



**CAREC Energy Sector Coordinating Committee Meeting**

11-12 May 2017

Dushanbe, Tajikistan

**MEETING HIGHLIGHTS**

Agenda Item	Action Taken
<p><b><i>Opening Preliminaries</i></b> Highlights:</p> <p>Mr. Minister gave his opening speech about regional cooperation and the economy, after which each delegate gave a brief introduction of themselves.</p>	
<p><b><i>Element 1: Developing the East-Central Asia-South Asia Region Energy Market</i></b></p> <p>Panelists: CAREC Countries (i.e., Afghanistan, Pakistan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan)</p> <p>Highlights:</p> <ul style="list-style-type: none"> <li>• Mr. Asad Aleem discussed the updates of the two main initiatives of the ADB in the region: the CASAREM and TUTAP.</li> <li>• Countries were asked to give updates on what progress has been made including planned activities and connectivity activities.</li> <li>• Afghanistan gave a very elaborate view of the country’s vision of the energy sector in the country, especially electricity, as having enormous potential to increase economic activity through regional connectivity. Some expansion programs were described.</li> <li>• Pakistan Prime Minister inaugurated projects, however, new initiatives on power have been moved from 2018 to 2020. One of Pakistan government’s main issues is energy.</li> <li>• Kyrgyzstan explained that although the cost of their project was co-financed, they couldn’t yet implement due to clearing of internal government matters and main financial issues of the national power grid and national implementing agency. Just like in Tajikistan, the country has renewable energy resources and solar power, small hydro power plants, and welcome the participation of colleagues to create facilities to transfer excessive power.</li> <li>• Tajikistan is a country that has placed a lot of efforts towards a vision and believe they have a lot of potential. Regional cooperation has helped to solve their problem because of the expansion of the market.</li> <li>• Turkmenistan gave a presentation on the generation of power supply and the construction of new energy facilities including steam turbines. To ensure the capacity, particularly to Afghanistan, building from Turkmenistan high voltage transmission lines 500 kw. Working on construction of 100 kw high voltage, getting both international companies for these projects, looking forward to seeing the contribution by these</li> </ul>	<ul style="list-style-type: none"> <li>• The ESCC noted the important milestones under the E-CASAREM initiative.</li> </ul>



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<p>companies.</p> <ul style="list-style-type: none"> <li>Uzbekistan has upgraded and improved their distribution networks by building and installing solar and wind power plant. One of priority areas is energy and they look forward to seeing growth in the area with Afghanistan as their major partner.</li> </ul>	
<p><b>Element 2: Promoting Regional Electricity Trade and Harmonization</b> Presenters: Mitsunori Motohashi (WB)</p> <p><i>WB presentation was a follow up on a World Bank study reported at April and October 2016 ESCC Meetings on benefits for four Central Asia countries if efficient trade had been pursued during the 2010-2014 period. The presentation highlighted regional electricity market (REM) benefits, constraints, design and best practices, and provided a view on next steps for Central Asia.</i></p> <p>Comments:</p> <p>WB is seeking guidance and advice on how to take the issue or study forward. It is mentioned that the priority investments are already there, now is about how to trade and organize. The data is based on historical transactions between borders, assuming one single regional system. The study shows how much efficiencies were lost because could not comply with simple things. USAID ready to work with the countries under the framework of CAREC. A proposal was made to establish a sub-committee or small technical group based on comments of some of the countries. Tajikistan proposes something more realistic, an actual output from the sub-committee. Pakistan supports the proposal to establish a small group. Kyrgyz supports the proposal as well but wants to set objectives and focus on addressing the issues.</p>	<ul style="list-style-type: none"> <li>Work towards establishing a group, establish the TOR at next ESCC meeting. One country can take the lead and the ESCC secretariat can support. Demand side: Pakistan; Supply side: Kazakhstan.</li> </ul>
<p><b>Element 3: Managing Energy-Water Linkages</b> Presenters: Christina Leb and Nagaraja Rao Harshadeep (WB)</p> <p><i>WB presentation described the linkages between energy and water systems from a regional Central Asia perspective, and explored options for modernizing the information, institutions, and investments. The presentation built on work done and planned under the Central Asia Energy and Water Development program.</i></p>	
<p><b>Element 4: Promoting and Prioritizing Clean Energy Technologies /Mobilizing Financing for Priority Projects</b></p> <p>Presenter: Deputy Minister of Tajikistan</p> <p>Tajikistan Deputy Minister presented the country's long-term objectives until 2030, including decreasing electricity losses by 10% and exporting electricity to 10B kwt per hour. Tajikistan government has decreed laws</p>	



