



ENERGY COOPERATION BETWEEN THE EU, THE LITTORAL STATES OF THE BLACK & CASPIAN SEAS AND THEIR NEIGHBOURING COUNTRIES

EXECUTIVE SUMMARY

7th INTERIM PROGRESS REPORT

1st February 2015 – 31st July 2015

INOGATE Technical Secretariat (ITS) and Integrated Programme in support of the Baku Initiative and of the Eastern Partnership's energy objectives.

Contract No 2011/278827

A project within the INOGATE Programme

Implemented by:

Ramboll Denmark A/S (lead partner)

EIR Global SPRL

The British Standards Institution

LDK Consultants S.A.

MVV decon GmbH

ICF International

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INSTRUCTION TO READERS

More information on each of the listed events and activities can be found on the INOGATE website (<http://www.inogate.org>) with a 'documents' section where the following can be accessed:

- Concept Note;
- Terms of References;
- Agenda;
- Participants' List;
- Visibility Material;
- Report;
- Press Releases;
- Photos and Videos.

SUMMARY OF ALL COMPONENTS**Introduction**

During the first three months of the reporting period substantial efforts were devoted to finalize the Regional Work Plans (RWP) and Country Work Plans (CWP) and to confirm the budget elements with DG NEAR. Following this a process of drafting Concept Notes and Terms of Reference started with the aim of having the overall majority of the activities approved by the end of the reporting period. By the end of July, 17 activities had been approved while 8 requests had been submitted pending approval and another 17 are foreseen to be submitted during August and early September for approval. During this process a few of the planned activities were cancelled due to the lack of Partner Country confirmation that the activities were high priority.

Confirmation of the Country Work Plan for Ukraine proved to be a challenge because there was for many months no Country Coordinator to manage the process, but by the end of July everything fell into place. The project had extensive consultations with both the EU Delegation in Kiev and the DG NEAR Support Group for Ukraine in this process.

In parallel with this, the project continued the implementation of already approved activities from the 6th IR period and started implementation of those which were approved in this reporting period.

Major Achievements

The informal meeting of INOGATE Country Coordinators together with the Country Experts (day 1 only) held in Tbilisi April 27-28 is deemed to be a major achievement for the project. The meeting served several purposes: (1) to explain the new INOGATE strategy and take stock of the development of Regional and Country Work Plans and have the comments of the Country Coordinators (2) to highlight the importance of Partner Country ownership to INOGATE activities (3) to discuss the importance of monitoring of impact (4) to discuss the presentation of the "Global Assessment Report" and (5) finally to listen and discuss with the DG NEAR representative the plans for the future technical assistance to the Partner Countries.

The meeting was organized in a considerably less formal way than past Country Coordinators' meetings and for the first time in a Partner Country. All the Partner Countries had been given "homework", i.e. they had been asked to prepare presentations reflecting their future needs and priorities for technical assistance. The presentations gave rise to frank and very open discussions. Partner Countries also used

the opportunity to meet bilaterally with the project's Key Experts so as to clarify specific Country Work Plan issues.

The main lessons learned from this event are that it pays to work in an informal way, to have meetings in Partner Countries, to give Country Coordinators homework so that they have responsibility and are active participants who take ownership and to use interpreters to facilitate the discussions rather than provide simultaneous word by word interpretation.

Towards the end of the reporting period the project agreed with DG NEAR on a revised reporting schedule the key features of which are to focus much more on policy developments in the six ENPI countries, to produce reports which reflect the status of implementation of RWPs and CWPs and to devote less effort to reporting on activities and developments in Central Asia.

COMPONENT A – COMMUNICATION

The objectives of the Component A are to ensure that communication about the project is clear, that visibility is high and that results are disseminated to all the beneficiaries and stakeholders by means of the website, newsletter, media, conferences, seminars and workshops.

The Component is managed by the Key Expert 1 (Team Leader), Mr. Adrian Twomey, who started working in February 9, 2015.

During the reporting period, Component A work focused on the organisation of the launch events of the new IEA/INOGATE publication and the production of the INOGATE Multi-Annual Report 2012-2014 and some first success stories. At the same time, work continued on updating of the INOGATE website and regular dissemination of the newsletter.

