



# 31<sup>st</sup> ESCC MEETING

10 June 2021

15:00-17:30 Manila time

## MINUTES

<p>1.</p>	<p><b>Opening Remarks by CAREC Presidency and ADB (10 minutes)</b></p> <ul style="list-style-type: none"> <li>• Mr. Samir Veliyev, Deputy Minister of Energy of the Republic of Azerbaijan</li> <li>• Mr. Joonho Hwang, Director Energy, Central and West Asia Department, ADB</li> </ul>
<p><b>Key messages</b></p>	<p>Mr. Veliyev and Mr. Hwang welcomed the CAREC member country representatives and development partners to the 31<sup>st</sup> ESCC Meeting.</p> <p>Mr. Veliyev thanked ADB for organizing the virtual ESCC. As CAREC Chair for 2021, Mr. Veliyev expressed Azerbaijan’s commitment to promote stronger regional cooperation and integration in the energy sector. He also highlighted CAREC’s contribution to the development of the region in the last 2 decades, its crucial role in the post-COVID-19 recovery, and the significance of the CAREC Energy Strategy 2030 including the new governance structure of the ESCC in regional cooperation for the energy sector. Moreover, he explained the status of electricity demand and production in Azerbaijan, its current partnerships and role in the region, its targets, and ongoing efforts in renewable energy development. Lastly, he called for the practical value of ESCC and development partners’ efforts in post-pandemic recovery and accelerating support for programs that promote prosperity in the CAREC region.</p> <p>Mr. Hwang underscored the efforts that have been made following the adoption of CAREC Energy Strategy 2030 and ESCC’s new workplan. He also thanked the CAREC member representatives and development partners for their remarkable support and active participation in line with the Strategy’s vision for reliable, resilient, reformed, and sustainable energy market in the region. Mr. Hwang also expressed its appreciation to Mr. Veliyev for Azerbaijan’s valuable support as this year’s CAREC Chair. Lastly, he presented the agenda for the 31<sup>st</sup> ESCC Meeting.</p>
<p>2.</p>	<p><b>Tour de Table (10 minutes)</b></p> <ul style="list-style-type: none"> <li>• Country representatives and Development Partners to introduce their names and positions and posing for a group photo thereafter</li> </ul>
<p><b>Key messages</b></p>	<p>Working group members introduced themselves and expressed their interest in the discussion and exchange among member countries and development partners.</p>



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<p>3.</p>	<p><b>Launching a fresh era of cooperation: New virtual connectivity and innovative working methods in ESCC (10 minutes)</b></p> <ul style="list-style-type: none"> <li>• Ms. Sarin Abado, CAREC Energy Focal, ADB</li> </ul>
<p><b>Key messages</b></p>	<p>The presentation highlighted the CAREC Energy Strategy 2030's milestones, the strategic priorities and cross-cutting themes, the agreed implementation method, the new CAREC Energy Community Leaders (Working Groups and Task Forces Chairs), the completed Work Stream and Task Force meetings and the new concept for virtual connectivity and remote working through the new CAREC Energy webportal: <a href="http://www.carecenergy.org">www.carecenergy.org</a>.</p>
<p>4.</p>	<p><b>Key Accomplishments towards achieving the CAREC Energy Strategy 2030 (40 minutes)</b></p> <ul style="list-style-type: none"> <li>• <b>Establishing the new Central Asia Transmission Cooperation Association</b> <ul style="list-style-type: none"> <li>○ <i>Ms. Gulnara Bakhtybaeva, Deputy Director of the Electric Power Development Department, Ministry of Energy of Kazakhstan</i></li> </ul> </li> <li>• <b>Developing a virtual CAREC Energy Reform Atlas</b> <ul style="list-style-type: none"> <li>○ <i>Mr. Bakhrom Umarbekov, Deputy Director of the Project Office for The Reform of the Electricity Industry, Ministry of Energy of Uzbekistan</i></li> </ul> </li> <li>• <b>Creating the first CAREC Women in Energy Program</b> <ul style="list-style-type: none"> <li>○ <i>Ms. Samira Sayed-Rahman, Senior Advisor International Relations &amp; Strategic Communication, DABS</i></li> </ul> </li> <li>• <b>Preparing a new regional Financing Vehicle for Green Energy Projects</b> <ul style="list-style-type: none"> <li>○ <i>Mr. Asaf Rzayev, Head of Energy Efficiency Division of Electricity and Energy Efficiency Department, Ministry of Energy of Azerbaijan</i></li> <li>○ <i>Ms. Margalita Arabidze, Deputy Head of Energy Reforms and International Relations, Ministry of Economy and Sustainable Development of Georgia</i></li> </ul> </li> </ul>
<p><b>Key messages</b></p>	<p><b>Establishing the new Central Asia Transmission Cooperation Association</b></p> <p>As Chair of Work Stream 1 (Infrastructure Connectivity and Energy Security), Ms. Gulnara Bakhtybaeva presented the conceptualization, role, and benefits of a new regional Transmission Cooperation Association (CATCA). She also presented the 3-step approach to establish CATCA, i.e. (i) Develop CATCA's Organizational Mandate, (ii) Prepare Roadmap for CATCA's establishment, and (iii) Produce Founding Documents. She requested the ESCC to kindly endorse the draft concept prepared in Work Stream 1.</p>



