Update on the INOGATE Work Programme 2009-2010: actions implemented to date, results achieved, planned next steps

Emily Koulouvaris
INOGATE Technical Secretariat
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The INOGATE Work Programme
✓ Represents first systematization of INOGATE actions being delivered to Partner Countries integrating the activities of all the INOGATE ongoing projects
✓ 1st version introduced April 2009 for two year period – 2009 & 2010; revisions every 6 months
✓ 1st revision takes account of revisions until 30/9/09
✓ First level classification is by four types of activities
  ▪ Events
  ▪ Publications/Reports/Studies
  ▪ Communication/Promotion and Networking
  ▪ Support Activities
✓ Second level classification is by four priority areas of activity of the INOGATE Programme

Overview of Project Status
✓ 2 INOGATE projects have been completed
✓ 2 new INOGATE projects have begun
✓ Currently 13 ongoing projects and 3 supply projects
✓ An additional project is due to commence before the end of the year (‘Energy Saving in the Building Sector’)

Actions implemented to date
The outcome of the period April-September 2009 shows a high level of activity for the INOGATE programme.
✓ The original programme listed 100 actions.
✓ Of these, 60 were scheduled for completion in the period to September.
✓ 48 of these were completed (80%); of the other twelve, nearly all will be achieved by the end of November. Almost 100% of the 2009 work programme will have been achieved!
✓ Other actions on schedule for 2010.
✓ 18 new actions have been added in the Work Programme revision, mainly from new projects.
Status of INOGATE Projects

Priority area #1: Convergence of energy markets
2. “Harmonisation of gas technical standards and practices in CA” (completed)
3. “Harmonisation of gas and oil technical standards and practices in Eastern Europe and Caucasus” (ongoing)
4. “Support to Energy Market Integration and Sustainable Energy in NIS (SEMISE)” (ongoing)
5. “Capacity Building of Energy Regulators in Eastern Europe and Central Asia” (ongoing)
6. “Harmonisation of technical standards, rules and practices in the electricity sector in NIS countries” (new)

Priority area #2: Enhancing energy security
6. “Technologies and methodologies for reducing gas losses of the Central Asian gas transit system” (completed)
7. “Safety and security of main gas transit infrastructure” (ongoing)
8. “Validation, certification and commercialisation of the gas metrology line in the Eastern Europe Regional Natural Gas Metrological Centre, Boyarka, Ukraine” (ongoing)
9. “Feasibility studies for expanding the Boyarka Centre to include oil, oil products and liquified gas metrology” (new)

Priority area #3: Sustainable energy development
10. “Support to Kyoto Protocol Implementation (SKPI)” (an INOGATE-related project) (ongoing)
11. “Enhancement of environmental protection measures in the gas/oil industry of Central Asia” (ongoing) +SEMISE (Project #4) (ongoing)

Priority area #4: Attracting investment
12. “Rapid response expert facility for developing energy supplies and interstate transportation” (completed)
   + SEMISE (Project #4)

All priority areas
13. “Strengthening the INOGATE Technical Secretariat in support of the Baku Initiative” (ongoing)
Results in Priority Area 1: Energy Market Convergence
Main achievements on Harmonisation of standards in the gas sector:

- All Partner Countries have become more interested in adopting common technical rules on gas transmission and metering which help to facilitate inter-regional connections of gas markets.
- Many countries are now seriously considering investing at least the human resources for the long process of harmonisation with international standards—e.g.:
  - standards adoption started (e.g. Georgia)
  - oil & gas sector technical committees established (Armenia)
  - started establishing procedures (Azerbaijan)
  - development plans (Ukraine)
  - Memorandum of Understanding for harmonization of standards in Central Asia region

Main achievements in energy regulatory issues:

- Regulatory representatives from almost all Partner Countries were included as permanent liaisons to the INOGATE Programme increasing the role of the energy regulators
- Increased understanding of the need for information exchange and transfer of best practices between the regulators
- Increased technical capacity and cooperation of regulators' staff through introducing the new method of “peer reviews”
- Ad hoc expert facility tool created for providing technical support on energy market convergence issues

Results in Priority Area 2: Enhancing Energy Security
Main achievements:

- Work undertaken to detect and measure gas losses on a pilot sample of 700 km of gas pipelines and at a gas compressor station, in different Central Asian countries, representing annual losses valued at over €2.4 million ($3.5 million) or an average of €1,350 ($2,000) per kilometre.
- This pilot project will be used as a case study demonstrating that modern methods and technologies for gas loss reduction not only benefit the environment, but also offer an easy and profitable return on investment to gas companies.
- Significant losses repaired by CA gas companies as a result.
- Prototype Pipeline Integrity Management System (PIMS) (software and full system of procedures for pipeline safety & security) installed as demonstration project in Ukraine for the region EE/Caucasus.

