Overview of the EU’s Technical Cooperation in the Energy Sector in the CA Region

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Energy (ENPI East and CA)

- INOGATE (1995): now enlarged approach
- « Baku Initiative » (Nov 2004): involved the EU + all Tacis countries + Turkey and Russia as observer.
- « Astana Declaration » (Nov 2006): EU & ENPI-East + CA countries agreed to ensure: convergence of their energy markets, enhancement of security of energy supply, diversification of energy sources and energy efficiency, furthering of investments
- Role of INOGATE technical secretariat enhanced to cover all energy sub-sectors and priorities of the Baku initiative (energy efficiency, electricity generation)

Energy (ENPI East and CA)

Ongoing INOGATE projects
- More than 10 Regional Projects ongoing since 2007
- €35 Million budget
- Projects serve the following objectives:
  1. Converging energy markets on the basis of the principles of the EU internal energy market
  2. Enhancing energy security by addressing the issues of energy exports/imports, supply diversification, energy transit and energy demand
  3. Supporting sustainable energy development, including the development of energy efficiency, renewable energy and demand side management
  4. Attracting investment towards energy projects of common and regional interest
Enhancement of Energy Dialogue

- Memoranda of Understanding on Cooperation in the Field of Energy signed between the EU and Kazakhstan (4/12/06) & the EU and Turkmenistan (26/05/08):
  - Enhancing energy security:
    - Policy development;
    - Investment attraction;
    - Energy transport infrastructure development.
  - Enhancing industrial cooperation:
    - Energy technological skills;
    - Renewable Energy Sources;
    - Energy Efficiency.

Recent Development in CA

- A specific very recent development is occurring in the framework of the Inter-Regional CA Commission for Sustainable Development, which is currently under the chairmanship of Uzbekistan. On 26 May 2009, the Commission agreed on a joint technical programme on renewables, with a specific focus by each country: wind energy (Kazakhstan), small Hydro Power Plant (Tajikistan), Biogas (Kyrgyzstan), solar energy / heat-generation (Turkmenistan), solar / combined generation-technologies (Uzbekistan).

Rapid Response Expert Facility:

- The RREF project is on-going till September 2009 in Central Asia, it aims at leveraging loans from IFIs through the completion of bankable dossiers.
- (pre)feasibility studies and assessments (technical, economical, financial, environmental, social, etc) in all domains of Energy.
- The EC support of loan leverage is an area where the EC can provide high added value and support.

Rapid Response Expert Facility:

1. ADB Regional Gas Improvement Project (Kyrgyzstan);
2, 3, 4. Emergency rehabilitation of the Ferghana valley gas transmission and distribution networks in Kyrgyzstan (cities of Osh and Jalalabad), Uzbekistan (city of Andijan) and Tajikistan (city of Khodjand) - EBRD support; 3 separate sub-projects;
5. Ministry of Industry, Energy and Fuel Resources of the Kyrgyz Republic – Pre-feasibility study of Sary-Jaz river basin hydro schemes (Kyrgyzstan);
Rapid Response Expert Facility:

6. Bishkek-Kant-Tokmok gas pipeline rehabilitation project – EBRD support;
7. Scoping study of Surhob river basin hydro electric scheme (Tajikistan);
8. Scoping study of mini hydro power schemes (Tajikistan);

9. Rehabilitation of the district heating network of the city of Andijan, Ferghana Valley (Uzbekistan);
10. Application of renewable energies in remotely located social assets in Uzbekistan – World Bank Support (Uzbekistan).

CA AP 2005 (Regional)

Harmonisation of EU gas technical standards and practices in CA:

- The project is ongoing till October 2009 and aims to support the beneficiary countries' uptake of critical international standards and practices concerning reliable performance of the gas network operations.
- Gap analysis/ National Seminars/ Regional Working Group/ Study Tour/ Road map/ Action plan/ and MoU.

CA AP 2005 (Regional)

Technologies and methodologies for reducing gas losses of the CA gas transit system:

- The project is on-going till December 2009, it aims to achieve profitable reduction of gas losses in the pilot areas and to provide the knowledge needed to apply the methodologies and technologies used in the pilot areas to the entire infrastructures.
- Baseline survey/RBI for four pilot areas/ CBA of proposed measures/ Action Tracking Database/ Five National Seminars in each country/ supply of gas leak detection and measuring equipment.
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Enhancement of environmental protection measures in the CA oil/gas industry (EPMOGI):

- The EPMOGI is ongoing till December 2010, it focuses on developing harmonised environmental protection measures within the beneficiary gas and oil companies and promoting inward investment and the application of environmental incentives such as the Clean Development Mechanism
- Improving national legislations/ information sharing/ environmental improvement subprojects

Approval phase of 2 components:

- 1. Sustainable Energy (RES/EE) - development of policy framework and pilot models - € 6 Million
- 2. Central Asia Investment Facility - € 20 Million for Energy&Environment sectors as 1st priority
- Regional approach but National implementation actions/plans/infrastructures.

1. Sustainable Energy (RES/EE)

- Support in policy design and formulation to national, regional and local government authorities;
- Capacity-building and training activities in both the public and private sectors at national and local level;
- Targeted awareness-raising campaigns and dissemination programmes amongst stakeholders;
- Demonstration of replicable pilot projects in RES and EE.
CA AP 2009 (Regional)

2. Central Asia Investment Facility: CAIF

- Both multilateral and national European development finance institutions will be stakeholders of the Facility: EIB, EBRD, AFD, KfW, etc... 
- Direct TA grant to a CA beneficiary country to support the preparation, management and implementation of an investment operation financed by a loan of an eligible finance institution acting as lead partner; 
- TA grant to an eligible finance institution to support the preparation, identification, instruction, management of a portfolio of operations to be included in the CAIF pipeline; 

- TA studies relating to the definition, examination and diagnosis of the CAIF fields of intervention, strategy, needs from partner countries etc.; 
- Identification, screening and assessment of potential energy&environment sector projects and relevant technical studies (audits, assessments, feasibility studies, etc.); 
- Assistance to local project partners in formulation of energy&environment sector projects into bankable proposals.

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Thank you for your attention