The INOGATE Program
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Team Leader
BUILDING PARTNERSHIPS FOR ENERGY SECURITY
www.inogate.org
What is INOGATE?

An EU-funded program for regional energy cooperation between the European Union and its Partner Countries in Eastern Europe, Caucasus and Central Asia.

12 INOGATE Partner Countries: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkey, Turkmenistan, Ukraine and Uzbekistan.
INOGATE Development 1996-2013

Launch 1996
INOGATE Launch
The Interstate Oil & Gas Transport to Europe (INOGATE) Programme as first-ever regional energy cooperation of this scale

Phase 1: 1996-1999
Technical audits phase reveal need for over 5 billion EUR in investments for rehabilitating energy infrastructures

Phase 2: 2000-2004
Demonstration Phase
Proves impact of small-scale demonstration projects such as cross-border gas metering stations helping to improve transparency of gas trade

Phase 3: Nov 2004 - present
Expansion Phase
Launch of Baku Initiative, Energy Road Map adopted by Ministers at 2nd Ministerial Conference in Astana providing long-term strategy
Who’s Who in INOGATE

- **Policy**
  - Energy Ministers

- **Steering**
  - European Commission
  - INOGATE Country Coordinators

- **Implementation**
  - INOGATE Project Contractors
  - Working Group Members
  - Regulatory Representatives

- **Beneficiaries & stakeholders**
  - Energy Regulators, Energy Agencies, ESCOs, Energy Companies / TSOs/DSOs / Utilities / associations (gas, electricity) Construction Authorities, Standardisation Bodies, Statistics Institutes, IFIs, Consumer Protection Groups, Civil Society, etc.
Targeted energy sectors

- Electricity & Gas
- Renewable Energy
- Energy Efficiency
- Infrastructure
- Climate Change
- Statistics
Types of assistance provided

- Technical advisory
- Capacity building
- Institution building
- Awareness raising
- Networking

Regional cooperation
Multi-country approach
INOGATE’s Objectives

1. Convergence of energy markets on the basis of EU principles
2. Enhancing energy security
3. Supporting sustainable energy development
4. Attracting investment towards energy projects of common and regional interest

4 objectives = 4 areas of cooperation = 4 INOGATE working groups
Area 1: Energy Market Convergence

Areas of work

- Unbundling
- Third party access
- Independent energy regulators
- Cost-reflective tariff structure
- Common technical rules and standards
- Integrated regional markets

Working Group 1
Area 2: Energy Security

- Rehabilitation & upgrading of infrastructure
- Development of new energy infrastructures
- Maintenance of existing infrastructure
- Metering and billing

Areas of work

Working Group 2
Relevant Capacity Building Activities (Part of the E&G Component)

- **High Level Decision Makers**
  - Low degree of convergence with EU (BE, AZ)
  - Why reform? What are the risks and benefits?

- **Tariffs**
  - Re-discussing the fundamentals (ERRA)
  - Progress made (project end)

- **NRAs Role & Functions/Consumers**
  - Independence, Budget, Code of Conduct
  - Consumer protection (CEER/ECRB/ERRA)

- **Cross Border Trading - E**
  - Early 2013 CBT-E Event in Brussels
  - Study Tour (SO & MO Functions) - 2014

- **Cross Border Trading - G**
  - May 2013 Combined Seminar and Study Tour (GIE annual Conference, SNAM Storage Terminal)

- **Gas Infrastructure Efficiency, Security & Reliability**
  - Combined Seminar and Study Tour (TBD 2014)
Area 3: Sustainable Energy Development

Areas of work:

- Renewable Energy Sources
- Policies & legislation
- Institutional development
- Environmental assessments & standards
- Gas flaring reduction

Working Group 3

Sustainable Energy Development
Activities of Sustainable Energy

• Component C
  ➢ To assist the countries in strengthening energy institutional governance in relation to sustainable energy, in particular by focusing on institutional capacity
  ➢ Improved business climate for energy efficiency and renewable energy investments.
Area 4: Investment Attraction

