capital resources lending / Asian Development Fund — US$ 5.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development
Sector / Subsector	**Energy** - Electricity transmission and distribution
Gender Equity and Mainstreaming	No gender elements
Description	Tranche 5 subprojects are linked and sequenced with projects under all previous tranches of the MFF. Tranche 5 will extend and strengthen the national grid into two remaining eastern provinces with a population of nearly 1.2 million, roughly 4% of Afghan population. The Tranche 5 will construct transmission lines, substations and finance operations of the program management office in DABS. The proposed transmission lines would provide significant value addition to (i) evacuate power from multiple photovoltaic solar projects (under implementation and planned) in the region, (ii) provide sustainable power to multiple industrial parks in eastern Afghanistan, (iii) strengthen supplies from 100 MW Naghlu hydropower plant, and (iv) enable grid stability by interconnection with transmission lines in adjoining provinces. The project will: (i) construct a 95 kilometer 220-kV transmission double circuit line between Nangrahar provincial capital Jalalabad and Kunar provincial capital Asadabad; (ii) commission 2 X 40 megavolt-ampheres (MVA) substation in Asadabad; (iii) finance a 69 kilometer 220-kV single circuit transmission line between Ghazni provincial capital and Paktika provincial capital Sharana; (iv) construct 2 X 16 MVA substation in Sharana with construction of 2 bays in an existing Ghazni substation; and (v) strengthen planning and project implementation capacity in DABS.
Project Rationale and Linkage to Country/Regional Strategy	Numerous surveys have confirmed that after security, provision of sustainable and affordable energy supplies is the most pressing need of the Afghans. Of 34 provinces in Afghanistan, 19 are not connected to the power grid, which increases the cost of doing business, damages the environment, and impedes the achievement of sustainable development indicators. This further constrains growth opportunities; creates disparities in economic development; and fuels ethnic and regional tensions, insecurity, and discontent. The off-grid rural provincial populace pays nearly 3 to 4 times the cost of energy compared to urban grid connected consumers. For equity, it is imperative to supply grid power to all provincial capitals. The project will provide grid power supply to 2 provinces and will replace diesel powered generation with sustainable and affordable grid power. The project would extend access to additional grid-electricity to existing and new customers in the Kunar and Paktika regions, with a capacity to evacuate around 450 MW of power that could energize some 450,000 connections to existing and new consumers (residential, commercial and industrial) gradually being added by DABS in these two provinces.
Impact	Access to sustainable energy supplies across Afghanistan improved
Outcome	Supply of imported and indigenous power increased
Outputs	Transmission capacity in eastern Afghanistan expanded Power distribution capacity in Nangarhar province increased Planning and project implementation capacity of DABS strengthened
Geographical Location	

Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects	
Environmental Aspects	The environmental impacts are envisaged as site-specific and temporary. Those impacts can be mitigated through careful line routing, resilient design and by EMP implementation.
Involuntary Resettlement	No civil works will start until the LARP is fully implemented by DABS. The LARP implementation will be monitored semiannually with reports submitted for ADB's review.
Indigenous Peoples	The field survey found that no ethnic minority, as defined by SPS, is involved or affected.
Stakeholder Communication, Participation, and Consultation	
During Project Design	Being undertaken at project survey and preparatory phase.
During Project Implementation	Additional consultative meetings will be scheduled once detailed design of the project is completed.

Responsible ADB Officer	Aleem, Asad
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	-
Fact Finding	-
MRM	15 Oct 2018
Approval	-
Last Review Mission	-
Last PDS Update	25 Oct 2018

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