



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

SUMMARY

3rd INTERIM PROGRESS REPORT

1st February – 31st July 2013

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

Contract No 2011/278827

A project within the INOGATE Programme

Implemented by:

Ramboll Denmark A/S (lead partner)

EIR Development Partners Ltd.

The British Standards Institution

LDK Consultants S.A.

MVV decon GmbH

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LIST OF ABBREVIATIONS

AA	Association Agreements
ACER	Agency for the Co-operation of Energy Regulators
AHEF	Ad hoc Expert Facility
AM	Armenia
ATEX	Electrical equipment in flammable atmospheres
AWP	Annual Working Plan
AZ	Azerbaijan
BIPM	Bureau International des PoidsMesures
BY	Belarus
CB Scheme	Certification Bodies' Scheme
CCs	INOGATE Country Coordinators
CEN	European Committee for Standardisation
CENELEC	European Committee for Electrotechnical Standardisation
CO2	Directive
COOMET	Euro-Asian cooperation of State Metrology Institutions
CPD	Construction Product Directive
DiSCOs	Distribution System Companies
DSOs	Distributions System Operators
EA	European cooperation for Accreditation
EaP	Eastern Partnership
EASC	Euro-Asian Standardisation Council
ECT	Energy Community Treaty
ECS	Energy Community Secretariat
EnC	Energy Community
EE	Energy Efficiency
EMC	Electromagnetic Compatibility
ENP	European Neighbourhood Policy
ENTSO/E	European Network for Transmission System Operators for Electricity
ENTSO/G	European Network for Transmission System Operators for Gas
EPA's	Environmental Protection Agency's
EPCs	Energy Performance Contracting
ERGEG	European Regulators Group for Electricity and Gas
ESIB	Energy Saving Initiative in the Building sector, EC funded project
EX Scheme	Scheme for Certification to Standards Relating to Equipment for use in Explosive Atmospheres
FDI	Foreign Direct Investment
FEC	Fuel Energy Complex

FFM	Fact-finding missions
FIT	Feed-in Tariffs
FMECA	Failure Modes Effects Criticality Analysis
GAD	Gas Appliance Directive
GE	Georgia
GGTC	Georgian Transportation Corporation
GOGC	Georgian Oil and Gas Corporation
H&S	Health and Safety Directive
IAF	International Accreditation Forum
ICBT-Group	INOGATE Cross-Border Trading Group
IEC	International Electrotechnical Commission
IFCA	Investment Facility for Central Asia
ILAC	International Laboratory Accreditation Cooperation
ISE	Index of Sustainable Energy
ISO	International Organisation for Standardisation
ITS	INOGATE Technical Secretariat
KZ	Kazakhstan
KPI	Key Performance Indicators
LD	Lift Directive
KG	Kyrgyzstan
LDAR	Leak Detection and Repair Methods
LV	Low-Voltage
LVD	Low Voltage Directive
MAD	Machinery Directive
MD	Moldova
MO	Market Operator
MV	Medium-Voltage
NAER	National Agency for and Efficient Use of Energy Resource
NEEAP	National Energy Efficiency Action Plan
NGO	Non-government Organisation
NIF	Neighbourhood Investment Facility
NSI	National Statistical Institute
NSS	National Statistical System
NWG	National Working Group
OWP	Overall Working Plan
PCs	INOGATE Partner Countries
PED	Pressure Equipment Directive
PFMECA	Process Failure Mode Effect and Criticality Analysis
PIMS	Pipeline Management Infrastructure and Training on Software Solutions

QI	Quality Infrastructure
R2E2	Renewable Resources and Energy Efficiency
RESET	Regional Energy Security, Efficiency and Trade Programme (USAID)
ROHS	Restriction of Hazardous Substances Directive
RRs	Representative with Regulatory authority
SAEEEC	State Agency for Energy Efficiency and Energy Conservation
SCADA	Supervisory Control and Data Acquisition
SEMISE	Support to Energy Market Integration and Sustainable Energy (EC)
SET	Strategic Energy Development
SNAM	Società Nazionale Metanodotti
SPVD	Simple Pressure Vessels Directive
TA	Technical Assistance
TEG	Technical Experts Group
TJ	Tajikistan
TM	Turkmenistan
TNA	Training Needs Assessment
TOU	Time of Use
TPA	Third Party Access
TSO	Transmission System Operator
WG1	Working Group 1: Energy Market Convergence
WG2	Working Group 2: Energy Security
WG3	Working Group 3: Sustainable Energy
WG4	Working Group 4: Investment Attraction
WGMs	INOGATE Working Group Members
UA	Ukraine
UZ	Uzbekistan

