

## Concept note (draft)

### Consultation on the implementation of the project “Energy connectivity for sustainable development”

15:00 - 17:00 hrs. (GMT+7), 2 April, 2024, online

#### Background

The member States of the Economic Cooperation Organization (ECO)<sup>1</sup> having diverse energy supply and demand patterns, ranging from fossil-fuel and hydro-electric rich countries to ones with limited domestic energy resources, and including energy import, export, and transit countries. As a whole, however, these countries possess significant untapped energy potential, renewable energy sources in particular, that could, if developed in coordination with increased cross-border and regional connectivity, contribute to regional energy security and reductions in energy sector carbon emissions. Fully unlocking the benefits of renewable energy resources to meet energy sustainability, affordability, and security goals requires the ECO countries to combine efforts to reduce regulatory, technical and economic barriers to develop and trade the diverse range of low-carbon energy resources available to them.

The ECO member countries have had a long-standing goal to develop a common ECO Regional Electricity Market (ECO-REM). However, despite years of effort, the ECO-REM remains primarily at the discussion stage. The most recent efforts to develop the ECO-REM were kickstarted at a meeting in 2020, organized in cooperation with Energy Charter.<sup>2</sup> At the 4<sup>th</sup> ECO Energy Ministerial Meeting held in June 2021, ECO member States adopted the ECO Energy Strategy 2030 and its Action Plan, the Charter of the Clean Energy Center, and the ECO-REM Roadmap. During the meeting, the Member States delegates emphasized the importance to enhance regional energy cooperation in clean energy, energy security, addressing SDGs as well as boosting business ties in the ECO region.<sup>3</sup>

To facilitate the development of the ECO-REM initiative and enhance the development of the energy connectivity in the region, United Nations–Economic and Social Commission for Asia and Pacific (ESCAP) Energy Division with the support from China-ESCAP Cooperation Programme (CECP) have initiated a project “Energy connectivity for sustainable development – Enabling renewable energy resource sharing across borders”. The ultimate goal of this project is to deliver a set of targeted, actionable recommendations for policy and regulatory reforms that would enable the establishment of multilateral, multidirectional power trading among at least three countries in each subregion where there is existing cross-border electricity transmission infrastructure.<sup>4</sup>

UN ESCAP and the ECO Secretariat held a Coordination Meeting on the ECO-REM in February 2024.<sup>5</sup> The project is being implemented under the broader Program on Energy

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<sup>1</sup> <https://eco.int/member-states/>

<sup>2</sup> <https://eco.int/promoting-integration-of-power-markets-in-the-eco-region/>

<sup>3</sup> <https://eco.int/4th-eco-energy-ministerial-meeting/>

<sup>4</sup> [https://unece.org/sites/default/files/2024-02/Brief%20projects%20description\\_connectivity.pdf](https://unece.org/sites/default/files/2024-02/Brief%20projects%20description_connectivity.pdf)

<sup>5</sup> <https://eco.int/eco-unescap-coordination-meeting-on-eco-regional-electricity-market/>

Connectivity in Central Asia and the Caucasus, which was launched in January 2024 by ESCAP and United Nations Economic Commission for Europe (UNECE).<sup>6</sup>

### **Objective and topics of the consultation**

The objective of this consultation is to gather expert opinion to inform project implementation, to identify gaps/challenges to developing multilateral power trade linked to renewable energy resources. The discussion will address the political, regulatory, technical, and financial aspects of integrating the power systems of the ECO member countries into a regional market structure.

Against this background, participants will discuss the following topics:

(1) Overview of power sectors in ECO member countries.

The current situation: electric power markets challenges and risks, opportunities and strategic plans for the development, including plans for renewable energy development, current situation and forecasts for multilateral electricity trade.

(2) The potential for establishing multilateral power trade, major challenges and benefits for each country linked to the integration of renewable energy resources.

Security, technical, and regulatory implications of cross-border power system integration.

(3) Possible measures and next steps for the development of multilateral power trade (emphasis on renewable energy resource sharing across borders).

### **Expected outcomes of the consultation**

The consultation will serve as a platform for the project team gain insights from the countries and to develop recommendations on developing the ECO-REM in future with the aim to contribute to a smooth implementation of “Energy connectivity for sustainable development – Enabling renewable energy resource sharing across borders” project.

### **Date, time and tentative agenda**

The invitation-only consultation will be held on the 2<sup>nd</sup> of April 2024 from 15:00 hrs to 17:00 hrs (GMT+7) in a virtual format. Invited participants include utilities, regulators, representatives from government agencies, international organizations and development partners.

The meeting will be organized in **English and Russian** with simultaneous interpretation.

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<sup>6</sup> <https://eco.int/eco-participates-in-the-launch-of-the-programme-on-energy-connectivity-in-central-asia-and-the-caucasus/>

## Draft Agenda and Programme

2<sup>nd</sup> April 2024, online

Time (GMT+7)	Agenda item
15:00 - 15:10	<i>Opening remarks:</i> <ul style="list-style-type: none"><li>• <b>Mr. Matthew Wittenstein</b>, Chief of Section, Energy Connectivity, ESCAP</li><li>• <b>Mr. Fuad Farzalibeyov</b>, Director of Energy, Minerals and Environment (EME), Secretariat of the Economic Cooperation Organization (ECO)</li></ul>
15.10-15.30	<i>Scene setting presentation</i> <ul style="list-style-type: none"><li>• <b>Ms. Victoria Koksharova</b>, Consultant, ESCAP</li><li>• <b>Mr. Fariz Mammadov</b>, Consultant, ESCAP</li></ul>
15.30 – 16.50	<i>Interventions and discussion</i> <u>Questions for discussion:</u> <ul style="list-style-type: none"><li>• Current status and plans for national power sector development</li><li>• The potential for establishing multilateral power trade, major challenges and benefits for countries in the region</li><li>• Possible measures and next steps for the development of multilateral power trade in the region</li></ul> <u>Moderator:</u> <b>Ms. Anna Lobanova</b> , Energy Connectivity Specialist, ESCAP
16.50 – 17.00	<i>Next steps and conclusion</i>