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## **SHEBERGHAN GAS GENERATION ACTIVITY (SGGA)**

Contract No. EPP-I-00-03-00004-00, USAID Task Order No. AID-306-TO-12-00002

### **SGGA Monthly Report**

Period: January 1 – January 31, 2014

Prepared by:

Advanced Engineering Associates International, Inc. (AEAI)/SGGA Project Team  
1707 L Street, NW, Suite 1030, Washington, DC (USA) 20036  
Telephone: 1-202-263-0601

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## Acronyms and Abbreviations

ADB	Asian Development Bank
AGE	Afghan Gas Enterprise
AGS	Afghanistan Geological Survey
APA	Afghan Petroleum Authority
ARDS	Afghanistan Reconstruction and Development Services
CEO	Chief Executive Officer
DABS	Da Afghanistan Breshna Sherkat
DG	Director General
GIS	Geographic Information System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Agency for International Cooperation)
IL	Implementation Letter
M/F	Male/Female
ME&R	Monitoring, Evaluation, and Reporting
MEW	Ministry of Energy and Water
MIDAS	Mining for Industrial Development of Afghanistan Sustainability
MoF	Ministry of Finance
MoMP	Ministry of Mines and Petroleum
NEPA	National Environmental Protection Agency
NEPS	North East Power System
NLCC	National Load Control Center
OGS	Oil and Gas Survey
PMP	Performance Monitoring Plan
SGDP	Sheberghan Gas Development Project
SGGA	Sheberghan Gas Generation Activity
SPMT	Sheberghan Project Management Team
TFBSO	Task Force for Business and Stability Operations
TPAO	Türkiye Petrolleri Anonim Ortaklığı (Turkish National Petroleum Corporation)
USAID	United States Agency for International Development

# 1 GAS WORKSTREAM (MoMP LIAISON, DRILLING, ENVIRONMENTAL)

## 1.1 Achievements / Activities

### Special Field Reporting

- Through Sheberghan-based staff, made inquiries about attack on Afghan Gas Enterprise (AGE) facility in Shakarak Field and reported findings to United States Agency for International Development (USAID).

### Drilling Contract Management Technical Support

- Provided pre-construction inspection requirements and procedure and daily project reporting requirements to the Afghanistan Petroleum Authority's (APA) Zabih Sarwari and Enayatullah Momand in connection with the Turkish National Petroleum Corporation (TPAO) drilling/re-entry contract.
- Provided recommendations, including draft letter for Director General (DG) Jumriany's signature, to Zabih Sarwari regarding effective response to TPAO's proposed work schedule submission. The schedule submitted by TPAO substantially exceeded contracted work period. Recommendations included:
  - Requiring written explanation from TPAO for the non-conforming schedule and thoughts on shortening.
  - Requiring written daily activity and progress reports from TPAO.
  - Reminding TPAO that it has still not provided the contractually required certificate of insurance.
- Compiled and delivered final report and documents on the Project Management and Consulting's protest of the Ministry of Mines and Petroleum's (MoMP) drilling contract award to Zabih Sarwari and Mike Jordy, USAID.

### Environmental

- Completed edits of Dari and English versions of the First Amended Application for Certificate of Environmental Compliance s for submission to National Environmental Protection Agency (NEPA) and delivered the edited final versions to MoMP for final review and filing.
- After several exchanges, persuaded Zabih Sarwari that the required internal approvals for filing the First Amended Application for Certificate of Environmental Compliance had to be obtained within MoMP and not from Sheberghan Gas Generation Activity (SGGA) under the terms of the on-budget program. He at last agreed to submit the amended application for approval to the MoMP's legal department, which had reviewed and approved the original application and participated in preparing the amended application. SGGA had prepared the original application and the amended application drafts as part of its technical assistance.

### Legal

- Cooperated with the Task Force for Business and Stability Operations (TFBSO) on drafting standard gas sales agreements for APA/AGE.

