



33rd ESCC MEETING

16 May 2023

15:00-17:30 Manila time

MINUTES

1.	Opening Remarks by CAREC Presidency and ADB (10 minutes)
Key messages	<ul style="list-style-type: none"> • Mr. Romeo Mikautadze, First Deputy Minister of Economy and Sustainable Development of Georgia • Mr. Joonho Hwang, Director Energy, Central and West Asia Department, ADB <p>Mr. Mikautadze and Mr. Hwang welcomed the CAREC member country representatives and development partners to the 33rd ESCC Meeting.</p> <p>Mr. Mikautadze expressed his gratitude towards the ADB and the CAREC energy program for their role in bringing together key stakeholders to discuss sustainable energy and energy cooperation in the region. Amid the current geopolitical, energy, and health crises, he underscored the importance of transitioning to sustainable and resilient energy sources. He emphasized the need for synergy between energy efficiency, renewable energy infrastructure development, and regulatory frameworks. The speaker also highlighted the value of cross-border energy trading and diverse energy sources among member states. Mr. Mikautadze showed optimism about the 2023-2025 work program's role in promoting sustainable development in the region. Finally, he looked forward to future gatherings and knowledge exchanges in Georgia and wished everyone success in the implementation of the work program.</p> <p>Mr. Hwang welcomed everyone to the third sector coordinating committee meeting, with hopes of an in-person gathering in the future. The primary objective for the meeting was to agree on the CAREC energy work program for 2023 to 2025, with a focus on enhancing energy security, scaling up investments, and enhancing sustainability. Given the current energy security challenges, the need for diversified energy sources and improved interconnectivity has become critical. Mr. Hwang affirmed ADB's readiness to support all CAREC members towards a resilient, sustainable, and inclusive energy landscape. He concluded by expressing appreciation to the government of Georgia for their role in the CAREC presidency.</p>
2.	Tour de Table (10 minutes)
Key messages	<ul style="list-style-type: none"> • Country representatives and Development Partners to introduce their names and positions and posing for a group photo thereafter <p>Working group members introduced themselves and expressed their interest in the discussion and exchange among member countries and development partners. All CAREC member countries were represented at the meeting except for Afghanistan.</p>



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3.	<p>The Energy Outlook: from macro drivers and geopolitics to energy transition (40 min)</p> <p>– an update on the global energy markets after the launch of the CAREC Energy outlook</p> <ul style="list-style-type: none"> • Rystad Energy – An independent advisory and research company specializing in global energy markets.
Key messages	<p>Mr Akan Kadyrbekov and Kaushal Ramesh from Rystad Energy, explained how the CAREC Energy Outlook report, published in December 2022, analyzes options for future energy market development within the CAREC region. However, given that the data in the report predates 2022, Rystad Energy then expressed their views on the price of oil and gas, as well as the global demand situation for these resources, post the 2022 events in Ukraine. They also shared their perspectives on the energy transition and how CAREC countries could transition to greener and cleaner energy sources.</p>
4.	<p>Proposed deliverables under the ESCC 2023-2025 Work Program (10 min)</p> <ul style="list-style-type: none"> • Mr. Martin Sommerseth Jaer, Finance Specialist (Energy) and CAREC Energy Focal, ADB.
Key messages	<p>Martin Sommerseth Jaer presented the ESCC work programme for the next period, which aligns with the CAREC Energy Strategy 2030 and builds on the achievements of the 2020-2022 work programme, which included a variety of publications. He outlined a meeting-based work programme for 2023-2025, aimed at promoting interconnectivity, scaling up investments, and enhancing sustainability, all in line with the CAREC Energy Strategy. Mr. Jaer mentioned a Senior Officials Meeting in June 2023 and an Energy Investment Forum in November 2023, both set to occur in Georgia. He also proposed a transmission and grid infrastructure workshop with in either late 2023 or first half of 2024, a workshop on energy efficiency, and a potential study tour to the Nordic region during the summer of 2024. His colleague, Serik S. Zharkinbayev further emphasized the need for knowledge sharing within the transmission system in the region, capacity building, and regional development, and also suggested expanding the regional electricity market.</p>
5.	<p>Discussion (70 minutes)</p> <ul style="list-style-type: none"> • Member Country interventions • Development Partner interventions
Key messages	<p>During the meeting, all member countries were prompted to provide their insights on two key issues. The first issue involved an update on the main developments in their respective energy sectors. This included sharing updates on new and ongoing major energy projects, introducing any new legislation, and discussing recent challenges and opportunities they've encountered in their energy sectors.</p>



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The second issue centered around gaining agreement on the proposed deliverables under the new Work Program for 2023-25. The member countries unanimously agreed to these proposals.

