Development of Coordinated Energy Policies in Central Asia: Final Working Group Meeting and Conference, Almaty 2nd-3rd April 2009

The INOGATE project “Development of Coordinated Energy Policies in Central Asia”, which comes to an end at the end of April 2009, held a final meeting of the project working group and a concluding conference in Almaty, Kazakhstan on 2nd-3rd April to summarise its achievements and its legacy.

The Working Group meeting was attended not only by the project’s working group from Kazakhstan, Kyrgyzstan, Uzbekistan and Tajikistan, the project team and the project’s EU Task Manager Mrs. Alia Baidebekova, but also by representatives from EU DG External Relations (Mr. Jeffery Piper) and DG TREN (Ms. Florence Leroy), from the INOGATE SEMISE project (Mr. Vagn Jorgenson) and from the ITS (Mr. David Conway). In total about 35 participants took part.

The Meeting set out the four main pillars of the project, which conformed to objectives of the energy road map set out in the Astana Declaration:

1. Promotion of a common regional energy market in Central Asia
2. Assistance in setting up a regional electricity market
3. Assistance to the oil and gas sectors at national level
4. Sustainable development, including technology transfer

It traced the actions of the project in each of these areas and indicated how these actions could be further developed. Presentations were made by the project Team Leader Mr. Rainer Behnke and project experts Mr. Gorm Bang Andersen and Mr. Vessa Lappalainen, and discussions ensued.

The project had presented success stories relating to the EU and South-East Europe in creating such markets at INOGATE and other events. A study tour had taken place to Austria, Hungary and Greece. The blueprints for a regional electricity market had been elaborated, and a platform for dialogue on such a market had been established including analyses of legislation required. Further steps could be taken with the assistance of SEMISE, including developing the institutional set-up for market regulation. Recommendations had been made at Kazakhstan on the legal and regulatory framework for the gas sector and on pricing mechanisms, and an analysis of export markets prepared. Support was also given to Uzbekistan analyzing the potential for the use of associated gas (currently flared from oil wells) for electricity generation. This included the recommendation of appropriate equipment to achieve this task efficiently.
In the field of sustainable energy and technology transfer, the project had prepared an analysis of the draft Kazakhstan Energy Efficiency law, and recommended adjustments on other associated draft laws. In particular it had developed the outline for a Central Asian Technology Transfer Centre, which could transfer energy technology and know-how between Europe and Central Asia to assist the sustainable development of energy policies.

During discussion on these topics, particular interest was shown by delegates in the prospects for a Technology Transfer Centre. Whilst full realisation of this may have to await a further EU project, serious interest in participation has already been evidenced from stakeholders such as the Kazakh development fund, SAMRUK. It is hoped to realise the Centre by the second half of 2010.

On the topic of developing a regional market it was pointed out that whilst regional energy experts fully comprehended the advantages of such a market, there had as yet been little attempt to explain this to consumers and it was agreed that this should be a future priority.

Members of the working party pointed out that self-sufficiency was not a realistic project for the individual Central Asian countries and cooperation was a necessity. Jeffery Piper agreed out that the first move to energy self-sufficiency is energy efficiency, and asked members to contribute suggestions for the EU’s energy work programmes through the INOGATE framework.

The Conference on 3rd April attracted a participation of about 65; apart from those who had been at the Working Group, there were also present representatives from the EC Delegation to Kazakhstan, USAID, UNDP, academia, the British Embassy, the EBRD Kazakhstan Sustainable Energy Financing Facility (KAZSEFF), the European Energy Community Secretariat, and from the INOGATE programmes ‘Support for the Kyoto Protocols Initiative’ and ‘Enhancement of environmental protection measures in the oil/gas industry of Central Asia’.

The meeting was opened with addresses from Mr. Rafael Aguirre Unceta, First Counsellor and Regional Director of Cooperation at the Commission Delegation in Kazakhstan, and by Mr. Dyusanbai Turganov, the Vice Minister for Energy and Mineral Resources of the Kazakhstan Republic. Mr. Unceta underlined how ‘energy has become a crucial issue in the past two years, in particular for the EU and the Central Asia countries. The prospects for energy are very challenging’ and in this context the project had achieved important work. Mr. Turganov was also supportive of the work of the project.

The Conference was addressed by Mr. Dirk Buschle of the Energy Community in Vienna, who outlined the successes of the EU’s energy markets and also of the development of the regional market in South-East Europe. The project’s experts outlined for the Conference the project’s themes and activities and the project and the ways in which these initiatives can be sustained and developed in the future. There were additional presentations by the project experts Mr. Heinrich Meindl (on the use of associated gas and on the proposed Technology Transfer Centre) and Ms. Alexandra Jarosiewicz (on best practices in energy efficiency and renewable energy policies).
All these presentations provoked lively discussions with substantial contributions from regional stakeholders. There was considerable interest in the structure and financing of the proposed Transfer Centre, interesting accounts of policy developments in the Central Asian countries, and technical discussion concerning the use of associated gas. Of particular interest to all at the conference was a presentation by Mr. Almaz Stamaliev, of the Kyrgyzstan Ministry of Energy and Fuel Resources, on successful small-scale initiatives in renewable energy including solar energy and biomass projects.

The meeting was closed, after a summary by Mr. Behnke, by Mrs. Baidebekova. She assessed both the achievements of, and the challenges faced, by the project and outlined how its work might be carried forward in the future. In doing so she highlighted both the SEMISE project and the ITS as important elements in carrying on both its practical work and its messages.