## 1.2 Meetings

- 6 Jan 14, Met with Sher Rahman of Unicon, and Wayne Register regarding coordination of efforts with MoMP. Unicon is a World Bank contractor for APA on AGE corporatization and commercialization.
- 7 Jan 14, Met with Enayatullah Momand, MoMP, and Wayne Register to discuss the results of the professional engineering services tender, plans to hire Jamal Yassien for SGGA's capacity building efforts, and APA's need to get daily reports from TPAO.

- 7 Jan 14, Met with Jalil Jumriany Sher Rahman, and Wayne Register, discussed capacity building plans, participation in AGE corporatization work; APA technical library creation, and optimal SGGA personnel assignment at APA.
- 11 Jan 14, attended Weekly meeting with USAID. Participants included: John Stich, Harry Bottenburg, Sam Ngwere, Stephen Wheeler and Ellen Schramm.
- 15 Jan 14, Met with DG Jumriany and Zabih Sarwari regarding SGGA personnel assignments, the engineering tender cancellation, and TPAO contract management.
- 15 Jan 14, Met with Zabih Sarwari, Ellen Schramm, and David Bredhoff regarding TPAO's Afghan Investment Support Agency registration, TPAO contract monitoring, including pre-construction/baseline inspections, meetings with the Ministry of Finance (MoF) on invoice payment coordination; and capacity building plans.
- 18 Jan 14, Met with Catie English and Jenik Radon of TFBSO regarding standard gas sales contracts for APA.
- 21 Jan 14, Met with DG Jumriany, Jules Jordy, John Stich, Wayne Register, Ellen Schramm, Zabih Sarwari and David Bredhoff regarding project status, prospect for reconfiguring USAID's contribution to the Sheberghan gas treatment plant, and TPAO's initial schedule, which exceeds the performance period specified in the TPAO contract term by some six months.
- 21 Jan 14, Met with Zabih Sarwari and Wayne Register regarding TPAO's schedule, petroleum engineering assistance for Juma-Bashikurd operations, and the filing of MoMP's NEPA application.
- 25 Jan 14, Met with Mike Jordy, Wayne Register, Edrees Saljuki, Ana Moncada, and David Bredhoff, for the regular USAID/SGGA weekly meeting.
- 29 Jan 14, Met with USAID, Tetra Tech, and Asian Development Bank (ADB) representatives regarding power transmission plans, gas exploration and development programs, and prospects for large-scale power generation in northwestern Afghanistan.
- 29 Jan 14, Met with UniCon to provide documents relevant to AGE corporatization and northwest gas studies, discussed the corporatization of AGE and Oil and Gas Survey (OGS).

### 1.3 Challenges

- Contract work delayed because of time required to respond to MoF tax audit.
- Dealing with TPAO's projected work schedule which substantially exceeds TPAO's contractual performance period. The delays could cause a substantial disruption to planning for the power plant construction.
- In the course of preparing copies of the First Amended Application to NEPA for a certificate of environmental compliance, SGGA discovered that the MoMP/APA project office does not have an "as filed" copy of the original application. This original application was needed to obtain two documents required for the amended the application per NEPA's request. An "as filed" copy was later obtained from the MoMP Investment Office, which holds the project files and has refused to turn them over to the APA project office.
- As reported to USAID, the MoMP continues to show some difficulty in understanding its role in the on budget program, particularly in distinguishing the role of SGGA as a technical advisor and MoMP's role of managing the project and following its own internal requirements.

### 1.4 Plans for Next Month

- Continue compilation of field data related to total potential gas supply in the Sheberghan area and processing requirements.
- Provide assistance to MoMP as required to obtain NEPA certificate of compliance.
- Provide assistance to MoMP to push TPAO to meet contract requirements.

## 2 ENERGY AND POWER WORKSTREAM (DABS and MEW)

### 2.1 Achievements / Activities

#### Technical Support to Da Afghanistan Breshna Sherkat (DABS) National Load Control Center (NLCC)

- Prepared a questionnaire and interviewed NLCC's personnel to gather relevant information needed to plan technical assistance.
- Visited the NLCC at the Tarakhil power plant at Kabul and interviewed the director and operators to observe their position functions and the NLCC's organizational structure in order to assess challenges, and improvement needs.

