

## About this Issue

Welcome to the INOGATE February 2014 Newsletter! This quarterly issue covers key activities undertaken by the INOGATE Programme between November 2013 and January 2014. The INOGATE Programme began 2014 with a flurry of activities starting with a high-level conference in Tashkent on energy efficiency and renewable resources. This period has also seen a number of workshops aimed at bank employees to be able to effectively evaluate energy efficient and renewable energy projects. Other notable events were a study tour to improve capacities of statisticians and a series of webinars on energy efficiency. Find in this issue an update on the implementation of the INOGATE's AHEF applications and on the progress made on standardisation of oil and gas standards across INOGATE Partner Countries.

## Moving to Sustainable Energy through Energy Efficiency and Renewable Resources

### 29 January 2014, Tashkent, Uzbekistan

INOGATE teamed up with the National Co-ordination Unit of the EU's Technical Assistance Programme under the auspices of the Cabinet of Ministers' of the Republic of Uzbekistan and Uzbekneftegaz, Uzbekistan's state-run oil and gas company, for a one-day information event covering all the sectors of the programme's activities.

INOGATE presented its work programme for 2014 – including all ongoing and upcoming technical assistance projects – to representatives of major Uzbek energy institutions, specialists from scientific, industrial and public institutions and the local press.

INOGATE speakers presented the Roadmap and Action Plan for harmonisation of standards and outlined the main directions for the development of RES in Uzbekistan. Speakers from Uzbekistan presented the normative-legal base in the field of energy saving and energy efficiency. They also gave an overview of the electricity sector, prospects for its modernisation, energy saving and energy efficiency in the housing sector and a vision of the future green economy in Uzbekistan.

The Deputy Minister of Economy of the Republic of Uzbekistan, Jurabek Mirzamakhmudov, stated during the event that sustainable energy is important even to the economies of gas-rich countries such as Uzbekistan, since energy savings increase the potential of greater export income. He therefore welcomed the opportunity to cooperate with EU partners in developing the tools for energy efficiency and realising the potential of renewable energy sources in Uzbekistan.

The INOGATE/IEA Status Report for Uzbekistan with key observations and recommendations, as well as the EU experience in energy market development, presented options for the development of Uzbekistan's energy sector. Full documentation and conference photos can be downloaded [here](#).



Mr Shavkat Tulyaganov, Deputy Minister for Foreign Economy Relations, Investments and Trade of the Republic of Uzbekistan welcomes participants



Uzbek stakeholders participated in the event

## Reinforcing Effective Financing in Sustainable Energy – Armenia and Belarus 14-18 January 2014, Yerevan, Armenia 9-13 December 2013 Minsk, Belarus



Mr Larry Good of INOGATE awards certificates to Ameria Bank employees

ITS Experts assisted local banks to gain skills in financing of EE and RES projects and to de-block investments in sustainable energy. Workshops for Ameria Bank in Armenia and Belveb Bank in Belarus provided a total of 41 bank employees with sound business practice using life cycle cost analysis in the development and feasibility assessment of energy efficiency (EE) and renewable energy sources (RES) projects. Participants learned how to create the optimal financing tools, conditions and schemes for EE/RES projects and how to create and manage EE/RES loan portfolios for maximum profitability. They were also trained to identify and reduce risks through the creation of financing support guarantee mechanisms and risk management measures. They can now establish realistic monitoring schedules to effectively verify and control these finance projects. Additionally, they are more aware of the potential of sustainable energy and can communicate its advantages more fully.



INOGATE experts: enhancing the decision-making skills of trainees

This workshop on effective finance has developed into a unique opportunity for local banks in Armenia and Belarus to learn from the experience of their peer bank in Austria by sharing the business experience of a European banking expert who has financed similar sustainable energy projects. The workshop combined lectures with practical exercises to help credit analysts, loan officers and bankers to assess more effectively the EE/RES projects submitted to the bank. A “Training of Trainers” session at the end of the workshops ensured that these acquired skills and knowledge will be further multiplied and shared with other staff members within the banks.



Trainers worked directly with staff of Belveb Bank

This technical assistance by the ITS will enhance the two banks' EE/RES lending conditions and help them to design and install suitable, flexible lending products, giving them the potential to become key players in co-operation with international financial institutions. Both banks are already working with the EBRD, the Austrian Development Bank, KfW and IFC/FMO. As a result of the training, Belveb Bank is now ready to draw down €10 million worth of funds from the EBRD's Belarus Sustainable Energy Financing Facility (BelSEFF) facility. The complete training materials are available to download here for [Armenia](#) and for [Belarus](#).

## Enhancing Institutions for Energy Efficiency in Azerbaijan

Between 9 and 14 December 2013, ITS experts assisted the Ministry of Industry and Energy of the Republic of Azerbaijan in planning a dedicated energy efficiency centre in Baku.

