

**ECO STRATEGY FOR ENERGY COOPERATION
2020-2030**

THE ACTION PLAN

TEAM

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**Economic Cooperation
Organization**

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Contents

- **A. Implementation of the action plan**
- **B. Structuring ECO Energy Platform**
- **C. Key Action Areas an Activities**
- Key Action Areas 1: Mainstreaming Sustainable Energy Transition
- Key Action Areas 2: Energy Security
- Key Action Areas 3: Regional Electricity Market
- Key Action Areas 4: Investment in Energy Sector
- Key Action Areas 5: Downstream Energy Sector
- Key Action Areas 6: Energy Research, Development, Innovation and Technologies
- Key Action Areas 7: Energy Access and Energy Poverty Eradication
- Key Action Areas 8: International cooperation on energy

Introduction

- The action plan were prepared in the light of reform complexes mentioned in ECO Strategy for Energy Cooperation 2020-2025 and United Nations' "Transforming our world: the 2030 Agenda for Sustainable Development."

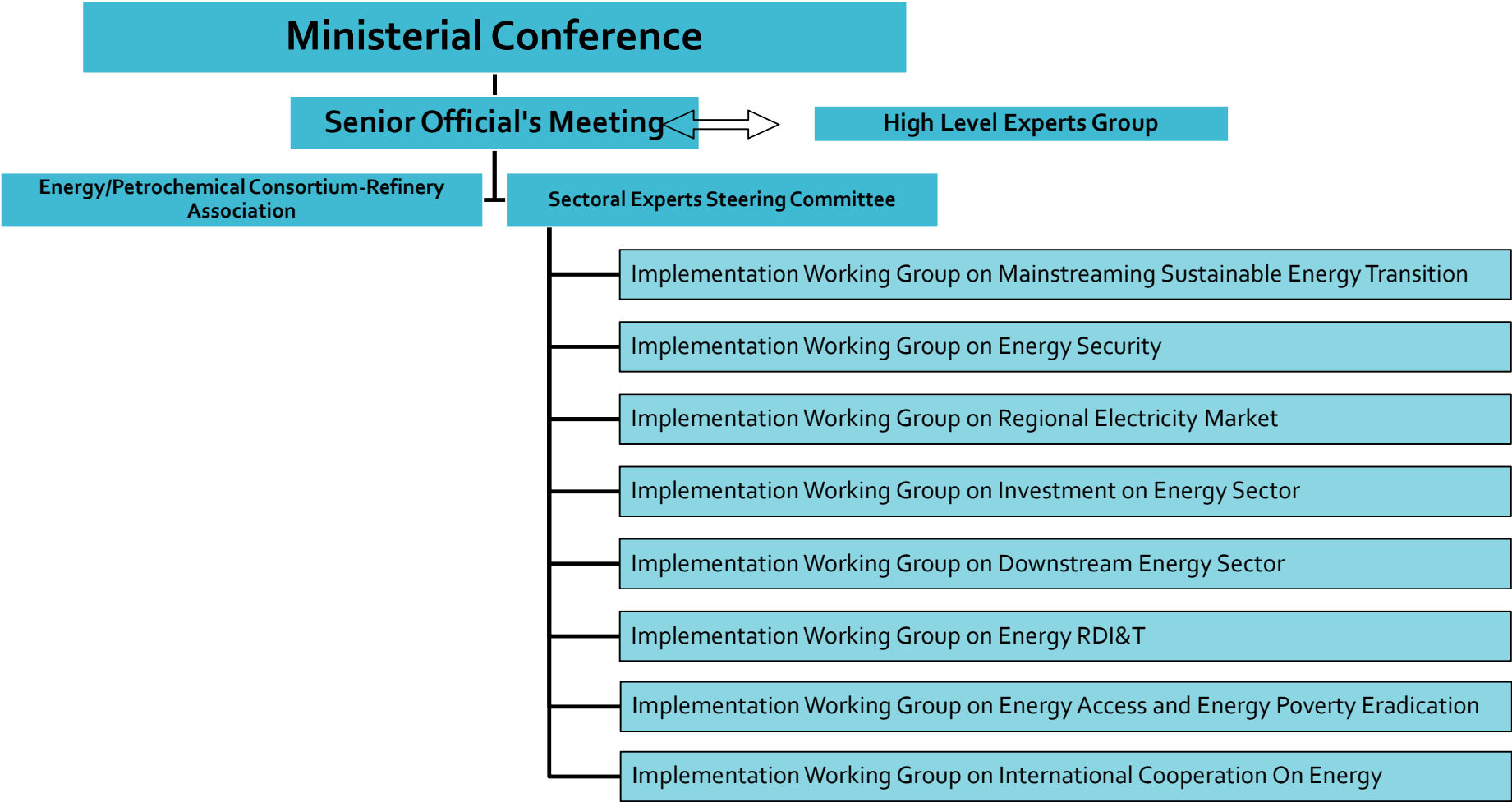
Implementation of the Action Plan

- The implementation of this Action Plan shall be the responsibility of the concerned authorities in the member states.
- In order to facilitate the implementation of the Action Plan, each member state shall designate a national focal point to coordinate and oversee the implementation of its in country components.
- The management and coordination of the program shall be pursued by the ECO Secretariat, in collaboration with national focal points and relevant institutions/authorities in Member states, and coordinate and closely monitor the activities of the action program.

