



Economic Cooperation
Organization

MEETING REPORT

THE 1ST VIRTUAL MEETING OF THE ECO REGIONAL NETWORK OF RESEARCH INSTITUTIONS/CENTERS AND THINK TANKS OPERATING IN THE FIELD OF ENERGY STUDIES

27th April 2021, ECO Secretariat, Tehran, Iran
(online meeting by zoom)

THE 1ST VIRTUAL MEETING OF THE ECO REGIONAL NETWORK OF RESEARCH INSTITUTIONS/CENTERS AND THINK TANKS OPERATING IN THE FIELD OF ENERGY STUDIES

1. The 1st Virtual meeting of the ECO Regional Network of Research Institutions/Centers and Think Tanks operating in the field of energy studies on the theme of **“Formulating Future Energy Strategy of ECO Region and steps ahead: particular emphasis to mainstreaming sustainable energy transition”** was held on 27 April, 2021. The meeting was attended by the representatives of the Republic of Azerbaijan, Islamic Republic of Iran, Kyrgyz Republic, Republic of Turkey, Turkmenistan, and Republic of Uzbekistan, as well as the officials of the ECO Secretariat. The Representatives of ECO Science Foundation as well as Specialist/Experts of Energy Strategy also attended the meeting. *List of participants is attached as Annex-I.*

INTRODUCTORY SESSION

2. At the beginning of the meeting Mr. Rovshan Mirzayev, Director (EME) of the ECO Secretariat welcomed the all participants for participating in the 1st Virtual Meeting of the ECO Regional Network of Research Institutions/Centers and think tanks operating in the field of Energy studies and asked the Representative of Turkmenistan for his initial and kind remarks as a Country Chair to the ECO Secretariat.

3. **Mr. Esenmammedov Berdimammet**, Third Secretary of the International Economic Cooperation Division, Ministry of Foreign Affairs of Turkmenistan, cordially welcomed the all delegates participating in the virtual meeting as well as to the ECO Secretariat and informed that the ECO Secretariat is conducting this meeting first time and expressed hope a fruitful and constructive meeting on ECO Energy Strategy among the ECO Member States.

4. In his opening speech, **H.E. Amb. Huseyin Avni Bicakli**, Deputy Secretary General of the ECO Secretariat extended his profound gratitude to all esteemed participants for their invaluable time for participation in the 1st Virtual Meeting of the ECO Regional Network of Research Institutions/Centers and think tanks operating in the field of energy studies.

5. He further stated that that as one of oldest international organizations, ECO has also been getting through various transformations to meet the needs and interest of its members in line with regional and global challenges and opportunities. Striving for sustainable development as an inseparable part of peace and prosperity is key objective of the ECO region. He expressed that the ECO has already emerged as a regional partner for global agendas and the most inclusive inter-governmental platform.

6. H.E. Amb. Bicakli explained that the ECO would continue to endeavour transforming this inclusivity into the actions. Undoubtedly, having taken on board valuable contributions of prominent representatives of research and academia, in particular with think-tank institutions is standing high on the agenda of ECO. One of the key areas that ECO region prosperous; is the energy resources. The Region avails one third of the global hydrocarbons and represents an important supplier of oil and natural gas to the world markets. Over the past two decades, intra- and inter-regional connectivity has been enhancing through implementation of certain energy infrastructure projects of regional and trans-regional importance, which also unravel the land-locked status of the majority of the ECO Member States.

7. At the outset, **Prof. Dr. Manzoor Hussain Soomro**, President of ECO Science Foundation congratulated the ECO Secretariat and the collaborators for their partnership and hosting the first ever virtual meeting of the ECO Regional Network of Research Institutions/Centers and Think Tanks, operating in the field of energy studies. On behalf of ECO Science Foundation, he extended his deep appreciation to the ECO Secretariat for this very important initiative to deliberate on the energy outlook of the ECO region.

8. He further expressed that the energy is fundamental to socio-economic growth of the ECO Member States; which would determine whether the region could achieve a sustainable future in the sector. He stated that supply of reliable, clean and affordable energy, remains critical for ECO Member Countries for developing essential industrial and economic base in order to become regionally competitive in today's fast-changing world.

9. Mr. Manzoor further elaborated that the role of scientific and technological research in energy space is extremely significant in providing insights and roadmaps that are essential and critical to the sustainable development of ECO Member Countries. The first step towards this goal is to recognize and identify the challenges and opportunities, develop an integrated and regional energy market in the ECO region. There is tremendous potential in the region for harnessing untapped renewable energy potential; promoting the cross-border energy trade; improving energy security; and reducing the carbon footprint of the region. Mr. Manzoor, therefore, considered that scientific research in sustainable energy and green industrial growth has an immense potential to develop new and innovative solutions for the ECO Member Countries.