INSTRUCTION TO THE READER

More information on each of the listed activities can be found on the INOGATE Web-site

<http://www.inogate.org> which will lead you to the section documents where you will be able to find the following documents, if relevant:

- Concept Note – ToRs
 - Agenda
 - Participants List
 - Materials
 - Report
 - Press Releases
 - Pictures and Videos
-

SUMMARY – COMPONENT A, B, C, D

The period of the 3rd Interim Report (1 February 2013 –to 31 July 2013) saw the project successfully move into the next operational phase. The key milestones signaling this phase were:

- INOGATE and Energy Community Secretariat Local Information Event for Armenia (June 2013);
- INOGATE Local Information Event for Ukraine within the framework of the EU Sustainable Energy Week as well as the participation of the ITS in several side events of the SEW in Ukraine and Georgia (June 2013);
- Status Report 2012 Missions in: AZ, AM, BY, GE, KZ, KG, TJ, UA (April – July 2013);
- Sustainable Energy Communication Workshops in GE, MD, AZ, AM and BY (February – June 2013);
- Combined event/study tour on Sustainable Energy financing in Vienna, Austria (May 2013);
- Adoption of the Energy Statistics Action Plans in 9 PCs: AM, AZ, BY, GE, KZ, KG, MD, TJ, UA (February – June 2013);
- International Conference on the strategic role of energy statistics in national and international policies in Copenhagen (April 2013);
- Regional Seminar & Study Tour on Capacity Building of Gas for Transmission system Operators in Italy (May 2013);
- Regional seminar on Standards and study visit in London (July 2013);
- Contacts established with the new INOGATE project: Sustainable Energy Programme for Central Asia: Renewable Energy Sources - Energy Efficiency (RES – EE);
- Discussions initiated with ESIB on how and when to take over relevant functions and activities after the end of the ESIB project;
- 56 Ad Hoc Expert Facility applications received, 3 completed, 15 approved for implementation; and
- Negotiation with UA beneficiaries on finalisation and signing of protocols for ITS Technical Assistance support.

The following provides by Component a breakdown of the major activities and events completed during the 3rd Interim Period.

COMPONENT A - COMMUNICATION

The objectives of Component A are:

- To ensure that assistance in support of the Baku Initiative/Eastern Partnership as well as the Energy Community objectives is more effective, coherent, sustainable and aligned with partner countries' objectives; and

Main results to be achieved under Component A are:

- An INOGATE Technical Secretariat encompassing technical/advisory responsibilities as well as coordination and communication functions; and
- Improved coordination and coherence of INOGATE projects and activities in line with the needs of the INOGATE Partner Countries.

The following main activities were carried out under Component A during the 3rd Interim Period:

INOGATE and Energy Community Secretariat Local Information Event for Armenia

Since Armenia became an observer country under the Energy Community Treaty, the Ministry of Energy and Natural Resources of Armenia requested the INOGATE Technical Secretariat to organise a Local Information Event. Component A project team organised the event with the aim to present the INOGATE actions including the support that INOGATE provides to Armenia to meet the Astana Energy Road Map objectives, as well as benefits of a full membership of the Energy Community Treaty. Another important result of the LIE was the initial introduction of the A5 sub-component on Investment Facilitation in RES and EE.

INOGATE Local Information Event for Ukraine

The Local Information Event for Ukraine was carried out as part of the EU Sustainable Energy Week in Ukraine and therefore the event combined features of a regular information event (Comp A) and information on sustainable energy (Comp C). The event was organised jointly with the State Agency of Ukraine on Energy Efficiency and Energy Saving and the Water Information Centre (the Water Museum). The speakers of the Local Information Event represented INOGATE Technical Secretariat, SAEE and ESIB Project.

