



THE WORLD BANK

Working for a World
Free of Poverty

NEWS RELEASE

Contact:

In Kabul Abdul Raouf Zia

Phone: 0700 280 800

Email: azia@worldbank.org

Agreement signed in Kabul on electricity transmission project that connects Central Asia with South Asia

Kabul November 19, 2007 – An agreement was signed in Kabul on November 16 to implement a US\$500 million electricity connection between Central Asia and South Asia. In its first stage, the project would transfer around 1300 Megawatts of electricity from Tajikistan and Kyrgyz Republic to Pakistan and Afghanistan. Central Asia has abundant hydropower resources and seasonal energy surpluses that can provide lower cost power to Pakistan and Afghanistan.

The third conference of the Central Asia South Asia Regional Electricity Market (CASAREM) took place in Kabul from 14-16 November 2007. This followed earlier conferences held in Dushanbe and Islamabad. Participants at the Kabul meeting reviewed reports on the technical and economic feasibility and institutional aspects of the project which had been prepared with support from the Asian Development Bank and the World Bank.

At the end of their three day meeting, CASAREM member countries: Kyrgyz Republic, Tajikistan, Pakistan and Afghanistan made key decisions to move ahead with the project, which could ultimately trigger much larger development of energy resources of Central Asia and expanded electricity trade with South Asia.

Through a Memorandum of Understanding signed at the end of conference, all four countries confirmed the feasibility and scope of the project which would comprise a 750 km High Voltage Direct Current (HVDC) transmission system between Tajikistan and Pakistan via Afghanistan; a DC-AC converter station in Kabul; and an AC transmission link between Kyrgyz Republic and Tajikistan to supply Kyrgyz electricity to South Asia via Tajikistan; and the overall institutional framework for this electricity trade to take place. In this regard, the parties agreed to establish an Intergovernmental Council (IGC) which will provide the policy oversight and a Secretariat under the IGC to shoulder the day to day responsibility of developing the project further; and to establish the Secretariat in Kabul.

International financial organizations such as the Asian Development Bank, Islamic Development Bank and the World Bank have been approached by CASAREM countries to consider financing this project. The World Bank welcomes the initiative and sees this as a step forward in deepening regional integration and cooperation in the interests of all the countries.

“The agreement of the four countries to implement this project is a major step towards connecting South Asia to the low cost, clean energy resources of Central Asia,” said **Alastair J. McKechnie, World Bank Country Director for Afghanistan**. *“We expect the project to generate revenues for the poorer Central Asian countries, reduce energy shortages by providing lower cost power to Afghanistan and Pakistan, and to generate significant economic gains for Afghanistan. The project demonstrates the mutual benefits that the countries can achieve by working together to further their economic interests”*

For more information on the Bank’s work in Afghanistan, please visit <http://www.worldbank.org.af>