The following main activities were carried out under Component A during the 7th Interim Period.

During the reporting period, the European Commission and the International Energy Agency launched a new compendium publication [IEA Energy Policy Review of countries in Eastern Europe, Caucasus, and Central Asia](#). The compendium was prepared with the support of the INOGATE Technical Secretariat over the last three years. This publication is under the IEA's flagship energy policy review publication series and it was launched, for the EU stakeholders, at the European Commission [in Brussels on April 13, 2015](#). The compendium covers the assessment of the four priority areas (energy security, market convergence, sustainable development, and investment attraction) and includes sections on general energy policy and the energy balance (in the IEA format) of all 11 INOGATE Partner Countries. After the launch event in Brussels, regional presentations took place in [Chisinau on April 15, 2015](#), [Tbilisi on April 17, 2015](#), and [Astana on April 24, 2015](#).

A new publication called [INOGATE Multi-Annual Report 2012-2014](#) was issued. The report provides clear information on INOGATE regional and country-level activities over the last three years including tangible results achieved and the impact it is making. Additionally, it includes INOGATE in facts and figures as well as real stories from the field. The publication also sets out the target priority areas for assistance until mid-2016. Printed copies of the report were disseminated during the "13th Meeting of the Eastern Partnership Platform 3 (Energy Security)" on June 19, 2015 in Brussels. Additional copies were sent to the EU Delegations in the Partner Countries and INOGATE Country Coordinators. The Report is also available electronically in English and Russian on the INOGATE web site. During this period, the publication of a study developed by the ITS entitled [A Review of Energy Tariffs in INOGATE Partner Countries](#) which provides an overview and comparison of electricity and gas tariffs in these countries has been completed and published.

Another important activity in this period was the development of **7 visualised success stories** on ITS work that is starting to bear fruit in terms of results and impact. The stories were developed using local journalists in Georgia and Moldova to both gather information and validate the fact that they were in fact considered “successes” by the relevant beneficiaries. Work entailed interviews with beneficiaries and other stakeholders as well as numerous meetings with the ITS team of experts. Following the EC’s request to write the stories for a wider public – where the reader does not have specific energy knowledge, the ITS will undertake an extensive re-write of these first seven stories in the next period. An additional 13 stories will be prepared in the next reporting period bringing the total to 20 success stories.

In addition, the **user-friendly bi-lingual INOGATE website** was updated regularly with new content - news, events, calendar, spotlight, publications, etc. Moreover, the “**INOGATE extranet**”, an internal document management system depository was circulated allowing easy sharing of the project’s documents between the experts and the various project offices. Implementation of the INOGATE extranet will start during Q3 of 2015.

Regarding the **INOGATE Newsletters**, the team issued the following newsletters: [January -March 2015](#), [April-May 2015](#), [June 2015](#) and [July 2015](#). The frequency of the newsletters has been continually increased – from quarterly, to bi-monthly to monthly thus providing more timely information to the ITS newsletter subscribers.

Media work was also carried out in this period, as a journalist from Georgia participated in the “Ireland - Combined event (training course and site visits) on sustainable energy awareness raising”, press releases were prepared for the IEA launch events together with the EU Delegations and other ITS events organised in the period. For some launch events featuring high-level participants, [video clips](#) were prepared and uploaded on the INOGATE website.

Another activity in this component is investment attraction for sustainable energy projects. This task was included in the preparation of the [RES MAP \(Renewable Energy Sources Map\)](#), an online geospatial platform that has been developed to map wind and solar energy resources and project information was transferred to the Georgian Energy Development Fund (GEDF) on July 14, 2015. This software tool, designed to facilitate dialogue between policy makers, potential investors and the supply chain, can help participants (eg. government, investors, regulators, suppliers) to understand the value of developing the renewable energy resources of the country from their own perspective.