The participants were informed on the EU-Ukraine energy cooperation within the framework of the INOGATE program, on the activities of the State Agency of Ukraine on Energy Efficiency and Energy Saving on Sustainable Energy, as well as on sustainable energy and investment facilitation and the ESIB Project main goals and achievements.

INOGATE Status Report 2012 Missions in cooperation with International Energy Agency

The purpose of the **Status Report** (Baku Initiative Monitoring Framework): is to draw up and follow-up on the previous Status Report on the achievements of the INOGATE partner countries with regard to the objectives of the Astana energy road map: energy market convergence on the basis of the EU principles, sustainable energy, energy security of supply and energy investments. The first Status report (electronic version) and its Country profiles annexes are expected to be finalised early 2014.

The monitoring is done on the basis of peer review missions to each of the Partner Countries where representatives from the donor community, government and civil society are interviewed. The peer review missions are done in close coordination and cooperation with the International Energy Agency and peer reviewers from each of the Partner Countries.

As of 31st July 2013, the following 9 Status Report missions have been completed:

Moldova – Peer Review mission took place on 8-10 April 2013.

Belarus - Peer Review mission took place on 11-15 April 2013.

Georgia - Peer Review mission took place on 28 April – 1 May 2013.

Armenia - Peer Review mission took place on 2-6 May 2013.

Azerbaijan – Peer Review mission took place on 7-10 May 2013.

Kazakhstan - Peer Review mission took place on 17-21 June 2013.

Ukraine – IEA/ITS working meetings took place on 25-27 June 2013 in Kiev.

Kyrgyzstan - Peer Review mission took place on 15-19 July 2013.

Tajikistan - Peer Review mission took place on 20-26 July 2013.

After completion of the Country Reports of all INOGATE partner countries it is planned that the IEA will prepare the final draft report (should be finalized early 2014) in close cooperation with the INOGATE Technical Secretariat which will be submitted to the EC for further review and comments.

COMPONENT B – ELECTRICITY AND GAS

The objectives of Component B are:

- To enhance convergence of Gas and Electricity Markets on the basis of the EU internal energy market principles,
- To increase efficiency of the gas and electricity supply infrastructures

Main results to be achieved under Component B are:

- Further approximation of the Partner Countries legislation in the field of energy with that of the EU including further harmonisation of electricity and gas standards; and
- Improved conditions for energy trade in the field of electricity and gas; and
- Improved efficiency of electricity and gas infrastructures.

The following main activities were carried out under Component B during the 3rd Interim Period:

Regional Seminar & Study Tour on Capacity Building of Gas Transmission System Operators in Venice

The project team organised Regional Seminar & Study Tour on Capacity Building of Gas Transmission System Operators and the participation in the Gas Infrastructure Europe Annual Conference on 22-24 May 2013 in Venice/Milan, Italy. The combined event succeeded in meeting its overall objective:

- To establish a level of common understanding on fundamental principles over which the EU gas market has developed and is continuing its process of greater integration as well as to discuss the opportunities for the enlargement of this cooperation with the INOGATE Partner Countries.

And its specific objectives:

- To build the necessary capacity amongst representatives from the Gas Transmission System Operators and gas utilities in the PCs so as to be able to discuss and analyse possible functionalities of the EU practices in respect of cross border cooperation in gas.

- To create the necessary familiarity amongst key technical stakeholders in the PCs (TEGs) in order to establish a platform for discussion and cooperation.
- To showcase and familiarise the representatives from key technical stakeholders in the PCs with their counterparts in EU associations and also understand the governance and administration of cooperation platforms (as they are in force in the EU i.e. ENTSO-G, ACER/CEER, etc.).
- To perform a short training of the participants on the key gas Transmission System Operators competences in cross-border trade, using study visit to one of the leading EU gas Transmission System Operators.

As result of the event the participants from the Partner Countries gained new insight into the EU's 3rd Energy Package. They were provided with information on the existing Cross Border Trade platforms in Europe as well as a description of the establishment and functioning of the European Transmission System Operators organisations. The visit to the installations of Società Nazionale Metanodotti was especially useful as it helped participants, Transmission System Operators themselves, to gain knowledge and share experience on how to develop their organisations if they wish to comply with European requirements.