A summary of each member country's and development partner's interventions are listed in the following:

Azerbaijan. Speaker – Mr. Asaf Rzayev

The representative from Azerbaijan shared the country's latest developments in energy. The government has made energy security a national priority for the next decade, focusing on improving the environment and green energy. To address climate change, the nation plans to utilize renewable energy sources and promote energy efficiency. A new law has been adopted to streamline these efforts, and the country is further encouraging the use of renewable energy through auctions and certificates. They also mentioned plans to transform previously occupied territories into renewable energy zones, including the development of a 230 MW solar power plant in collaboration with Masdar. Furthermore, construction is ongoing for hydro projects and wind turbine installations, aligning with their green energy strategy.

Georgia. Speaker – Ms. Margalita Arabidze:

The speaker, representing Georgia, outlined the recent legislative developments in the country's energy sector, aligning with EU directives on renewable energy, energy efficiency, and greenhouse gas emissions. They detailed their new energy policy, which focuses on decarbonization, energy security, energy efficiency, internal energy market, and research innovation and competitiveness. The country's current energy mix consists predominantly of renewable sources, with hydropower being a significant contributor. They further highlighted the introduction of a support scheme for renewable energy through capacity auctions and the development of micro renewable energy projects. The speaker emphasized Georgia's potential for renewable energy and energy efficiency improvements, announcing the upcoming liberalization of the energy market in 2023. They reaffirmed Georgia's commitment to contributing to the new work program for 2023-2025.

Kazakhstan. Speaker – Ms. Alma Zhukenova

The speaker outlined the development of renewable energy in Kazakhstan, highlighting significant legislation enacted since 2009 and the progress towards a green economy. They



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have set ambitious goals for renewable energy production, with 15% from wind farms and 50% from other renewables by 2030. They've shifted to an auction approach for selecting renewable energy projects, attracting international interest and investment. Currently, renewable energy sources contribute 9% to the energy mix, excluding large power plants. They also mentioned efforts to implement distributed generation, where individuals can produce renewable energy and sell excess to the grid. The speaker concluded by recognizing the progress made by neighboring countries and expressing a willingness for regional collaboration.

Kyrgyz Republic. Speaker – Mr. Mirbek Esengulov

The speaker from Kyrgyzstan discussed the country's commitment to renewable energy, outlining their National Energy Strategy up to 2035. Kyrgyzstan is currently rehabilitating and constructing new hydro plants, with notable projects including the modernization of the Taktagul Hydroplant and the construction of the Kambarata Hydro Power Plant. There are also several grid projects ongoing. In addition, they are focusing on solar energy development, with two ongoing projects, one of which were commissioned in March. Kyrgyzstan expressed openness to partnerships and highlighted a need for financial assistance to support the realization of these ambitious energy projects.

Mongolia. Speaker – Mr. Bayandelger Delgerel

The speaker from Mongolia's Ministry of Energy discussed the country's energy situation, noting that in 2022, they began producing a significant number of imported units, largely from China, due to an energy deficit. They outlined Mongolia's Strategy 2050, which includes improving infrastructure and developing new energy sources. The government adopted a policy in 2020 to rehabilitate and expand energy projects and bolster environmental protection. The speaker agreed with a proposed strategy to conduct offline meetings over the next week.

Pakistan. Speaker – Mr. Hammad Raza

The representative from Pakistan highlighted the diversity of Pakistan's power sector, including hydro, thermal, nuclear, and renewable power sources, along with power imports from Iran. The total installed capacity was reported to be 37,949 megawatts with renewable energy making up 34% of this, including Hydro. The representative outlined ambitious plans



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to increase this share to 60% by 2031. Despite these advancements, the representative also acknowledged challenges such as issues in power generation, transmission, distribution, and global geopolitical concerns. He further emphasized on environmental issues and plans for nationwide infrastructure for electric vehicles. Additionally, Pakistan's participation in the CASA-1000 cross-border energy project was noted.

PRC. Speaker – Ms. Junxia Li

The representative from the People's Republic of China provided an overview of China's energy policy, emphasizing its commitment to renewable energy. China has released its five-year energy plan from 2022 to 2027, focusing on optimizing the energy mix, ensuring energy security, and transitioning to carbon neutrality. The country is working to enhance energy security while developing alternative energy sources and a new type of power system. It anticipates 80% of its future consumption will be supported by renewable energy. Chinese firms are ready to participate in renewable energy projects across the 10 member states, including solar, wind, and smart grid projects. The representative acknowledged challenges such as grid reliability and maintaining voltage and frequency stability as the proportion of renewable energy increases. China is willing to share its knowledge and experience in energy development with other regions.

