

INOGATE Annual Meeting 2014 - Brussels, 22 October 2014

CONCLUSIONS

Summary

INOGATE Annual Meeting took place on 22 October 2014 in Brussels, back to back to Eastern Partnership Platform III meeting on Energy Security.

The Annual Meeting focused on the progress made in the past year within the INOGATE Programme, the results achieved and the plans for the future. The European Commission announced that the INOGATE Technical Secretariat project - which was to end in January 2015 - will be extended up to April 2016, in order to ensure uninterrupted support to the Partner Countries until new instruments and assistance are in place.

Translating the newly agreed strategy into actions, the INOGATE Technical Secretariat worked closely with the Partner Countries to produce the draft Regional and Country Work Plans presented at the meeting. These work plans, to be finalized by the end of November, will form the 'Programme of Work 2015-2016' for the extension period, effectively eliminating the need for any further submissions of Ad Hoc Expert Facility (AHEF) applications by beneficiaries.

The 56 participants of the meeting included representatives from the European Commission, the Energy Community Secretariat, the International Energy Agency, the INOGATE Technical Secretariat and INOGATE Partner countries. For the first time, the event was livestreamed to allow additional key participants from Partner Countries and EU Delegations, the opportunity to participate in the discussion.

All **documentation** on the event including all presentations is available [here](#).

Highlights by session

Some **highlights** from the Annual Meeting included:

Opening statements

- The European Commission's Director of Directorate General for Development and EuropeAid Cooperation (DG DEVCO), **Mr. Michael Köhler**, opened the meeting and noted a number of important policy initiatives that are reshaping the way the EU cooperates with its neighbours.
 - The signature of **DCFTA agreements** and **adoption of the Association agenda** by Moldova, Georgia and Ukraine have been key milestones for relations in 2014. The EU is dedicated to support these countries in the implementation of their commitments under these agreements. Moldova and Ukraine are also members of the Energy Community, Georgia is a candidate and it will be important to take the necessary steps for establishing well-functioning energy markets between EU Member States and these countries.
 - Another key initiative is **Eastern Partnership**, and within its framework, the **Platform on Energy Security** provides a setting to discuss questions of Energy Security of the EU and its six Eastern Partnership members: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. This Platform is an essential forum to discuss how to create the necessary conditions to enhance the energy policy framework conditions; to support infrastructure development, interconnections and diversification of supply; to promote energy efficiency and the use of renewable resources; and to approximate regulatory frameworks and energy policies.

- At the same time, EU values and supports cooperation with our **Central Asian Partners** and encourages a broader dialogue not only with the EU, but also between the peers in the region.
- The key feature of the INOGATE Programme **remains its regional nature**, which encourages the transfer of knowledge, best practice and in some cases of the EU acquis from the European Union to the INOGATE Partner countries, facilitates information exchange between the INOGATE Partners. European Union will continue supporting reforms in the energy field.
- Programmes like INOGATE can contribute to making a change by bringing together different policy makers, exchanging expertise, preparing the ground for reforms where necessary and for simply gathering people from different geographical and cultural spheres and so helping to create trust and eventually solidarity among each other.
- The European Commission's Director for Directorate General for Energy, **Ms. Mechthild Wörsdörfer**, presented the challenging environment and new realities in the EU's energy market. The scale and urgency of energy challenges are high, given geopolitical events, international trade and climate change.
 - The EU and Partner Countries share the same overall challenges of security, affordability and decarbonisation. In particular, EU continues to be dependent on energy imports. Six Member States are 100% dependent on Russian gas, while only a few are independent. Increasing energy costs affects standard of living for citizens and competitiveness for industry. Energy systems still too dependent on fossil fuels, for which competition has increased.
 - The major current initiatives include the 2030 energy and climate policy framework which involves decreasing GHG emissions by 40% (vs 1990), increasing renewable energy by 27% RE (for EU as a whole), and increasing energy efficiency by 30%.

Session 1: INOGATE progress since the last INOGATE Annual meeting

- **Ms. Thea Khitarashvili** of the **International Energy Agency (IEA)** presented the results of the joint work done by the ITS and the IEA in preparing the compendium on energy (previously referred to as the INOGATE Status Report), a **summary** of which was distributed for the first time at the meeting. The presentation focused on the progress of the INOGATE Partner Countries in introducing policy reforms. The Peer reviews conducted showed that Partner Countries have a number of challenges in common, such as ageing infrastructure, rising public debt, the need to develop comprehensive energy efficiency programmes and address demand-side management. It is clear that the 'cheapest' energy is energy that has been saved. Energy efficiency can be a major contributor to energy security. Public sector challenges will remain as long as policies and tariffs do not support development of energy infrastructure. The full 550-page compendium will be available in March 2015 and will be launched in April 2015 in three regional events in the INOGATE Partner Countries.
- **Dr. Peter Larsen**, ITS Project Director, presented the INOGATE Technical Secretariat progress since October 2013. The presentation gave statistics on events and activities carried out in 2013-14 and an update on the 91 AHEFs (Ad Hoc Expert Facility TA). Briefly presented were some INOGATE success stories that were found during the impact monitoring carried out by the ITS. Peter Larsen highlighted the need for strong involvement of national experts in all ITS activities.
- The results of the INOGATE Project "Energy Efficiency in Buildings" (ESIB) were presented by **Mr. Rob De Lobel**, DG DEVCO. The ESIB project has now been finalized and a number of useful

materials have been developed. Partner Countries are encouraged to make use of the valuable work on energy efficiency, all of which will be available on the INOGATE website.

