

Special Programme for the Economies of Central Asia (SPECA)

PROTOCOL

7th Session of the Project Working Group (PWG-Energo) on Rational and Efficient Use of Energy and Water Resources in Central Asia

(29-30 November 2001, Bishkek, Kyrgyzstan)

General information

1. The 7th PWG was conducted initially after the end of the Workshops on water and energy resources within the framework of the Project “Rational and Efficient Use of Energy and Water Resources in Central Asia” that is financed from the UN Development Account (27-29.11.01). Conclusions and recommendations of National and International Experts of these Workshops made a basis for discussion of issues included in the Agenda of the PWG “Energo” and for planning of the future activity of this Group.

Participants of the Session

2. The PWG “Energo” Session was attended by delegations of Kazakhstan, Kyrgyzstan, Tajikistan and observers from Uzbekistan. Representatives of the following international organizations also took part in the Session: UNDP, OSCE, IFAS, USAID, DFID, Swiss Agency on Development and Cooperation, Executive committee of Interstate Council of Republic of Kazakhstan, Kyrgyz Republic, Republic of Tajikistan and Republic of Uzbekistan, JICA, Embassy of the USA in the Kyrgyz Republic, Asian Development Bank, National Bank of Kazakhstan, World Bank. The list of Participants is attached (Annex I).

Address of National Coordinator of SPECA in the Kyrgyz Republic

3. National Coordinator of SPECA in the Kyrgyz Republic, First Vice-price-minister Mr. N. Tanaev addressed to the participants of the named Workshops and the PWG-Energo Session. He mentioned that experts from Central Asia has essentially moved forward in development of the diagnostic Study on the status and perspectives of the region energy and water resources use. It is important since issues of regional cooperation on rational and efficient use of energy and water resources will be in the center of the future work of the highest SPECA body session the Regional Consultative Committee (RCC), that will be held on 13-14 February 2002 in Bishkek. Meeting of experts for the issue of rational and efficient use of water and energy resources will be held at the first day of the session, 13 of February. Mr. Tanaev, Chairman of the RCC will present an assessment done by experts to the National Coordinators of participating in SPECA countries
4. Constructional participation of all countries of the region and international organization will allow RCC to make a political and economical estimation of the conclusions and recommendations which will have been made be the time by the UN Project. It will allow to co-ordinate the design and the structure of recommendations on the strategy of regional and efficient use of energy and water resources of the region.
5. Mr. Tanaev appealed to the participants to thoroughly consider the proposals on rational coordination of water and energy issues in the region, which have been made already but have not been realized yet. It is imposible to earnestly argue the expediency of different decisions if there is no clear position in these issues. He emphasized that at the political level should be presented deeply revised ideas on increase the efficiency of energy and water resources use of the Central Asia region. These ideas should bring a real benefit to all the participating countries.
6. On Mr. Tanaev’s opinion, it is good to know opinions and assessments of experts of the Central Asia region contagious countries that already have relationships in water and energy field or will develop such relationships with Central Asia region in order to make qualitative regional analysis. In particular, experts from Russia, China, Azerbaldjan, Iran, India and Pakistan will be invited to the RCC Session that will be held in February 2002.

7. International organizations on water and energy issues that are interested in cooperation with SPECA Programme will be also invited to the RCC Session in Bishkek (Kyrgyz Republic). Mutual information exchange and coordination of all these projects will allow achieving their mutual augmentability. Mr. Tanaev is sure that bodies of SPECA Program create a good climate and organizational frames for such coordination. RCC Session will help to improve coordination of all kinds of works on energy and water issues that are being conducted in the line of international organization
8. Mr. Tanaev appealed to the session participants to use materials of experts assessments and their recommendations for development of a regional investment projects within the SPECA Programme. He hopes that they will help to prepare such projects. Mr. Tanaev expressed his gratitude to UN ECE and ESCAP experts for systematic and professional support of the SPECA Project. **Discussion**
9. Regional Adviser of UN ECE, Coordinator of SPECA P. Tsyba, Project Manager of the SPECA Project on water and energy resources, Regional Adviser E.Nadezhdin and Chief Expert of ESCAP Y. Steklov informed the participants on the SPECA Programme development in whole and on its energy and water part in particular. Regional Adviser of UN ECE on environment and human settlement Bo Libert was introduced to the participants.

Recommendations adopted at the Workshops on Energy and Water Problems

10. Recommendations of the Workshop on Energy Resources

- Having exchanged the information and discussed matters, the Workshop's participants recommended the Project Working Group "Energo" to approve the following decisions:

a) Russian Center of Energy Policy should take into account remarks that have been made by National experts of Kazakhstan, Kyrgyzstan, Tajikistan as well as experts from the Republic of Uzbekistan and in particular:

- correct data on retrospective volume of energy resources extraction and the prediction data on energy production and consumption in the Republic of Kazakhstan;
- add additional information on the status of Kazakhstan Power Industry on development of market relations and formulation of a wholesale power market;
- improve data on the structure of the gross domestic product of the Republic of Tajikistan for the period of 1992-2020 and take them into account when preparing the final version of the projection scenarios of Tajikistan and Central Asia region as a whole;
- ask the Russian Center of Energy Policy to prepare proposals to the concept of regional strategy on rational and efficient use of energy and water resources in Central Asia by 31 of January 2002.