Tajikistan. Speaker - Mr. Sorbon Kholmammadzoda

The representative outlined recent updates in their country's energy sector, emphasizing the significant role of hydropower, which constitutes 98% of the Tajik electricity generation. However, they acknowledged the challenges posed by climate change and the necessity for alternative measures. To this end, the government adopted a roadmap for the development of non-hydropower renewable energy sources. They are working towards an additional capacity of 700 megawatts by 2030, primarily from solar energy. A feasibility study is being conducted with the assistance of development partners to create 5,560 megawatts of additional hydroelectric capacity. In addition to increasing renewable energy, they are focusing on rehabilitating major hydroelectric plants and constructing new ones, including the world's highest dam. They highlighted the role of global cooperation and development partners such as the World Bank. Future initiatives include sustainable energy markets and regional trade. They ended by expressing gratitude for the cooperation and looking forward to future meetings and sharing more updates.



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Turkmenistan. Speaker – Mr. Serdar Saparov

The Turkmenistan representative discussed their country's energy sector improvements, focusing on material and technical upgrades, and better reliability of energy supply. Key projects include the completion of the Turkmenistan part of the international transmission lines and the commissioning of eight combined heat and power (CHP) plants across the country. With support from the Asian Development Bank, they aim to enhance domestic power supply through improving the domestic transmission network and their energy export capacity. Plans to implement renewable projects, such as a hybrid wind and solar power project, are also underway to reduce environmental impact and create jobs in remote areas.

Uzbekistan. Speaker - Mr. Abdurashid Mirzaev

The Uzbekistan representative discussed their progresses in energy sector development, focusing on traditional and renewable electricity generation through public-private partnerships. They are aiming for 8 GW of solar and wind commissioned by 2030, and 12GW of projects launched by 2026. With support from the Asian Development Bank and the Ministry of Energy, they are implementing a market-to-market plan and developing transmission lines. Efforts are also underway to establish a common electricity market in Central Asia based on bilateral agreements. The government is supporting distributed energy generation and the development of small to medium-sized hydropower plants.

Casa-1000. Speaker – Mr. Amjad Ali

The representative from the CASA-1000 project highlighted that construction for Pakistan's part in the project is nearing completion, with an expected finish date in 2024. However, funding issues have halted activities in Afghanistan. He emphasized the project's bidirectional capability, where Pakistan could both import and export power as needed, and appealed for broader support for the project.

Eurasian Fund for Stability. Speaker – Mr. Yerlan Aliyaskarov

The Regional Funds for Sustainable Development thanks the Asian Development Bank for their leadership and coordination for the next three years' work program. The focus is on aiding member countries and financing core energy infrastructure. The fund anticipates support for an additional 270 megawatts of power capacity, and 2.2-2.3Twh of generation in the region by 2026. They also highlight a \$160 million support program with Kyrgyzstan



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	<p>encompassing energy sector measures. Furthermore, they are considering a significant project with other development partners and value face-to-face discussions to connect with member countries and stakeholders.</p>
<p>6.</p>	<p>Wrap-Up and Closing (10 minutes)</p> <ul style="list-style-type: none"> • Mr. Joonho Hwang, Director Energy, Central and West Asia Department, ADB • Margalita Arabidze, Head of Energy Efficiency and Renewable Energy Policy and Sustainable Development Department Ministry of Economy and Sustainable Development of Georgia
<p>Key messages</p>	<p>Mr. Hwang expressed his appreciation for the updates shared by member countries regarding the progress made in their respective energy sectors. He recognized the significant strides in expanding energy systems, improving legal frameworks to promote energy efficiency, and the implementation of smart grids and metering systems. He also thanked member countries for their endorsement of the proposed work program for the next three years and indicated that the ADB team would reach out for more detailed inputs and logistical arrangements. Mr. Hwang also announced an internal restructuring within the ADB that will create a more extended regional also encompassing Mongolia and China (PRC).</p> <p>Ms. Arabidze expressed her gratitude for the informative and useful meeting. She reaffirmed Georgia's commitment to open cooperation and expressed excitement for future in-person meetings in Georgia. She ended her remarks by appreciating the collaboration and shared information during the meeting, expressing hope for continued successful cooperation in the future. The meeting was then officially adjourned.</p>