Results in Priority Area 3: Sustainable Energy Development
Main achievements:

- INOGATE supported EBRD’s two new sustainable energy financing facilities, to be launched before the end 2009:
  - Moldova Sustainable Energy Financing Facility – € 6 mln in TA & incentives
  - Ukraine Energy Efficiency Programme 2 - € 3.25 mln in TA
- The PCs’ technical Ministries have become better acquainted with the instruments available under the Kyoto Protocol with the development and dissemination of the KP/UNFCCC Primer document in Russian/English
- The ability of PC negotiators to participate efficiently in post-2012 negotiations has been boosted by preparing negotiation briefs.
- Ad hoc expert facility tool created for providing technical support to sustainable energy development
Results in Priority Area 4: Attracting Investments

Main achievements: Technical support for obtaining investment provided to 10 selected energy projects

1. Due diligence for rehabilitation of trans-national gas pipeline KYR-UZB-KAZ
2. Financing scoping paper for the rehabilitation of gas distribution system – Osh/Jalalabad KYR
3. Social Impact assessment for the rehabilitation of Tokmok domestic gas pipeline KYR
4. Pre feasibility study for Sary Jaz hydro electric scheme KYR
5. Financing scoping paper for the rehabilitation of gas distribution system – Andijan UZB
6. Financing scoping paper for the rehabilitation of district heating network – Andijan UZB
7. Application of renewable energies in remotely located social assets in Uzbekistan
8. Financing scoping paper for the rehabilitation of gas distribution system – Khojand TAD
9. Scoping paper for the Surhob hydro electric scheme TAD
10. Scoping of mini hydro schemes in Tajikistan

Results in Priority Area 4: Attracting Investments

• IFI awareness raised: 7 projects with direct or indirect IFI interest
• Proposed projects currently under consideration by IFIs
• Project Preparation Facility for small-scale projects in sustainable energy has been developed.

Highlights of upcoming activities

- Harmonisation of standards in the electricity sector – specifically in equipment standards
- Assisting the Boyarka Metrological Centre (BMC) in certification of instruments and validation of technical procedures for the international accreditation
- Identification of the causes of gas losses faced by Moldovagas
- Launch of SEMISE Ad Hoc Expert Facility for Energy Market Convergence & Sustainable Energy
- Launch of EBRD’s Sustainable Energy Financing Facilities in Ukraine & Moldova
- Launch of Project Preparation Facility for Sustainable Energy
- More ‘peer review’ type capacity building programmes for energy regulators
- Launch of new INOGATE Web Portal with increased user-friendly features and more content

Next steps for ITS & CCs

• Co-organising INOGATE Local Information Event in each Partner Country by ITS and MoE with the support of the INOGATE Country Coordinators and Baku Working Group Members.
• Voluntary basis
• Implementation: October – December 2009
Objectives for INOGATE Local Information Event

- Inform key stakeholders in each Partner Country on the latest INOGATE work programme for 2009-2010 and achievements to date
- Communicate the technical support that can be accessed through ongoing INOGATE projects and specifically through the SEMISE Ad Hoc Expert Facility
- Increase the ownership of the Programme and encourage commitment for further cooperation, so as to facilitate and support the Partner Countries in achieving the Energy Road Map objectives
- Raise the INOGATE Programme profile

Event Format

- Half-day Meeting with energy decision-makers in Ministry - event co-organised with Ministries / Country Coordinators / WG members
- Venue: Ministry in charge of energy (conference/meeting room)
- Number of participants: maximum 30 representatives from INOGATE stakeholders
- Inputs from other INOGATE Projects (e.g. SEMISE)
- Similar to the events successfully organised in 2007

Event Participants

- Energy decision makers in government and the relevant Ministries (Energy, Environment, Economy, State Ministry, etc)
- Energy Regulators in Partner Countries
- Oil, gas and electricity companies and industry
- Energy experts in NGOs, EE centers, ESCOs or other energy institutions and academia.
- IFIs local representatives, as well as relevant banks and financial institutions
- EC Delegations and National Coordinating Units
- INOGATE Country Coordinator, Working Group members and permanent representative from Energy Regulatory Authority

Next steps

- 15/10/09: Agree in principle interest with CCs on co-organising such events and preferred dates
- Before 31/10/09, letter to the Ministers in charge of energy requesting co-organisation of the events
- ITS to confirm dates with the Country Coordinators
- Organisation of Events: October – December 2009
For discussion

Questions on Work Programme
Questions on Local Information Event
Questions on any other INOGATE-related issue