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**SHEBERGHAN GAS FIELD DEVELOPMENT  
PROJECT (SGFDP)**

**SHEBERGHAN  
PROJECT MANAGEMENT UNIT  
TERMS OF REFERENCE  
AND  
STRATEGIC PLAN**

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Sheberghan Gas Field Development Project (SGFDP)  
USAID Contractor



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## I. ABBREVIATIONS

ADB	Asian Development Bank
AEAI	Advanced Engineering Associates International, Inc.
AEIC	Afghan Energy Information Center
CCN	Cooperating Country National
DABS	Da Afghanistan Breshna Sherkat
EITI	Extractive Industries Transparency Initiative
GoIRA	Government of Islamic Republic of Afghanistan
IPP	Independent Power Producer
IT	Information Technology
MoF	Ministry of Finance
MoM	Ministry of Mines
MEW	Ministry of Energy and Water
PIU	Project Implementation Unit
PMU	Project Management Unit
SGFDP	Sheberghan Gas Field Development Project
STTA	Short Term Technical Assistance
SWG	Sheberghan Working Group
USAID	United States Agency for International Development

## II. EXECUTIVE SUMMARY AND PROJECT OBJECTIVES

The Sheberghan Project Management Unit (PMU) has been established under the USAID-funded Sheberghan Gas Field Development Project at the Ministry of Mines. The goal of the Sheberghan PMU is to coordinate and track activities related to the gas fields near Sheberghan, including associated infrastructure and to function as an information clearing house. The PMU will be responsible for coordinating daily activities and will provide information and requested guidance to the Ministry of Mines, donors and other stakeholders on all aspects of Sheberghan gas and related infrastructure projects.

Capacity building is also a major component of the PMU. Accordingly, the PMU will design and implement systematic training workshops and capacity building programs to boost the capabilities of Afghan nationals in key positions throughout the Ministry of Mines and to support the corporatization process for Afghan Gas Enterprise.

The PMU, in close collaboration with the Ministry of Mines, will work with international donors and other stakeholders to develop the gas fields around Sheberghan to support a variety of projects that will utilize the gas including regional residential and industrial customers, the Northern Fertilizer and Power Plant, and a gas-fired thermal power plant, in the form of an IPP, near Sheberghan.

The PMU will work with the Government of the Islamic Republic of Afghanistan (GoIRA), international donors and financial institutions to identify issues and risks and develop mitigation strategies to support private investment in the development of the gas fields and in industries that utilize the gas, including the thermal power plant. Active effort at risk mitigation will be required in all phases of the projects and will take close coordination with donors and the GoIRA to develop strategies to keep the projects running smoothly.

The PMU will integrate capacity building programs for its local staff to assure project sustainability, knowledge transfer and a skilled Afghan workforce. This process will include a plan for “Afghanization” of the PMU to mentor and train Afghan nationals to replace expat staff in key positions.

The PMU will therefore have the following project objectives:

- ❖ Information gathering and dissemination: Serve as an information and data gathering clearing house for the Ministry of Mines, international donors and financial institutions and other stakeholders for information regarding the Sheberghan gas fields and associated projects that utilize the gas;
- ❖ Stakeholder consultation and coordination: Serve as a coordination body to synthesize donor and financial institution activities related to the utilization of the Sheberghan gas fields; including identification of critical infrastructure, funding gaps, and project risks and coordinating an effective response;

- ❖ Gas Market Development: Work with stakeholders to encourage the development of domestic residential and industrial markets that utilize the gas produced from the Sheberghan gas fields
- ❖ Capacity building and project sustainability: Integrate capacity building efforts into all facets of the PMU; including the replacement of key expat staff by nationals in the next three years, development of training modules and programs by existing expat staff and consultants, and targeted capacity building to facilitate the corporatization of Afghan Gas Enterprise.

The PMU will report to the Ministry of Mines' Policy and Planning Department and will be physically located at the offices of the Afghan Geological Survey.

The Strategic Plan for the Project Management Unit is included in this document. This is intended to be a living document and should be reviewed on a quarterly basis to ensure that it meets the needs and objectives of the Ministry of Mines. The Operational Plan for the Project Management Unit will be drafted after June 1, 2011.