Appendix: List of Participants

Appendix

List of Participants

	Name	Position	Organization	Country
Country representatives				
1	Mr. Romeo Mikautadze	Deputy Minister	Ministry of Economy and Sustainable Development of Georgia	Georgia
2	Ms. Margalita Arabidze	Head of EE and RE Policy and Sustainable Development Department	Ministry of Economy and Sustainable Development of Georgia	Georgia
3	Mr. Nikoloz Kholodov	Chief Specialist at EE and RE Policy and Sustainable Development Department	Ministry of Economy and Sustainable Development of Georgia	Georgia
4	Mr. Omar Tsereteli	Deputy Head of EE and RE Policy and Sustainable Development Department	Ministry of Economy and Sustainable Development of Georgia	Georgia
5	Mr. Asaf Rzayev	Head of the Energy Efficiency Sector, Electric Power and Energy Efficiency Department	Ministry of Energy	Azerbaijan
6	Ms. Afsana Qarayeva	Leading Advisor	International Cooperation Department, Ministry of Energy	Azerbaijan
7	Ms. Alma Zhukenova	Deputy Director of the Department for Renewable Energy	Ministry of Energy	Kazakhstan
8	Mr. Zhenis Dyusenov	Director, National Grid Development Department	KEGOC	Kazakhstan
9	Mr. Rustem Smakov	Senior Manager, National Grid Development Department	KEGOC	Kazakhstan
10	Mr. Serdar Saparov	Deputy Minister of Energy, CAREC Energy Focal Point	Ministry of Energy	Turkmenistan
11	Mr. Hammad Raza	Deputy Joint Secretary (Transmission), Power Division	Ministry of Energy	Pakistan
12	Mr. Amjad Ali	Chief Engineer/Project Director	CASA-1000 Project, NTDC	Pakistan
13	Mr. Murtaza Uqaili	Country Coordinator	CASA Secretariat	Pakistan
14	Mr. Delgerel Bayandelger	Senior Expert, Foreign Cooperation Division, Policy and Planning Department	Ministry of Energy	Mongolia
15	Ms. Junxia Li	Director, Department of International Cooperation	NEA	PRC
16	Mr. Cong Ren	Officer, Department of International Cooperation	NEA	PRC
17	Mr. Ruiqing Zhang	Deputy Director, International Department	China Electric Power Planning & Engineering Institute	PRC
18	Mr. Weining Bao	Engineer, International Department	China Electric Power Planning & Engineering Institute	PRC

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	Name	Position	Organization	Country
19	Mr. Mirbek Esengulov	Leading Expert, Electric Power Policy Department	Ministry of Energy	Kyrgyzstan
20	Mr. Azizbek Karagulov	Department for International Relations and Project Promotion	Ministry of Energy	Kyrgyzstan
21	Mr. Sorbon Kholmuhammadzoda	Deputy Minister	Ministry of Energy and Water Resources	Tajikistan
22	Mr. Mirjonov K.Kh.	Head of the Power and Energy Department	Ministry of Energy and Water Resources	Tajikistan
23	Mr. Olimjon Azimov	Chief specialist, International Affairs Department	Ministry of Energy and Water Resources	Tajikistan
24	Mr. Avaz Zufarov	Deputy Director	National Dispatch Center	Uzbekistan
25	Mr. Abdurashid Mirzaev	Chief Dispatcher	Coordination Dispatch Center "Energiya"	Uzbekistan

Development partners

	Name	Position	Organization	Country
26	Mr. Maxim Titov	Head of Energy	Eurasian Fund for Stabilization and Development	Kazakhstan
27	Mr. Yerlan Aliyaskarov	Senior Project Manager, Energy	Eurasian Fund for Stabilization and Development	Kazakhstan
28	Mr. Patrick E. Meyer	Energy Team Leader	USAID Central Asia Regional Mission	Kazakhstan
29	Mr. Hongliang Yang	Principal Investment Operations Specialist (Energy)	AIIB	PRC
30	Mr. Kazuhiro Nomoto	Partnership Officer	AIIB	PRC
31	Mr. Emil Zalinyan	Infrastructure Sector Economist	AIIB	PRC
32	Mr. Olivier Ferrage	Junior Energy Consultant	AIIB	PRC

ADB

	Name	Position	Organization	Country
33	Nodira Odinaeva	RCC	ADB	Tajikistan
34	Rustam Aminjanov	NFPA	ADB	Tajikistan
35	Aidana Berdybekova	RCC	ADB	Kyrgyzstan
36	Meder Turgunbekov	NFPA	ADB	Kyrgyzstan
37	Ekaterine Koroshinadze	RCC	ADB	Georgia
38	Mohammad Ali	NFPA	ADB	Pakistan
39	Bujinkham Erdenebaatar	RCC	ADB	Mongolia
40	Martin Sommerseth Jaer	Finance Specialist (Energy)	ADB	Philippines
41	Joonho Hwang	Director	ADB	Philippines
42	Serik Zharkinbayev	Energy Specialist	ADB	Philippines
43	Diyar Tassym	NFPA	ADB	Kazakhstan
44	Guldana Sadykova	RCC	ADB	Kazakhstan
45	Durdy Ilamanov	NFPA	ADB	Turkmenistan
46	Laifei Xiong	RCC	ADB	PRC
47	Nadir Safaev	NFPA	ADB	Uzbekistan