



## Outcome of Energy Sector Coordinating Committee (ESCC) meeting held in Almaty, Kazakhstan, 2<sup>nd</sup> Sept 2009

### **Introduction**

In November 2008, the Ministerial Conference of CAREC approved the Strategy for Regional Cooperation in the Energy Sector of CAREC Countries (the Energy Strategy). In May 2009, the CAREC Senior Officials Meeting requested the ESCC to prioritize actions under the Energy Strategy and produce an Action Plan to be presented for approval at the planned October 2009 Ministerial Council meeting. This meeting was convened to discuss and agree the main elements of the Action Plan.

### **Arrangements**

Briefing notes on the agenda, participants and presentations were circulated to the CAREC countries prior to the meeting. These notes were updated and incorporated into a final Briefing Pack handed to each participant at the meeting. All CAREC member countries attended the meeting except for China and Afghanistan. A full list of participants is included in the Briefing Pack.

### **Presentations**

The major presentations describing the key issues of the proposed Action Plan were:

- "From Energy Strategy to Action: Parameters for the Action Plan" – Daryl Fields, World Bank;
- "Energy Supply/Demand Balances and Infrastructure Constraints" – Jim Liston, ADB;
- "Regional Energy Markets Assistance Program (USAID)" – Sergey Yelkin, USAID CAR;
- "Issues of Regional Cooperation within the Central Asia Integrated Power System" – Khamidula Shamsiev, Director of Coordination and Dispatch Center "Energy";
- "Energy-Water Linkages" – Daryl Fields, World Bank;

### **Framework of the Action Plan**

The ESCC participants agreed that:

- At initial stage the geographical scope of ECSS actions will be Central Asia and export opportunities to Asia;
- Primary focus will be electricity and water linkages, with potential to expand to gas and coal sub-sectors;
- Three-year detailed action plan will be developed and updated every year; however it may identify and initiate activities that extend beyond 2013;
- Core issues of the Action Plan to focus are:
  - Energy Supply/Demand Balances and Infrastructure Constrains;
  - Regional Dispatch and Regulatory Aspects;
  - Energy-Water Linkages;
- The Core Issues will be addressed through: investments; capacity building and knowledge sharing; addressing policy issues with emphasis on regional ownership and leadership for the analysis and dialogue;

- The major indicators for the performance measurement will be the relevant ones listed in the CAREC Energy Strategy with specific performance indicators to be developed for individual actions within the Action Plan;

The ESCC agreed on the following framework of the Action Plan objectives and deliverables:

<b>Core Issue</b>		<b>Energy Supply-Demand Balances</b>	<b>Regional Dispatch and Regulatory Development</b>	<b>Energy-Water Linkages</b>
<b>Objective</b>		To promote regional trade by optimizing integrated transmission and generation expansion.	To maximize the benefits of unified operation of the Central Asia Power System.	To strengthen cooperation by integrating energy and water analysis.
<b>Deliverables</b>	<b>Policy Environment</b>	Develop: - national generation and transmission plan - integrated regional plan - assess benefits of regional integration.	Develop an institutional platform and framework for regional power trade based on economic principles. This platform could be within CDC Energy.	Strengthen Central Asian institutions to lead the dialogue and analysis on rational use of energy-water resources.
	<b>Capacity Building</b>	Involve national and regional organizations in the developing the model and execution of the plan.	Strengthening CDC and national load dispatch centers – facilitating preparation of regulations.	Enhance integrated energy-water models, analytical tools and shared databases that enable assessment of options and impacts across both sectors.
	<b>Investments</b>	Promote/accelerate early-win grid strengthening and generation programs.	Phased investments to implement adequate SCADA, metering and communication systems in accordance to national needs and circumstances.	Identify consensus project to improve energy-water rational and effective use (e.g. irrigation and hydro-power rehabilitation and efficiency improvements).

#### Next Steps

- Agreed Framework of Action Plan will be sent to participants within the first decade of September 2009 for the principal governmental comments by second half of September.
- The ESCC will have regular video conferences every three months for the first year and joint meetings every 6 months;
- The next ESCC meeting will be held in early 2010 in order to prepare a time bound Action Plan for the first three years based on the agreed Framework.