The participation in GIE Annual Conference provided the participating Transmission System Operators opportunities to network, discuss and exchange insights with 350 European gas stakeholders who were participating in the conference. The participants used this opportunity to engage in discussions with European gas stakeholders on issues related to the gas market and prices, cross-border trade as well as maintenance of gas infrastructure and attraction of investments for large scale gas infrastructure projects.

Concerning the impact of the event it can be mentioned that the evaluation of the event showed that a majority of the participants did gain important knowledge and improved their understanding of the European energy policies and how the policies could be applied in their respective countries. Moreover, the Partner country participants also explained how they would apply the acquired knowledge and skills in their daily work i.e. to identify gaps in current policies and filling the gaps using the knowledge from the seminar; better understanding of EU issues in the process of energy policy approximation with the EU (Georgia); introducing new technologies in dispatching services and for Personnel Training of the Control Centre; in view of gas restructuring process (e.g. Ukraine), the acquired knowledge is to be used to implement the process in line with EU principles.

Concerning EU practices it is worth noting that the Partner countries were rather confident that the presented EU practices would support their decision making process going concerning the realization of association agreements with the EU.

Regional seminar and study visit in London on "Development of Harmonization Road Maps and Action Plans, and Capacity Building recommendations"

The main objectives of the event were:

- To present the final results of the study "Review of standardization and technical legislation systems of INOGATE partner countries";

- To analyse the collected data on priority Gas and Electricity standards and validate them at national and regional level with participants;
- To clarify the procedure for the adoption of gas standards which are translated into Russian from a previous INOGATE project, and which are currently owned by the EASC Bureau of Standards.
- To prepare the concept of the Harmonization Road Map and the Action Plan;
- To present the project work plan for sub-component B2 for next six months;
- To discuss the main challenges faced by the PCs in transforming their standardization framework from the old approach to a new EU approach, and to discuss possible solutions;
- To present EU best practice applied by NSBs from a Member State (the United Kingdom).

The Regional Standardisation seminar and study visit to London took place on 8-11 July 2013 with participants from the following nine countries: Armenia (3), Azerbaijan (3), Belarus (3), Georgia (3), Kazakhstan (2), Kyrgyzstan (2), Moldova (3), Ukraine (3), and Uzbekistan (3). Only Turkmenistan was not able to participate. Participants were from various state bodies responsible for standardisation, various ministries representing the energy sector i.e. Energy, Economy and Coal.

One of the main results of the regional seminar in London was the validation by all participants of the results summarised in the Table of priority electricity and gas standards. The countries which achieved significant progress in the harmonisation of the Gas Standards (Belarus, Georgia, Moldova, Kazakhstan and Ukraine) and the Electrical standards (Moldova and Ukraine) were defined. Also a list of priority standards was identified for the entire region. On the basis of this analysis of the current situation and identified regional priorities, the project team has developed the concept for the Standards Road Map and Action Plan which has been approved by the EC.

During the event an initial agreement was reached on the transmission of gas standards from the EASC to 6 countries that signed a protocol with the EASC to obtain these standards. EASC has sent a letter to the Secretariat with a list of standards and confirmed the agreement to transfer the remaining standards (about 112 standards) to countries upon request.

It is evident from the evaluation of the event by the partner country participants that the event did meet its objectives and the participants gained considerable new knowledge and insight into how gas standards are analysed and adopted and how the existing standardization framework could be transformed to be more in line with the new EU approach.

In conclusion it can be mentioned that most of the Partner Countries, excluding the Customs Union member states, are ready to apply electricity and gas standards, the Partner Countries are ready to actively participate in the development of the Road Maps and Action Plans and finally that the Partner Countries are advised to strengthen their TEGs on Standardization with the respective national/local experts.