**Essential
Action:**
Enhancement
of institutional
capacities in
sustainable
energy through
regional
collaborations

- According to the international financial institutions, the increased reliance of energy industry on capital markets will continue in upcoming years. The energy prices thus remain volatile in global markets and the world economic prospects still looking gloomy in short-run horizons. Numerous uncertainties and volatilities seem to continue negatively affecting global energy architecture and shaping the government decisions on future energy scenarios.
- Building up this architecture requires embarking upon the energy market reforms and advocating policies targeted on cleaner and sustainable technologies, stronger energy efficiency and conservation, and improved energy intensity by particularly developing countries in concert.

Core priority 1.1: Structuring ECO Energy Platforms



Key Action Areas 1: Mainstreaming Sustainable Energy Transition

- In the light of growing global desire to bring the region closer to important bilateral and multilateral partners that could support ECO energy initiatives, various cooperation activities have been undertaken to pave the way for an enhanced regional cooperation. The ECO strongly recognizes the urgent need for closer and enhanced cooperation within and outside the region. In addition, ECO is to play important key role with the integration of the world economy to ensure that the ECO member states are on equal footing to face global uncertainties.
- The European Union (EU) has been a major source of financing for energy projects in the ECO Member States in the Central Asia, Caucuses, Caspian Sea and Afghanistan.
- ECO also pursue cooperation with the Energy Charter Secretariat based in Brussels.

Core priority 1.1: The ECO Petroleum (Oil & Gas) Pipeline(s) /Trade Infrastructure Projects

The ECO Oil and Gas Pipeline(s) program is a very important task expected to provide the region with a secure supply of energy. Assessment and review of national and regional legal and institutional frameworks for oil, natural gas and petroleum/petrochemical products, concerning cross-border issues relative to the commercial/trade and economic feasibility, construction, financing, operation and maintenance of the pipeline(s) and export/import, transportation/transmission, trade and distribution of oil, natural gas, electricity and petroleum/petrochemical products to member states and beyond shall be undertaken.

Core priority 1.2: Renewable energy

ECO region should make clear-cut speedy process to apply cost-effective renewable energy and increase the efforts on energy efficiency to address sound policies towards climate change, as well as long-term sustainable regional energy design.

Core priority 1.3: Energy efficiency and conservation

Energy efficiency aims to reduce energy consumption without decreasing the use of energy-consuming plant and equipment. It intends to make better use of energy, resulting to the promotion of individual behaviour, working methods and manufacturing/industrial practices which are less energy-intensive. Various measures to promote energy efficiency form part of the objectives of the ECO Vision 2030 program.

Core priority 1.4: Coal related issues

One of the core priorities of the ECO is to cooperate and promote sustainable development and utilization of coal while addressing environmental issues and facilitating intra-ECO coal-related issues.

Key Action Areas 2: Energy Security

- The volatile prices for fossil fuels remain an energy security concern for both the countries with high import dependency and net hydrocarbon exporters.
- The key drivers of the energy security shall be the launching of the domestic energy market, enhancement of energy connectivity and diversification of the energy mix of the overall ECO Region.
- Ensuring energy security in the ECO Region requires the integrated and coherent approach, including via providing support to nurturing behavioural change towards more efficient energy consumption, capacity building and awareness raising, etc.

Core priority 2.1: Strengthening the role of the ECO Region in global energy architecture

Core priority 2.2: Legal framework and energy standards

Core priority 2.3: Energy security and safety

Core priority 2.4: Converting ECO Energy Corridor Into an Economic Corridor for the ECO Region

Key Action Areas 3: Regional Electricity Market

- Regional trade in electricity and other energy products can be a powerful force for market integration and sustainable development. In the ECO region, there are great potential benefits from increasing electricity trade beyond its current, very low level.
- Regional markets require the harmonisation of market rules for electricity to flow freely in response to market-based price signals.

Core priority 3.1: The ECO power grid

To strengthen collective cooperation among ECO power utilities/authorities in pursuing the ECO Power interconnection and parallel functioning program for optimum use of energy resources for ECO economic development, new objectives, strategies and directions/actions have been formulated.

Core priority 3.2: Price and taxation

Sustained energy price and taxation reforms can intervene in the market place and have a major impact on economic behaviour towards more benign resource and environment friendly patterns.