#### Analysis of Gas Turbine Utilization

- Visited DABS-Kabul's North West substation to interview the operators about the gas turbines' operation and maintenance.
- Conducted an investigation into the Jawzjan gas fields' potential to supply energy to the gas-fired turbines currently installed in Kabul's Northwest Substation. DABS is considering moving the turbines to the Khoja Gogerdak facility in Jawzjan Province and re-commissioning them.
- Collected historical data on Kabul's Northwest Substation's gas turbines' electricity production to determine their suitability for inclusion in Sheberghan-based power production assets.
- Visited DABS Kabul's Northwest Substation to observe its gas turbine synchronization test to supply power to Kabul during a scheduled Northeastern Power System (NEPS) outage. This visit found that the gas turbine units successfully synchronized and supplied power to the grid.

#### DABS Technical Support

- Submitted the electronic operation and maintenance manuals copies to the DABS Planning Department in Kabul. The Sheberghan Project Management Team's (SPMT) collected the manuals during its visit to Faryab's substations; the documents were only available at the Maimana substation.

### 2.2 Meetings

- 12 Jan 2014, Met with the NLCC's director, dispatching operators, and engineers.
- 14 Jan 2014, Met with gas turbine operators at Kabul's Northwest Substation.
- 16 Jan 2014, Met with Mike Jordy, USAID, to discuss a potential feasibility study on supplying power to Afghanistan's mining sites from a Sheberghan-based power plant.
- 29 Jan 14, Met with DABS's Chief Executive Officer (CEO), Mr. Samadi, to update him on the Sheberghan Gas Development Project's (SGDP) status.
- 29 Jan 14, Met with DABS Generation Department Head, Eng. Khalil, to discuss the scheduled NEPS outage to make repairs and request information about the gas turbines installed in Kabul's Northwest Substation.
- 29 Jan 14, met with USAID, ADB, TetraTech, and SGGA to discuss updating the Power Sector Master Plan to include Sheberghan as an energy center that would generate hundreds to thousands of megawatts.

### 2.3 Challenges

- None.

### 2.4 Plans for Next Month

- Complete a report regarding the NLCC's organizational functions, improvement needs and challenges.
- Conduct additional research pertaining to the gas turbines installed in the Kabul's Northwest Substation.

- Meet with DABS CEO, Mr. Samadi, to discuss SGDP updates for DABS's expansion plans.
- Meet with TetraTech's project staff to discuss scenarios for a power system study that it will perform.

### 3 CAPACITY BUILDING (MoMP)

#### 3.1 Achievements / Activities

##### Technical Dictionary for MoMP

- Initiated the oil and gas dictionary project that will provide detailed translations between English and Dari with picture references for petroleum-sector terms.

##### Geographic Information System (GIS) Training

- Coordinated among German Agency for International Cooperation (GIZ) and Mining for Industrial Development of Afghanistan Sustainability (MIDAS) to identify where SGGA can fill gaps pertaining to gender equality in their current joint GIS training program. It was determined that SGGA could provide an additional GIS trainer, who would embed with GIZ's training staff to use MIDAS's classroom and software to conduct GIS training to an all-female class. Commencing this class is contingent upon approval from the Afghanistan Geological Survey's (AGS) DG, which is pending. SGGA will commence the class once it receives approval from the AGS DG.
- Posted a job announcement for a GIS instructor on [www.acbar.org](http://www.acbar.org).

##### English Language Training

- Hired Zabihullah Jabbari to provide English language instruction for OGS and AGE in Sheberghan. OGS and AGE currently estimate that 90 employees will participate in the training.
- Signed up Kabul-based APA staff for English language training and submitted the list to APA for approval to commence training. The training will be divided between two groups: 1) beginning/intermediate and 2) advanced. SGGA's Senior Translator, Sonia Ramyar, and Human Resources Manager, Razia Rasooly, will instruct the beginning/intermediate course.
- Conducted mock training sessions to prepare SGGA's English instructors their first classes and prepared an assessment exam to determine MoMP's training needs.

##### 2014 Capacity Development Planning and Implementation

- Prepared a capacity development implementation schedule and plan for 2014 in coordination with APA staff input; received official plan approval from DG Jumriany.
- Interviewed American University and Kardan University as potential training providers.
- Finalized a Request for Proposal that will be provided to local universities to supply ten courses to MoMP.