COMPONENT C – SUSTAINABLE ENERGY

The objectives of Component C are:

- To assist the countries in strengthening energy institutional governance in relation to sustainable energy, in particular by focussing on institutional capacity
- Improved business climate for energy efficiency and renewable energy investments

Main results to be achieved under Component C are:

- Improved capacity of relevant stakeholders (e.g. energy & environment ministries, agencies, R&D community, ESCOs) in the implementation and evaluation of effective sustainable energy policies and action plans;
- Strengthened/creation of local/national/regional networks to enhance the exchange of experiences and best practices on policies and regulatory frameworks (especially between ministries and agencies);
- Improvement in intra- and inter-regional knowledge transfer (i.e. among the PCs and between these and the EU), as well as capacity building in the field of RE technologies;

The following activities were carried out under Component C during the 3rd Interim Period:

Stakeholder Mapping

Completion of stakeholder mapping for 6 PCs to identify key stakeholders and needs for awareness rising. ITS used information collected during the stakeholder mapping to prepare communication workshops in the PCs. With support from the Country Experts, ITS conducted the first phase of the stakeholder mapping in January-February 2013. Information collected by the Country Experts was reviewed and updated at the communication workshops.

Communication Workshops

In February – June 2013, ITS conducted 5 communication workshops in 5 different EnP countries: Georgia, Moldova, Azerbaijan, Armenia and Belarus. The workshops gathered a wide range of stakeholders and contributed to identifying a) the main thrust of the Sustainable Energy campaign in each Partner Country, b) needs of policy makers for awareness raising, c) potential awareness raising actions, and d) stakeholders interested in participating in Sustainable Energy campaigns. The communication workshop in Ukraine has been postponed until commencement of technical assistance in Ukraine.

Combined event/study tour on SE financing in Vienna, Austria

As part of the capacity building activities for Sustainable Energy, ITS organised and conducted a combined workshop and study tour on SE financing in Vienna, Austria. The target audiences were: a) local financial institutions in the PCs interested in implementing EE/RES lending; b) local financial institutions already involved in EE/RES lending projects; c) investors with plans to invest in EE/RES projects; d) investment or lending policy makers (department heads or senior credit officers) and regulators with responsibilities related to EE/RES. The main objectives of the event were to transfer skills and knowledge on *decision making, best practice, operations and actual demonstrations* to the stakeholders. An interesting first result was that the Austrian Development Bank (OeEB) and

Ameriabank CJSC have signed a financing agreement for 8 years in the sum of USD 15 million which will be directed to financing of Small and Medium sized Enterprises, as well as of renewable energy and energy efficiency projects in the Republic of Armenia.

The impact of Component C activities related to improving the investment climate and facilitating investments into Energy Efficiency and Sustainable Energy have been significant. The bank training offered by ITS has proved to be instrumental in moving money into SE investments, faster than e.g. improving legislation and raising public awareness, although equally important.

ITS has already evidence of money being invested into Sustainable Energy projects in Armenia as a result of the first workshop carried out in Vienna in May 2013. Ameria Bank in AM is developing a project with Erste Bank of Austria on Energy Efficiency/Renewable Energy in greenhouses (~ 20 M EUR.), and Converse Bank in AM is negotiating a deal, also with Erste Bank, to construct a high speed railway in Yerevan from the airport to the railway station (~ 15 M EUR) to save energy and reduce CO2 emissions.

Component C has been gathering summary information on IFI credit lines to the Partner Countries for Sustainable Energy. Results received so far show the following:

PC	Credit lines	Number of LFI's receiving funds
AM	87.5 M €	16
GE	84.8 M €	4 known + others TBD
MD	42.7 M €	4
Total	195.0 M €	24 +

Feedback from the beneficiaries proves that the training of ITS is having the intended impact i.e. the Bank of Georgia has informed the ITS that the workshop taught them how to assess and estimate the Sustainable Energy numbers to be inserted into their banking and credit evaluation formulas. Converse Bank in Armenia told the ITS they are now able to move forward with three biogas projects and two SHPP projects that were stuck as they are now able to assess the financial risks and calculate financial costs and returns associated with such sustainable energy investment projects.

COMPONENT D – STATISTICS

The objectives of Component D are:

- To support Partner Countries in improving energy economic planning through enhanced use and harmonisation of energy statistics in line with European standards.