Prepare the final version of the Study "Status and Perspectives of Rational and Efficient Use of Fuel and Energy Resources in the Central Asia countries" by the 15 January 2002.

b) In order to take into account the price factor while formulating and clarifying projection scenarios of Central Asia power industry development the National Experts should submit information on price formation systems, tax and tariff policies for production, transportation, distribution, export and import of energy resources (electric power, natural gas, oil, coal). The date should be presented in USD in invariable prices for the retrospective period (1992-2000) as well as for the concerned projection (if available) by the 30 December 2001.

c) The UN ECE Secretariat should send the final version of the Study to the Governments of all the 5 countries of the Central Asia Region.

d) Submit the final version of the Study “Status and Perspectives of Rational and Efficient Use of Fuel and Energy Resources in the Central Asia countries” at the Regional Consultative Committee of the SPECA Project (RCC) that will be held on the 13-14 February 2002 in Bishkek (Kyrgyz Republic).

e) Having received from the Central Asia countries official remarks on the Study “Status and Perspectives of Rational and Efficient Use of Fuel and Energy Resources in the Central Asia countries”, request the UN ECE Secretariat to publish the Study as an official document of UN ECE and ESCAP in English and Russian languages.

f) Ask national consultants to present their vision of the strategy concept on rational and efficient use of energy and water resources in Central Asia by the 30 of December 2001.

- j) The following activities are suggested to be implemented in 2002 with the aim to develop the regional strategy on rational and efficient use of energy and water resources in Central Asia: conduct the 8th session of the PWG “Energo” together with National and International Consultants on 11-12 February 2002 with the object of consideration of the first version of the concept of regional strategy on rational and efficient use of energy and water resources in Central Asia on the 11-12 February 2002;
- conduct the 9th session of the PWG-Energo with the object of considering the second version of the regional strategy on rational and efficient use of energy and water resources in Central Asia at the end of May or at the beginning of June 2002;
- conduct a special meeting of International and National Consultants, National Experts and members of the PWG “Energo” with the aim to analyze proposals that would be prepared at the 8th and the 9th session of the PWG “Energo” on development of regional strategy of rational and efficient use of energy and water resources in Central Asia on the autumn of 2002.

h) Entrust the PWG “Energo” Secretariat with preparation of basic technical and economical figures on Kambar-Atin’s Hydro-power Station and to present them at the 8th session of PWG “Energo” that will be held on 11-12 February 2002 in Bishkek (Kyrgyz Republic).

i) Entrust national delegations of Tajikistan and Kyrgyzstan to prepare project proposals for a regional Project “Joint exploitation of Naryn-Syrdaria’s water reservoirs” and to present these proposals at the 8th session of the PWG “Energo” which will be held on the 11-12 February 2002.

j) PWG “Energo” Secretariat should ensure preparation of materials of the strategy concept on rational and efficient use of energy and water resources in Central Asia and conditions for their subsequent processing.

k) Commit the chairman of the PWG “Energo” and the Ministry of Foreign Affairs of the Kyrgyz Republic to organize and to hold the 3rd Regional Coordinating Committee Session on the 13-14 February 2002.

11. Рекомендации рабочего совещания по водным ресурсам

a) Revised version of the Diagnostic Report on the preparation of a regional strategy on rational and efficient use of water resources in Central Asia:

1. it was recommended to prepare the final version of the Report by 15 December 2001, to publish and distribute the final version. Cartographic material should, to the extent possible, be included in the publication. Include maps to the publication materials where possible.

b) Review of international water programs activities aimed at development of national and regional strategies on water resources:

- strengthen future coordination of cooperation among PWG “Energo” and IFAS GEF Agency. It was recommended to sign Memorandum of understanding among PWG “Energo” and IFAS GEF Agency.

c) Presentation and discussion of the first version of the Concept of a regional strategy for the use of water resources in Central Asia

- finalize the Concept in accordance with the comments and proposals made before the 15 of December 2001.
- disseminate the finalized documents to all interested ministers and departments through the government of the Central Asia countries.

Continuation of discussion

12. Signature of Memorandum of Understanding between SPECA PWG “Energo” and GEF IFAS Agency (Annex II).

13. Chairman of the PWG “Energo” U.Mateyev and Plenipotentiary Representative of GEF IFAS M.Ospanov signed the Memorandum of Understanding between SPECA PWG “Energo” and GEF IFAS Agency (Annex II).

14. Information on realization progress of the UN SPECA Programme

Coordinator of SPECA Programme, Regional Adviser of UN ECE P.Tshiba informed the PWG “Energo” on the progress of other projects implementation that are realized within the framework of the SPECA Programme.