During this reporting period the Component started the preparation of the Policy Dialogues for Ukraine, a number of “talks” which will have the objective of providing open discussions on key issues related to energy market reform and sustainable energy policy and with the wider objective to combine forces and get the support of the above entities during the reform process. Secondly, the objective is to support the implementation of reforms in the energy sector through facilitating the fulfilment of requirements of the Energy Community Treaty and the implementation of the EU Association Agreement. During the preparation process the project had extensive consultation with the DG NEAR Support Group for Ukraine and the EU Delegation in Kiev.

Finally, the Component prepared Terms of Reference for work on a review of Financial Support Facilities. The objectives of this are three-fold: (1) improve the effectiveness of EU and International Financing Institution support for Renewable Energy Supply and Energy Efficiency in Partner Countries; (2) enhance the Partner Countries’ efforts to implement the Renewable Supply and Energy Efficiency aspects of the Energy Community Treaty. The tangible result of this work will be a Guide meant to support the Partner Countries in accessing financial facilities.

The team of Key Experts held a productive consultation meeting with the Energy Community Secretariat in Vienna in July 10, 2015 which will further facilitate cooperation and synergy of efforts. One result of the meeting was a request by the Energy Community Secretariat to INOGATE to support and facilitate a Memoranda of Understanding between the Governments of Azerbaijan and the Energy Community Secretariat and the Government of Belarus and the Energy Community Secretariat to support future cooperation with Secretariat and to align more closely the Energy developments in the two countries with the path of Energy reforms in the European Union.

COMPONENT B – ELECTRICITY and GAS

Working in all Partner Countries Component B comprises the largest (in scope and resources) part of the ITS project and encompasses activities aimed at the greater convergence of electricity and gas sectors, harmonisation of technical standards, enhancement of electricity and gas cross border cooperation and improvement of efficiency, security and reliability of energy infrastructure with a focus on main transit gas pipelines.

The Component is managed by the Key Expert, Nikos Tsakalidis, who is supported by two long-term non-key experts and a number of international and national short term non-key experts for particular assignments.

The work of the Component has been organised in five strategic areas of assistance. Following are the main activities that were carried out under these areas during the 7th Interim Period.

Regulatory Issues/Market Rules: This area of assistance, on the one hand, aims to support the energy regulators in building their capacity to perform their regulatory duties and responsibilities as well as to strengthen their independence while, on the other hand, seeks to improve the Partner Countries electricity and gas markets by adapting legislative documentation or amendments to the current legislation as well as introducing more advanced market rules.

In this reporting period the project team focused on the activities under CWP and RWP but also on finalisation of the Ad Hoc Expert Facility activities which have been in play from the previous period. In terms of CWP and RWP – one CWP Terms of Reference in Moldova, one CWP Terms of Reference in Armenia, and one Terms of Reference for RWP have been prepared, approved by the EC, and successfully launched while one RWP activity has been completed. In terms of the Ad Hoc Expert Facility activities three activities in two Partner Countries have been successfully finalised: two in Kyrgyzstan and one in Georgia.

- To mention some important results - the AHEF 112.KG activity in Kyrgyzstan resulted in improved grid connection procedures and thereby contributed to better opportunities for energy investments including Renewable Energy System (RES). The AHEF 114.KG activity also in Kyrgyzstan resulted in the set-up of the Independent Energy Regulator and provided the newly established Regulator with the necessary competences enabling it to progress. Completion of Georgia AHEF activity 80/81 the objective of which was to support the Georgian Ministry of Energy in the preparation of legislation in compliance with the third energy package and to help prepare for closer cooperation with the Energy Community, marked an important step forward in terms of ITS achievements in Georgia.

The activity CWP.01.AM is still ongoing, it is, however, worth mentioning an important achievement so far - a consultation process organised by the ITS with the national stakeholders and the national institutional parties involved in the draft Electricity and Gas Law, Regulatory Impact Assessment ("RIA")

and Explanatory Note assessment and consent. This was followed by preparation of the necessary legislative and regulatory additions and amendments which will bring the agreed actions into force.

The activity RWP.14 “From Energy Statistics to Energy Policies: Helping INOGATE Partner Countries adopt adequate institutional frameworks, methodologies and tools” organised together with Component D on statistics assisted the Partner Countries in the implementation of best practices for a better and more consensual governance of the energy planning process as well as provided the Partner Countries with the adequate methodologies and tools to develop credible medium to long-term energy forecasts and scenarios.

