



INOGATE Annual event

22/10/2014

EU support mechanisms to Energy Security in
INOGATE Partner countries

22nd of October 2014

What is Energy Security

IEA definition: "uninterrupted availability of energy sources at an affordable price"

*Long-term: **timely investments** to supply energy in line with **economic developments** and **environmental needs**.*

*Short-term: ability of the energy system to **react** promptly to **sudden changes** in the supply-demand balance.*

How EU is supporting Partner Countries to enhance energy security?

Technical Assistance and Capacity Building provided through:

- **Bilateral Programmes (including Twinning and TAIEX)**
- **Regional thematic cooperation - INOGATE Programme**

Investment facilitation:

- **NIF and IFCA**

Support to Local Authorities:

- **Covenant of Mayors Initiative, including E5P and SUDEP**

Support to local investment initiatives between EU and Partner Countries:

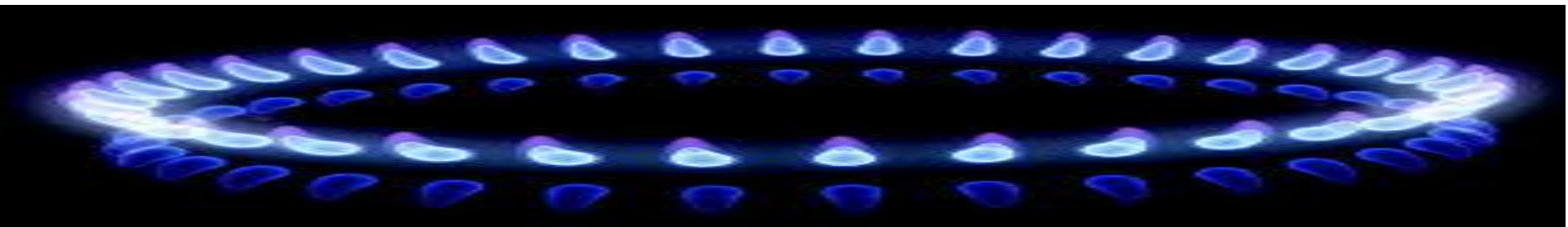
- **Cross Border Cooperation**

Bilateral support

Financial and technical cooperation supports specific country reform agenda by providing technical assistance and capacity building.

Sectors are jointly agreed by the Partner Country and the EU

EU funding for projects can be provided in the form of grants, service contracts, Twinning, TAIEX and budget support (in the 2014-2020 programming period Ukraine is the only country where energy has been identified by the Partner Country as a priority sector)



Twining and TAIEX

*Aim to help Partner countries to strengthen their capacity for the implementation of the *acquis communautaire* (harmonization of legislation)*

This is direct knowledge exchange between Peer institutions in EU and Partner Country

It is of major relevance for countries with EU association agenda

Twining – mid-term support, on average 1,5 - 2 years

TAIEX - demand driven, short term, tailor-made, speed delivery

INOGATE Programme – what INOGATE is doing for energy security?

Energy security is one of the 4 INOGATE Pillars defined in Baku Ministerial and confirmed in Astana Declaration, together with cross border trade, sustainable energy and investment attraction)

All components of the INOGATE Technical Secretariat project, directly or indirectly contribute to energy security (electricity and gas; sustainable energy and energy statistics)

Examples of AHEF requests enhancing Energy Security:

- **Safety, Security and Integrity of Transmission systems in Georgia**
- **Determination of the volumes of flared associated gas and its utilization in Uzbekistan**

