‘Baku Initiative’ monitoring framework

Kyriakos Morfis
INOGATE Technical Secretariat
INOGATE Country Coordinators and Working Group 1 meeting
Tbilisi, 20 October 2010

---

Report

- Title: Baku Initiative Benchmarking Report
- Report commonly prepared
- Comprehensive ‘overview on all 4 WG areas’
- Basis for future monitoring
- Based on the Astana Energy Road Map

---

The process

- **Step 1 Desk research / Country Visits**
  - Responsible: ITS
  - Desk research and country visits - use of questionnaire
  - Timing: Up to end January 2010
- **Step 2 Drafting of the Report**
  - Responsible: ITS
  - Timing: Up to end February 2011
- **Step 3 Comments by Country Coordinators**
  - Responsible: Country Coordinators/Working groups members
  - Timing: Up to end March 2011
- **Step 4 Final discussion**
  - Responsible: Country Coordinators/Working groups members
  - Timing: Working Groups Meeting in 2011 (April/May)

---

Report contents

- Introduction/Purpose
- Definition of indicators/criteria
- Current status in the 4 areas of cooperation
  - Market convergence
  - Energy security
  - Sustainable development
  - Investment
- Results

State of play per area and partner country
### Energy market convergence criteria

- Market convergence
  - legislative framework
  - establishment of TSO and DSO
  - Unbundling
  - third party access
- Independent energy regulators
  - Establishment
  - Level of independence
- Tariff policy/Role of regulators
  - tariff setting policy/types
  - transparency
- Technical rules
  - harmonisation
- Integrated regional markets
  - action plan, governmental decision, political commitments

### Energy security criteria

- Maintenance
  - preventive maintenance strategies
  - Training/recording
- Rehabilitation/Upgrading
  - long and medium term rehabilitation programmes
  - development of outage and losses
- New energy infrastructures
  - legislative framework
  - incentives
- Metering and billing (electricity/gas)
  - metering systems at end-users
  - Tariff collection systems

### Sustainable development criteria

- Diversification of energy mix
  - % of renewables in energy mix
  - adoption of measures fostering renewables
- Policy framework
  - political commitments
  - adopted strategy or policy
- EE/RES framework development
  - legal, institutional and financial
- Increasing renewable energies
  - assessment of EE/RES potential
  - programme-action plans
  - information campaigns, training and awareness raising
- Creation of energy agencies
  - establishment
  - operation

### Environmental standards

- Environmental assessments/energy auditing
  - environmental assessment
  - energy auditing
- Environmental standards
  - establishment
  - incentives
- Kyoto Protocol mechanisms
  - CDM, JIP
  - emissions trading
- Gas flaring reduction
  - implementation
  - "methane to market" measures
**Investment attraction criteria**

- **Investment framework**
  - legal - regulatory framework development
  - stability, transparency and adequacy
  - Privatisation
  - institutional reforms
- **Investment climate**
  - Taxation
  - financial and banking systems
  - disputes settlement
  - tariffs and energy pricing system
- **Investment planning**
  - investment strategy and planning
  - projects of strategic interest

**Quantification of criteria**

- All criteria have been quantified to allow follow up
- Reference point for criteria: EU directives
- Validation of the criteria benchmarking by the CCs/WGMs
- Next year report will be a “Follow up Report”
- Basis of the “Follow up Report” will be the “Benchmarking Report”

**Country Information Updated**

- An ongoing process
  - Use of the information on the website
  - Regular updates of Country overviews

*Please keep the ITS always informed on any changes/developments in your country (e.g. new strategies, adoption of new laws, reforms, etc).*

**INOGATE Secretariat**

- INOGATE Secretariat will cooperate with you in elaborating this benchmarking report

*Thank you for your attention!*