### **III. SHEBERGHAN PMU'S OVERALL RESPONSIBILITY**

- Track, prioritize and coordinate all Sheberghan gas and related infrastructure activities with the Ministry of Mines (MoM), Ministry of Finance (MoF), Ministry of Energy and Water (MEW), Da Afghanistan Breshna Sherkat (DABS), and other Government of the Islamic Republic of Afghanistan (GoIRA) agencies, donors, and multilateral financial institutions regarding financing and scheduling of the proposed projects and to assure synergy, minimize overlap and avoid duplication. The activities include but are not limited to gas-well development, rehabilitation of the Northern Fertilizer and Power Plant and construction of a gas-fired thermal power plant in the form of an Independent Power Producer (IPP), near Sheberghan.
- Serve as the main conduit for all data and information associated to Sheberghan gas and related infrastructure activities. The PMU will work closely with the Afghan Energy Information Center (AEIC) to coordinate data gathering and dissemination efforts.
- Assist MoM in developing projects/programs to further develop the gas fields and related infrastructure.
- Design, develop, and integrate capacity building programs that assure project sustainability, knowledge transfer, and a skilled Afghan workforce.
- Provide technical expertise and prepare required technical documentation for such purposes as tender offers, terms of reference for field oversight, bid evaluation, and tender advertisements for procurement, installation, and commissioning of equipment for both gas and power. Power related activities will be conducted in close consultation/collaboration with the MEW and DABS.
- Conduct technical, financial/economic, and environmental impact assessments of gas and power related infrastructure on an as-needed basis through resident experts, when possible, or through technical assistance contracts
- Develop short, medium, and long-term work plans for Sheberghan gas and related infrastructure.
- Provide legal/regulatory support with respect to gas and power related contracts/agreements to MoM, MEW, and DABS.
- Serve as the secretariat to the Sheberghan Working Group (SWG).
- Track project activities and the PMU work plan in order to proactively coordinate project progress, identify and manage risks, and provide timely reports to all stakeholders.
- Ensure that the tendering process is compliant with the Extractive Industries Transparency Initiative (EITI).

#### IV. SHEBERGHAN PMU SUPPORT FUNCTIONS

Support functions such as financial administration, procurement & disbursement, information technology (such as internet and video conferencing), and other related functions will be provided by the MoM's Project Implementation Unit (PIU).

#### V. KEY PERSONNEL

The strategy for ensuring sustainability of skills and talents for the PMU is to coach and mentor Afghans for each of the key positions as twins to the expats. The aim is to decrease the number of expats by 50% by the beginning of 2012 and have no expats in key positions by 2013—only subject matter experts will be utilized on an as-needed basis. This strategy requires a firm commitment from the Afghan counterparts at the MoM and other Afghan Government institutions to provide talented, energetic, and enthusiastic individuals who will be able assume these important roles in a year or two. The following table lists the key positions:

	<b>Position</b>	<b>Full-time/ As-needed</b>	<b>Expat/CCN</b>
1	<b>PMU Director</b>	Full Time	Expat / CCN*
2	<b>Gas Development Specialist</b>	Full Time	Expat & CCN
3	<b>Power Sector Specialist (gen/trans/dist)</b>	As-needed	Expat & CCN
4	<b>Energy Sector Legal and Regulatory Specialist</b>	Full Time	Expat & CCN
5	<b>Commercial and Financial Specialist (STTA)</b>	As-needed	Expat**
6	<b>Gas Business Development Specialist</b>	Full Time	CCN
7	<b>Project Manager</b>	Full Time	CCN
8	<b>Procurement Specialist</b>	Full Time	CCN
9	<b>Data Process Manager</b>	Full Time	CCN
10	<b>Information Technology (IT) Specialist</b>	Full Time	CCN
11	<b>Technical Translator</b>	Full Time	CCN

\* The director position will be held by an Afghan sometime in 2013.

\*\* The Gas Business Development Specialist will be the twin for this position.

## ***Afghanization***

The planned approach to “Afghanization” twins local Afghans with expatriate advisors for most of the key as well as non-key positions. This arrangement will allow the expatriates to mentor and coach local staff, and to establish trained staff that can support the Afghanistan government, going forward, with expatriates providing continued input on an as-needed basis.

