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| **Energy /Clean Energy Centre** | **1. Project Category:** |
| **EME1/I/Pr/2019** | **2. Project Code:**  |
| **Establishment of ECO Clean Energy Centre (CECECO)**  | **3. Project Title:** |
| Key overall objective of the project is to contribute towards increased access to modern, affordable, reliable and sustainable energy services, energy security and mitigation of negative externalities of the energy system (e.g. local pollution and GHG emissions) by creating an enabling environment for renewable energy and energy efficiency markets and investments.  | **4. Project Objective(s):** |
| 223000EUR | **5. Project Budget (Euro):** |
| Preliminary estimation for the pledged funding of the Preparatory Phase:* 50000EUR by UNIDO
* 56500EUR by the Austrian Development Agency
* 50000USD from the ECO Feasibility and General Purpose Fund (FGPF)
* European Union (tbd)
 | **6. Project Funding Source:** |
| ECO Secretariat in collaboration with UNIDO | **7. Coordinating Country/Organization:** |
| UNIDO, Austrian Development Agency, possibly EU, IRENA, international environmental instruments (GEF, GCF, etc.) | **8. International/Regional Partner(s):** |
| Till operationalization of first phase | **9. Duration of Project (Months):** |
| July 2019 | **10. Project Starting Time (M/Y):** |
| approximately 95% | **11. Project Progress Ratio (%):** |
| 2023 | **12. Expected Project Completion Time (M/Y):** |
| Due to Covid19 outbreak Regional Validation Meeting was held virtually, thus allocated budget for the meeting was not used yet. | **13. Project Budget Released (%):** |
| **14. Background:**The idea of establishment of ECO Clean Energy Centre (CECECO) was pioneered by the ECO Secretariat as the outcome of ECO-UNIDO consultations held in Vienna and Tehran over the past few years. “ECO Vision 2025” and its Implementation Framework stipulate the establishment of an ECO Clean Energy Centre up to 2025 by the ECO Secretariat/Member States. This joint endeavour is also a result of UNIDO’s long-lasting cooperative relationship with ECO, based on a 1994 Agreement, pertaining to the promotion of cleaner and resource efficient production practices, as well as renewable energy and industrial energy efficiency. Furthermore, the 69th UN GA Resolution A/RES/69/111 (10 December 2014) and 71st UN GA Resolution A/RES/71/16 (21 November 2016) on Cooperation between UN and ECO welcomed the idea of the development of a joint programme by UN and ECO for sustainable energy and, as its outcome, the establishment of a regional energy centre, and called upon the relevant UN agencies and international financial institutions to consider extending their financial and technical support for the development and implementation stages of this programme. On 22nd June 2017, ECO Secretariat submitted its official request on the subject proposal to UNIDO. In June 2017, ECO Secretariat submitted to UNIDO the Indicative Concept Paper on establishment of CECECO for consideration. In July 2017, UNIDO responded positively to collaborating with ECO on that initiative. In September 2017, the First Draft of Project Document “Preparatory Phase for the establishment of a potential ECO Clean Energy Centre" was jointly elaborated by UNIDO and ECO Secretariat and agreed upon as an indicative paper. The financial commitments by UNIDO, ECO and the Austrian Development Agency (ADA) were made in 2018. The 233rd Meeting of CPR, held on 11 September 2018 decided to launch the Preparatory Phase of the establishment of ECO Clean Energy Centre and approved the allocation of 50000USD from the ECO Feasibility and General Purpose Fund (FGPF) as a partial financing of this phase.“Terms of Reference (ToR) for the provision of services to assess the added value, feasibility and financial sustainability of an ECO Clean Energy Centre” was jointly prepared and agreed upon in January 2019. UNIDO announced a bid in February 2019 through its Procurement Portal for the provision of international consultancy services. Joint UNIDO-ECO Evaluation Team undertook the examination and evaluation of the international bidders applied for the subject consultancy.ECONOLER – the Canada-based company specialized in energy efficiency and renewable energy programs/projects was selected as an international consultant for the subject assignment.On 16 March 2022 The Partners’ Roundtable Conference on the Start-up and Operationalization of The Clean Energy Centre of ECO region (CECECO) was held virtually jointly by the Ministry of Energy of the Republic of Azerbaijan, Economic Cooperation Organization (ECO) Secretariat, with the overall technical support of the United Nations Industrial Development Organization (UNIDO). **15. Current Status:**The Preparatory Phase of the Project was launched