



AFGHANISTAN

Statement

By

Eng. Ali Ahmad Osmani
Minister of Energy and Water
Islamic Republic of Afghanistan

At

Second Asian and Pacific Energy Forum

April 4, 2018

IN THE NAME OF GOD THE MERCIFUL, THE COMPASSIONATE,

Your Excellency ... and distinguished participants in this important Forum,

Ladies and Gentleman,

First of all I would like to thank the host country Kingdom of Thailand as well as United Nation Economic and Social Commission for Asia and Pacific for their fruitful cooperation for this event and moreover also I would like to wish success for Second Asian and Pacific Energy Forum here in beautiful city of Bangkok.

This event will provide us a unique opportunity to share our ideas and experience on Meeting the Challenge of Sustainable Energy aiming at promoting regional cooperation for enhanced energy security and the sustainable use of energy in Asia and the Pacific.

Using this opportunity, I would like to provide you with a general overview on our country's baselines, achievements and challenges towards SDG7, some lessons that we have learnt and finally a specific recommendation to be more seriously focused on in global agendas and efforts towards meeting SDG7 targets.

Nearly 60 percent of the country's population are among those 1.1 billion that still have not access to electricity, despite all progresses during last decade, just 10 million out of more than 30 million are using electricity through a not synchronized power grid and 80 percent of country's power consumption are imported.

Considering these baselines, new policies, programs and initiatives have come to our national agenda towards attainments of sustainable energy development since 2015. Two main lines of strategies set to be followed are: First, balancing investments between power generation, transmission and distribution segments towards providing more population with access to reliable and affordable electricity and secondly, increasing the share of renewables in national energy mix to meet our sustainability measures.

Lack of infrastructures has been recognized as one of the main challenges of establishment of sustainable energy sector. Since 2002, international aids and

national budget have been the main financing sources of energy infrastructure developments which mainly spent in transmission and distribution networks aiming at increasing access to import power in capital Kabul and a few other major load centers. Based on our national energy infrastructure plans, unignorably there is a debilitating financial gap that hinders attainments of SDG 7 targets. This gap represents the amount of investment it would take to meet energy infrastructure demand in our ways towards vision set by SDG. Although studies based on different assumptions and scenarios arrive at slightly different figures, but all have shared one conclusion, this financial gap is huge and getting larger especially in power generation.

To meet this challenge, we have started a series of efforts to open the doors for private investments. Setting legal framework, institutional reforms and marketing and awareness programs helped us to start building Public-Private Partnerships and to welcome private investments in power projects. 230 MW of Independent Power Producers are started to be constructed or PPP agreements are to be signed in coming days, it will increase the country's power supply by 15% and many more private investments initiatives are in way.

Prior to 2015, we had just 1MW of utility scale solar power plant in all over the country, but now more than 120 MW solar power plants are under construction or in final procurement stage, out of which 40 MW are private IPPs, 20 MW will be financed by international aids and others will be financed through national budget and fortunately there are solar IPPs in pipeline to increase the share of renewables in the country's energy mix.

Ladies and gentlemen!

Working in one of the least developed countries which needs a lot to do towards sustainable energy development goal and it has been more than a decade that we are receiving international aids more than every other countries in the world, I would like to share very important lesson learnt.

In Afghanistan, development assistance (through bilateral or multilateral channels) continues to be an essential source for many energy investments, typically in the form of grants.

Lessons learnt from working with Multilateral Development Banks and development institutes which are providing financial resources to Afghanistan proved that off-budget projects and programs where they are working directly with non-governmental organizations and private sector, financial resources could be used more efficient and these kind of projects and programs are more successful than those in which aids spent through public budget.

Considering the challenges that International Development Organizations facing while working with the governments in least developed countries like where I come from, I would like to draw the attentions on how can we increase the share and contribution of non-Governmental organizations and private sector in development assistance programs provided by MDBs. Hopefully, we can discuss it more during this forum.

Thank you for the attention!