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<p>on Energy Efficiency and Energy Saving along with Law on Renewable Energy Sources.</p> <p>Presentation on Pamir Energy, company founded in 2002 along with partners at World Bank. The company is distributing and selling the electricity. Increased production despite geographical location in east part of Tajikistan where the conditions are harsh thanks to investment from the government. Two-phase expansion into Afghanistan.</p> <p>Presenters: CAREC member countries</p> <p>Each country explained its national strategy and regulatory frameworks on Renewable energy.</p>	
<p><b>Promoting Clean Energy in Central Asia – USAID’s Approach</b> Presenter: Andrew Segars (USAID)</p> <p><i>USAID provided a general overview of its energy program in Central Asia. The USAID program focuses on three interrelated priorities, (1) Promoting the deployment of utility-scale renewable energy as a cost-effective means to meet rising electricity demand; (2) Supporting energy efficiency measures to reduce losses and operational costs of national and regional energy systems; and (3) Enhance regional collaboration for cross-border electricity trade. USAID provides technical assistance to the Central Asian countries to support the increased use of clean energy through improved policy and regulatory reforms, reverse auctions policies and grid integration. Examples were provided on USAID’s experiences in clean energy.</i></p> <p>Includes wind, solar, biomass and hydro.</p>	
<p><b>Regional Cooperation on Renewable Energy Integration to the Grid</b> Presenter: Atsumasa Sakai (ADB)</p> <p>ADB presented the proposed TA which seeks to address the technical barriers at the grid side that hampers greater adoption of solar and wind power generation in the CAREC region. The TA aims to strengthen the capacity of transmission grid by providing training to transmission grid operators on modernized control technique and by analyzing least-cost development of balancing reserve capacity of backup generators and storage utilizing regional cooperation framework.</p> <ul style="list-style-type: none"> <li>• The ESCC participants supported the TA to be implemented with the following detail: <ul style="list-style-type: none"> <li>✓ Scope: To meet the grid readiness requirement, (i) securing the optimal amount of reserve capacity of backup generators/ storage in less costly manner; (ii)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• VC of all development partners to get involved</li> <li>• No formal action taken yet on group formation. Can be discussed at VC of the participating countries or at next ESCC.</li> </ul>



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<p>reinforcing the transmission capacity of the network;            (iii) educating grid operators to adopt modern tools like forecasting system in their daily dispatching operation to control intermittent RE behavior (sample demonstration of forecasting service at one country).</p> <ul style="list-style-type: none"> <li>✓ Countries participated: Includes Afghanistan, Kazakhstan, Kyrgyz Republic, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.</li> <li>✓ Timeline: Starts in July 2017 and ends in January 2019.</li> <li>✓ Arrangement: Formation of working committee comprised of the countries' grid operators as country focal, chaired by Uzbekistan to facilitate the discussion, training, and output dissemination. Consultant hired by ADB will support the working committee in the administration and the coordination.</li> </ul> <ul style="list-style-type: none"> <li>• Uzbekistan delegate agrees to chair the TA and to that the TA is necessary because resources are unreliable and not dependable.</li> <li>• Kazakhstan says that we need to use a mobile and flexible resource of neighbors. At this stage, have quite small resources. Proper and timely to establish a small group to prepare a plan to establish needs. Focus on establishing a regional market. Support the creation of such a group and will come up with a source of reference or document and succeeding meetings.</li> <li>• Kyrgystan initiative to establish the group is very important to address the technical aspects. Different countries in Central Asia are at different capacities so it would help to discuss.</li> <li>• Turkmenistan believes that what has been presented is very important for the economy. Also agree that important because fossil fuels will have to be replaced with unconventional energy sources and first steps will give great impetus to further efforts.</li> <li>• Pakistan supports but is concerned about the timeline.</li> <li>• Azerbaijan would like to make sure that countries that are not listed will also connect to this network. There would be a need for other countries to be involved in the group at least on knowledge sharing basis.</li> <li>• USAID and World Bank are happy to get onboard and be included in the group. Other donors may want to get onboard.</li> </ul>	
<p><i>Sistema Avtomatika Tajikistan solar company site visit</i></p> <ul style="list-style-type: none"> <li>• A proposal was made to research on the possibility of a certificate in solar training across the region</li> <li>• A proposal was made to conduct a training session for women entrepreneurs in solar power.</li> </ul>	<ul style="list-style-type: none"> <li>• Proposals to be explored and training to be organized.</li> </ul>
<p><b>END DAY 1</b></p>	