Development/review of tariff methodologies: The purpose of this assistance is to support Partner Countries to develop tariff methodologies allowing for reflection of the actual costs involved in the production, transportation, distribution, and supply of electricity and gas.

The regional tariff study completed under the previous reporting period was shared with the Partner Countries. The study provides a comparison of tariff methodologies in Partner Countries with European Union practices and identifies gaps and methods to improve the current methodologies in force in the Partner Countries. Feedback has been received from most Partner Countries except for Kazakhstan, Uzbekistan, and Belarus, and during this reporting period has been incorporated into the new final draft report which has been shared with the EC and published in the INOGATE web portal.

With respect to the Ad Hoc Expert Facility related work the project team completed an activity in Moldova (111.MD). The activity assisted the Regulator (ANRE) in its assessment of the investment proposals submitted by energy companies and therefore contributed to facilitation of energy investments in Moldova.

Harmonization of electricity and gas standards: The main purpose of using harmonised standards in all industries is to remove technical barriers to trade. This applies to the energy sector as well and in particular for the INOGATE Partner Countries this sets the scene for further modernisation of their respective Electricity and Gas infrastructure and to increased competitiveness.

In order to help Partner Countries build up their capacity to gradually harmonise their standardization system with European best practice, work on Standardisation Road Maps and Action Plans has been carried out which has been completed during this reporting period.

Three Terms of Reference for Regional Work Plan and Country Work Plan activities have been developed out of which two have been approved by the EC – one for Georgia and one for Moldova. Implementation has started. With respect to the Ad Hoc Expert Facility related work the project team completed one activity in Armenia (63.AM) which resulted in simplifying the licensing process related to small HPPs and facilitates of investment in small HPP.

Cross-border Trade of Electricity and Gas: Increased cross-border trade allows for optimisation of energy resources at a regional rather than a national basis and this comprises economic, environmental and also security of supply benefits as suggested by international and the EU experience.

In this reporting period focus has been on Ad Hoc Expert Facility activities covering two regions having considerable potential in cross-border trade – Caucasus and Central Asia. A combined Ad Hoc Expert Facility activity in Caucasus GE122/AZ121(Georgia and Azerbaijan) is still ongoing. Progress has been made so far in increasing capacity of the Georgian Transmission Service Operator in preparation of the electricity network plans and also defining the gaps in the legislative and technical environments of both countries limiting their readiness to trade with each other. A combined Ad Hoc Expert Facility activity for Central Asia KZ89,107,108,UZ117 (Kazakhstan and Uzbekistan) has been completed. The assignment contributed to gradual development and convergence of the electricity markets in Central Asia

through providing to the main players in Kazakhstan and Uzbekistan the necessary knowledge base and lessons learnt from the early stages of developing the European Internal Electricity Market. .

Efficiency of Electricity and Gas Infrastructure: The security, efficiency, and reliability of energy supply are largely affected by the condition of the electricity and gas network infrastructure. Having in place a Pipeline Integrity Management System allows gas operators to receive timely information on the condition of the gas network which is vital in securing the safety and reliability of the gas transmission systems.

This assistance supports the Partner Countries by addressing the above mentioned issues. During this reporting period the project team continued discussions with the Technical Expert Groups on the implications of the findings of the Gas Losses study completed during the previous reporting periods. Finally, during this reporting period the project team progressed with the preparation of the CWPs Terms of References, one was CWP.09.GE on technical assistance on cross-border metering stations and upgrading the SCADA system of the transmission network; it was approved July 10. The other one was CWP08GE on Support to Georgian Oil and Gas Corporation in integrity assessment of unpiggable pipelines; the ToR was developed and agreed with the beneficiary.

COMPONENT C – SUSTAINABLE ENERGY

The objectives of the Component C are to provide assistance to strengthen energy institutional governance in relation to sustainable energy and to contribute to an improved business climate for energy efficiency and renewable energy investments.

The Component is managed by a Key Expert Mr. Wolfgang Lutz who started working in January 2015.