The “Afghanization” of the PMU is a top priority. Because the pool of existing local talent is shallow at present, our selection criteria for local hires will be based on the candidate’s aptitude, attitude, the ability to apply lessons learned, and willingness to work as part of a team. The positions of Gas Business Development Specialist, Project Manager, Procurement Specialist, Data Process Manager, IT Specialist, and Technical Translator will all be filled by Afghans. The PMU director and other subject matter experts will be twinned with Afghans in order to ensure knowledge transfer. Afghan engineers, financial specialists, and legal experts will be shadowing the following expat positions: PMU director, Gas Development Specialist, Power Sector Specialist (gen/trans/dist), Energy Sector Legal and Regulatory Specialist, and Commercial and Financial Specialist.

### ***Major responsibilities of key personnel***

#### **PMU Director**

- Manage day-to-day activities of the PMU
- Develop/update PMU’s annual strategy/work plan/budget
- Be the main point of contact between the PMU and Sheberghan gas stakeholders
- Manage PMU staff

#### **Gas Development Specialist**

- Be the main point of contact for technical information and analysis related to gas and gas-related infrastructure
- Design/develop/conduct capacity building workshops on gas and gas-related topics for Afghan counterparts including Afghan Gas Enterprise
- Serve as mentor/coach for PMU staff in particular and MoM and Afghan Gas Enterprise in general

#### **Power Sector Specialist (gen/trans/dist)**

- Be the main point of contact for technical information and analysis related to power generation/transmission/distribution with regards to the Northern Fertilizer Power Plant and the gas-fired power plant (IPP)
- Serve as mentor/coach for PMU staff in particular and MoM/MEW/DABS in general

## **Energy Sector Legal and Regulatory Specialist**

- Be the main point of contact for legal and regulatory issues primarily related to gas, but also electric power (including IPP), and related infrastructure
- Serve as mentor/coach for PMU staff in particular and MoM/MEW/DABS in general
- Review all documents including tenders for accuracy and legal/regulatory compliance
- Assist MoM/MEW/DABS with legal guidance on contracts including Power Purchase Agreements, and Gas Purchase and Sale Agreements

## **Commercial and Financial Specialist (STTA)**

- Assist in feasibility studies
- Prepare financial & cost/benefit analyses
- Develop business plans
- Prepare financial models related to gas/power infrastructure projects, including IPP
- *Note: This is a short-term position and will be used on as-needed basis.*

## **Gas Business Development Specialist**

- In close collaboration with the MoM's Investment Promotion Department, develop business plans for gas-based business ventures for private investment
- Prepare financial & cost/benefit analyses
- Assist private investors in setting up gas-based businesses
- Conduct seminars/workshops to encourage private sector investment in the gas sector
- *Note: It is anticipated gas development activities will start sometime in late 2011 and therefore, this position does not need to be filled until at least the 2<sup>nd</sup> half of 2011.*

## **Project Manager**

- Track and coordinate all Sheberghan related projects by working closely with the implementers.
- Work with project implementers and SWG members to identify risks and develop risk mitigation strategies.
- Assist in gathering project reports, manuals, and other related documents for archiving.
- *Note: It is anticipated that infrastructure projects will start sometime in late 2011 to early 2012 and therefore, this position does not need to be filled until at least the 3<sup>rd</sup> quarter of 2011.*

## **Procurement Specialist**

- Be the main point of contact for all procurement related activities
- Liaise with MoM's Project Implementation Unit on issuing tenders and preparation of tender documents
- Review all documents including tenders for accuracy and compliance with MoM's procurement procedures

### **Data Process Manager**

- Develop and manage the data-collection & dissemination process
- Train data providers on the new process in Kabul as well as Sheberghan/Mazar
- Review the data collection process on a periodic basis to improve efficiency and accuracy

### **IT Specialist**

- Manage all the IT hardware and software for the PMU
- Develop databases/spreadsheets for data collection & dissemination
- Assist the Data Process Manager in data collection and dissemination
- Develop & manage a document management system for the PMU
- Develop and update the PMU website

### **Technical Translator**

- Translate documents, presentations, reports, and other materials from English to Dari and vice versa
- Assist the technical experts in developing presentations, reports, and other material as required
- Serve as the prime interpreter for training workshops

## VI. SHEBERGHAN PMU'S STRATEGIC PLAN

As stated earlier, the prime objective of the Sheberghan PMU is to coordinate all aspects of Sheberghan gas and related infrastructure activities under one unit—a *one-stop-shop for Sheberghan*. The PMU will be responsible for managing daily activities and will provide guidance to the MoM, donors, and other stakeholders on all aspects of Sheberghan gas and related infrastructure projects.

