



Regional Energy Cooperation in Central Asia

UNECE Pathways to Sustainable Energy

Bishkek, Kyrgyz Republic
12 June 2018

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Energy Charter Secretariat



INTERNATIONAL
ENERGY CHARTER

INTERNATIONAL ENERGY CHARTER PROCESS CHART

as of 11.09.2017



International Organisations with Observer Status (by decision of the Energy Charter Conference)

- | | | |
|----------------------------|-----------------------------------|-------|
| ASEAN | WTO | ISGEC |
| CIS Electric Power Council | Economic Cooperation Organisation | EBRD |
| IEA | IRENA | OECD |
| UNECE | World Bank | |

European Energy Charter 1991: A political, non-binding declaration. Signature of this declaration is necessary for accession to the **Energy Charter Treaty 1994**. Countries and Regional Economic Integration Organisations that have signed it become **Energy Charter Conference Observers**.

Energy Charter Treaty 1994 (ECT): A legally binding multilateral agreement covering investment promotion and protection, trade, transit, energy efficiency and dispute resolution. Countries and Regional Economic Integration Organisations that have ratified or acceded to the Treaty are **Contracting Parties**.

International Energy Charter 2015: A political, non-binding declaration updating the **European Energy Charter 1991**. It embodies key principles underpinning international energy cooperation. Countries and Regional Economic Integration Organisations that have signed it become **Energy Charter Conference Observers**.

Energy Charter Conference: The governing and decision-making body of the **ECT** with UN observer status. It comprises Members (**Contracting Parties** and **Signatories** of the **ECT**) and Observers (**Signatories** of the 1991 or 2015 Charter).

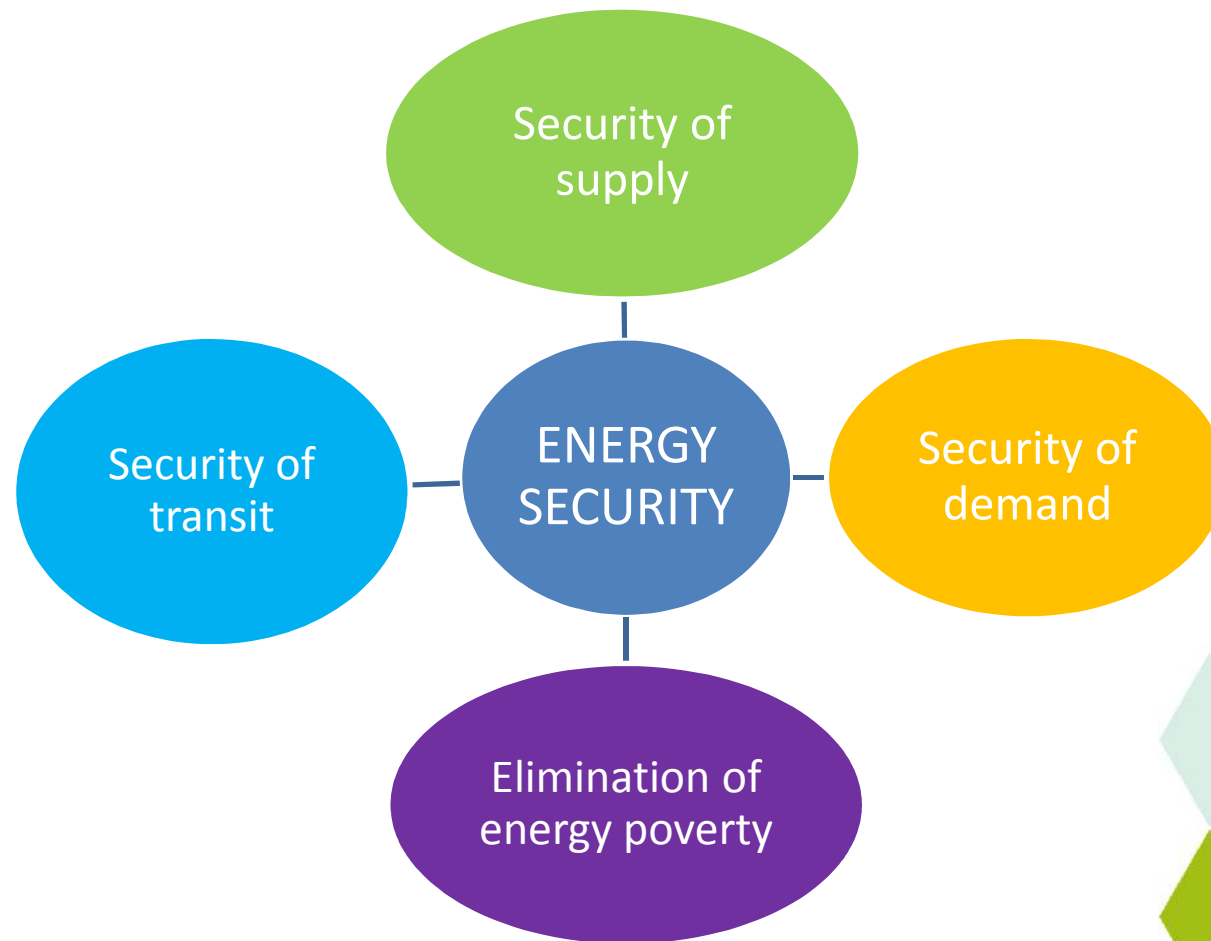
ECT Signatories: Countries that have signed the **ECT** but have not ratified it. Belarus applies the Treaty provisionally.

