
RENEWABLE ENERGY DOMESTIC PRIVATE SECTOR ENHANCEMENT (RE-DPS) STEERING GROUP

Introduction

Ministry of Energy and Water (MEW)

MEW is the responsible Ministry for the development of the energy sector in Afghanistan. This includes the design as well as implementation of policies, strategies and sector plans. More importantly, MEW is tasked to encourage public and private actors to implement these policies and strategies, ensuring that the provision of energy satisfies the increasing demand of energy by population, industry including local enterprises, commerce and transport mainly in rural Afghanistan. Only one third of the population of Afghanistan has access to electricity. In larger urban areas the access rate is 70% of the households as compare to just 20% of the households in rural areas where three quarter of the population live. Frequent power cuts and rationing are an everyday occurrence. This hampers production capacity and the urgently needed economic growth. More than 85% of Afghanistan's energy needs, especially in the rural areas are met by traditional biomass, mainly wood, bushes and animal dung.

Afghanistan Chamber of Commerce and Industries (ACCI)

ACCI is an independent and democratic organization responsible for developing close co-operation between the public and private sectors with the aim of enabling businesses throughout the country. Currently, the Chamber represents over 90 % of the total Afghan work force. ACCI is headquartered in Kabul and operates 27 branch chambers in 25 provinces. ACCI provides over 65,000 entrepreneurs' or members in 255 business unions, association and cooperatives. This represent the majority of the total Afghan workforce.

Main tasks of the chamber are international trade promotion, investment, business advocacy, economic development, and general services to their members. The chamber also has a consultative function; this means the chambers must be consulted whenever a new law related to industry or commerce is proposed in the country by the public sector.

Afghanistan Renewable Energy Union (AREU)

AREU was established under ACCI in 2013 as a non-profit trade association representing private sector companies for promoting the use of renewable energy. AREU's mandate is to act as a lobbying union to establish Renewable Energy as a permanent pillar of a national energy industry by paving the way and assisting both national and international investors and union members in utilizing appropriate investment opportunities and guiding them using the national RE trade policies and procedures. AREU further exerts influence on development and securing suitable policy framework for stable growth through advocacy, conducting campaigns and providing equal opportunities for its members as well as representing the private sector in the national sector coordination meetings and negotiation events. AREU is currently represented by almost 70-member companies and its members are increasing.

The GIZ Energy Sector Improvement Program (GIZ/ESIP)

As successor of Institutional Development for Energy in Afghanistan (GIZ/IDEA) commenced its new phase in October 2018. ESIP overall program in Afghanistan is set to 1) Improve cooperation between key actors in the Afghan energy sector at centralized and decentralized levels; 2) The Afghan private sector has access to market-based quality standards and maintenance concepts for photovoltaic and solar thermal systems, including a marketing strategy; 3) basic training and

professional upskilling by public sector employers and university have been improved; and 4) municipalities in the Panj-Amu river basin have new technical and economic approaches for operating their renewable energy installation by Dec. 2022. The output 4 is mainly addressing climate change in Afghanistan through sustainable energy and ecosystem management, a co-funding program by European Union (EU) and the German Federal Ministry for Economic Development Cooperation (BMZ). GIZ/ESIP is working to identify possible locations/municipalities in the Panj-Amu river basin villages for MHP rehabilitation and PV installation.

Background

Afghanistan's energy sector suffers from low power generation capacity and both transmission and distribution systems are outdated, including those in power suppliers' territory such as Tajikistan, Iran, and Turkmenistan. Currently, only 39 per cent (as per DABS) of Afghans have electricity and most of them are urbanites. The Afghan electrical system primarily consists of seven isolated 'island' systems that mix grid-based power, micro-hydro or solar power stations. In rural Afghanistan, only 6 per cent of population have electricity and are mostly dependent on micro-hydro or solar. Meanwhile, several industrial parks in the country have no access to electricity or share the same national grid with residential in urban areas.