The following main activities were carried out under Component C during the 7th Interim Period:

In terms of the Country Work Plan activities the Component completed three tasks and started the implementation of three more tasks in Georgia, Armenia, and Ukraine. The completed assignments provide policy recommendations on the improvement of legislation framework that will facilitate the development of ESCO business in Armenia and Moldova. The ITS recommendations also propose ways to transpose EU best practice on conducting high quality energy audits of the Combined Heat and Power Plants and District Heating systems in Moldova.

During the 7th reporting period ITS also received a new request to support the initiative of the Ministry of Energy of Georgia on market transformation of lighting products. As a first step INOGATE was requested to enhance the awareness of Georgian decision makers on the EU regulations and policy as well as to facilitate the development of a strategy for lighting market transformation that would become part of the Energy Strategy for Georgia that is currently under elaboration.

The SE Component continued working with the Partner Countries to promote the setting up of **Sustainable Energy Information Centres (SEIC)**. To date, two Partner Countries (Georgia and Moldova) have officially signed Memoranda of Understanding on the creation of an SEIC and are currently collaborating with ITS on the preparatory work needed to set up the centres. The Strategy and the Action plan of SEIC for Georgia was developed and submitted to the beneficiaries, Ministry of Energy of Georgia and Tbilisi City Hall. The approval of the Action Plan will be followed by the official creation of the SEIC as a new legal entity, including the allocation of space and personnel by the Tbilisi City Hall. The Energy Efficiency Agency of Moldova identified a possible venue for the centre and preparation of the work for the first mission of ITS experts has started.

ITS successfully implemented a **Regional Combined Event** ("Combo") on awareness rising. The event gathered decision makers from the host organisations of the Sustainable Energy Information Centres in the Partner Countries and equipped them to fulfil better their tasks in awareness rising for the wider public as well as for policy makers in their countries. The implementation of the capacity building event also strengthened the willingness of Partner Countries to establish national centres on SE.

During this reporting period ITS (Components A and C jointly) completed a **RES Mapping tool** on wind and solar potential for Georgia. The RES mapping tool aims to provide additional support to attract investment in SE area as it allows for the broad calculation of the value of investments at particular locations, explained in terms that an investor can understand. The presentation of the results of the RES Mapping for Georgia was also attended by decision makers from Azerbaijan, Moldova, and Armenia, who acknowledged the value of the tool and expressed strong interest in cooperation with INOGATE in developing RES Mapping for their respective countries.

As a part of a hand-over activities of transferring INOGATE banking materials to International Financing Institutions, ITS started cooperating with the EBRD on the development of **e-learning platform**. The online platform will be based on INOGATE's valuable experience on how to train local commercial banks to assess energy efficiency and renewable energy investment proposals. The developed training materials are deemed to be of great value for a wider group of local commercial financing institutions and handing them over to EBRD provide the sustainability of ITS assistance in the region.

COMPONENT D – ENERGY STATISTICS

The objectives of Component D are to support the Partner Countries in improving energy economic planning through enhanced use and harmonisation of energy statistics in line with European practice and standards.

The Component is managed by a Key Expert who is supported by a long-term junior non-key expert, short-term international senior non-key experts, and short-term national non-key experts, the latter providing ad hoc assistance for specific activities. Mr. Nicolas Brizard was confirmed as the new Key Expert by the European Commission in December 2014 and started working February 1, 2015.

During the reporting period the Energy Statistics Component implemented a number of activities of which the most important are briefly described below.

This Reporting Period was for the most part dedicated to the planning and preparation of activities to be conducted by the Energy Statistics Component during the extension period and to the implementation of two activities: The Regional workshop on the use of energy statistics for energy planning and the technical assistance mission to Moldova. Furthermore, preparation started on providing Technical Assistance to Armenia, Kyrgyzstan, and Tajikistan on the compilation of their first energy balances. Continued coordination with Eurostat, IEA and the Energy Community Secretariat has taken place.

In April 2015, all Partner Countries have been informed about the programme of activities for their country and given the opportunity to react or make comments. All countries have reacted positively and none have asked for modifications of the programme.