#### 3.2 Meetings

- 15 Jan 14, Met with Zabih Sarwari to present the draft capacity development strategy and schedule for 2014.
- 18 Jan 14, Met with Eng Nooria, from AGS to discuss the need for GIS instruction for AGS's female engineers. Eng. Nooria explained the need for instruction based on the fact that female employees rarely obtaining approval to participate in field work, therefore their professional development and value to AGS would greatly benefit from obtaining technical expertise in computer-based applications such as GIS.
- 18 Jan 14, Met with Dr. Sonia Darracq, from GIZ to discuss the opportunity for SGGA to supplement GIZ's GIS training with an additional instructor.
- 20 Jan 14, Met with Zabih Sarwari, Zabi Jaihoon, and Enayatullah Momand from APA to discuss capacity development courses and plans for 2014.

- 21 Jan 14, Met with Zabih Sarwari, Zabi Jaihoon to continue discussions regarding capacity development courses and schedule for 2014.
- 21 Jan 14, Attended the 3-Party meeting with USAID and MoMP.
- 21 Jan 14, Met with Robin Grayson, from MIDAS and Sonia Darracq to coordinate among donor organizations how SGGA can supply an instructor for the joint GIS training program.
- 22 Jan 14, Met with Harry Bottenburg, John Stich, and Mike Jordy at USAID to discuss environmental training plans. The meeting concluded that the training shall commence in late March.
- 22 Jan 14, Teleconference with Nick Skinner to discuss his participation, coordination with NEPA, and the environmental training timeline.
- 25 Jan 14, Met with Mike Jordy from USAID for SGGA's weekly meeting. Mr. Jordy reported that he reviewed and found no problems with the 2014 capacity development schedule.
- 26 Jan 14, Met with Zabih Sarwari and DG Jumriany to discuss the capacity development schedule. DG Jumriany approved the schedule verbally and requested that SGGA obtain the trainee lists from APA's program directors as the specific training courses become confirmed.
- 27 Jan 14, Met with USAID staff, and implementing partners at USAID's country-wide capacity development event to discuss challenges, lessons learned, and best practices for capacity building activities in Afghanistan.
- 29 Jan 14, Met with Engineer Nooria to discuss progress with obtaining for the GIS training from AGS leadership.
- 29 Jan 14, Met with Zabih Sarwari to discuss actions needed to obtain the training schedule's acceptance and approval from DG Jumriany.

### 3.3 Challenges

- Obtaining official authorization from AGS leadership to grant SGGA permission to conduct trainings created some administrative delays.

### 3.4 Plans for Next Month

- Visit Sheberghan to assess OGS and AGE training needs and set up the Sheberghan-based English training program.
- Issue a Request for Proposal to local training suppliers and evaluate responses for ten courses.

## 4 PROCUREMENT WORKSTREAM

### 4.1 Achievements / Activities

#### Contract Development Support

- Completed a draft Terms of Reference for the gas reservoir study.
- Developed an alternative petroleum engineering services strategy paper for APA.

#### Administrative Support

- Completed translating the SGDP Implementation Letter (IL) No. 45-01 into Dari.
- Prepared binders for TPAO and MoMP drilling contract documents for the official documentation for USAID, MoMP, MoF, and Afghanistan Reconstruction and Development Service (ARDS).
- Provided entire English to Dari lecture translation for APA to support an oil and gas industry seminar, with attendance by three major companies, TPAO, Dragon Oil, and Chinese National Petroleum Corporation.
- Prepared a historical information package for APA explaining the origin of its \$ (financial information omitted) budget requirement to cover MoMP's IL commitment, along with a projection of the future invoicing and payment schedule.

### Contract Finance Support

- Updated and finalized the drilling contract invoicing process, documenting invoice flow in order to prepare APA's Finance Department for TPAO's first drilling contract invoice.
- Submitted a revised Monitoring, Evaluation, and Reporting (ME&R) Plan to Zabih Sarwari with a recommendation to suggest to the Minister that the plan be updated and the ME&R Committee reappointed.
- Prepared and amended environmental documents for APA to submit to NEPA, including ten paper copies and fifteen Compact Desks.
- Completed invoice processing and payment training package for APA and began training MoMP's SGDP financial lead until learning that he was resigning; the materials are now awaiting APA to assign new financial lead for SGDP.