Main results to be achieved under Component D are:

- Increased capacity of National Statistical Institutions, national ministries and local authorities to collect, process and store reliable energy statistics and indicators and better understanding of the development of energy planning tools;
- More reliable energy economic planning tools and, thus, development of more coherent energy security strategies and more sustainable energy in the region;
- Convergence of standards and methodologies for energy statistics, in particular energy balances with European and international ones and, thus, enhanced exchange of comparable data, which in turn can boost investment and trade;
- Increased use of statistics in energy policy and decision making in the region.

It should be mentioned that Component D has been cooperating on a continuously basis with Eurostat and IEA on the development and implementation of the Energy Statistics Action Plans. In addition ITS has assisted Eurostat and the International Energy agency with compiling energy balances and collecting the 5 annual energy questionnaires send out by IEA and Eurostat. Eurostat has also been instrumental in organizing and chairing major events i.e. Copenhagen April 2013.

The following activities were carried out by Component D during the 3rd Interim Period:

Energy Statistics Action Plans

An Energy Statistics Action Plan has been developed for each PC with the exception of Uzbekistan and Turkmenistan who has still not approved the Energy Statistics Action Plan. Most of the Partner Countries have adopted the developed Energy Statistics Action Plans which has served as the backbone for the implementation of the projects' activities during the 3rd Interim Period. Developing and implementing the Energy Statistics Action Plans a uniform methodology has been applied based on the principles of equality of all the PCs and on optimum usage of the resources needed for the implementation of the country specific activities.

The Action Plans have been focusing on providing technical assistance within the following key areas:

- Key area 1: Development and strengthening of the legal and institutional framework
- Key area 2: Improvement of the data collection, compilation, management, data analysis and reporting system based on international (IEA/ EU) standards
- Key area 3: Assistance to compilation of energy balances and submission of the questionnaires to the IEA
- Key area 4: Development of a reporting system for monthly energy statistics
- Key area 5: Development of a reporting system on energy prices
- Key area 6: Development of a reporting system on energy and energy efficiency indicators

As at time of writing, the proposed Energy Statistic Actions Plan (Energy Statistical Action Plan) for 9 Partner Countries have been finalised and adopted:

Partner Country	Status	Date of Signature
Armenia	Adopted through MoU	17.06.2013
Azerbaijan	Adopted through Approval Document	13.03.2013
Belarus	Adopted through Approval Document	10.04.2013
Georgia	Adopted through MoU	04.03.2013
Kazakhstan	Adopted through MoU	19.04.2013
Kyrgyzstan	Adopted through MoU	06.03.2013
Moldova	Adopted through MoU	11.03.2013
Tajikistan	Adopted through Approval Document	17.04.2013
Turkmenistan	Action Plans still being reviewed by the proper authorities	Not signed
Ukraine	Adopted through MoU	26.07.2013
Uzbekistan	Action Plans still being reviewed by the proper authorities	Not signed

Technical Assistance (TA) missions to initialise implementation of the adopted Energy Statistical Action Plans

- Organisation and implementation of ITS TA mission to Georgia, which has adopted the Energy Statistical Action Plan through the signing of a MoU between the ITS, Ministry of Energy and Natural Resources (MENR) and the National Statistics Office of Georgia (GEOSTAT), to implement tasks which are specified and defined in the Action Plan;
- Organisation and implementation of ITS TA mission to the Kyrgyz Republic, which has adopted the Energy Statistical Action Plan through the signing of a MoU between the ITS and the National Statistical Committee (NSC), to implement tasks which are specified and defined in the Action Plan;
- Organisation and implementation of ITS TA mission to the Republic of Moldova, which has adopted the Energy Statistical Action Plan through the signing of a MoU between the ITS, Ministry of Economy (MOE), and the National Bureau of Statistics (NBS), to implement tasks which are specified and defined in the Action Plan;
- Organisation and implementation of ITS TA mission to the Republic of Kazakhstan, which has adopted the Energy Statistical Action Plan through the signing of a MoU between the ITS and the Agency of the Republic of Kazakhstan on Statistics (ARKS), to implement tasks which are specified and defined in the Action Plan;
- Organisation and implementation of ITS TA mission to the Republic of Tajikistan, which has adopted the Energy Statistical Action Plan through the signing of an Approval Document by the Agency on Statistics under the President of the Republic of Tajikistan (TAJSTAT), to implement tasks which are specified and defined in the Action Plan.

