

**Central Asia Regional Economic Cooperation Program  
Energy Sector Coordination Committee Meeting  
Manila, Philippines  
21-22 May 2012**

**Summary**

**I. Introduction**

1. The Central Asia Regional Economic Cooperation (CAREC) Program Energy Sector Coordination Committee (ESCC) met on 21-22 May 2012 in Asian Development Bank (ADB) Headquarters in Manila, Philippines. Delegations from Afghanistan, Azerbaijan, the People's Republic of China (PRC), Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, Turkmenistan, and Uzbekistan participated in the meeting. Representatives of ADB, Coordinating Dispatch Center (CDC), Fichtner GmbH and Company (ADB technical assistance consultant for Regional Power Master Plan [RPMP] as well as the Afghan Power Master Plan), the United States Agency for International Development (USAID), and the World Bank were also present at the meeting. The meeting was moderated by officials of ADB and the World Bank. The agenda and list of participants of the meeting are in Appendix 1.

**II. Progress in Implementing the CAREC Energy Action Plan Pillars**

2. The meeting was reminded of the 10-year strategic framework for the CAREC Program (CAREC 2020), which was endorsed by the member countries at the 10<sup>th</sup> CAREC Ministerial Conference held in Baku, Azerbaijan in November 2011. CAREC 2020, whose key theme is "Focus, Action, Results" and its strategic objectives of expanded trade and improved competitiveness will guide the future work of the ESCC.

3. A representative of Fichtner presented the second draft final report of the Central Asia RPMP under Pillar 1 of the Energy Action Plan (supply-demand balance and energy security). The meeting noted that a multi-billion dollar investment is required by 2020 to overcome some of the issues facing the region's energy sector, including the rehabilitation of the aging and fast-deteriorating power plants and substations. Delegations from Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan emphasized that the extensive comments they made should be adequately captured in the final RPMP document.

4. In the presentation on Pillar 2 – regional dispatch and regulation – USAID highlighted the achievements made to date. It was noted that this Pillar not only focuses on training and workshops but also carried out capacity building activities with the concerned agencies of the countries through a "one-on-one" approach. The meeting noted the problem of unplanned energy flows, which needs to be rectified for more effective trade. It was proposed that the ESCC should try to develop consensus on the energy dispatch issues.

5. The presentation by the World Bank on Pillar 3 – energy-water linkages – focused on the two-tier approach being taken in carrying out the analytical and modeling work that will eventually lead to the understanding and dialogue on viable solutions for the use of water resources for energy generation. A regional workshop will be held in early July 2012, which will recommend tasks for the proposed Energy Work Plan (EWP) 2013-2015.

6. An ADB consultant presented the outline of a proposed completion report for the CAREC Energy Action Plan framework, which will outline the achievements made under the

framework and future directions. The ESCC endorsed the outline, with a few modifications. It was agreed that the completion report will be presented at the next meeting of the ESCC.

### **III. ESCC Work Plan 2013-2015**

7. An ADB consultant presented the four proposed components of the EWP 2013-2015: (i) Development of Central–South Asia Energy Corridor; (ii) Resolving the Regional Energy Dispatch Issues; (iii) Mobilization of Funds to Meet the Large Financial Needs for Building Facilities; and (iv) Capacity and Knowledge Enhancement to Identify and Implement Projects. The ESCC agreed, in principle, on the proposed components of the EWP, which will be developed further for presentation to the 11<sup>th</sup> CAREC Ministerial Conference to be held in the PRC in October 2012.

8. A representative of Fichtner presented an overview of possible interconnection of Central Asia and South Asia (Component 1), referred to as TUTAP (Turkmenistan, Uzbekistan, Tajikistan, Afghanistan and Pakistan) as part of Fichtner's work on the Afghanistan Power Master Plan. The meeting participants supported the strengthening of the Central Asia-South Asia Corridor, and highlighted the need to assess the various options under consideration taking into account the interests of all the countries (including Kyrgyz Republic and Kazakhstan).<sup>1</sup>

9. Suggested topics under Component 2 (Resolving the Regional Energy Dispatch Issues) include: (i) staffing of CDC; (ii) training for CDC staff; (iii) drafting of rules and regulations of dispatch; and (iv) new equipment and automation system. Component 3 (Mobilization of Funds to Meet the Large Financial Needs for Building Facilities) will consider a range of financing mechanisms and the conditions that facilitate those sources of funds, ranging from the type of project to the legal foundations for financing. Component 4 (Capacity and Knowledge Enhancement) will be implemented through the holding of a Knowledge Week or a similar event each year starting in 2013. The meeting was informed that the CAREC Institute will seek suggestions from the ESCC on possible research and training topics in the energy sector. Energy-water linkages may be included in the capacity building component or as a fifth component depending on the outcome of the July workshop (para 5).

10. An ADB consultant presented the CAREC project criteria and the results framework indicators, as well as a summary of the medium term priority projects list. On the results framework, it was proposed to add two new indicators, namely the level of trade (or quantity of energy exchange measured in kwh), and the total power generation of a country (measured in GWh).

### **IV. Next Meeting and Acknowledgement**

10. It was agreed that the next meeting of the ESCC will be held in September 2012. The CAREC Secretariat will inform the ESCC members the exact dates and venue of the meeting, in consultation with the Government of the PRC.

11. The participants expressed appreciation to ADB for the excellent organization of the meeting, and to ADB and the World Bank for very ably steering and moderating the discussions.

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<sup>1</sup> However the Uzbek delegation emphasized that any decision on the presented overview would be premature and inappropriate since the development of the overview was not included in the ESCC's plans and the mandatory consensus of all CAREC member countries is required to make any decision towards its implementation.