## 4.2 Meetings

- 12 Jan 14, Met ARDS staff to introduce MIDAS personnel.
- 15 Jan 14, Met with Zabih Sarwari; briefed the TPAO and MoMP to-do list.
- 19 Jan 14, Provided translation support to APA during oil and gas seminar at American University.
- 21 Jan 14, Attended the 3-Party meeting.
- 22 Jan 14, Met with Enayatullah Momand twice in order to obtain critical NEPA submission documents to support the preparation of an application resubmission.
- 25 Jan 14, Attended weekly USAID/SGGA meeting and discussed MoMP's engagement status with TPAO, Totimaidan tender, and future gas processing strategy.
- 26 Jan 14, Met with Zabih Sarwari and discussed why environmental documents had not been submitted to NEPA and attempted to resolve APA's inappropriate requirement for an SGGA cover letter.
- 27 Jan 14, Met with Zabih Sarwari and provided a paper outlining a possible way to convince USAID that funding petroleum engineers is feasible if MoMP directly hires individual contractors and obtains agreement from USAID through a new IL.
- 29 Jan 14, Met with USAID, ADB, and Tetra Tech.

## 4.3 Challenges

- Motivating APA staff to act with urgency in executing critical drilling contract post-award actions such as submitting drilling reports, processing a customs/taxation presidential decree, and engaging more aggressively in monitoring TPAO's contract performance.
- The APA's lack of understanding about its "on-budget" responsibilities continues to lead to requests of SGGA that either violate the IL or place SGGA in a position that APA considers non-supportive.

## 4.4 Plans for Next Month

- Continue to push APA to engage more forcefully with TPAO and more actively on SGDP issues.

# 5 SPMT WORKSTREAM

## 5.1 Achievements / Activities

### Translations

- Translated a presentation that was delivered to MoMP by the drilling oversight training participants on the subject material learned from the training from Dari to English.
- Translated 23 pages of SGDP's IL from English to Dari.
- Assisted translating the First Amended Application for Certificate of Environmental Compliance.

- At DG Jumriany's request, translated part of MoMP's decision regarding Amu Darya procurement issues from English to Dari.

#### **Oil and Gas Dictionary Project**

- Identified 473 oil & gas technical terms and translated 130 while providing associated pictures for the SGGA technical dictionary project.

#### **Field Assistance**

- Provided MoMP technical assistance in regard to well number three blow out prevention in Bashikurd.
- At Zabih Sarwari's request, translated APA documents pertaining to a gas field tender.
- Collected daily production information for wells 38, 32, 47, and 45 from the Yatimtaq gas field and wells 61 and 69 Gerquduq gas field for MoMP.
- Arranged appointments for visit to Sheberghan to meet with the Director of OGS and the Director of AGE.

### **5.2 Meetings**

- 29 Jan 14, Sheberghan team representatives met with staff from OGS and AGE to confirm meetings for the Capacity Building Team for early February.