The importance of enhancing energy efficiency and the significance of establishing an energy efficiency body at the national level is recognised throughout the European Union. Such a body, with a mandate to educate, demonstrate, champion and lead on all aspects of energy efficiency, will advance discussion and, ultimately, introduce greater energy efficiency in Azerbaijan.



Various types of solar panels



Site of the new energy efficiency centre in Baku

In a working meeting setting out the scope and activities of the new centre, ITS experts worked closely with the Ministry of Industry and Energy to develop the centre's infrastructure and mandate, outlining strategic objectives and structure, identifying key tasks and activities of its personnel and preparing a short-term plan for its development. The assistance provided by the ITS experts – via the [Ad Hoc Expert Facility](#) - helps to ensure that the proposed centre is in line with current EU best practice in developing Energy Efficiency Centres which are instrumental in providing professional advice and quality information to many different stakeholders.

## Developing an Energy Auditing and Energy Management Education Curriculum in Azerbaijan

*4-5 December 2013, Baku, Azerbaijan*

ITS experts conducted their first fact-finding visit to Baku to assist the Azerbaijan University of Architecture and Construction (AzUAC) to develop proposals and a course curriculum for a master's degree in "Energy Auditing and Management", with specific emphasis on energy management (EM) and energy auditing (EA) in buildings.

The assistance, provided by INOGATE's [Ad Hoc Expert Facility](#), will provide engineering professors and students at the AzUAC with new skills in sustainable energy (SE). This excellent example of technology transfer and know-how in the area of EA and EM will include the development of new materials on EA, EM and SE.

European experts worked closely with academic staff to review their educational programmes in the area of engineering sciences. Pilot lectures in EA and EM will form a starting point for developing a tailored curriculum for a course on "Energy Audit and Management". The two-year course is designed to train 15 students per semester or 30 per year. Up to four professors will be trained to teach and administer the course.

Thorough knowledge of modern European technologies and strong professional skills are crucial for future engineers and energy professionals to effectively implement sustainable energy technologies to advance the use of sustainable energy.

## Workshop on EE/RES Investment Projects in Yerevan

*5-9 November 2013, Yerevan, Armenia*

Another workshop, which preceded the January training (see above), aimed at more effective EE/RES investment projects, was also held in Yerevan from 5 to 7 November 2013. Converse Bank in Armenia is striving to boost investment in sustainable energy. The INOGATE Technical Secretariat increased awareness of EU best practices in EE/RES financing among the bank's loan officers and credit analysts. The bank's officers learned how to identify and mitigate risk through the creation of financial supports, guarantee mechanisms and risk management measures.

As a result of the workshop, the bank disbursed an additional 6.8 million USD for energy efficiency and renewable energy projects effectively proving that improved skills leads to a more robust sustainable energy portfolio and increased investments. This workshop was conducted jointly with the USAID Programme "Finance for Economic Development (FED)". Complete training materials are available to download [here](#).



Bankers learned how to identify and manage investments risks



Speakers Mr Roeland Mertens of Eurostat and Ms Gloria Aguinaldo of INOGATE

## Improving the Collection and Use of Energy Statistics – Study Tour to Sofia, Bulgaria

**5-7 November 2013, Sofia, Bulgaria**

The INOGATE Technical Secretariat, together with the National Statistical Institute of Bulgaria (NSIB), conducted a Study Tour on Energy Statistics and Energy Balances to improve the capacity of specialists from the national statistical institutes of the INOGATE Partner Countries (PCs), who work directly with the collection of energy statistics and compilation of balances in the enhancement of energy data. Specialists from Armenia, Azerbaijan, Belarus, Georgia, Moldova, Kazakhstan, Kyrgyzstan, Tajikistan and Ukraine participated.

Complete training materials are available to download [here](#).

### Adopting technical standards at the regional level - a summary of progress

Transferring oil and gas standards to INOGATE Partner Countries (PCs) is an important step in the convergence of energy markets and the enhancement of energy security in the INOGATE region. Following a workshop in London on July 2013, Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Ukraine, Tajikistan and Uzbekistan submitted official requests for the transferral of standards which had been translated by one of the previous INOGATE projects, to the Euro-Asian Council for Standardization, Metrology and Certification (EASC) Bureau of Standards. The EASC, in turn, sent 100 translations of oil and gas standards through official channels to the interested INOGATE PCs.

The translation and distribution of oil and gas standards have reached different stages of adoption and readiness in the PCs. The majority of translated gas standards are at the “draft” or “final draft” stage. That is, they have been discussed and debated in technical committees and/or with gas companies in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. There is still much to be done to further support their adoption and implementation. Only Georgia, Kazakhstan, Moldova and Ukraine have included some of the international standards in their Standardization Plan for 2014. Kyrgyzstan is close to joining this group.