The Sheberghan PMU will establish a series of specific goals for each of the three main project objectives.

<b>Year 1 (2011)</b>	<p><b>INFORMATION GATHERING AND DISSEMINATION</b></p> <ul style="list-style-type: none"> <li>• Hire and train a data process manager to handle data collection and distribution for the PMU. Develop a formalized process for information sharing with the Afghan Energy Information Center, with concurrence from the Ministry of Mines and Ministry of Energy and Water.</li> </ul> <p><b>STAKEHOLDER CONSULTATION AND COORDINATION</b></p> <ul style="list-style-type: none"> <li>• Reconstitute the Sheberghan Working Group.</li> <li>• Develop a formalized process for coordination of activities between donors.</li> <li>• Establish a satellite office in Sheberghan to assist in coordination of Afghan Gas Enterprise and the Northern Directorate of the Hydrocarbon Unit by mid-2011.</li> <li>• Develop an online project collaboration/coordination tool for all the participants of the Sheberghan Working Group.</li> </ul> <p><b>GAS MARKET DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>• Work closely with the Investment Promotion Department of the Ministry of Mines to identify investment opportunities in the gas sector.</li> <li>• Hold at least one conference on gas-sector investment opportunities for the Mazar Chamber of Commerce.</li> </ul> <p><b>CAPACITY BUILDING AND PROJECT SUSTAINABILITY</b></p> <ul style="list-style-type: none"> <li>• Conduct capacity building workshops and targeted training to address specific needs within the Ministry of Mines and among implementation partners.</li> </ul>
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<b>Year 2 (2012)</b>	<p><b>INFORMATION GATHERING AND DISSEMINATION</b></p> <ul style="list-style-type: none"> <li>• Train and assist Afghan Gas Enterprise to manage electronic data and develop a system of information sharing between the offices in Sheberghan and the PMU in Kabul.</li> <li>• Create a digital library for gas-related data and information. All field data will be entered electronically into an online database.</li> </ul> <p><b>STAKEHOLDER CONSULTATION AND COORDINATION</b></p> <ul style="list-style-type: none"> <li>• Continue discussions with the stakeholders on funding gaps and possible ways to fill them, and prepare a 5-year Sheberghan Gas development plan with the help of donors and other stakeholders.</li> </ul> <p><b>GAS MARKET DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>• In close collaboration with the Investment Promotion Department of the Ministry of Mines, prepare a plan for attracting private investment in the gas sector, such as development of CNG market.</li> <li>• Hold at least three conferences on gas-sector investment opportunities in major cities in Afghanistan.</li> <li>• Setup one major energy-intensive industrial facility in Mazar that will utilize gas as input fuel.</li> </ul> <p><b>CAPACITY BUILDING AND PROJECT SUSTAINABILITY</b></p> <ul style="list-style-type: none"> <li>• By the end of 2012, the PMU will have replaced approximately 50% of expat staff in key positions with Afghan nationals.</li> <li>• Continue conducting capacity building workshops and targeted training to address specific needs within the Ministry of Mines and among implementation partners.</li> </ul>
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<b>Year 3 (2013)</b>	<p><b>INFORMATION GATHERING AND DISSEMINATION</b></p> <ul style="list-style-type: none"> <li>• Continue streamlining the information gathering and dissemination process.</li> </ul> <p><b>STAKEHOLDER CONSULTATION AND COORDINATION</b></p> <ul style="list-style-type: none"> <li>• Continue discussions with the stakeholders on funding gaps and solidify a 10 year plan for Afghanistan’s gas industry.</li> </ul> <p><b>GAS MARKET DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>• Continue holding conferences on gas-sector investment opportunities in major cities in Afghanistan and internationally, when appropriate.</li> <li>• Attract at least five major industrial customers in the Sheberghan/Mazar area who would utilize gas as input fuel for operations.</li> </ul> <p><b>CAPACITY BUILDING AND PROJECT SUSTAINABILITY</b></p> <ul style="list-style-type: none"> <li>• By the end of 2013, the PMU will have replaced all expat staff in key positions with Afghan nationals.</li> </ul>
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## **VII. METRICS**

The PMU will need to create a system of metrics based on project objectives to measure success and gauge the progress on the project. Developing a system of performance standards and quality control processes is important to ensure that the project is continually meeting the objectives of both the Afghan Government and USAID. This performance monitoring and evaluation plan will be submitted by the end of June 2011.