Acceding Countries: Countries that have been invited by the **Energy Charter Conference** to accede to the **ECT**.

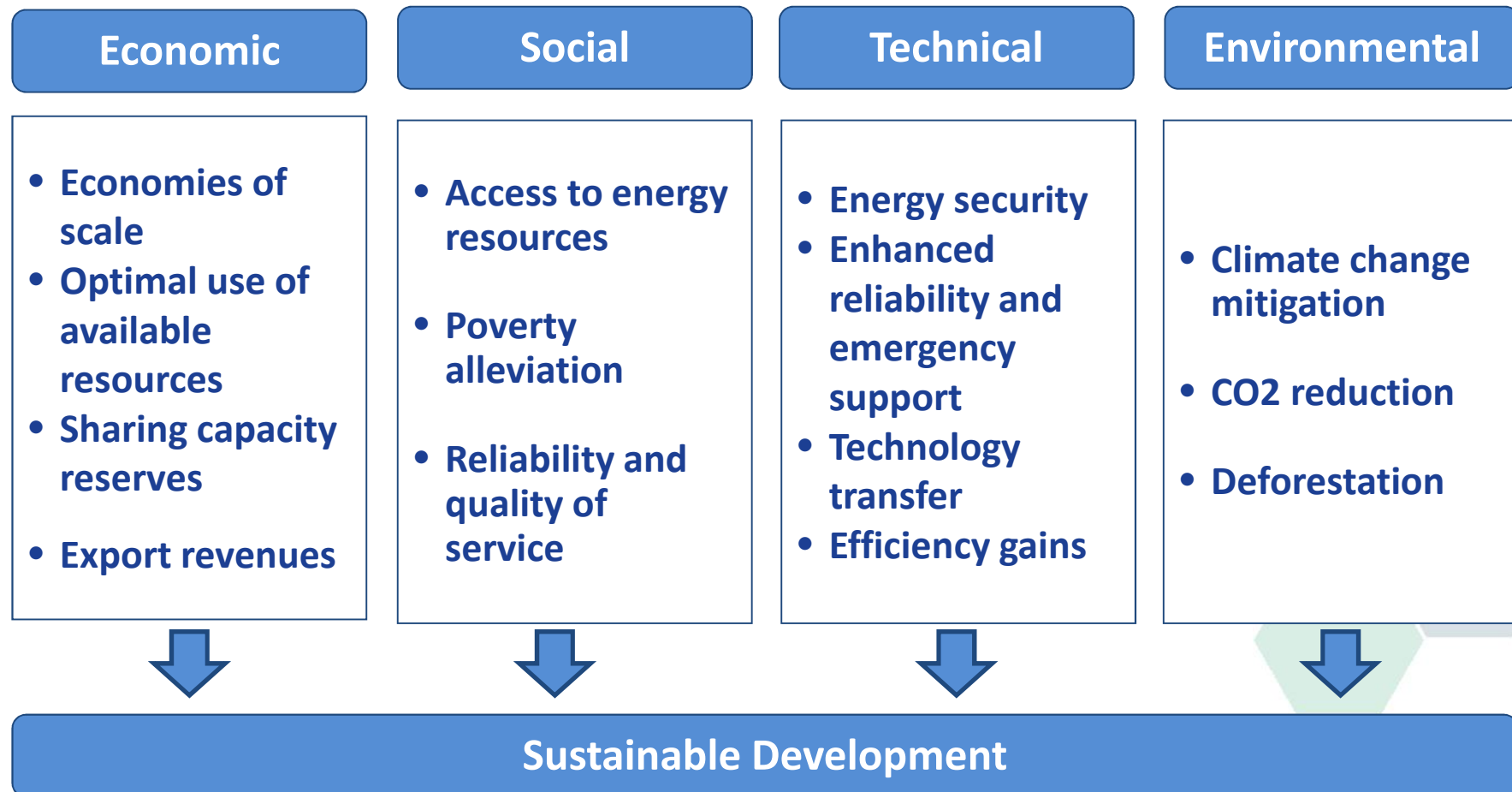
Contracting Parties: Countries or Regional Economic Integration Organisations that have ratified or acceded to the **ECT**.