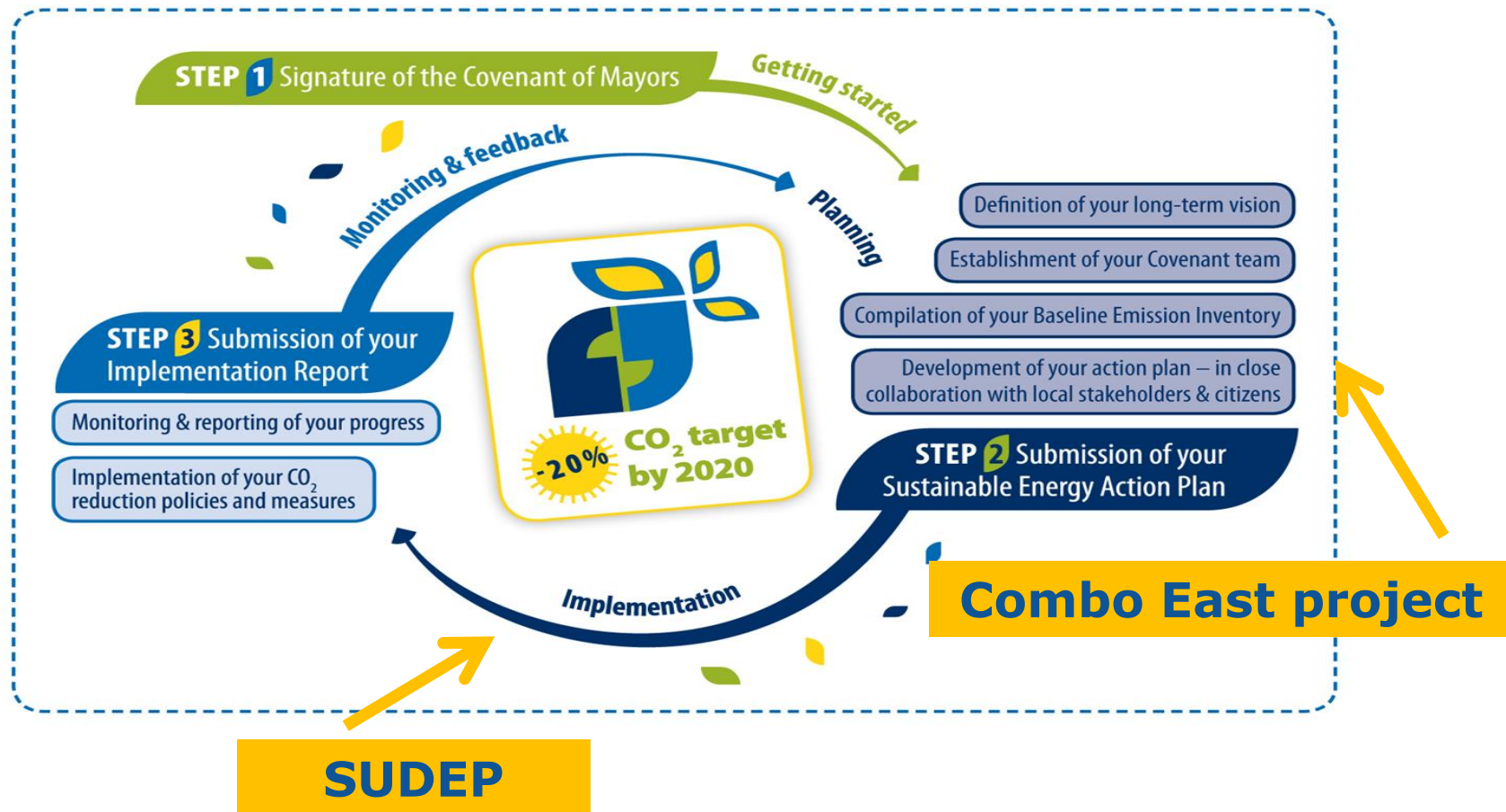
Covenant of Mayors

*The Covenant of Mayors is involving **local, regional and national authorities in sustainable energy development and climate protection***

*It is based on a **voluntary commitment** of municipal councils to improve the quality of life of their citizens by improving energy efficiency and expanding usage of renewable energy that will result in at least **20% CO2 emissions reduction by 2020***

*Since 2008, over **6,206** local governments and self-governments with **193,650,029** inhabitants **in EU, Neighbourhood, Western Balkans and Central Asian countries** have made a voluntary commitment to strive for sustainable energy development at local level.*

How does Covenant of Mayors work?



SUDEP – supporting signatories of Covenant of Mayors

Aimed to enable local authorities in the ENP partner countries to implement measures incorporated in their Sustainable Energy Action Plans (SEAPs) or in similar local action plans targeting sustainable urban development

Consists of 4 pillars:

- **Grants for replicable demonstration projects:**
- **Technical assistance for project design, implementation and dissemination**
- **Municipal financing facility**
- **JRC scientific support**



Investment Facilitation

Blending

Using grants strategically to unlock additional public and private (IFIs) financing to meet development challenges



**NIF – Eastern
Partnership
countries**



**IFCA –
Central Asian
countries**

What kind of projects can be supported by IFCA?

Sustainable energy (energy efficiency and energy saving)

Water Use

Climate change



SME financing, in particular in one of the three areas above



What are NIF priority Energy projects

*Contributing significantly to the **energy security** of the **EU and its Neighbourhood**, in accordance with the **European Energy Security Strategy***

Projects of common interest** identified in the framework of trans-European energy infrastructure and networks (TEN-E); **Projects of Common Interest (PCI)** and projects of **Energy Community Interest (PECI)** or identified as candidate **PECI

*Projects directly contributing to meeting the requirements and the objectives of the **Energy Community Treaty***

*Projects in line with and contributing to meeting partner countries' **national policies and targets**, in the area of **power generation from renewable energy sources; energy efficiency and energy savings** (projects included in National Energy Efficiency Action Plans and National Renewable Energy Action Plans)*

*Regional, municipal and local development projects, in particular in municipalities signatories of the **Covenant of Mayors** contributing to meet their commitments*

Example of the Black Sea Energy Transmission System

Construction of :

- 500 kV transmission line
- High-voltage direct current transmission system to Turkish network
- New substation



The Akhaltsikhe substation will connect Georgian network with Turkish network.

This linkage will allow Georgia to connect to the Turkish transmission grid and export its green energy.

E5P

Aims of improving energy efficiency and environmental protection in the Eastern Partnership region, which also provide investment opportunities

E5P merges contributions from the EU and donor countries

The contributions are used to leverage national funds and loans from IFIs

Project eligibility for grant support is measured in terms of energy saving potential, capacity to reduce pollution, demonstration effects and potential to promote policy dialogue and regulatory reform



Cross-border cooperation

Strengthening co-operation between the border regions of EU member states and those of the partner states

Aimed at fostering the economic and social development of border regions, as well as cooperation in common challenges

Example of CBC project aimed at energy security:

- **Construction of the Iași - Ungheni gas interconnector (CBC Moldova and Romania)**
- **€ 7 million EUR of EU contribution, project costs € 26,5 million EUR in total**
- **Aimed at enhancing Moldova energy security and diversification of supply**



Thank you!

