Promoting Private Investment in Clean Energy in Central Asia

Agenda

- Background
- Key Issues to be Addressed
- Proposed TA

Background -Paris Agreement and NDCs

- The Paris Agreement requires all Parties to put forward their best efforts through “nationally determined contributions” (NDCs) and to strengthen these efforts in the years ahead.

“CAREC Report of SOM to Ministers in Oct 2016”

Following COP21 and Intended Nationally Determined Contributions (INDC) commitments made by the countries, ESCC will have elements to support this effort.

Background
Highlights of NDCs of CAREC member countries

AFG	• 13.6% reduction in greenhouse gas (GHG) emissions by 2030 compared with Business-as-Usual (BAU), conditional on external support
AZE	• 35% reduction in the level of GHG emissions by 2030 compared with 1990 (target: 25.666 gigagram [Gg] CO2e (excluding land use, land-use change, and forestry [LULUCF]), 24.374 Gg CO2e (including LULUCF)
GEO	• Reduce GHG emissions by 15% below BAU for the year 2030 (equal to reduction in emission intensity by approx.34% from 2013 to 2030). • Increased target to 25% (subject to global agreement addressing technical cooperation, access to low-cost financial resources and technology transfer) (equal to reduction in emission intensity by approx. 43% from 2013 to 2030).
KAZ	• 15% reduction in GHG emissions by 2030 compared to 1990 • 25% reduction in GHG by 2030 (with additional international investments, access to technology transfer mechanism, etc.)
KGZ	• Reduce GHG emissions by 11.49%-13.75% below BAU in 2030; by 12.67%-15.69% in 2050 • Reduce GHG emissions by 29%-30.89% below BAU in 2030; 35.06%-36.75% in 2050 (with international support)

Source: Assessing the Intended Nationally Determined Contributions of ADB Developing Members (2016), ADB

Background
Highlights of NDCs of CAREC member countries

PAK	• Reduce emissions after reaching peak levels (subject to affordability, provision of international climate finance, transfer of technology and capacity building)
TAJ	• Flexible target not exceeding 80%–90% in GHG emissions (1.7–2.2 tCO2e per capita) of 1990 level by 2030 • Achieve 65-75% in GHG emissions (1.2–1.7 tCO2e per capita) of 1990 level by 2030, subject to new substantial international funding and technology transfer
TKM	• After 2030, energy/carbon/GHG emission intensity will be reduced • Stabilization of emissions by 2030 • Zero growth in emissions and even reduce them up to 2030, if financial and technological support is provided by developed countries
PRC	• Achieve peaking of carbon dioxide (CO2) emissions by 2030, with best efforts to peak early • Lower CO2 emissions per unit of gross domestic product (GDP) by 60%–65% by 2030 compared with 2005 level • Increase the share of nonfossil fuels in primary energy consumption to about 20% • Increase the forest stock volume by about 4.5 billion cubic meters on the 2005 level
MON	• Reduce 14% of greenhouse gas (GHG) emissions (excluding land use, land-use change, and forestry by 2030 compared with Business-as-Usual (BAU), contingent upon gaining access to new technologies and sources of finance through internationally agreed mechanisms and instruments
UZB	• Decrease specific emissions of GHG per unit of GDP by 10% by 2030 from level of 2010.

Source: Assessing the Intended Nationally Determined Contributions of ADB Developing Members (2016), ADB

Key Issues to be addressed

- Planning phase to Implementation phase
  - Big Strategy (NDCs) to actionable work plan
  - Tailored approach to address country priority

- Bigger role of clean energy to achieve NDCs
  - Need more private sector investment on clean energy
  - Need Policy and regulatory reforms to attracts private investment
    - ✓ specific incentives for attracting investments in renewable energy
      i.e. feed in tariffs, auctions, and etc.
    - ✓ specific incentives for private investment in energy efficiency
      i.e. tax incentives, enhanced credit schemes with local financial institutions, and etc.
    - ✓ broader central issues that are barriers to private investment in the power sector

Proposed TA

Objective

Promoting private sector investment in clean energy to assist **the implementation of NDCs** in CAREC countries.

Approach

1. **Study and gap analysis on the country's NDCs** and other national strategies **to identify priority area in clean energy and investment needs**

2. Development of action plans based on the study
   - ✓ **Proposal of reforms in policy and regulatory framework** to attract clean energy investment by private sector
   - ✓ Provide **capacity building** support to achieve reforms
   - ✓ **Prioritization of clean energy investment project**s

Proposed TA

How

1. Work with several countries keen to explore such a possibility

2. Using the CAREC platform to share knowledge and experience
   - ESCC
   - Regulators Forum
   - Energy Investment Forum

THANK YOU!

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