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## **Developing a virtual CAREC Energy Reform Atlas**

As Chair of Work Stream 2 (Policy Reform and Liberalization), Mr. Bakhrom Umarbekov presented the status and components of the CAREC Energy Reform Atlas including its overall features and principles as a virtual library. Likewise, the presentation highlighted the inclusion of digital roadmaps in the reform atlas and presented the digital roadmap for the tariff reform and unbundling toolkit. The Chair requested the ESCC to kindly endorse the overall draft concept prepared in Work Stream 2.

## **Creating the first CAREC Women in Energy Program**

As Chair of Task Force C (Women Empowerment), Ms. Samira Sayed-Rahman presented the preliminary draft action plan for the 1<sup>st</sup> Women in Energy Program which has four focus areas: (i) Improving Women's Employability, (ii) Education, (iii) Visibility (inside and outside of the region), and (iv) Capacity. Ms. Rahman also mentioned that the group is currently gathering data on women's employment and main obstacles/challenges women face in advancing their careers in the energy sector. To obtain a comprehensive picture on these subject areas, the Chair requested support from member countries in responding and disseminating a questionnaire developed by the Task Force. The results of the data gathering will provide the basis for the development of the Women in Energy Program. The report shall be officially presented during the 1<sup>st</sup> CAREC Women in Energy Summit scheduled on 3 March 2022. Ms. Rahman requested the ESCC to kindly endorse the draft concept prepared in Task Force C.

## **Preparing a new regional Financing Vehicle for Green Energy Projects**

As Co-Chairs of Work Stream 3 (Energy Efficiency and Diversification of the Energy Mix), Mr. Asaf Rzayev and Ms. Margalita Arabidze presented the concept and proposed scope for CAREC Green Energy Alliance explaining that the Alliance will mainly consist of a Financing Vehicle to promote investments in energy efficiency and renewable energy projects. The Co-Chairs also presented the completed awareness raising materials on energy efficiency, in particular a consumer leaflet, and a radio and TV commercial providing helpful advice to residential consumers on how to save energy in daily life. The Co-Chairs requested the ESCC to kindly endorse the outputs prepared by Work Stream 3.