Countries	Energy Charter Treaty		European Energy Charter		International Energy Charter	
	Sp.	Rat.	Sp.	Rat.	Sp.	Rat.
AFG	2007	2013	2000	2013		
ALB	1994	1997	1991	2013		
ARM	1994	1997	1991	2013		
AUT	1994	1997	1991	2013		
AZE	1994	1997	1991	2013		
BEL	1994	1998	1991	2013		
BGR	1994	1996	1991	2013		
BHR	1992	2004	1991	2013		
CHE	1994	1996	1991	2013		
CYP	1994	1998	1991	2013		
CZE	1994	1996	1991	2013		
DEU	1994	1997	1991	2013		
DNK	1994	1997	1991	2013		
ESP	1994	1997	1991	2013		
EST	1994	1998	1991	2013		
FIN	1994	1998	1991	2013		
France	1994	1998	1991	2013		
GBR	1994	1997	1991	2013		
GRC	1994	1996	1991	2013		
HUN	1994	1997	1991	2013		
IDN	1994	1997	1991	2013		
IND	1994	1997	1991	2013		
ISL	1994	1998	1991	2013		
ITA	1994	1998	1991	2013		
Japan	1994	1998	1991	2013		
KAZ	1994	1997	1991	2013		
KOR	1994	1997	1991	2013		
KWT	1994	1997	1991	2013		
LAT	1994	1997	1991	2013		
LUX	1994	1997	1991	2013		
LVA	1994	1998	1991	2013		
MEX	1994	1998	1991	2013		
MKD	1994	1998	1991	2013		
MLT	1994	2004	1991	2013		
MNG	2013	2013	2012	2013		
MOR	1994	1999	1991	2013		
MYA	1994	1997	1991	2013		
NLD	1994	1997	1991	2013		
NOR	1994	1997	1991	2013		
OMN	1994	1997	1991	2013		
POL	1994	1997	1991	2013		
PRK	1994	1996	1991	2013		
ROU	1994	1996	1991	2013		
RUS	1994	1995	1991	2013		
SRB	1994	1997	1991	2013		
SVK	1994	1997	1991	2013		
THA	1994	1997	1991	2013		
TJK	1994	1997	1991	2013		
TUR	1994	1997	1991	2013		
UKR	1994	1998	1991	2013		
USA	1994	1998	1991	2013		
UZB	1994	1998	1991	2013		
VIE	1994	1997	1991	2013		
YEM	1994	1997	1991	2013		
ZAF	1994	1997	1991	2013		
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Dimensions of Energy Security



Benefits of Regional Cooperation



Integration of Regional Markets

	Technical	Regulatory	Market
No integration	Isolated national systems	National regulation	National market
↓	Cross-border interconnections	Compatible regulation	Cross-border trade
	Regional coordination	Coordination of regulators	Spot market
	Full integration	Fully integrated operation	Regional regulator