10. He also expressed hope that the cooperation and collaboration will continue among us in Science, Technology and Innovation, particularly in the sustainable energy space. On behalf of ECO Science Foundation, he wished to assure that ECOSF will

continue to cooperate for pursuing the common goals in the ECO Region for the prosperity of the people at large.

11. **Mr. Rovshan Mirzayev**, Director (EME) while welcoming the participants illustrated some points regarding the meeting and mentioned that the Covid-19 pandemic has caused more disruption to the energy sector than any other field in recent history, leaving impacts that will be felt for years to come. In fact ECO region also could not be kept away from these turbulences.

12. Moreover, he mentioned that in fact the governments have already been taking certain actions in line with their national priorities to cope with challenges. The necessity to ensure a strong and sustainable and to boost for more flourishing peace and prosperity requires enhanced regional collaboration and acting together. The new strategy for energy cooperation in ECO region would address how we can overcome the challenges ahead and benefit from joint actions.

13. He further elaborated that the ultimate goal is to endorse the Strategy document with its bankable action plan in the upcoming Energy Ministerial Meeting scheduled to be hosted by the Republic of Azerbaijan in June 2021, as one of key deliverables. Therefore, the promising future of this strategy is now on the agenda to be enriched by our today's distinguished experts from our Member States.

SESSION-II

ENERGY SPECIALIST

14. **Prof. Dr. Nurali Yusifbayli (Azerbaijan National)** extended the sincere gratitude to the ECO Secretariat for conducting this high level meeting and briefed that ECO is an intergovernmental regional organization encompassing countries from Europe, Caucasus and Central Asia, Middle East, and South Asia with more than 500 million inhabitants and over 8 million square kilometers connecting Russia to the Persian Gulf, and China to Europe. Energy is top priority in cooperation among member states of ECO regarding "ECO Vision 2025". The strategic objective of this sector is "to enhance energy security and sustainability through wider energy access and trade within the ECO Region and beyond".

15. He further stated that today ECO member countries are more regional integrated than ever before, fully capable technology deployment firm on the agenda and ambitions in the regional have great technical capacity. This situation provide us a new vision and strategy that the regional energy cooperation with ECO is driven; i) to increase the energy market integration; ii) provide adequate and equitable, distribution of energy resources among the Member States; iii) Enhance existing partnerships; and iv) to achieve affordable and cost-efficient solutions to energy constraints. Developing regional goals and translating them into tangible steps for ECO Member States

formulation regional energy policies integrated by finding synergies and complementarities between global, regional and national finances. These three dimensions models would enable the ECO to design inclusive and energy architecture for Member States for further intraregional cooperation for developing global energy.

16. Professor Dr. Cetin Elmas (**Turkish National**) thanked the ECO Secretariat, ECO Science Foundation as well as other distinguished delegates briefed on Action Plan which is part of ECO Energy Strategy for Energy Cooperation 2020-2030. He mentioned that 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.

17. Prof. Dr. Cetin Elmas further stated that 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.

18. 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.

19. **Prof. Dr. Abbas Maleki, (Iranian National)** thanked and briefed on Energy Security and ECO situation. He mentioned that it shows discourse the energy security in public sphere. He mentioned that energy demand projection will increase 45% from 1980 to 2030, and 1.6% per year. It is growth of energy consortium in all over the World.

There are different efficient availability, accessibility, affordability and acceptability and supply sustainability sovereignty, surety and sufficiency and also it is very simple definition reliability, affordability and environmentally friendliness. Conceptualizing energy securities that trade to energy infrastructure and delivery of energy services are become more pronounced and disruption interstate rivalries, especially the case of climate change is very important.

20. There are energy securities in demand side and there is energy security in supply side and energy security in transit side and some ECO Member States need energy security in demand side like Iran, Azerbaijan and other Oil and Gas producers. Some ECO Member States need energy security in supply side like Turkey and Pakistan and some of them they need energy security in transit side like Uzbekistan, Kyrgyzstan, Kazakhstan and Afghanistan and there are many conflict potential on energy resources.

21. He further expounded that energy is playing a central role, as energy is today responsible for more than 75% of the ECO's greenhouse gas emissions. ECO Region is endowed with enormous energy resources, but mostly encompasses the land-locked developing countries in need of energy access, and innovations for energy transition and sustainable growth. He stated that significant policies benefiting oil, coal, and other carbon-intensive fuels, including subsidies by some Member States, should be seen as an obstacle to clean-energy innovation and technologies. The sustainable economic development in the ECO Region underpins increasing demand for more efficient, higher-quality energy industry and services in Member States.