Key Action Areas 4: Investment in Energy Sector

- Utilities that are publicly owned are typically short of investment funds, but all face a number of problems, including concentration of supply in wholesale markets, bottlenecks in transportation capacity from abroad; and the cost of new import infrastructure“
- In recent years, it has been recognized that energy may be supplied more efficiently by privately owned systems. Many countries have therefore been opening up their energy markets to competition, allowing a number of private companies to compete with the government-owned utilities in the import and supply of oil and gas to large customers and distribution companies.

Core priority 4.1: Financing for energy infrastructure development and investment needs

The framework of our actions should comprise assisting methods designed for public–private partnerships and the possible creation of business association of ECO Member States to improve conditions for entrepreneurship and support mutual trust amongst business circles.

Core priority 4.2: Risks in financing

Core priority 4.3: The channels and sources of financing for energy infrastructure projects

The channels of finance will vary considerably with the size of the project. While microprojects may be replicated from elsewhere, mega-projects are more distinct and project managers have fewer lessons to draw from.

Core priority 4.4: Establishing a regional capital investment Fund

Key Action Areas 5: Downstream Energy Sector

- These global trends and developments create extensive opportunities for the ECO Region to build upon partnership frameworks in downstream energy sector. The existing endeavours, particularly with respect to the establishment of public and private sector energy consortia, and refinery association among the Member States seem promising.
- The strategic vision of downstream agenda will be to ensure sustainability both for producer and consumer countries. Final policy concept for consideration in the context of the role of oil and gas companies in the low carbon transition is to be selected the circular economy based on national agenda..

Core priority 5.1: Development of downstream energy sector

Though most of ECO Member States possess considerable volume of downstream industry, it is necessary to harness more complementarities, effectively use available resources.

Core priority 5.2: Micro, small and medium enterprises and startups

Micro, Small and Medium Enterprises (MSMEs) comprise the major share of business entities worldwide. Systematizing formalization of MSMEs is important for promoting industrial growth in the ECO countries.

A number of policy initiatives will be unleashed to support MSMEs growth. These include tax exemption and reduction measures, entrepreneurship incubators and financing mechanisms designed to address challenges faced by MSME entrepreneurs.

Key Action Areas 6: Energy Research, Development, Innovation and Technologies

- Smart solutions are not only vital in technologies, but also in policy-making to ensure affordable, reliable, adequate energy provision, while addressing environmental impacts in all level.
- The trends in the space of energy innovation requires engaging all levels of society – from communities, regions and governments to various other stakeholders across the public and private sectors.
- To adapt itself to the current and mid-term trends policy makers of ECO region will marginalize renewed approach on policy and regulations; finance innovation; resources and capacity building; and products and services innovation.

Core priority 6.1: The fossil energy system

The most formidable challenges facing the fossil energy system are likely to be achieving near-zero emissions of air pollutant and CO₂ emissions.

Core priority 6.2: Clean energy technologies emerging and advanced energy technologies

The fossil energy system can evolve in ways consistent with sustainable development Actions. Innovations are also proceeding in many other types of energy technology.

Core priority 6.3: Driving ambition in carbon capture storage and use deployment

Core priority 6.4: Increase safety in the use of nuclear energy

Core priority 6.5: Promotion of renewable energy technologies

Core priority 6.6: The smart technologies and services

Core priority 6.7: Development of new materials and technologies for energy-efficient systems

Core priority 6.8: Sustainable transport and battery sector

Key Action Areas 7: Energy Access and Energy Poverty Eradication

- To sustain economic growth and raise living standards, energy shortages could be met by increasing supplies. But there are two other important considerations: environmental sustainability and social development.
- The ECO region is endeavouring to build up the next generation of energy professionals, who are capable and equipped with contemporary knowledge. To address the SDG challenges, this strategy envisages increasing the involvement and visibility of women in the energy sector as well.
- Comprehensive knowledge sharing and expertise across societies, countries, and governance are the main elements for long-term cooperation in a closely interconnected region.

Core priority 7.1: Economic growth

Core priority 7.2: Enhancing capacity building

Capacity building activities are aimed at strengthening and maintaining the capabilities of states and societies to design and implement strategies that minimize the negative impacts of current social, economic and environmental crises and emerging challenges. Knowledge sharing, learning by doing, pilot studies, education and capacity building programmes are a few examples of capacity-building interventions. Energy-related technical training is mentioned most frequently in other capacity-building activities.

Key Action Areas 8: International cooperation on energy

- International energy cooperation will help to promote the transition to clean, low-carbon, efficient and secure global energy; and drive high-quality development of global energy.

Core priority 8.1: Establishment of regional cooperation

It is necessary to build cross-country energy capacities in order to establish resilient regional cooperation.

Core priority 8.2: Establishment of international cooperation

International cooperation is critical to achieving global energy objectives.

Thank
you