Power Trade in Central Asia

2015		Imports					GWH	
		Kazakhstan	Kyrgyzstan	Tajikistan	Turkmenistan	Uzbekistan	Afghanistan	Total
Exports	Kazakhstan		602.8					602.8
	Kyrgyzstan	337.5	7.1	9.3				353.9
	Tajikistan		159.1					159.1
	Turkmenistan							0
	Uzbekistan		9.9				1288.5	1298.4
	Total	337.5	778.9	9.3	0	0	1288.5	2414.2
2016		Imports					GWH	
		Kazakhstan	Kyrgyzstan	Tajikistan	Turkmenistan	Uzbekistan	Afghanistan	Total
Exports	Kazakhstan		353.3					353.3
	Kyrgyzstan	210.6		13.5		5.8		229.9
	Tajikistan		14.1					14.1
	Turkmenistan							0
	Uzbekistan		3.3				1497.8	1501.1
	Total	210.6	370.7	13.5	0	5.8	1497.8	2098.4
2017		Imports					GWH	
		Kazakhstan	Kyrgyzstan	Tajikistan	Turkmenistan	Uzbekistan	Afghanistan	Total
Exports	Kazakhstan		7.7					7.7
	Kyrgyzstan	8.9		12.8		1218		1239.7
	Tajikistan		7.5					7.5
	Turkmenistan							0
	Uzbekistan		3.7				1850.8	1854.5
	Total	8.9	18.9	12.8	0	1218	1850.8	3109.4

Source: CDC Energiya 2018

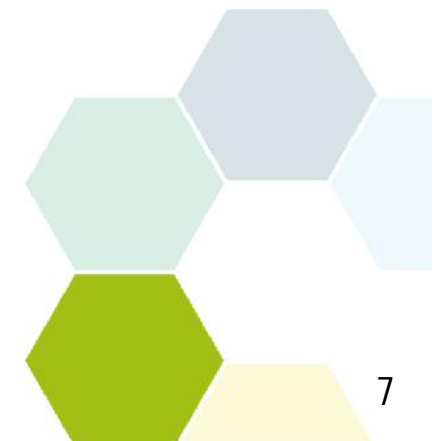
Energy Balance and Mix in Afghanistan

Uzbekistan provides 35.2%, Tajikistan 30.5%, Iran 20.9%, and Turkmenistan 13.4%.

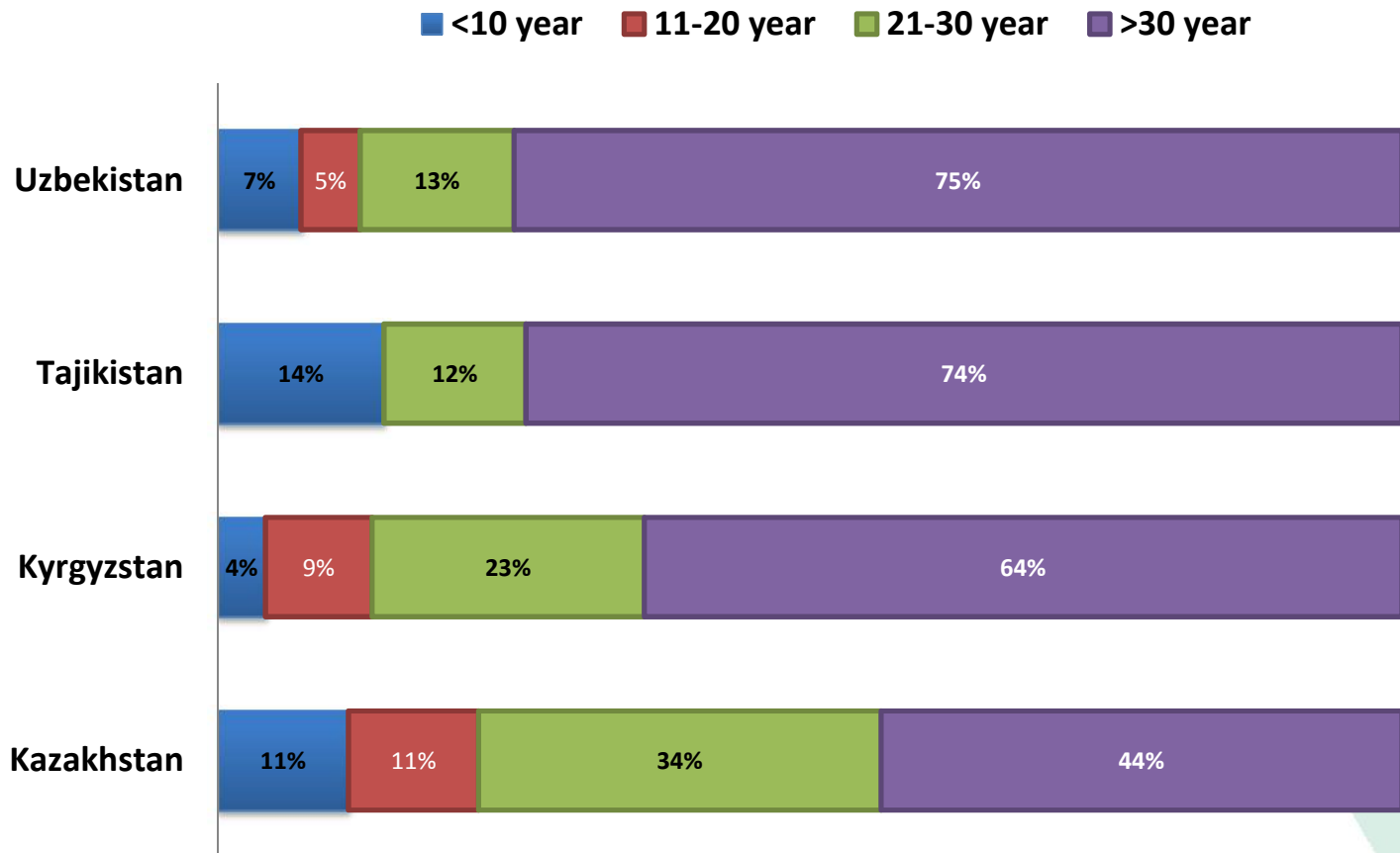
2017	Total
Own consumption	5.569 billion kWh
Energy production	1.02 billion kWh
Energy imports	4.547 billion kWh