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5.	<p><b>*** Screening of draft Energy Efficiency TV and Radio Commercial for broadcasting in CAREC countries ***</b></p>
<p><b>Key message</b></p>	<p>The radio and TV commercials presented by the Co-Chairs of Work Stream 3 (under agenda point 4) were live streamed both in English and in Russian. They can be accessed under the following links:</p> <ul style="list-style-type: none"> <li>• <a href="#">TV English</a></li> <li>• <a href="#">TV Russian</a></li> <li>• <a href="#">Radio English</a></li> <li>• <a href="#">Radio Russian</a></li> </ul>
6.	<p><b>Changing the Game for Energy Investments in the CAREC Region: Preparation of the CAREC Energy Outlook 2030 (10 minutes)</b></p> <ul style="list-style-type: none"> <li>• Mr. Peter Kaznacheev, Roland Berger GmbH</li> </ul>
<p><b>Key messages</b></p>	<p>Mr. Peter Kaznacheev, Roland Berger Lead Consultant, presented the proposed structure for the development of the 1<sup>st</sup> CAREC Energy Investment Outlook 2030. The presentation highlighted the report's background and objectives; its four key elements (demand and supply outlook, technology outlook, carbon emissions outlook and investment outlook) assessed both at the regional level as well as on a country specific level. Mr. Kaznacheev also provided insight into selected case studies across CAREC countries that will be included in the report and explained the three main forecasting scenarios that will be used to develop the report, i.e. (i) Business-as-usual scenario, (ii) Government commitments scenario, and (iii) Green growth scenario.</p>
7.	<p><b>Discussion (60 minutes)</b></p> <ul style="list-style-type: none"> <li>• Member Country interventions (please see speaking guide on page 3)</li> <li>• Development Partner interventions</li> </ul>
<p><b>Key messages</b></p>	<p>Prior to the meeting, ESCC members were provided with key questions and were requested to provide their responses during this discussion session. The following summarizes the responses given by the working group participants.</p> <p><b>1) Do you agree with the main features proposed for the Central Asia Transmission Cooperation Agency (CATCA)?</b></p> <p>CAREC member countries agreed with the overall proposed features of CATCA. Mongolia added that CATCA will play a vital role in managing and mobilizing much needed human capital and</p>



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technical resources to foster interconnection among countries and address seasonal variability and uneven distribution of energy. Kazakhstan emphasized its full support for CATCA and expressed that it is looking forward to the final concept which will also contain practical implementation details around funding, staff needs and secondment arrangements. PRC added that it intends to actively participate in CATCA and said that regional infrastructure should be thoroughly assessed prior to establishing CATCA.

The draft concept for the establishment of CATCA was approved by the ESCC.

- 2) Do you endorse the TV and radio commercial prepared for broadcasting in your country? May we also share the consumer leaflet on energy efficient behavior for your further distribution to the population? Note: we can provide the TV/radio commercial in your local language after ESCC endorsement**

The ESCC fully endorsed the TV and radio commercial for broadcasting in their countries and the dissemination of the consumer leaflets on energy efficiency. Kazakhstan and Azerbaijan suggested that similar campaigns could also be considered for other consumer groups such as farmers and industrial companies. Members also emphasized that these materials shall be widely disseminated on social media, especially with the aim to reach younger generations.

- 3) Do you agree with the proposed draft structure of the Green Financing Vehicle and the CAREC Energy Outlook?**

CAREC member countries agreed with the proposed draft structure of the Green Financing Vehicle and the CAREC Energy Outlook. Pakistan informed that it intends to integrate 20% green energy in the power network by 2025 and that the Financing Vehicle as well as the CAREC Energy Outlook will be very useful to achieve this goal. PRC welcomed the initiatives and confirmed its support to promote renewable energy. Turkmenistan added that the Green Financing Vehicle is very timely for the country as it recently approved a strategy for the development of renewable energy. Overall, there was consensus among member countries that the Financing Vehicle shall include support for both renewable energy and energy efficiency.

The ESCC fully endorsed the papers prepared on the CAREC Energy Outlook and Green Financing Vehicle as prepared in the respective working groups.

- 4) Do you accept the proposed outline of the CAREC Women in Energy Program and the main online functionalities of the CAREC Energy Reform Atlas?**

CAREC member countries endorsed the proposed outline of the CAREC Women in Energy Program and the concept and functionalities of the CAREC Energy Reform Atlas. The



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importance of both initiatives was acknowledged and active support on provision of data, especially on the currently circulating women-in-energy questionnaire was pledged.

## Responses from Development Partners

**AIIB.** AIIB presented its four thematic priorities in the field of energy, i.e. (i) Green Infrastructure, (ii) Connectivity and Regional Cooperation, (iii) Private Capital Mobilization, and (iv) Technology-enabled Infrastructure and presented AIIB's Multilateral Cooperation Center for Development Finance (MCDF). The MCDF is a multilateral initiative which aims to increase high-quality infrastructure and connectivity investments in developing countries in compliance with International Financial Institution (IFIs) standards, including by encouraging other investors and financial institutions to adopt such standards.

**CAREC INSTITUTE.** CAREC Institute expressed that the energy sector is one of their priority areas in their research agenda. The Institute is also planning to undertake research on three areas: 1) infrastructure gap between traditional and renewable energy sources in the region, 2) public-private partnerships, and 3) legal, regulatory, and institutional framework for traditional and renewable energy transition and cooperation mechanisms.