22. The ECO Region's energy markets are becoming increasingly international and evolve dynamically in line with the technological, economic and political changes. Therefore, driving innovation in energy sector plays a fundamental role for ensuring energy security and sustainability, notably efficient use of natural resources in the ECO Region. Promoting energy access in ECO Member States requires leapfrogging the technologies and innovation in financing, regulation and business models with a view to extend the energy supply to remote areas and increase energy productivity potentials. Poverty reduction is a key to accomplish social development goals but indispensable for preserving environment, while the poor can adversely affect the environment by overusing natural resources. As regards energy poverty, it is widely recognized that energy poverty negatively impacts living conditions and health. Energy poverty can only be overcome or at least mitigated by a synergy of actions, notably within the social protection context under the competence of authorities on the national, regional or local levels. While lifting regulated prices, the Member States are required to set up a mechanism for protection of vulnerable consumers, which could preferably be provided through the general welfare system. Poverty is still persistent in the ECO Region and limits the opportunities for well-being for a large number of people. Beyond poverty challenges, inequality also threatens to disrupt efforts to achieve the goals of the Strategy.

SESSION III:

Vision of Strategy by Member States: Needs and assessment of future energy landscape of ECO Region

23. Mr. Alireza Ghafoori Fard, Deputy Secretary General of Federation of Iranian Energy Expert Industries (FIEEI), expressed his gratitude for holding the first virtual meeting on ECO Regional Network of Research Institutions/Centers and Think Tanks operating in the field of energy studies and thanked the ECO Secretariat for convening this meeting as well as speakers for their comprehensive presentations. He stated that the important issue of ECO energy future strategy is a matter beyond the member countries and even the ECO and it is important in ensuring global energy security. According to the global statistics, the ten member countries of the ECO with a population of about 6.5 percent of the World population have 23.2 percent of the World's proof national gas reservoirs, 10.9 of the crude oil reservoirs and 6.3 of the world's electricity production, besides fossil fuels there is a huge capacity to develop renewable energy in the ECO region. Statistics shows the significant and effective share of ECO countries in the World national resources. Unfortunately we have not been able to make best use of these resources as the organization deserves. Holding this meeting can be turning point in the cooperation of member countries in the field of energy and moving towards development and optimal values of capacity of national resources and special geographical location. Certainly, by carefully starting opportunities exchange along with trades and witnesses, a coherent model for energy exchange within the ECO region and with outside of World can be developed and the world has energy hub strengths and interactions based on peace and development. Finally the federation of Iranian Energy Export Industries as the main organization of Iranian private sector in the field of energy export in cooperation with the Iranian Chamber of Commerce, Industries and Mines within the policies of Ministry of Foreign Affairs of Islamic Republic of Iran is ready to host future specialized meeting on energy sector including the second meeting of the ECO Energy consortium.

24. Ms. Neda Bagheri from Renewable Energy and Energy Efficiency organization or Iran, thanked the ECO Secretariat for allocating this meeting to ECO Vision 2025 for enhancement of energy security and sustainable through energy access. Further, she mentioned that Renewable Energy and Energy Efficiency organization of Iran as the Deputy Ministry of Energy is responsible for developing renewable energy and energy efficiency. Since they have required relations and incentives regarding the development of renewable energy, they support the private sector in this regard. Renewable Energy and Energy Efficiency organization of Iran have infrastructure and the technical know how in construction and implementing the power point. Since they have PPA system which is for guarantee power purchases agreements and incentives. Therefore Renewable Energy and Energy Efficiency would welcome any foreign investors interested to come to Iran and invest in the development of renewable energy to

construct a renewable power plants as well as they can export renewable energy to the neighbouring countries. She informed that there is great potential in the field of wind and solar energy. Therefore, Iran is ready to support the private sector of foreign investors to construct renewable power plants and construct the renewable energy in Iran.

25. **Mr. Ozgur TANIDIR, (Turkish National)** Chief Researcher, Power Systems Analysis and Planning Group, Energy Institute Ankara stated that we are substantially on the way the electricity generation is changing and shifting towards renewables. The power systems established around the world is generating electricity from large centralized power plants that transmit and distribute to users will be changed. The systems also operate with limited system flexibility. Our main concern should also be trade including flexibility. We should also consider a range of options regarding local distributor solutions and digital energy solutions and other flexibility options like flexible generations demand side management, energy storage etc. Another concern that we are on a several chance mega trains is happening in the power sectors. Digitalization is an important subject. Digitalization plays important roles in the energy sectors. It has potential to increase the connectivity, efficiency and reliable systems artificial intelligence. Another thing in driven, the centralization of energy especially in the electricity sectors is to set rise in next decade. This train will be simulated by several factors like cost of the train renewable technologies, distributed grades, emergence of new technologies and fact that centralized system are in some cases more efficient than using centralized grids. Another driving is that the train is increasing deployment of renewable energy will foster the use of the flexibility system like storage; batteries can provide flexibility for rapid response and contributed balance of energy. They can allow electricity generated from renewables. For the next ten years battery storage are expected to grow in a fast manner. It is expected that the cost of these systems would be half in ten years. Therefore, we should also consider these driven trains in the policies in the regulations among the ECO countries in order to increase our energy sectors.

