

Renewable Energy Workshop – From Green Dream to Economic Driver

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Yesterday, a workshop on encouraging private investment in the energy sector took place in Kabul. Around 160 participants, including women, discussed challenges and opportunities in attracting private financing and long-term investment for renewable energy. Participants consisted of representatives from the Ministry of Energy and Water (MEW) and other ministries as well as representatives from the Afghanistan Renewable Energy Union (AREU), the Afghanistan Chamber of Commerce (ACCI), and private sector stakeholders. The Afghan-German Cooperation's Energy Sector Improvement Programme (ESIP) supported the event.

AREU Board member Khan Tadbir stated, 'AREU is experiencing a new phase and is seeking growth opportunities to direct the union toward sustainability and to bridge the existing gaps.' He added, 'today is a great chance for AREU and its members to build their network and strengthen their knowledge.'

In a panel discussion, the participants discussed the main challenges in the energy sector, including access to finance, determining tariffs and investment opportunities. They then gave suggestions for planning the future development of the energy sector, including cooperation between private stakeholders and ministries as well as generating more investment. The topics discussed and presented by AREU also included AREU's activities and services, and how AREU supports its members through consultation, promotion, advocacy and lobbying.

Collaboration between ministries and the private sector is key to achieving the Afghan government's aim of contributing at least 5,000 MW of renewable energy to the national grid by 2032. Not only is renewable energy a sustainable power source, but it is key for economic growth. Private investment provides jobs and reduces poverty, while MEW aids private sector involvement by developing policies and laws related to energy.

MEW and AREU signed an agreement on how to encourage private stakeholders to invest in renewable energy. It explains how to develop standards and policies according to the National Electricity Regulatory Authority (NERA), which regulates commercial organisations in the energy sector. It also focuses on the partnership between MEW and AREU for activities such as setting tariffs and issuing licenses. It includes ways of increasing access to renewable energy opportunities and facilities, for example through policy development. Finally, it lays down a framework for capacity development and exchange of experience between MEW and AREU.

The event aimed at establishing a dialogue for the opportunities and challenges related to engaging the private sector in the renewable energy sector. It served as a platform to network and link renewable energy companies with government agencies, insurance companies, financial institutions and donor organisations. This facilitates the exchange of expertise and knowledge as well as the access to finance for renewable energy projects, all of which will help develop the industry.

On behalf of the German Ministry for Economic Cooperation and Development (BMZ), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH implements the Afghanistan Energy Sector Improvement Programme (ESIP). ESIP aims at promoting renewable energy generation and energy efficiency in Afghanistan to boost economic growth and protect the environment. To achieve this goal, ESIP closely cooperates with key actors at national and provincial level to establish an institutional

framework that enables a reliable energy supply. It also supports the private sector in adopting market-based quality standards and maintenance concepts for photovoltaics and solar thermal energy to attract investments. At the same time, ESIP implements capacity-building activities for staff in the public and private energy sectors and at universities.

Link: <https://www.ez-afghanistan.de/en/news/renewable-energy-workshop---green-dream-economic-driver>