Energy Source	Total	Percentage
Water power	2.89 billion kWh	55.1%
Fossil fuels	2.35 billion kWh	44.7%
Renewable energy	10.5 million kWh	0.2%
Nuclear energy	0.0 billion kWh	0%
Total production capacity	5.25 billion kWh	100%

Source: DABS, Ministry of Energy and Water



Age of existing capacity



Source: Fichtner, 2012

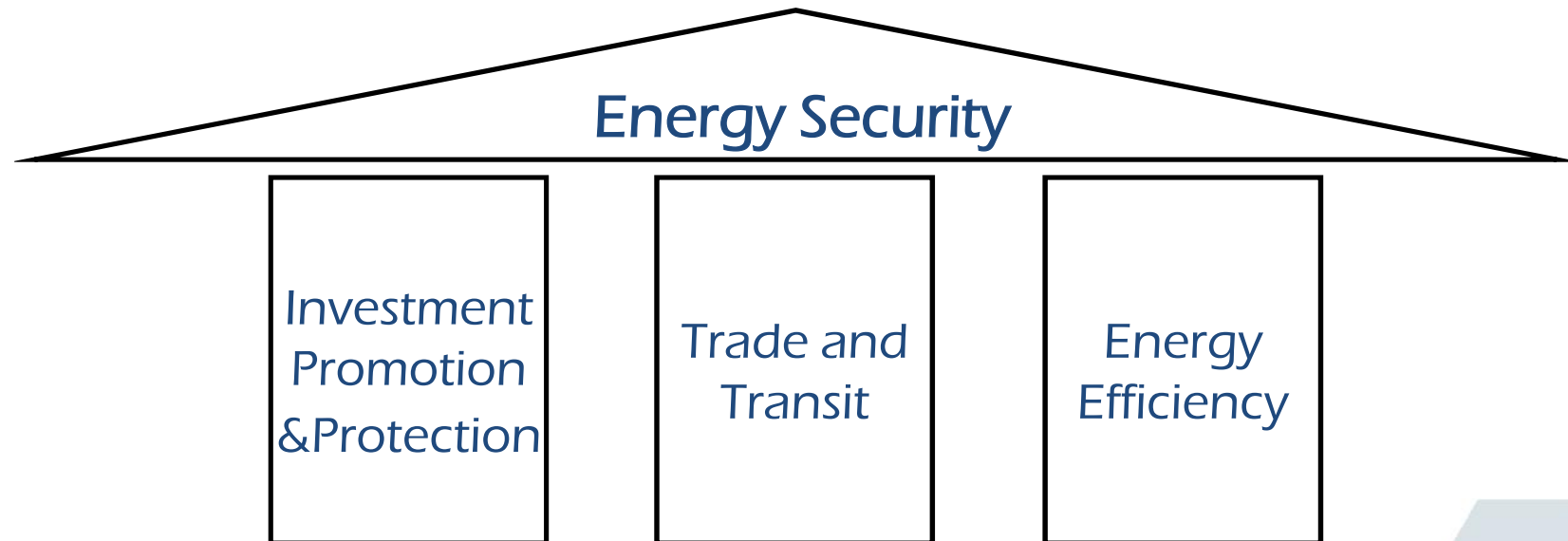


RECA: Key observations

- Regional electricity trade depends on modernisation of infrastructure;
- National strategies highlight role of FDI, but tariff and institutional barriers remain;
- FDIs most of the time pursue strategic (geopolitical) objectives (not commercially driven);
- Re-conceptualisation of the notion of “energy security” in Central Asia;
