

**Islamic Republic of Afghanistan**  
**Mazar-e-Sharif Gas-to-Power Project**

**Chair Summary\***

**October 10, 2019**

The Boards of IDA, IFC and MIGA approved a financing package consisting of: (i) an IDA guarantee in the amount of up to \$12 million and an allocation from the IDA18 IFC-MIGA Private Sector Window (PSW) Risk Mitigation Facility of up to \$32.5 million for the proposed IFC investments, and support from the IDA PSW MIGA Guarantee Facility of up to \$26.5 million for the proposed MIGA guarantees; (ii) an IFC A loan in the amount of up to \$23.8 million and client risk management swaps representing an aggregate loan equivalent exposure of up to \$1.5 million and (iii) MIGA guarantees of up to \$48.7 million on the terms and conditions set out in the President's Memorandum.

Directors strongly supported the operation as a demonstration of the World Bank Group (WBG) commitment to implementing the cascade principle in fragile and conflict-affected situations. They noted the operation's contribution to affordable electricity access for households and key economic sectors, economic growth, private sector investment, job creation, and long-term import substitution.

Directors welcomed the use of both the PSW Risk Mitigation Facility and the MIGA Guarantee Facility, complementing multiple WBG instruments to facilitate private sector investment in a high-risk environment, with carefully-considered risk mitigation. They noted the high level of concessionality but concurred with management on its use in this case. They acknowledged the risks related to the fragile political and security situation in Afghanistan and the need to ensure long-term sustainable gas supply including on-time completion of the new pipeline. Directors encouraged efforts to address upstream constraints for development of the energy sector and to consider replicability of the approach.

Directors stressed vigilance in monitoring implementation of the project and to engage closely with the Government during implementation. They encouraged management to document lessons learned from one of Afghanistan's first long-term public-private partnerships, and WBG cooperation including the first-time utilization of the Risk Mitigation Facility.

---

\* This summary is not an approved record.