International Conference in Copenhagen, Denmark on the strategic role of energy statistics in national and international policies

The main aim of the conference was to raise awareness on the strategic role of energy statistics in national and international policies.

The international conference gathered 50 high-level officials from both the EU and the INOGATE Partner countries namely, Armenia, Azerbaijan, Belarus, Georgia, Moldova, Kazakhstan, Kyrgyzstan, Tajikistan, Ukraine and Uzbekistan. Participants included representatives from the National Statistics Institutes, Ministries and Members of Parliament responsible for policy and decision making in the energy sector as well as media representatives.

During the conference, a series of presentations and key note speakers highlighted the importance that energy statistics play in the development of national energy strategies and how these contribute to a better investment climate, facilitate trade, and thus improve security of energy supply. On an international and regional level, harmonised methods for collecting and analysing data make for easier cooperation among the Partner Countries.

It should be noted that as a result of the conference the participant's perception and understanding why energy statistics is so important when it comes to economic planning and development were greatly enhanced. This was also evident from a number of conclusions that were adopted by the various individual sessions i.e.:

- Energy Statistics provide a necessary input to planning, forecasting and monitoring of energy plans.
- Energy Statistics are integrated into national policies and also an input for modeling (which is used for long-term planning) and analysis on which decisions are based.
- Energy Statistics are used as an input to energy accounts and they provide herewith the required knowledge on the part which energy plays on the national economy.
- Energy Statistics are also an input to economic modeling and analysis.
- Energy Statistics are a starting point for investment analysis in all projects related to energy savings.
- In terms of priorities, getting the energy balance right is the first step: this can already give a lot of information on energy efficiency. The energy balance will also deliver indications on which sectors to concentrate on for further analysis on energy efficiency.

Status of Energy Statistics Action Plans in Inogate Partner Countries

7 Action Plans are approved and 2 more are well on their way. Whereas the situation varies for each country the main challenges and issues to be addressed were noted to be:

- Lack of financial/human resources
- Weak or insufficient institutional structure:
- Authority to access and collect data
- Authority to supply official data on behalf of their country

- Ending statement:
- Allocating resources to Energy Statistics is not spending money; it is investing money.

SUMMARY AD HOC EXPERT FACILITY (AHEF)

AHEF have been conceived as a way to support specific needs of partner countries on a specific subject that require immediate assistance and is not part of the global work programme. They consist of technical assistance, and targeted on some priority areas for components B and C only (see guidelines). At the time of writing, a total of 86 AHEF applications have been received and are being processed by the project team. An [overview table for AHEF](#) showing the number of applicants received by country as of 31 July 2013 is published in the INOGATE web portal and includes the status of every application. The breakdown of the total active number of AHEF applications (56) at the time of reporting is found below:

The breakdown of the total active 56 AHEF is as follows:

Component B: 35 applications

Component C: 21 applications

To ensure maximum transparency, an overview table is being published regularly on the INOGATE website both in English and Russian languages.

Main Events Planned for the 4th Interim Period (1 August 2013 – 31 January 2014)

COMPONENT A - COMMUNICATION

Component A - INOGATE Country Coordinators and Regional / Country Experts Meeting

The Annual Country Coordinators and Regional / Country Experts Meeting will take place in Brussels on 9 October 2013. This event will largely focus on achievements of the Partner Countries within the INOGATE Program and on the Program's results. The meeting will therefore focus on presenting the following themes:

- Status Report 2012 and Peer Reviews.
- Countries' presentations (by Country Coordinators and Country Experts).
- Completed activities and events, current state of play and future plans (presentations by ITS Key Experts, Components A, B, C and D).
- Presentations by other projects under the INOGATE framework: ESIB & GIZ EE-RES.
- The presentation of the INOGATE Work Program 2013-2014; discussion and feedback from Partner Countries.

On 10th October 2013 a training/skills update for the Regional / Country Experts on monitoring and forward planning will be implemented.