in July 2019 and is currently in the finalization process. The international consultant submitted project deliverables such as the Inception Report, Baseline and Needs Assessment Report, Feasibility Study Report and Project Document for 1st operation phase. Host country has been selected in 25th COM, the Republic of Azerbaijan as well as ad-hoc committee established to contribute operationalization process. Domestic procedures are done. The Charter of the ECO Clean Energy Center which was adopted by the 4th ECO Energy Ministerial Meeting on June 21, 2021 is signed by the host. It is expected that interested Member States will sign the Charter of the Center at the upcoming 5th ECO Ministerial Meeting on Energy, which will be held in Tashkent in October 2023. **16. Necessary Actions and Assistance Needed:**1. All Member States are requested to be actively involved in operationalization process starting from the signing of charter document as well as, consideration on allocation of voluntary funds, technical and political support for successful launch of operational phase.2. Fund raising among key stake-holders such as ECO, UNIDO, host country and international donors. (on March 16, 2022 donor’s meeting has been held) 3. ECO Secretariat will continue its engagement with UNIDO and other potential partners for successful completion of the Preparatory Phase of the Project and proceeding to the 1st Operational Phase.4. Host Country finalized internal procedures and initiated signing process of Charter.5. By the starting operation phase regional strategic programmes should be launched. |
| **17. Expected Outcomes of the Project of establishment of CECECO:**1. Effective regional sustainable energy promotion agency created and efficiently managed;
2. Enabling policy, legal and incentive frameworks are created and under implementation;
3. Effective sustainable energy qualification, innovation, certification and accreditation frameworks for sustainable energy are created and implemented;
4. Effective knowledge and data management, as well as awareness raising and advocacy;
5. Investments in sustainable energy infrastructure and manufacturing and servicing industries mobilized.

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| **Energy /Electricity** | **1. Project Category:** |
| **EME2/E/REM/2017** | **2. Project Code:**  |
| **Feasibility Study on establishment of the ECO Regional Electricity Market (ECO-REM)** | **3. Project Title:**  |
| * To study prerequisites and existing conditions in the ECO Region for establishment of ECO Regional Electricity Market through harmonizing and merging the electricity markets of Iran and Turkey with the possibility of its further expansion to other Member States.
* To advise the ECO Member States on the optimal approaches to increase electricity trade via improving policy and regulatory environment, undertaking relevant arrangements, and building institutional capacities.
* To find synergies and complementarities among the fragmented bilateral and multilateral electricity grids existing/expected in the ECO Region and mobilize them under the ECO-REM platform.
 | **4. Project Objective(s):** |
| Estimated cost is 300000 – 400000USD | **5. Project Budget (US$):** |
| Seed financing by the interested Member States, ECO Feasibility and General Purpose Fund (FGPF), as well as financial institutions and donors | **6. Project Funding Source:** |
| I.R. Iran, Turkey and ECO Secretariat/To be further developed within other Member States | **7. Coordinating Country/Organization:** |
| International Energy Charter, UNESCAP | **8. International/Regional Partner:** |
| 8 months | **9. Duration of Project (Months):** |
| -2023 | **10. Project Starting Time (M/Y):** |
| - | **11. Project Progress Ratio (%):** |
| -2024 | **12. Expected Project Completion Time (M/Y):** |
| - | **13. Project Budget Released (%):** |
| **14. Background:*** 3rd Expert group meeting between two countries was held in May 31, 2021 and the Republic of Azerbaijan was also invited with the view to contribute to the project as a country which has power trade and exchange with both countries. The Meeting decided that the Secretariat will review the Terms of References (ToRs) of the project to be updated based on the recent developments if necessary. The Secretariat will distribute at its earliest the updated ToR amongst participated sides
* During the 2nd High Level Experts Group Meeting on Energy (September 2012, Ankara), I.R. Iran proposed the establishment of the ECO Regional Electricity Market (ECO-REM) and hosting a Meeting/Workshop on the subject matter in 2013. The 23rd RPC Meeting (6-8 May 2013, Tehran) emphasized the importance of establishment of ECO-REM and requested the Member States to organize relevant events with a view to realize that idea.