On June 30 and July 1, 2015, **ITS Components B and D jointly held a regional seminar in Chisinau on energy planning**: "From Energy Statistics to Energy Policies: Helping INOGATE Partner Countries adopt adequate institutional frameworks, methodologies, and tools". One objective of the workshop was the adoption and implementation by the Partner Countries of the best practices for a better and more consensual governance of the energy planning process. Another objective was to inform participants about adequate methodologies and tools to develop credible medium to long-term energy forecasts and

scenarios. This seminar also gave Partner Countries the opportunity to fuel the discussion on the shaping of the future energy cooperation with the EU in the field of Energy Statistics and Energy Policies.

The seminar was held back to back with the technical assistance mission to Moldova that took place on July 2-3, 2015 in Chisinau. During this mission, energy statisticians from the National Bureau of Statistics and ITS experts reviewed the questionnaire used for the collection of energy consumption and production data from households, in particular for solid biomass. ITS experts also presented the various European Quality Reporting standards that the NBS could use to improve its quality assurance process and better understanding of its products by users of statistics.

At the end of the 7th Interim Period, preparation work started for the Technical Assistance to be provided to Armenia, Kyrgyzstan, and Tajikistan on the compilation of their first energy balances in accordance with international standards.

During the 7th Interim Period, the project team continued coordination with **Eurostat, the International Energy Agency, and the Energy Community Secretariat**. Component D and IEA experts worked closely together to prepare Russian versions of the 5 guidance documents that support the IEA/Eurostat/UNECE's 5 energy data collection questionnaires. These questionnaires are used by statisticians to prepare and report energy statistics to several international organisations (e.g. IEA, Eurostat, and UNECE). They cover the energy products involving: coal, natural gas, crude oil, petroleum products, electricity and heat, renewables and waste. Until the release of these guidance documents in July 2015, most of the INOGATE countries have been completing the questionnaires using guidance documents in English, a potential source for mistakes due to language challenges. The newly translated guidance documents provide very detailed and standardized definitions and descriptions of energy products and flows which have been agreed internationally. They are key in ensuring comparability of energy statistics and balances across regions and countries and will greatly contribute to improving the quality of energy data.

CONCLUSIONS ON THE 7TH INTERIM PERIOD

The biggest challenge for the project during the reporting period was to draft the concept notes and the Terms of Reference for the activities to be implemented during the second half of 2015 and the first quarter of 2016. The project started the 7th reporting period with a new Key Expert 1 (team leader) from mid-February, a new Key Expert 3 and a new Key Expert 4. They needed time to become familiar with the project and the interests and priorities of the Partner Countries. The finalization of the CWP for Ukraine proved particularly demanding first for the Project Director and then Key Expert 1 when he started. The project therefore did not fully meet its own target of having submitted virtually all requests for implementation of new activities (42) by the end of the reporting period. Plans and preparations for how to reach the target are, however, very advanced.

The agreement on a revised reporting schedule is seen as an important step forward.

The Tbilisi Country Coordinator's meeting is believed to be a major step forward in terms of securing active participation and ownership of INOGATE activities in the Partner Countries. Preparation of the event was very time consuming for the project, but the payback will be handsome when it comes to organising and implementing the next meeting of Country Coordinator's in September 2015 and the final conference in March 2016.

MAIN EVENTS PLANNED FOR THE 8TH INTERIM PERIOD: 1ST August 2015 – 31ST January 2016**Component A**

For the 8th reporting period, the component will take responsibility for the organising and implementation of "Policy Dialogue Talks" in close liaison with the EU Delegation in Kiev, the DG NEAR Support Group for Ukraine and in consultation with representatives of the main Ukrainian project beneficiaries and stakeholders. Six series of talks are foreseen. Provided that the concept proves successful and funding is available, the project may have one series of "Policy Dialogues Talks" in Georgia and Moldova as well in late 2015 or early 2016.

Subject to approval of the Terms of Reference by DG NEAR work is expected to start on "Review of and Guide for Financial Support Facilities Available for Renewable Energy and Energy Efficiency in EnC Partner Countries". This work is in line with the 2011 project Terms of Reference and the 2014 revised strategy for the project.