- An update on activities from the INOGATE-related project “Sustainable Energy in Central Asia” (CASEP) was presented by **Mr. Paul Moulin**, Team Leader. The 3-year project is mostly focused on energy efficiency, rather than renewable energy because of investment climate. The project runs until April 2016 and a detailed work programme will be on INOGATE website shortly.
- **Mr. Mathieu Bousquet**, DG DEVCO, in line with the statement made earlier by Director Köhler announced that the Commission has decided to prolong the ITS project for an additional year. In this context a strategy has been developed by ITS and shared with Partner Countries. ITS is changing the approach from the AHEF to Regional Work Plan (RWP) supplemented with individual Country Work Plans (CWPs). The new ITS strategy and the regional and country work plans will provide a strong platform for implementation of the overall and specific objectives of INOGATE for the next year. The regional work plan will provide the framework for regional activities that are relevant for all the INOGATE Partner Countries.
- During the discussion, some Partner Countries expressed their concerns that the AHEF (Ad hoc Expert Facility) instrument was disappearing, but the EC reassured that countries would still receive demand-driven, tailor-made support, which will be provided taking into consideration their individual needs and priorities. Each Partner Country has been provided with the draft CWP and the agreed deadline to provide comments is 7th of November. It was noted that strong Partner Country ownership and ‘support in implementation’ are preconditions for success of the Programme.

Session 2: Energy security in EU and INOGATE Partner countries

- An in-depth presentation was made on the European Commission’s Communication on the European Energy Security Strategy (EESS) and the results of the stress tests by Mr. Hans Van Steen, DG Energy. The EESS is closely linked to the 2030 policy framework on climate and energy. The short-term and long-term measures of this strategy were outlined. Short-term measures reflect the immediate actions to overcome a major disruption in winter 2014/5, whereas long-term measures include moderating energy demand, building a well-functioning and fully integrated internal market, increasing energy production in the EU and diversifying energy supplies, among others.
- EU support mechanisms to Energy Security in INOGATE Partner Countries were presented by **Ms. Natalja Miolato, DG DEVCO**. The technical assistance and capacity building is carried out on three-pronged: 1) bilateral (twinning, TAIX, budget support, etc.); 2) regional assistance (INOGATE and support to local authorities that joined the Covenant of Mayors initiative; 3) investment facilitation through Neighborhood Investment Facility (NIF); and Investment Facility for Central Asia (IFCA).

Session 3: INOGATE plans for the future and EU energy support

- The INOGATE vision based on the new ITS Strategy and Country Work Plans was presented from three points of view: 1) European Commission, by **Mr. Mathieu Bousquet**, 2) ITS project, **Dr. Peter Larsen** and 3) the Partner Countries – **Ms. Galina Parsian**, Moldova INOGATE Country Coordinator.
- A presentation of assessment of past and present EU energy support to Partner Countries and lessons learned for future energy assistance was made by **Ms. Helene Ryding**, the Team Leader, for the EC project “Global assessment of EU support provided in field of energy in Eastern Partnership and Central Asia 2007-2013”. The work on this project is ongoing with the final report expected by the end of 2014, with a short period of work on the recommendations in early 2015.

It was important during the Annual Meeting to get some initial feedback from the Partner Countries on the possible modalities of support which the EU can provide in the future to support the energy security of its Partner Countries. All countries were encouraged to provide additional comments and feedback to Helene Ryding in the upcoming days.

- Following a lively debate, the Partner Countries expressed their appreciation not only for the work carried out by INOGATE to date, but also for the foreseen continued assistance of the EC post-2016. Mr. Mathieu Bousquet, DG DEVCO, closed the meeting with a summary of the main issues discussed and agreed during the meeting. One of the most important points made was that the CWPs – as they were proposed – included more activities than could actually be carried out within the limited resources available. Therefore, all Partner Countries were requested to prioritize the activities in their work plans so that if cuts needed to be made, the EC could, where possible, retain the top priorities per country. It was agreed that final feedback from the Partner Countries was to be received by the ITS by 7 November 2014. Lastly, the EC noted that a full review of the CWPs has not yet been done by the EC and therefore, they would carry out this review in parallel to the Partner Countries so that final CWPs are in place by the end of November 2014.
- Tribute has been paid to ITS Team Leader, Mr. Albertus Zweering, who passed away in September. He was highly appreciated by his colleagues in the ITS project, the European Commission and the Partner Countries.