- Improving the legislative & regulatory framework
- Improving the business climate (taxation, access to finance)
- Planning of energy projects of common interest
- Advocating for transparency and good governance

Investment Attraction

Areas of work
INOGATE & Investment Promotion

Key Messages

Predominant Area of Assistance:
- Institutional & Regulatory

Predominant Sector:
- Oil & Gas

Predominant Region/Country:
- ALL INOGATE
  - Inclined to Regional Approach
  - Allowing for a flexibility (subject to specific needs)
Activities of Component D: Support to Statistical Cooperation

To increase capacity of NSIs etc. to produce & disseminate consistent energy statistics, balances & indicators

To harmonise standards & methodologies for energy statistics & balances in line with international norms

To increase use of statistics in energy policy and decision making in the region
Ad-Hoc Expert Facility: How AHEF works?

Eligible Applicant:
Application for TA under the AHEF

Selection

ITS Project Team:

Pool of Experts

AHEF Project ToR

Implementation

EC Approval:
INOGATE actions in Ukraine

Ukraine was a founding member of the INOGATE Program, and has been a beneficiary of 27 of the 56 INOGATE projects carried out since 1996.
## Registered ITS AHEF Applications - Ukraine

### Electricity and Gas Sectors

<table>
<thead>
<tr>
<th>AHEF.068.UA</th>
<th>Under evaluation</th>
<th>Assistance to SC &quot;Energorynok&quot; in preparation to development of legislative acts governing the functioning of the day-ahead market (rules, regulations, instructions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AHEF.078.UA</td>
<td>Under evaluation</td>
<td>Development of the target model of gas market for Ukraine</td>
</tr>
<tr>
<td>AHEF.079.UA</td>
<td>Evaluated</td>
<td>Development of the Commissioning program for the Metrology Center of NJSC &quot;Naftogaz of Ukraine&quot;</td>
</tr>
</tbody>
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## Registered ITS AHEF Applications - Ukraine

### Sustainable Energy

<table>
<thead>
<tr>
<th>Application Code</th>
<th>Status</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AHEF.001.UA</td>
<td>Under evaluation</td>
<td>Capacity building for financing of EE/RES investment projects</td>
</tr>
<tr>
<td>AHEF.021.UA</td>
<td>Under evaluation</td>
<td>Support to the development of bio-energy in Ukraine within the framework of fulfilling strategic goals of the project portfolio “Energy of Biomass” and “Energy of Biogas”</td>
</tr>
<tr>
<td>AHEF.077.UA</td>
<td>Under evaluation</td>
<td>Development of the energy management system for Obolon Company</td>
</tr>
</tbody>
</table>
Protocols of Intent with the Beneficiaries in Ukraine

**Beneficiary**

- ✔ State Company Energorynok
- ✔ Ministry of Economic Development and Trade
- ✔ Ministry of Energy and Coal Industry
- ✔ NJSC "Naftogaz of Ukraine"
- ✔ National Commission that Implements State Regulation in Energy Sector (NERC)
- ✔ State Agency on Energy Efficiency and Energy Saving (SAEE)
- ✔ State Agency for Investments and National Projects (SAINP)
- ✔ State Statistics Service (SSSU)
- ✔ National Electricity Company Ukrenergo
- ✔ PJSC “Ukrtransgas”
Info & Networking:
INOGATE Web Portal

www.inogate.org

INOGATE information:
✓ News on activities
✓ Reports & Studies
✓ Training Materials
✓ Publications
✓ Event materials

Regional energy information:
✓ Regional Energy News
✓ Country profiles and information
✓ Energy links

UNDER RECONSTRUCTION
INOGATE Technical Secretariat

More information: Secretariat.kiev@inogate.org

Visit web portal: www.inogate.org

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