The communication activities for this period will focus on intensifying the communication of the results and impact of the project to be showcased the **final project conference** scheduled to take place in **March 2016 in Brussels**.

Communication materials will be produced specifically for this conference including the **final project video** and **additional success stories (for a total of 20)** based on the monitoring of the project activities.

In addition, the following events will be organised:

- **Informal meeting of the INOGATE Country Coordinators** to be held in Kiev, Ukraine on September 28 - 29, 2015;
- Participation in the Energy Efficiency and Renewable Energy Sources Forum, Kiev, Ukraine on November 10-13, 2105 (in cooperation with Component C, side events will be organised);

Ongoing communication work will feature:

More updates to the INOGATE website including spotlights on the first 5 success stories;

- **Monthly e-newsletters** on INOGATE activities;
- **Country leaflets, thematic leaflets** and other promotional materials to be used in the events planned by all components;
- **Media work** to promote the success stories in local media channels.

In this period, it is very important for Component A to capture the results and give them due visibility both online and in the Partner Countries as a lead in to the new regional energy cooperation scheme to be proposed by the European Commission in 2016.

Component B

The Electricity and Gas Component of the project will continue to cover five strategic areas of assistance in line with the new ITS strategy: Regulatory Issues/Market Rules and Development/review of tariff methodologies and Harmonization of electricity and gas standards and Cross-border Trade of Electricity and Gas and Efficiency of Electricity and Gas Infrastructure.

The INOGATE Regional Workshop on Energy Infrastructure (Regional Work Plan .03) "Connectivity: helping INOGATE Partner Countries to adopt adequate regulatory frameworks, methodologies and tools" will build capacity of Partner Countries for greater infrastructure development in the European Union as it is provided for by Regulation (EU) No 347/2013 of the European Parliament and of the Council setting regulations allowing for optimal development of energy infrastructure.

The INOGATE regional event on standards (Regional Work Plans05) "Final event to mark the completion of work on standards Road Maps and Action Plans in the Partner Countries" will allow the Partner Countries to share lessons learned from the process of harmonisation of standards in their countries, the related impact as well as take stock of the status of adoption and implementation of standards and discuss the next steps Partner Countries need to take to fully implement their Road Map and Action Plans.

The flagship activities to be implemented under the Country Work Plans will be:

Training on creation of the Technical Committee for standardisation in Moldova (MD73).

A Technical Committee on standardisation will be set up in Moldova with the assistance of ITS and training of the potential members will be provided. This will allow the European electricity and gas standards that meet the priorities of the industry to be adopted through the created TC.

Workshop on gas infrastructure and European standard EN 1594 (GE118) in Georgia targeting Georgian stakeholders but will also be open to participants from Moldova, Ukraine and Tajikistan. The workshop will cover the review of EN 1594 as the main functional standard specifying basic requirements to the main gas supply elements and the reference standards for the main technological processes, recommendations on the procedure of adopting operation and maintenance practices of these standards.

Workshop for the adoption of Third Party Access in the electricity transmission networks of Armenia.

Third Party Access is the critical condition for market liberalisation and competition in the energy sector. A regulatory treatment of the new GE-AM interconnector will be proposed in a form of a model which will take into account the financing conditions agreed so far (or being refined as the project matures) with the IFIs supporting the development of the interconnector. The proposed legislative amendments will lead to an improved electricity market functioning and increased cooperation with neighbouring electricity markets (i.e. Georgia) as well as an increase of investments in the electricity sector of Armenia.

Workshop on optimisation of electricity tariff structures for the end users (Country Work Plan.03.BY).

The workshop will increase the general knowledge and the capacity of the Ministry of Energy and other stakeholders to understand and introduce new tariff structures in line with the development of the electricity sector in Belarus in line with their state programme on electricity until 2020.

Workshop on modern metering methods and proposed measures in Georgia. This assignment will support the Georgian Gas Transportation Company in its efforts to improve the current gas metering systems and related procedures used in the gas transmission system and to achieve a significant reduction in gas losses (technical and non-technical).

Component C

For the 8th interim period, the activities of the **Sustainable Energy Component** will be planned and implemented in line with the approved Regional Work Plan and the Country Work Plans.

