

**20thth CAREC Energy Sector Coordinating Committee Meeting
7 September 2015, Kuala Lumpur, Malaysia**

MEETING SUMMARY

Agenda Item	Action Taken
Session I. Energy Strategy and Work Plan 2016-2020	
<p><u>Outline of Energy Strategy and Work Plan for 2016-2020</u></p> <p>ADB, through its consultant, Mr. Denzel Hankinson, presented the draft Energy Strategy 2016-2020 (Strategy) and Energy Work Plan (EWP). The draft Strategy maintains the three strategic components from the 2008 Strategy (Investment Measures for Regional Cooperation, Capacity Building & Knowledge Sharing, and Policy Measures) but has been amended to: 1) show stronger linkages to the EWP, and 2) focus on a narrower set of policy measures more relevant to the challenges currently faced by the CAREC member countries and their priorities.</p> <p>The EWP, as agreed in the ESCC March meeting has six (6) elements; which are the same as in the 2013-2015 EWP, but includes a new element, "Promoting clean energy technologies and energy efficiency". The draft Strategy reflects a similar change in focus.</p> <p>One of the elements in the 2013-2015 EWP, "Developing the Central-South Asia Corridor" was changed to "Developing E-CASAREM (East-Central Asia-South Asia Regional Energy Market)" to better reflect the wider geographical scope of CAREC's energy sector activities. ADB also added that US\$1.75 million is being processed for the support of East Asia Super Grid project.</p>	<p>The ESCC endorsed the strategy and the workplan. The following suggestions will be added to the revised draft:</p> <ul style="list-style-type: none"> - Information on linkages between Pakistan and other CAREC countries (Appendix B and C) and TA activity details in Pakistan (Appendix A). - In the last ESCC meeting there was plan to produce selection criteria for projects, which is missing. ADB clarified that the criteria will be developed after the long list of projects are developed through the work of the consultants (PWC) for the Power Sector Financing RoadmapStudy. - Strategy will clearly state that CAREC's support on regulation is not limited to clean energy, but for wider issues of regulation.
Session II. Updates on EWP 2013-2015	
<p><u>Element 6: Capacity Building, Knowledge Management and Sector Prospects</u></p> <p>ADB highlighted the various technology presentations in the CAREC Workshop on New Technologies in Tokyo, Japan on 27-29 July 2015. The presentation covered several areas such as promotion of energy efficiency and renewable energy development, policy of thermal power plants, smart community and battery energy storage system, among others.</p> <p>ADB emphasized the possible RETA with the five components that came from the participants, namely, smart home with energy efficient appliances, rooftop solar on public office buildings, electric vehicles for public use, off-grid DC solar electrification kits and LEDs on public office buildings and street lighting.</p> <p>The participants, including Tajikistan, Afghanistan and Mongolia, expressed their strong appreciation for the project.</p>	<p>The ESCC appreciated the very informative presentation and expressed their support for the project.</p>
<p><u>Element 1: Developing the Central Asia – South Asia Energy Corridor</u></p> <p>World Bank reported on the progress of the different segments of the CASA 1000 project, i.e., commercial agreements, financing status, procurement, and institutional arrangements. On the implementation side, there remain challenges pertaining to security.</p> <p>TUTAP update emphasized the arrangements with Afghanistan; project is progressing well on the whole. It was confirmed that</p>	<p>The ESCC noted the updates presented on CASA 1000 TUTAP and TAPI.</p>