Joint Local Information Events (Components A+D and A+B and A+C)

During the period from August 2013 to January 2014, Component A plans to hold a number of Information events jointly with other project components. The main local information event that Component A implements with the Country Coordinator will be coordinated in terms of topics covered with the respective beneficiary on a demand-driven basis. Similar events will be organised with Component B, within the issues of electricity and gas market integration and cross border trade. With respect to Component C the joint events will focus on raising awareness with respect to EE and RES, limited to the six ENPI countries only.

COMPONENT B – ELECTRICITY AND GAS

Component B - Seminar and Study Tour on Capacity-Building Activities

In the next reporting period the project team will commence the seminar and the study tour on capacity building activities which will take place in Vienna and Bratislava, 9–11 October. The overall objective of this event is to facilitate transfer of best practices of the EU member countries on independent regulation in electricity and gas sectors.

Component B – Electricity and Gas Tariff Review Study for the INOGATE Partner Countries / Tariff Workshop

In the next reporting period the project team will finalise the tariff study (due in October). The study will review key components of the tariff structures in electricity and gas sectors in the PCs i.e. CAPEX, OPEX, taxes, levies, investment, etc.

The findings of the tariff study will be presented at the seminar to be organised in October 2013 in Budapest in coordination with ERRA. The seminar will in addition to the presentation of the findings of the tariff review study present the principles of tariffs and pricing (ERRA).

Component B - Study: Review of standardisation and technical legislation systems of INOGATE Partner Countries.

The study will provide a review of the standardization and technical legislation systems of the PCs. It will present the current situation of the TCs and provide also recommendations aiming at establishing the new TCs in electricity and gas, and strengthening the existing TCs. It will describe the ways standards can be harmonised in the INOGATE Partner Countries.

Component B - AHEF

7 eligible applications for AHEF will be implemented in the next reporting period:

- Eligible applications to be implemented: 45AM, 64AM, 65AM, 80GE, 81GE, 68UA and 78UA (UA AHEFs subject to project registration).

COMPONENT C – SUSTAINABLE ENERGY

Component C – Combined Event on Sustainable Energy Policy

During the 4th reporting period, ITS will conduct the second combined event on Sustainable Energy Policy from 23-28 September 2013 in Riga, Latvia & Vilnius, Lithuania. ITS will also start preparations for the third combined event on SE Awareness Raising planned to be organised in January 2014 in Tbilisi, Georgia.

Component C - AHEF

11 eligible applications for AHEF will be implemented in the next reporting period: 54-55-56.AM (triple task), 82.AM, 61.AZ, 08.AZ, 66.AZ, 67.AZ, 26.BY, 21.UA (UA AHEFs pending Project registration), and two others TBD.

COMPONENT D – STATISTICS

Component D - Study tour on energy statistics and energy balances with additional emphasis in surveys on final energy consumption

This study tour is scheduled to take place in Sofia, Bulgaria on 5 - 7 November 2013.

The study tour will be conducted in the National Statistical Institute of Bulgaria, which is a perfect example of how a recent EU Member State (they joined the European Union in 2007) came from a situation comparable to that of some of the INOGATE Partner Countries to the development and folding-in of their national energy statistics into European and international standards. Two statistical specialists from each PC working directly with energy statistics will participate in the study tour. The study tour to the National Statistical Institute of Bulgaria, Environmental, Structural and Regional Statistics Directorate is a direct response to this expressed need.

Component D – ITS Technical Assistance Missions to initiate the implementation of adopted Energy Statistical Action Plans

- Organisation and implementation of ITS TA mission to the Republic of Belarus, which has adopted the Energy Statistical Action Plan through the signing of an Approval Document by the National Statistical Committee (Belstat), to implement tasks that are specified and defined in the Action Plan.
- Organisation and implementation of ITS TA mission to the Republic of Azerbaijan, which has adopted the Energy Statistical Action Plan through the signing of an Approval Document by the State Statistical Committee, to implement tasks that are specified and defined in the Action Plan.
- Organisation and implementation of ITS TA mission to the Republic of Armenia, which has adopted the Energy Statistical Action Plan through the signing of MoU between ITS, National Statistical Service and Ministry of Energy and Natural Resources, to implement tasks which are specified and defined in the Action Plan.