- National strategies mainly focus on “self-sufficiency” and export – not energy savings benefits of import;
- The role of energy efficiency as a source of supply is underestimated.



Energy Charter Treaty – main focus



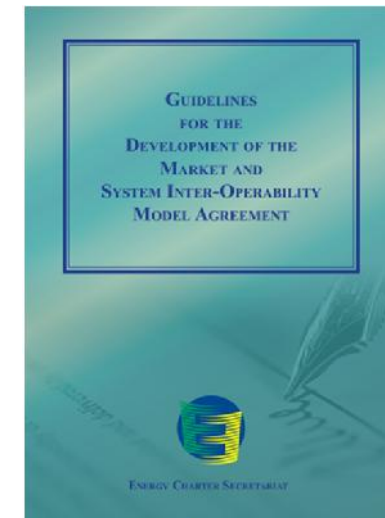
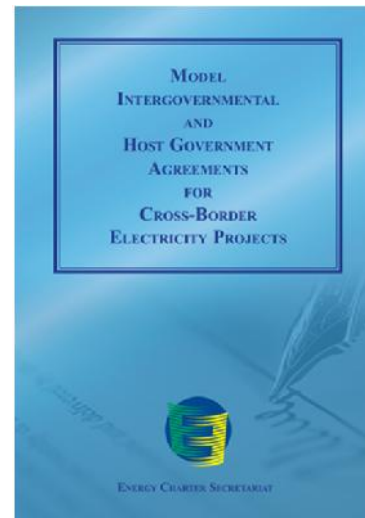
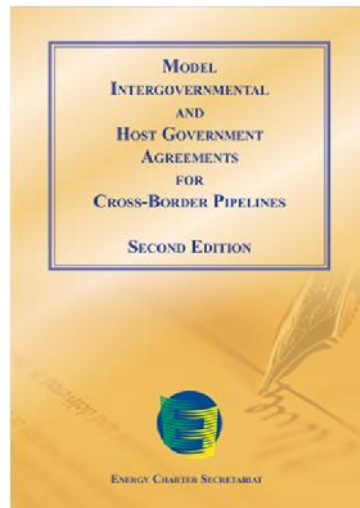
Energy Charter Treaty: Broad basic co-operation framework

European Energy Charter (declaration, East-West, Transition)

International Energy Charter (declaration, Global, Development)

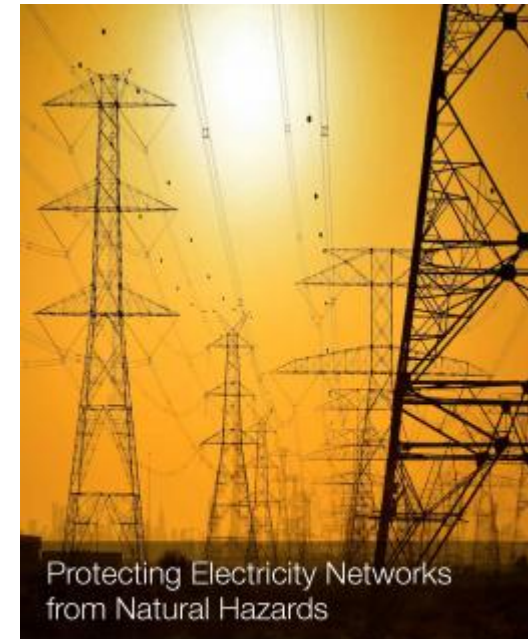
Multilateral Instruments

- Dispute resolution – Conciliation Rules;
- Model Early Warning Mechanism;
- Model IGAs and HGAs;
- Multilateral Instrument on Transit of Energy Resources.