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<p><b><i>Pakistan’s Nationally Determined Contributions (NDCs)</i></b> Presenter:</p> <p>Pakistan made a comprehensive presentation on their NDCs, including the backgrounds of Paris Agreements and NDCs, assumption and methodologies on the development of Pakistan’s NDCs. Upon request, the regulatory framework to coordinate the development of NDCs was also explained.</p> <p><b><i>TA on Promoting Private Investment in Clean Energy in Central Asia</i></b> Presenter: Kazuto Muraguchi (ADB)</p> <p>ADB explained the proposed TA on “promoting private investment in clean energy in Central Asia” to assist CAREC countries in developing an enabling policy and regulatory environment for private sector clean energy investment and identify priority investments to achieve NDCs of each country. The proposed study and gap analysis on countries’ NDCs will identify priority areas in clean energy, investment needs, and lead to the development of action plans based on the results of the study, which may include proposal of reforms in policy and regulatory framework to attract clean energy investment from private sector, capacity building support to achieve reforms, and prioritization of clean energy investment projects.</p> <p>ESCC members also discussed the possible area of work in ESCC in relation to the implementation of NDCs, including the demand side management and the use of energy efficient technologies.</p>	<p>ESCC welcomed the detailed explanation on the NDCs of Pakistan.</p> <p>ESCC endorsed the proposal of TA</p>
<p><b><i>Element 5: Capacity Development and Knowledge Management</i></b> Video presentation from recent ESCC training in Korea</p> <p><b><i>Approved RETAs</i></b> <b><i>Global mega trends, climate change, and stranded assets</i></b> Presenter: Sohail Hasnie (ADB)</p> <p>ADB gave a presentation on the country coverage and pilot projects for TA 9168 and TA 9299.</p>	
<p><b>Moving Forward</b> <b><i>CAREC 2017 Energy Investment Forum (EIF)</i></b> Presenter: Kazuto Muraguchi (ADB)</p>	<p>ESCC members agreed to</p>



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<p>ADB shared the plans for the CAREC 2017 Energy Investment Forum and discussed the meeting arrangements, including the possibility of installing county booths to exhibit country's investment opportunities.</p> <p><i>Updates on CAREC-ESCC</i> Presenter: Sohail Hasnie (ADB)</p> <p>Presentation on the ADB mid-year progress report to SOM and Structure and Content of the report to SOME and contribution/inputs from CAREC member countries.</p> <p>CAREC-ESCC Secretariat new ideas to improve efficiency and finalization of minutes.</p>	<ul style="list-style-type: none"><li>• nominate 5 participants, including senior participants from the government and utility companies by 15 May</li><li>• recommend private sector participants who will be interested in investing in CAREC and attending EIF by 31 May</li><li>• develop promotional materials on ESCC and EIF using social media.</li><li>• Contact secretariats if they are interested in installing country booths in EIF meeting venue by 31 May</li></ul>