15. Review of an implementation progress of the SPECA Project “Rational and Efficient Use of Water and Energy Resource in Central Asia” that is realized within the United Nations Special Program for the Economies of Central Asia.

UN ECE Regional Adviser, Manager of the Project E.Nadezhdin presented a Report on the implementation progress of the SPECA Project for the period of 25 June - 29 November 2001. The Report on the implementation progress of the Project is in the Annex III.

16. Consideration of a conception on creation of a local information network for leading institutions on energy and water issues in Central Asia countries.

UN ECE Consultant, Professor S.Prokopchina presented the conception on creation of a local information network for leading institutions on energy and water issues in Central Asia countries. PWG “Energo” approved the proposed conception.

17. During the discussion of the proposed agenda (Annex IV) PWG “Energo” made the following decisions:

a) approve the Report on the Project realization progress for the period of 27 June – 29 November that was presented by the Project Manager, UN ECE Regional Adviser E. Nadezhdin;

b) Within the framework of the Project “Rational and Efficient Use of Energy and Water Resources in Central Asia” organize the following activities for development of regional strategy on rational and efficient use of energy and water resources:

- conduct the 8th session of the PWG “Energo” together with National and International Consultants 11-12 February 2002 with the object of consideration of the first version of the concept or regional strategy on rational and efficient use of energy and water resources in Central Asia on the 11-12 February 2002;

- conduct the 9th session of the PWG-Energo with the object of considering the second version of the regional strategy on rational and efficient use of energy and water resources in Central Asia at the end of May beginning of June 2002;
 - conduct the special meeting of International and National Consultants, National Experts and members of the PWG “Energo” with the object of analyzing proposals that will have been done at the 8th and the 9th session of the PWG “Energo” on development of regional strategy on rational and efficient use of energy and water resources in Central Asia on the autumn of 2002.
- c) begin realization of activities 2.3i and 2.3 ii (Project Implementation Form) in accordance with the concept on creation of international network for leading institutions on energy and water issues in Central Asia, which has been approved at the 7th session of the PWG “Energo”.
- d) with the object of financial resources increasing for realization of goal 1 of the Project to give up conduction of 3.2ii session (Working Session on environmental losses and health harm in consequence of industrial accidents/damages and their transboundary consequences) and use these financial resources (\$27000) for preparation of regional strategy on rational and efficient energy and water resources use in Central Asia.
- e) invite National and International Experts to take part in an experts’ meeting “Water Resources of Central Asia and its Energy Industry. Contribution of International Organizations” which will be held on the 13 February 2002 in the framework of the 3rd Regional Consultative Committee of SPECA Programme in Bishkek, Kyrgyz Republic.
- f) ask officers of UN ECE and ESCAP to prepare proposals on organization of a study tour for specialists in water issues, which will be conducted within the framework of SPECA Project. Present information on the study tour at the 8th session of the PWG “Energo” that will be held on 11-12 February 2002 in Bishkek, Kyrgyz Republic.
- j) ask officers of UN ECE Secretariat to publish documents that has been prepared in the framework of Working Session on energy and water issues as an official document of UN ECE and ESCAP.
- h) approve the Work Plan of the Project realization for 2002 that has been presented by the Project Manager, Regional Adviser UN ECE E.Nadezhdin and Chief Expert of ESCAP Y. Steklov (Annex III).

18. Adoption of final documents and approval of the Agenda of the 8th PWG “Energo” Session.

Participants of the session has reviewed the agenda of the 8th session of the PWG “Energo”:

Agenda of the 8th session of the PWG “Energo”

- Approval of the Agenda.
- Basic elements of the regional strategy on rational and efficient use of energy and water resources in Central Asia (joined report of experts’ groups; Information of national representatives and Chairman of the PWG “Energo”).
- Clarification of the Work Plan on development of the strategy on rational and efficient use of energy and water resources in Central Asia (Project Manager E.Nadezhdin, Chairman of PWG “Energo” U.Mateyev).
- Recommendations on Investment Project of regional importance in the energy and water resources field. (Information of national representatives and Chairman of the PWG-Energo U. Mateyev).

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19. Different

Information on development of demonstration zones of water and energy efficiency in Bishkek (Kyrgyz Republic) and in Almaty (Republic of Kazakhstan).

Information on the development progress of the demonstration zones of water and energy efficiency in Bishkek (Kyrgyz Republic) and in Almaty (Republic of Kazakhstan) was presented by the UN ECE consultant I.Matveyev at the joint session of Working Sessions of rational and efficient use of energy and water resources in Central Asia. Information was taken into consideration.

20. Participants of the session expressed their thanks for good organization of the Working Sessions and the Session of the PWG “Energо”.

**Chairman of the PWG “Energо”
Director of the State Energy Agency
Under the Government
of the Kyrgyz Republic**

**U. Mateyev
Bishkek, 30 November 2001**