* The 1st Experts Group Meeting on establishment of ECO REM hosted by Iran was held on 5-6 November 2013 in ECO Secretariat. Apart from the ECO Member States, the representatives of Nord Pool Spot, ECO-CCI, IsDB and ECO TDB also participated at the subject Meeting. The major outcome and recommendation of the Meeting was the implementation of ECO-REM as a pilot project initially with participation of I.R. Iran and Turkey and later with other interested ECO Member States for maximum benefits of ECO Region.
* ECO Secretariat in cooperation with the Energy Charter Secretariat co-organized technical workshop to introduce best international practices in electricity market issues 14 October 2020.
* As an outcome of consultations between ECO and Energy Charter Secretariat, the Latter expressed its readiness to support launching the subject Project through establishment of a consortium for joint coordination of this Project based on the previous experiences of the Energy Charter.
* The 3rd Iran-Turkey Bilateral Meeting on launching pilot project of ECO-REM was organized in May 2021 (Azerbaijan also was invited as an observer).

Following key recommendations are necessary :* Identification of criteria and guidelines for hiring 3 consultants (2 local and one international) to prepare Feasibility Study on establishment of ECO REM;
* Getting approval of the ECO Council of Permanent Representatives for funding the Feasibility Study from ECO Feasibility and General Purpose Fund, with possibility of Iran and Turkey providing additional seed funding for hiring local consultants.

**15. Current Status:**3rd Iran – Turkey expert group meeting on launching pilot project with possible extension to other Member States in the future agreed to update ToR. 4th ECO Energy Ministerial Meeting which was held on June 24, 2021 has adopted roadmap on realization of the ECO-REM project assigning concrete steps to achieve the goal. Also, declaration of ministerial meeting emphasizes the need for expanded efforts towards electricity market.ECO Secretariat has been making efforts for convening the 2nd Experts Group Meeting on establishment of ECO-REM. The Republic of Tajikistan expressed its readiness to host the 2nd Experts Group Meeting. This meeting is sought to approve the drafted “ToR for hiring international and local consultants for preparation of a Feasibility Study on establishment of ECO-REM” and define roadmap for further action and accelerate the implementation of the project in line with the “ECO Vision 2025”. The Republic of Tajikistan proposed to hold The 2nd Expert Group Meeting on establishment of Regional Electricity Market of the ECO countries on September 5, 2023. Secretariat is involved in exploring highly capable international expert along with partner organizations to explore possibility of starting project and extending technical assistance.**16. Necessary Actions and Assistance Needed:**1. 4rd Iran-Turkey Bilateral Meeting and the 2nd Experts Group Meeting on establishment of ECO-REM with a view to engage more Member States for ownership of the project along with financial and in-kind contribution.2. Member States should follow up possibilities to implement roadmap on realization of the project adopted at the 4th ECO Energy Ministerial Meeting held in 2021.3. Hiring consultants for preparation of the feasibility study in cooperation with the Energy Charter, UNESCAP and other interested international financial institutions/donors.  |
| **17. Expected Outcomes of the Project**1. Electricity trade among the interested Member States will transform into the multilateral character through integrating the fragmented bilateral and multilateral projects and initiatives existing/expected in the ECO Region;2. ECO Region will harness its full regional electricity potential;3. The long-term regional electricity exchange and region-wide cooperation will be enhanced; 4. ECO-REM will be expanded towards the integrated non-ECO electricity markets;5. ECO-REM will contribute to the long-term regional energy sustainability through multiplier effects. |