The development of **Sustainable Energy Policies and Strategies**, which are in line with the requirements of the Energy Community Treaty and Association Agreements (in the Partner Countries concerned), is a priority of the new INOGATE strategy. In practice, this means that national legislation and regulatory frameworks should reflect the requirements of EU Directives in the field of energy efficiency and renewable energy, in particular Directives 2009/125/EC (on Eco design), 2010/30/EU (on energy labelling), 2010/31/EU (on the energy performance of buildings), 2012/27/EU (on energy efficiency) and 2009/28/EC (on promotion of renewable energy). In line with these priorities, the Component intends to implement the following activities related to the Development of SE Policies and Strategies in the 8th interim period:

- Regional capacity building (Combo) event on lessons learned on **Energy performance contracts (EPC)**, the EU experience and applicability in the Partner Countries as a follow-up to completed country specific activities will be implemented in Armenia and Moldova;
- Regional capacity building (Combo) event on benefits and requirements of EU Directive on **Energy Performance in Buildings (2010/31/EU)** as a follow-up to the ESIB activities and country-specific support to Armenia;
- Development of a roadmap for the introduction of an **energy performance certificates scheme** in the building sector, including support to further development of institutional and legal framework in Armenia (approved and on-going);
- Improvement of the **legal framework on energy efficiency of the district heating sector** in Azerbaijan (approved and on-going);
- Implementation of **District Heating roadmap** via training and guidance in the development of heat mapping (approval pending);
- Technical assistance in the formulation of **secondary legislation** and related procedures for the development of **wind power plants** in Georgia (approved and on-going);
- Development of a concept of **mandatory audits of public industrial enterprises** which are planned to be fully or partially privatised in 2015-2016 in Ukraine (approved and on-going);
- Transposition of EU Legal Acts on **Energy Labelling and Eco-design** into Ukrainian Legislation, including enhancing of capacity of key decision makers in this area in Ukraine;
- Support the development of a strategy for lighting market transformation that would become part of the Energy Strategy in Georgia.

The SE Component will continue providing technical assistance to Georgia and Moldova on the creation of **Sustainable Energy Information Centres** that should result in the opening of such centres to the public during the 8th interim period. Subject to confirmation of funds available and based on the successful Georgian experience, INOGATE will start collaboration with Azerbaijan, Moldova and Armenia on development of **RES Mapping tool** for these countries. ITS will also continue cooperating with the EBRD regarding the transfer of INOGATE banking training material to the bank's **e-learning platform**.

Component D

The Statistics Component plans to organise three regional events and a number of Technical Assistance missions to the Partner Countries.

The first regional event has been approved by DG NEAR. It will be a hands-on **workshop dedicated to the calculation of energy efficiency indicators using data collected by Partner Countries** in 2015. Since the topics are highly related, the ITS also intends to cover end-user surveys during the same workshop. This workshop to which five countries are invited (Azerbaijan, Belarus, Kazakhstan, Moldova, Ukraine) will take place in Belarus in September 2015.

A second regional workshop planned for November aims to provide **training and assistance in the compilation of energy balances** to three countries (Armenia, Kyrgyzstan, Tajikistan). These three countries have made significant progress since 2012 in the collection of data needed for the compilation of energy balances. However, they need additional technical assistance to compile an official energy balance that is fully aligned with international standards. This workshop is foreseen to take place in Zagreb (Croatia) on November 2-6, 2015.

The last regional event will be the **Annual Energy Statistics Meeting**. The ESN Meeting is likely to take place in Tbilisi (Georgia) on November 17-18, 2015 in parallel with the Technical Assistance mission to Georgia. The meeting will gather the ESN representatives (two per country) from the nine Partner Countries that have signed and implemented ESAPs. Beyond the traditional activities of the ESN meeting (presentation of past activities and achievements, experience sharing), one key objective will be to start the impact assessment of energy statistics activities conducted by ITS since 2012 and during the extension period.

During the 8th Interim Period, Component D has plans to provide Technical Assistance to Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan and Tajikistan (remotely and on the occasion of regional events) and to Belarus, Georgia, and Ukraine (through in-the-field missions in these countries).