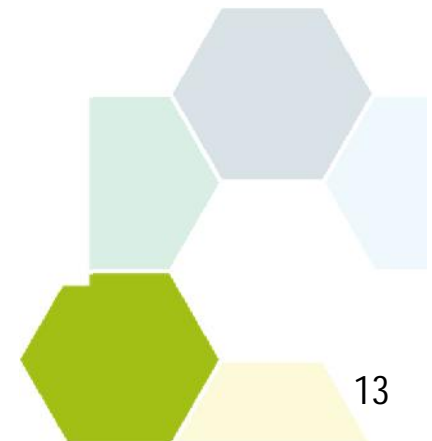
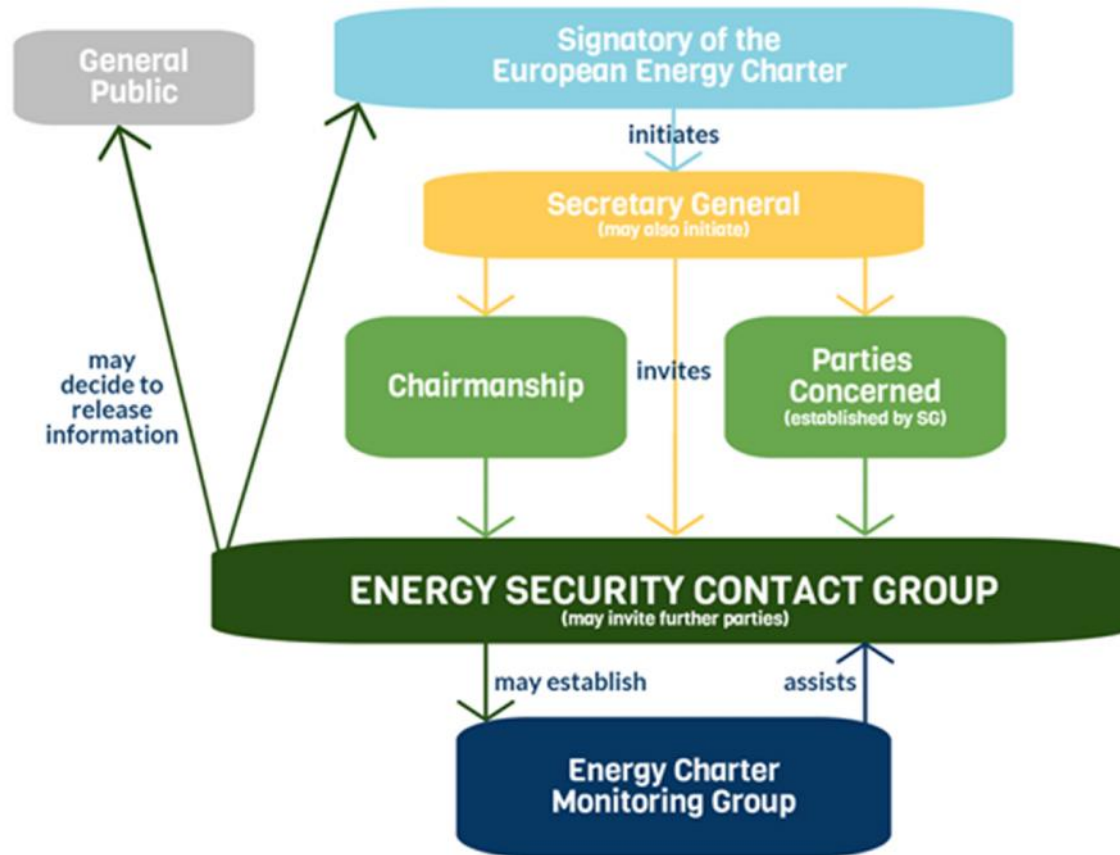


Early Warning Mechanism

- Mechanism for preventive diplomacy, confidence building and emergency measures;
- Based on voluntary acceptance by the Parties;
- Main tool transparency, exchange of information, consultation, verification (monitoring);
- Broad constituency (exporters, importers, transitters).



Early Warning Mechanism



Get in touch with us!

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- Twitter: [@Energy_Charter](https://twitter.com/Energy_Charter) | [@SecGenEnCharter](https://twitter.com/SecGenEnCharter)
- LinkedIn: linkedin.com/company/energy-charter

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