Terms of Reference
Capacity Building Support to Afghanistan Renewable Energy Union (AREU)

Project: Capacity Building Support to Afghanistan Renewable Energy Union (AREU)
PN: 2015.2000-6-001.04

1. Background

The Government of Afghanistan is increasingly laying emphasis on utilizing Afghanistan's domestic energy resources to increase its power generation capacity. The objective is to become self-reliant in electricity supply and reduce dependence on imported power, which currently constitutes about 70% of the total electricity consumption in the country.

The Ministry of Energy and Water (MEW) governs the power sector in the country. It is responsible for formulating policies, strategies and plans for the development of power sector and implementation of these. It thus takes a vital role for the sustainable development of the power sector in the country.

The installed generation capacity in Afghanistan is only about 500 MW, which is largely based on hydro and diesel generation. The present power demand is largely met by importing power from the neighboring countries i.e. Uzbekistan, Tajikistan, Turkmenistan and Iran.

The country has about 1.2 million consumers and the per capita consumption of electricity is about 195 kWh, which is low as compared to South Asia average of 667 kWh and global average of 3,100 kWh in 2012. The level of electrification in Afghanistan is presently about 35%. The Government aims to take it up to 65% over the next 5 years.

GIZ, the international development agency of Germany, is supporting the Government of Afghanistan in a number of areas. An Afghan-German Cooperation Programme titled “Institutional Development for Energy in Afghanistan” (IDEA) has been designed, which is supporting the MEW for institutional capacity development for public institutions and private sector companies and organizations. The key areas of support include institutional development, capacity building, creation of appropriate legal and policy framework and good governance.

2. Brief Description of the Assignment

The Government of Afghanistan is increasingly promoting private sector participation for setting up both conventional and renewable power projects to significantly enhance the country’s generating capacity.

Afghanistan has huge power generation potential. The salient details of the power potential are as follows:

- 23,000 MW of hydro power potential across various sites in the country – 125 sites have been identified for Mini Hydro Projects (MHPs), with potential of over 600 MW.
- 3,000 – 4,000 MW of gas-based power generation potential – Pre-feasibility Studies and Site Identification made (done) for 100 MW.
- 66,000 MW of wind power generation potential – 31,600 km2 windy land area i.e. 5% of the total land area of Afghanistan.
- 222,000 MW of solar power generation potential – 300 sunny days (in) a year and annual average insolation of about 5.5 kWh/m2/day.

- 4,000 MW of bio-mass power generation potential – more than 85% of Afghanistan's energy needs are met today by traditional biomass, mainly wood and dung.
- 3,500 MW of geo-thermal power generation potential – power plants could range from 5 to 20 MW.

A number of power projects have been identified for development and it is proposed to invite the private sector to develop these projects. The projects are proposed to be allotted to the private power companies through both the nomination route and the competitive bidding route. Both solicited and unsolicited projects can be awarded after evaluation of the proposals and tariff negotiations.

The Afghan Renewable Energy Union (AREU) was established under the ACCI (Afghanistan Chamber of Commerce and Investment) in 2013 as a non-profit trade association representing Afghanistan renewable energy stakeholders for promoting the use of renewable energy. AREU is currently represented by over 50 member companies with and its membership (is rapidly) increasing rapidly. AREU is the union of active renewable power companies in Afghanistan.

AREU helps its members to build (commercially and environmentally) sustainable renewable energy projects in Afghanistan commercially and environmentally. The assignment will focus on building capacity in AREU to promote the development of renewable power projects in Afghanistan. The support will include setting up an information desk in AREU for the private sector and developing (development of) a five-year strategy for AREU.

3. Objectives

The key objectives of the assignment are:

- Enable AREU to so that it can provide relevant information to the private power companies regarding policy framework and approval processes.
  - Develop a five-year strategy for AREU.
- Develop skills for the analysis of data from the energy sector for the client's use.
- To ensure AREU/private sector is well-trained on PV project(s) design and event management.
- Develop the technical capacity of AREU.
- Ensure AREU members are equipped with the latest knowledge on PV project management methodologies/mechanisms.
- Recommend tax concessions for RE power projects including Custom Duty concessions for advocacy by AERU with the Government of Afghanistan.

4. Scope of Work

The consultancy firm will be responsible for the following tasks/activities for AREU:

Setting up an Information Desk in AREU:

(i) Educating AREU on broad policy framework for setting up power projects in Afghanistan.

(ii) Preparing various information materials in the form of brochures/flyers/pamphlets and other related information documents for the private power companies.

Developing a five-year strategy for AREU:

(i) Preparing a five-year strategy for AREU that would include laying down its goals and objectives and the means to achieve (the same) these .
(ii) Preparing an Implementation Plan for the five-year strategy of AREU.