In addition to the 100 translations of standards transferred by EASC, 12 EASC inter-state standards were also transferred to INOGATE PCs who voted for their adoption. This was a historic milestone towards the achievements of energy cooperation:

- For the first time in history European gas standards have been adopted as inter-state standards.
- For the first time in history international ISO gas standards have been adopted as identical inter-state standards without any modification (*i.e.* the Russian Federation usually adopts modified ISO standards).
- Inter-state standards have been officially received by all countries; however, for many of them this does not mean automatic implementation.

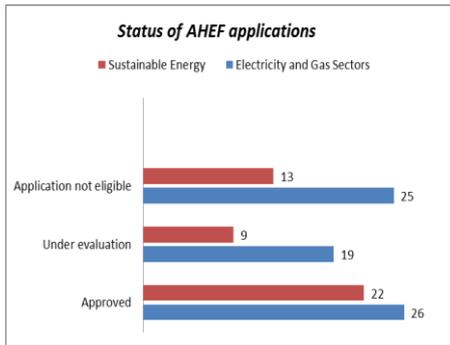
Monitoring the situation and providing support for the adoption and implementation of standards will be an important part of INOGATE's future engagement. Standard CEN/TS 15173 was adopted as an EASC Interstate standard in 2010 but the order implementing it in Ukraine was only issued at the end of 2013. Along with EN and ISO standards, the PCs have also been introduced to best practice in German (DVGW) gas codes. PCs will receive further information at the upcoming workshop at DVGW HQ in Bonn, Germany (see upcoming INOGATE events).

Based on exchanges with INOGATE's PCs, regional priorities for gas and electricity standards have been identified. In particular, last year Moldova and Georgia started the national adoption of their own priority gas and electricity standards. It is important to note that the INOGATE PCs have come to a common understanding on the need to develop Road Maps and Action Plans for the harmonisation of standards for the majority of member countries as the next step towards further energy co-operation in the standards area.

## The Ad-Hoc Expert Facility (AHEF): 114 applications received

The INOGATE Technical Secretariat **continues to provide demand-driven, specialised technical assistance** to INOGATE Partner Countries through its unique instrument, the Ad Hoc Expert Facility (AHEF). The status of all recent applications to AHEF can be seen [here](#).

Eligible applicants such as ministries, energy companies and state institutions from the INOGATE Partner Countries can still apply for assistance. The ITS will continue to accept applications until early 2014. Guidelines for applications can be downloaded [here](#).



## Energy Saving Initiative in the Building Sector (ESIB) Project – an update

*November – December 2013*

The main focus of ESIB webinars and activities held in November and December 2013 was to intensify co-operation with the Home Owners Associations (HOA) in promoting the financing of energy efficiency projects. ESIB gave a series of lectures on legislation and programmes designed to provide credit for projects on energy efficiency (EE). Is the credit on EE projects profitable for HOAs? Participants debated this challenging issue. The methods presented in the webinars and seminars will help overcome barriers to the implementation of EE projects.

Materials from the webinars are available on <http://www.inogate-ee.org>.



## INOGATE Status Report: Launch of New Missions

In preparing the INOGATE Status Report, a benchmarking exercise on countries' progress toward the [Baku Initiative / Astana Declaration & Road Map](#) objectives, the ITS carried out joint missions with the International Energy Agency to Partner Countries, using a peer review approach in 2013. The results of this work will be detailed in the INOGATE Status Report for 2012 which will be published in 2014. Meanwhile, the preparation of the 2013 report has started with a new round of peer review missions to Partner Countries in January 2014 and will last until May 2014.

## Upcoming INOGATE Events

- *Capacity building workshop for financing of EE/RES projects, Yerevan, Armenia, 25 February - 1 March 2014*
- *INOGATE Local Information Event, Moldova, - Chisinau, Moldova, 19 March 2014*
- *INOGATE Local Information Event, Belarus – 2<sup>nd</sup> half of March 2014*
- *Study Tour for the development, adoption and use of gas standards and codes, Bonn, Germany, 7-11 April 2014*

The contents of this publication are the sole responsibility of the consortium implementing the EU-funded project "INOGATE Technical Secretariat & Integrated Programme in support of the Baku Initiative and the Eastern Partnership energy objectives", namely, Ramboll Denmark A/S (DK), EIR Global sprl (BE), LDK Consultants Engineers and Planners S.A. (GR), MVV decon GmbH (DE), The British Standards Institution (UK), ICF Consulting Limited (UK), Statistics Denmark (DK), and Energy Institute Hrvanje Pozar (HR), and it is no way be taken to reflect the views of the European Union.

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