26. **Mr. Imam Rahmati (Iranian National)** from Iran Grid Management Company thanked the Secretariat for setting up this meeting and also providing inspirational, comprehensive and well organized document. He mentioned that among the all strategies and action plan discussed here in the meeting, there is regional electricity market and ECO Clean Energy Centre are significant to Iran. They believed that these two plans can contribute to flourish the Member States and furthermore, regarding energy efficiency and energy conservation, Iran has already tried to improve and have already taken steps revising subsidy policies and would like to have as much as to get help from ECO Secretariat for developing energy efficiency and energy conservation to be fully appreciated.

27. **Mr. Khalil Raza (Pakistan National)** from ECO Science Foundation thanked the delegations and stated that one of the areas that they have focused on sustainable

energy and energy technologies. So far the strategy, that have shared it is quite comprehensive and have main important areas. As far as for the vision, he mentioned that it is required to have a broad goal if we want to achieve regional competitiveness as indication of other regions like SAARC, ASEAN and if we want to achieve some industrial components that what level of industrial development we need to achieve by any certain time. In order to achieve that development, we need to have significant inputs of energy that would be fuels, energy, coal, oil, gas and renewables. We need to produce energy deliver at much cheaper level than other region markets, so that we are able to make ECO region more industrial cooperative as well as we make it more export based economy. He further clarified that Chinese have huge investment in the region like Pakistan and other ECO member countries, which gives us great opportunity that China has already making investment. If we channelized those investments in the industrial cooperation, we will able to provide/deliver energy at much affordable, cleaner and more sustainable and would have cutting leverage the other export markets.

28. Mr. Agayev Seyitmurat, Head Foreign Economic Relations and Export Department State Power Corporation "Turkmenenergo", informed that they will review and give their views/comments on the strategy document.

SESSION III: THE WAY FORWARD

Proposals by Member States how to boost regional cooperation of subject framework

29. Mr. Rovshan Mirzayev, Director (EME) informed meeting that this event is virtually how to bring closer and make the cooperation on the think tanks, academia, research center in energy studies of ECO countries among them to benefit from ECO projects. He mentioned that think tanks, academia and research center will help us to bridge the gap between the knowledge and policies. More investment would be set aside for expert advisory bodies that are able to translate findings of fundamental research in the policy options to enable the politician to foresee the effects of their decisions. The proliferation regional and global expansion and networking of think tanks, research and academia have magnified their potential to research and develop solutions to regional and public global policy issues today. ECO has currently, two regional centers. One is ECO Science Foundation, based in Pakistan, is properly functioning and other one is newly established in Azerbaijan, namely ECO Research Center. He stated that Secretariat anticipates that activity of Research Center in Azerbaijan will be launched in near future.

30. He informed that the extinguished Member States and Intuitions can contribute on energy studies to further promote and enrich the research center and the Secretariat would offer the small and bankable projects to be financed up to \$10,000/- (Ten Thousand Dollars) in the form of the feasibility study, technical service and research or

the Institutions can offer the projects with its own financing mechanisms. The institutions that can offer training course, capacity building and some programs or sub-trainings.

31. Mr. Alireza Ghafoori Fard, Deputy Secretary General of Federation of Iranian Energy Expert Industries (FIEEI), proposed that we can define a research projects for managing energy transactions between countries. After that in this project all research institutes and think tanks may work together to provide their country information enabling the ECO Secretariat to conclude and emerge the document about all energy transaction possibilities between all the countries that would define the energy routes, like electricity, oil and gas as well as chemicals. We may also define the rule of governments, private sectors and scientific organizations to define this document. After that, we should have also roadmap for businesses cooperation in this regard.

NEXT MEETING PROPOSAL DISCUSSION (THEME AND HOST)

32. While concluding the meeting, Mr. Rovshan Mirzayev, Director (EME) encouraged the Member States to increase their participation with their own energy strategy vision and cooperation at the higher level in the next meeting which will be in near future. He expressed hope that the next meeting would be more fruitful and more productive for which the dates will be announced later and shared among the Member States well in advance.

33. At the end of the meeting, Mr. Manzoor Soomro, President of ECO Science Foundation thanked all participants and emphasized on actively participation of the Member States as those are very important. He further suggested that a Working Group of relevant specialist/experts may be launched to work behind the scene and support their government representatives that they should participate actively in the upcoming meetings.

CONCLUSION

34. The Heads of the delegation of the Member States on behalf of all the participants as well as Energy Specialists/Experts expressed thanks and appreciation to the ECO Secretariat for organizing the 1st virtual meeting on formulation of ECO Energy Strategy as well as providing technical assistance as well as other services for organizing the virtual meeting during the crucial time of pandemic of COVID-19.
