

**ATHGO 3<sup>rd</sup> Annual Global Forum:  
Miracles of Development-Good Governance  
and Capacity Building**

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**Business Proposal Subject:  
SUSTAINABLE INFRASTRUCTURE  
DEVELOPMENT IN SOUTHERN  
AFGHANISTAN**

**Target Organization:** U.S. Agency for International Development

**From:** Group #14 Washington D.C. ATHGO Forum July 9-11, 2008

**SUBJECT:** SUSTAINABLE INFRASTRUCTURE DEVELOPMENT IN SOUTHERN AFGHANISTAN

### **I. Action-Forcing Event**

Previous efforts by foreign aid development organizations have failed in Afghanistan due to lack of a stable government as well as the proper resources to build critical infrastructure. Currently, a new electricity generation technology called the Capstone MicroTurbine has emerged and brings with it the opportunity for implementation in a war-torn area such as Southern Afghanistan. The main purpose of this business proposal is to establish a micro-loan program that will implement sustainable infrastructure in Southern Afghanistan through an existing U.S. government agency, the U.S. Agency for International Development (USAID).

### **II. Analysis**

Afghanistan, a Central Asian country, is in critical need of infrastructure development after nearly 30 years of destruction due to the Cold War, internal civil wars, and Operation Enduring Freedom. Although Afghanistan has seen an increase in GDP of over 7% in 2007, according to the CIA World Factbook,

“Much of the population continues to suffer from shortages of housing, clean water, **electricity**, medical care, and jobs. It will probably take the remainder of the decade and continuing donor aid and attention to significantly raise Afghanistan's living standards from its current level, among the lowest in the world.”

Currently, Afghanistan is in receipt of extremely high levels of foreign aid totaling nearly \$8.9 billion for the 2004-2009 timeframe, an amount that is by all means astounding.

However, high levels of corruption and control by warlords as well as significant security concerns have prevented aid dollars from reaching the most important people it needs to serve in both the past and present. Afghanistan is in dire need of energy infrastructure development, and as part of USAID's mission to rehabilitate and expand power generation and transmission systems we aim to supplement their effort with the following business model:

### **III. Business Model**

**Objective:** To provide Capstone MicroTurbine power generators to rural communities in Southern Afghanistan in order to establish critical infrastructure.

**Features & Partners:** Our solution in providing a key infrastructure element, electricity, to Southern Afghanistan is to work in cooperation with USAID in the development of a micro-loan program which will purchase, strategically place, and monitor the usage of Capstone MicroTurbine power generation units. The key partner in this relationship will be USAID, the organization that will sponsor this micro-loan program in which the actual power generator will serve as the micro-loan, with the excess power generated to be sold back into the overall power grid as it is developed over time to pay back the cost of the generator. The end consumers of this service will be the citizens of Southern Afghanistan. A particular strength of this proposal is its scalability to other rural areas in need of quick, efficient, and reliable electrical infrastructure. Also, the MicroTurbine Generators we propose using offer a diverse choice of alternative energy generation abilities via wind, bio-fuel, and solar capabilities. We assert that with the backing of USAID that we will have the necessary funding to support this plan, which will yield long-term benefits for Afghanistan. The main barrier to success will have to do with the security detail of protecting the generators from becoming points of interest for terrorist attacks. However, this project could also aid in relieving current pressure on the reconstruction effort of the Kajaki Dam in the Helmand Province of Afghanistan.

### **IV. Projection**

The initial cost of capital can be subsidized through government alternative energy programs. There is also a large amount of aid funding aimed towards developing sustainable energy development programs such as ours. Over time, the local communities can network their power generating capabilities and sell excess wattage to urban centers or other interested parties.

### **V. Group's Role**

The group members will serve as consultants in the implementation of this program.