The vast bulk of the country's energy (78 per cent) is imported; this is while the country has ample potential for renewables including hydro, solar and wind power production. While hydro-power has potential, all of the country's river basins are trans-boundary and require agreements with riparian countries. Grid-based power—imported from Tajikistan and Uzbekistan, and run by the government owned Da Afghanistan Breshna Sherkat (DABS)—is not reliable, and power cuts are a near daily phenomenon, even in the capital. This is partially the product of poor operations and maintenance and lack of private investments.

Out of 183 countries, the World Bank's 2015 Doing Business Data ranked Afghanistan 1st in ease of access to electricity, yet this number does not sufficiently reflect reliability and capacity of local actors in providing it.

Therefore, enhancing Private Investments is a fundamental enabler to fill the gap. The poor state of Afghanistan's energy sector is detrimental to private sector activity, as most of the country lacks decent quality energy and qualified manpower, which hampers connectivity and inflates prices.

ESIP is determined to enhance the capabilities of the public as well as the private sector to act and make sustainable energy a reality for all, through this, help to eradicate poverty and lead to sustainable development and prosperity of the whole nation.

The Steering Group

Renewable Energy Domestic Private Sector Enhancement **RE-DPS Steering Group** is comprised of cross-sector partners representative of the relevant ecosystem that provides strategic direction for the Collective Impact initiative in enhancing private sector involvement in the energy sector of Afghanistan.

Purpose

The purpose of the **RE-DPS Steering Group** is to provide ongoing strategic direction for the support GIZ ESIP is providing to AREU and the above-mentioned initiatives. The group will focus on:

- Vision & Strategy setting for AREU
- Monitor execution of strategy, results and deliverables
- Communicate with other sector Stakeholders and partners
- Oversee implementation of agreed activities
- Create a dialogue between other partners including MoF, ANSA, MRRD, DABS and beyond to generate and execute solutions.

Objective

The goals and objectives of the **RE-DPS Steering Group** are as follows:

- Increased awareness at all levels regarding the business case
- Increased retention and advancement of AREU
- Improved membership benefits in AREU
- Improved investment opportunities in the energy sector of the country
- Improve access to finance opportunities and attract more investment

Responsibilities

The Steering group will provide a stabilizing influence so organizational concepts and directions for AREU are established and maintained with a visionary view. Members of the Steering Committee ensure the concerns of the private sector are adequately addressed and a collaborative support is enhanced and the status quo of the activities remain under control. In practice, these responsibilities are carried out by performing the following functions:

- Monitoring and review the status quo of activities at regular Steering group meetings every two months
- Hire a manager to and achieve the agreed objectives and implement the activities
- Providing assistance to the manager when required
- Reviewing scope of activities ensuring that scope aligns with that of the original Module objectives, indicator 2 of GIZ ESIP program and targets key stakeholder groups
- Resolving conflicts and disputes, reconciling differences of opinion and approach
- Formal review of project deliverables
- Monitor AREU performance ensuring equal and improved member services are provided

Structure

The **RE-DPS Steering Group** will be consisting of four partners led by **Ministry of Energy and Water**.

The members are:

POSITION	ROLE IN RE-DPS STEERING GROUP
MINISTER, MEW	Chair
DEPUTY MINISTER, MEW	Co-Chair
CEO, POLICY & TECHNICAL AFFAIRS, ACCI	Member
DEPUTY CEO, POLICY & TECHNICAL AFFAIRS, ACCI	Co-Member
CHAIRMAN, AREU	Member
DEPUTY CHAIRMAN, AREU	Co-Member
PROGRAM DIRECTOR, GIZ	Member
DEPUTY PROGRAM DIRECTOR, GIZ	Co-Member
AREU MANAGER -CEO,	Member (facilitator)

Role of a Steering Group members

Steering group members are not directly responsible for managing activities, but provide support and guidance for those who do. Thus, individually, Steering group members should:

- Be genuinely interested in the initiative and be an advocate for broad support for the outputs
- Understand the strategic implications and outcomes of initiatives being pursued through outputs indicated
- Appreciate the significance of the support provided by GIZ ESIP and represent their interests



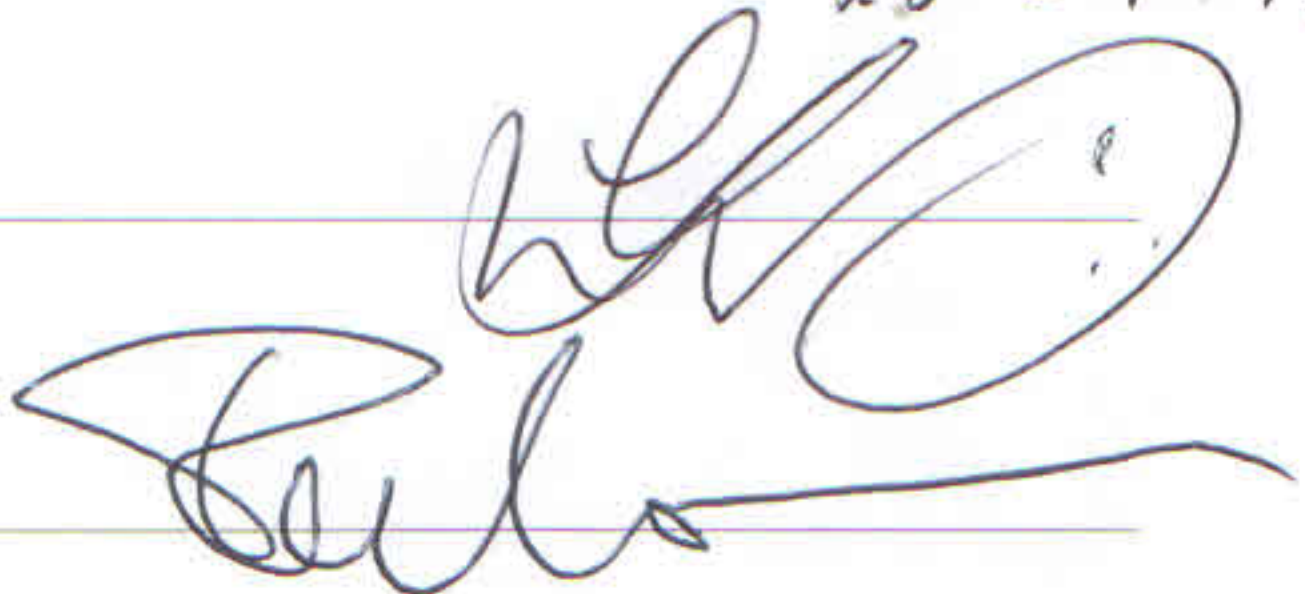
Steering Group Meetings

There will be up to 3 steering group meetings until Dec 2019 and the followings will be considered accordingly:

- A quorum will consist of a minimum of 3 members (from different organizations) and the chair or co-char
- Members will be subsequently called for meeting two weeks ahead
- AREU manager will organise and schedule the meetings
- AREU manager will prepare the meeting agenda and disseminate it to all members for comments before the meeting
- AREU manager will provide a report and present the status quo of the activities in each meeting
- There will be an agreed meeting minute disseminated after each meeting prepared and deiminated by AREU manager

Declaration of Acceptance

This document will act as an agreement among the four partners including MEW, ACCI, AREU and GIZ. The signatures of the group members indicate they confirm the acceptance of this agreement and will adhere to it from this date accordingly.

Name and Date	Signature
SHAFIQULLAH - ATAYEE,	 19-07-19
Kasrat Khan Gadhis	 28-04-98
Khulmi 28/4/1398	
Frank Fecher 28/4/1398	