**EDB-ESDF.** EDB-ESDF supports the presented CAREC activities and will provide further inputs related to their initiatives in due course.

**EBRD.** EBRD expressed its gratitude to ADB and CAREC for the work that they also support. EBRD sees the energy transition as the most important challenge and opportunity for the region which is still heavily reliant on fossil fuels but has also a great potential for renewables as shown by recent auctions results. EBRD stated that it would like to closely work with CAREC on the Energy Investment Outlook, especially in relation to the Green Growth/Net zero Scenario that will be part of the outlook. EBRD would also be happy to stay involved in the discussion on the Green Financing Vehicle.

**ISDB.** ISDB fully supports the CAREC Energy initiatives especially the energy efficiency and Women in Energy Program. ISDB looks forward to working with ADB, member countries, and other development partners for the successful implementation of the initiatives.

**UNDP.** UNDP looks forward to continuing work on the energy efficiency awareness campaigns and supports the proposal to include other target groups in future campaigns. UNDP also expressed interest in sharing the videos on their own social media for more widespread distribution. UNDP also expressed that it may be interesting to see how to link the initiative of the Green Financing Vehicle with the Climate Investment Platform, a similar initiative of several international partners (<https://www.climateinvestmentplatform.com>).



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	<p><b>WORLD BANK.</b> World Bank provided a brief overview and design of its regional hydrogen study which currently being developed. The presentation highlighted the six main components of the energy transition among which the deployment of hydrogen is an integral part besides energy efficiency, renewables, electrification end-user sectors and CCUS. The hydrogen value chain was presented in more detail. It was announced that WB intends to present the final results of the study at the next ESCC meeting.</p>
8.	<p><b>Wrap-Up and Closing (10 minutes)</b></p> <ul style="list-style-type: none"> <li>• Mr. Samir Veliyev, Deputy Minister of Energy of the Republic of Azerbaijan</li> <li>• Mr. Joonho Hwang, Director Energy, Central and West Asia Department, ADB</li> </ul>
<b>Key messages</b>	<p>Mr. Veliyev and Mr. Hwang thanked the member countries, development partners, and the secretariat for their active participation and support in organizing the 31<sup>st</sup> ESCC Meeting. ADB also expressed its appreciation for the ESCC’s endorsements of the proposed CAREC Energy activities which will enable the continuous implementation of its workplan. ADB commended Azerbaijan for its leadership and congratulated the working group chairs on their new roles and outstanding contribution and hard work to achieve the 2030 goals set forward for the CAREC Energy community.</p>

- **The recording of this meeting is available on the CAREC Energy Members Area at [www.carecenergy.org](http://www.carecenergy.org)**
- **Appendix: List of Participants**



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## Appendix

### List of Participants

	Name	Position	Institution	Country
1				Afghanistan
2				Afghanistan
3				Afghanistan
4				Afghanistan
5				Afghanistan
6				Afghanistan
				Azerbaijan
				Azerbaijan
				Georgia
				Georgia
				Kazakhstan
				Kazakhstan
				Kazakhstan
				Kazakhstan
				Kazakhstan
				Kazakhstan
				Kyrgyz Republic
				Kyrgyz Republic
				Kyrgyz Republic
				Mongolia
				Mongolia
				Pakistan
				Pakistan
				Pakistan
				Pakistan
				People's Republic of China





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			People's Republic of China
			People's Republic of China
			People's Republic of China
		AIIB	People's Republic of China
		AIIB	People's Republic of China
		ADB	Philippines
		ADB	Philippines
		ADB	Philippines
			Philippines
			Philippines
			Philippines
			Philippines
			Philippines
		IsDB	Saudi Arabia
		IsDB	Saudi Arabia
		IsDB	Saudi Arabia
			Tajikistan
			Tajikistan
			Tajikistan
			Tajikistan
			Turkey
			Turkmenistan
			Turkmenistan
			Turkmenistan
			Turkmenistan
		EBRD	UK



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	Name	Position	Institution	Country
			EBRD	UK
			WB	USA
			WB	USA
				Uzbekistan
				Uzbekistan
				Uzbekistan
				Uzbekistan
				Uzbekistan
				Uzbekistan