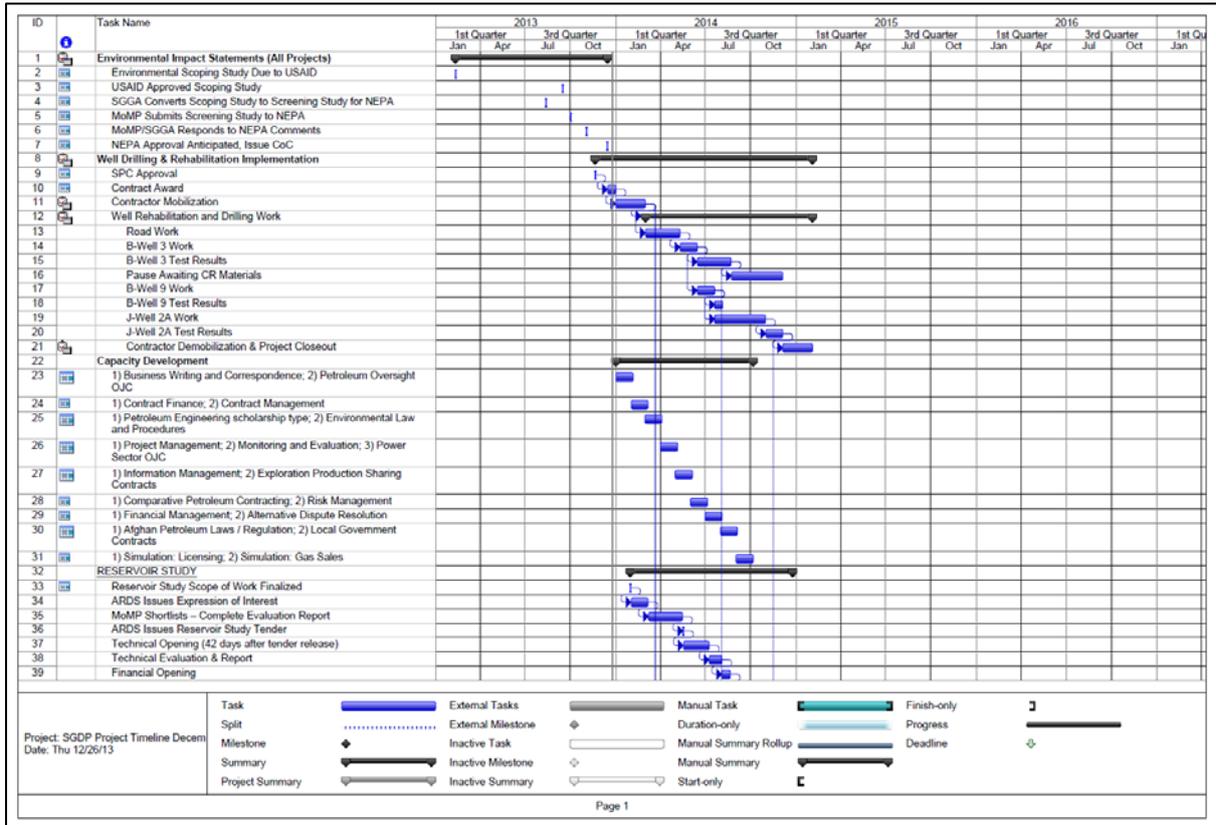
### **5.3 Challenges**

- None.

### **5.4 Plans for Next Month**

- Provide on-site support to MoMP personnel as requested.
- Visit Sheberghan to assist in capacity development planning.
- Continue contributions to the oil and gas technical dictionary.
- Assist in coordinating trainee lists for English classes at OGS and AGE in Sheberghan.

## 6 PROJECT SCHEDULE AS OF DECEMBER 31, 2013



## 7 PMP DATA

SGGA Performance Monitoring Plan (PMP) Indicators			
<b>Milestones</b>			
<b>Capacity Building - MoMP, DABS, MEW</b>	<b>Prior</b>	<b>Current</b>	
Capacity Assessments	2	0	
Training Courses	11	0	
Evaluations	2	0	
<b>Tenders</b>	<b>Prior</b>	<b>Current</b>	
1. Advertising	1	0	
2. Award	1	0	
3. Mobilization	1	0	
4. Activity work	1	0	
5. Completion	1	0	
<b>Indicators</b>			
<b>Capacity Building - MoMP, DABS, MEW</b>	<b>Prior M/F</b>	<b>Current M/F</b>	<b>Indicator Code</b>
# of Assessed people	218/11	0/0	11/12
# of Afghan prof. trained – "F" indicator	152/57	0/0	13/14
# of Afghan prof. evaluated	39/3	0/0	15/16
<i>M = Male F = Female</i>			
<b>Tenders</b>	<b>Prior</b>	<b>Current</b>	
# of Rehab. & Drilled Wells	1	0	17
# of Gas Plants constructed	0	0	18
Prof. Engineers for Drilling hired	0	0	19
Prof. Engineer Proc. Plant hired	0	0	110

## 8 MONTHLY EXPENDITURES

Financial information omitted.