Capacity Building of the **AREU Staff:**

Capacity Building of the AREU Staff in the following areas:
(i) Data gathering, compilation and analysis.
(ii) PV project(s) design
(iii) Latest knowledge of PV project(s) management methodologies/mechanisms.
(iv) Preparation of information brochures/documents.
(v) Event management.

Studying existing tax provisions for power projects in Afghanistan:
(i) Studying existing tax provisions in Afghanistan for RE power projects such as: (a) Income Tax, (ii) Custom Duty for RE power plant equipment etc.; and making a comparative study with the provisions in other countries in Central Asia and South Asia.
(ii) Recommending tax concessions for RE power projects in Afghanistan that AERU can advocate to the Government of Afghanistan to attracting private sector investments.

5. Deliverables/Outputs/Timelines

The consultancy firm would be expected to submit the following key deliverables, at the minimal:

Sl. No.	Deliverables	Time Lines (Weeks after commencement of Project)
1	An Inception Report which would include: (i) Approach and Methodology, (ii) Tasks/Activity Plan for completion of the Assignment.	2
2	Report on broad plan for setting up the information desk in AREU.	4
3	Report on five-year strategy for AREU.	6
4	Implementation Plan for five-year AREU strategy	8
5	Information material in the form of brochures/flyers/pamphlets and other related information documents for the private power companies.	6
6	Capacity Development Plan for AREU staff	6
7	Report on capacity building carried out for the AREU staff	12
8	Report comparing tax provisions for RE power projects in Afghanistan with the other countries in the region and recommendations on tax concessions.	12

6. Coordination and Reporting

The consultancy firm will report to the assigned team of GIZ-IDEA and AREU.

7. Contract Duration

The assignment will have duration of 12 weeks, starting from Aug, 2017 and ends on 31 Oct 2017.

Experts	Total *Working* days	Total Onsite days
Team Leader	60	42
Strategy Development Expert	60	56
Capacity Development Expert	60	70

8. Location/Duty Station

AREU, Kabul, Afghanistan.

9. Experience and Qualifications

The assignment requires deep knowledge and understanding of renewable energy, business promotion by trade bodies, capacity building. Investment promotion by the private sector, solar PV technologies etc.

As all of the above may not be available with a single individual, it is proposed that the assignment is delivered by a firm which can bring on board a group of professionals with the experience of private sector promotion in the energy sector.

The assignment is proposed to be delivered by a team of 3 professionals having the following qualifications and experience:

Sl. No.	Position	Academic Qualifications	Experience
1	Team Leader	Engineering Degree or Post Graduate Diploma in Business Management (MBA)	At least 15 years of experience in private sector business promotion out of which at least 5 years have been is relevant to the private power development for RE projects. Experience of having worked in trade promotion bodies would be an added advantage. The Team Leader will be expected to work on-site for at least 6 weeks out of the total project duration of 12 weeks.
2	Strategy Development Expert	Engineering Degree or Post Graduate Diploma in Business Management (MBA)	At least 10 years of relevant experience in Renewable Energy Sector out of which at least 5 years should be in business planning and strategy development. Knowledge of the functioning of trade bodies is preferable. The Strategy Development Expert will work on-site for at least 8 weeks during the total project duration of 12 weeks.

Sl. No.	Position	Academic Qualifications	Experience
3	Capacity Development Expert	Engineering Degree or Post Graduate Diploma in Business Management (MBA)	At least 10 years of relevant experience in capacity development out of which at least 5 years should be in PV Projects design. Latest knowledge of PV projects management methodologies/mechanisms is mandatory. In addition, experience in the preparation of information brochures/documents and event management would be preferred. The Capacity Development Expert will work on-site for at least 10 weeks during the total project duration of 12 weeks.

The team members will need to be fluent in English. Knowledge of Dari or Pashto will be an added advantage. They will need to have good and standardized report writing skills besides excellent coordination, communication, moderation and reporting skills. Previous work with MEW will be considered as an extra asset. Time is of the essence and the Consultant will be expected to meet the project deadlines.

10. Other provisions

(i) Joint venture with an Afghan company would be encouraged for Technical and Logistic support.
(ii) The Consultant would be required to be flexible to accommodate changes asked by Energy DM and GIZ-IDEA.
(iii) Copy-pasting of the systems, policies, guideline from the documents of other countries is strictly prohibited and may lead to serious consequences including cancellation of the contract.
(iv) Consultant is expected to coordinate directly with GIZ-RMO for risk management.
(v) The Evaluation will be based on Technical and Experience background.