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<p>Afghanistan has a critical transit role in CASAREM and to bridge regional cooperation and promote energy security between Central and South Asian countries. To this effect, ADB is implementing projects to construct interconnections in Afghanistan with Central Asian countries and to strengthen Afghan transmission network. On-going construction of 500-kV transmission ring in northern Afghanistan will expand energy cooperation between Tajikistan, Uzbekistan and Turkmenistan into Afghanistan with onward exports to Pakistan.</p> <p>On TAPI, ADB as transaction advisor, is facilitating the selection of the consortium leader. It was decided that Turkmen Gas will be the lead sponsor and work is progressing.</p>	
<p><u>Element 2: Resolving Regional Energy Dispatch and Trade Issues</u></p> <p>The countries established a Working Group, comprised of CDC and power sector representatives from Central Asian countries (except Uzbekistan). The first meeting took place in May 2015 in Almaty, supported by WB. The meeting agreed on TORs for a study on a regional power trade.</p> <p>The World Bank hired AF Mercados to prepare the study. The consultant developed a draft model for computing financial benefits from trade for each CA country and presented it to the countries in July. The consultant will present a finalized model and a set of hypothesis to the Working Group in September, and thereafter will do modeling and prepare a study report by end November. The outcomes of the study will be discussed with the CA countries and presented at the next ESCC meeting.</p>	<p>The WB updated the meeting on the status and next steps of the ongoing study on regional power trade.</p> <p>The CA countries were requested to share with the consultant (AF Mercados) the missing information on their respective power sectors expediently.</p>
<p><u>Element 3: Managing Energy-Water Linkages</u></p> <p>World Bank presented updates on Energy Vulnerability to Climate Change Study which seeks to: (1) support countries in the region understand climate-change induced energy sector vulnerabilities and build resilience through both national and regionally coordinated adaptation policies; and (2) the assessment will help guide current and future decision-makers on options for investments and management of power generation and transmission and better understand cross-sectoral implications.</p> <p>The completion of the draft report is slated in November-December and will be finalized a month after its presentation in ESCC.</p>	<p>The WB provided updates on the status of the study and the preliminary findings, and will present the outcome of the study in the next ESCC meeting.</p>
<p><u>Element 4: Mobilizing Funds for Building Energy Assets</u></p> <p>ADB, through its consultant Yogesh Daruka (PWC), reported progress on the CAREC Power Sector Financing Roadmap Study, and briefly discussed a draft list of investment projects in each country. The consultants reported that they will, in the coming weeks, complete country-level studies and then commence country visits for additional data collection to finalize the list of priority projects and identify financing options for each project.</p>	<p>The participants asked that the study not attempt to re-do analysis that has already been done (and efforts already underway) on sectoral reform.</p> <p>The participants also suggested that an important criterion for prioritizing projects should be the predicted benefits to the region as a whole rather than benefits to any particular country. The consultants agreed with these suggestions.</p> <p>In addition, the participants suggested recommendations on how to undertake the analysis and present the results in the forthcoming drafts. The consultants agreed to</p>

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<p><u>Closing remarks</u></p> <p>ADB requested for feedback on the set of slides to be presented at the upcoming SOM (23-25 September) meeting on behalf of ESCC.</p> <p>The slides summarize and provide status updates on:</p> <ul style="list-style-type: none"> -The challenges faced by CAREC countries -Strategies discussed by the ESCC participants in its meetings and through TA activities -The focus of the draft Energy Strategy for CAREC - Updates on capacity building and knowledge management activities-- both completed and planned -The performance indicators to be used for monitoring -Proposed technical assistance and list of new technology projects discussed during the evaluation session of the workshop in Tokyo in July -Proposed investments by CAREC country <p>The participants requested that some form of training for the regulators be part of every ESCC meeting.</p>	<p>consider how best to implement these recommendations.</p> <p>The participants agreed on the following:</p> <ul style="list-style-type: none"> (i) change the title of the element “Promoting clean energy technologies” to “Promoting and prioritizing clean energy technologies”. The EWP and Strategy will be updated accordingly. (ii) to provide data, in the coming days, that would allow the CAREC secretariat to populate the monitoring and evaluation indicators for baseline years. (iii) for new energy indicators (for renewable energy and energy efficiency) both MW capacity and MWh output will be reported for wind and solar generation and baseline would be 2014, instead of 2015. (iv) no targets will be set for clean energy indicators as data collection is difficult at the early stages. (V) training for staff on thermal power plants and energy forecasting models be part of proposed ADB technical assistance <p>The meeting supported that ADB and WB establish a CAREC regional regulators network and provide capacity development support for the regulators.</p>