



Fostering Energy Markets in Eurasia

Activity:	Support of Eco-Energy Alliance framework activities in Eurasia
Location:	Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan
Problem:	Lack of regional cooperation and regional activities to foster sustainable energy markets
Solution:	A broad-based multi-lateral effort inclusive of key government agencies, institutes and private firms in each Central Asian Republic has developed a regional non-governmental coordination organization to promote renewable energy and energy efficiency markets: via workshops, tech transfer activities, training and business partnership building activities with international firms and energy agencies.
Duration:	January 2004 -September 2006
Implementer:	TCG International, EcoLinks Staff (U.S. Embassy - Almaty), other contractors

Objective

The development objective of this EcoLinks activity is to promote markets for efficient, clean, renewable, and affordable energy and energy uses which will support economic and social development and mitigate environmental damage in Eurasian communities, particularly in the poorest areas of the region.

Specific goals of the activity are to:

- Identify and support a practical mode for regional cooperation on renewable energy market development amongst national agencies, private sector firms, institutes and non-governmental organizations.
- Identify and leverage initial support of international organizations, development agencies and the private sector
- Promote the sharing of information about projects, technologies, and financing and investment strategies
- Promote partnerships for pilot and commercial scale projects with private sector technology firms and investors

Background

Over the past 7 years EcoLinks has facilitated collaborative business partnerships, technology transfer, trade and investment in environmental and clean energy technologies in Eastern Europe and the FSU. In 2004 several Central Asian organizations requested EcoLinks support to explore technology transfer and investment in the energy efficiency and renewable energy (EE/RE) sector. As a result, EcoLinks now works with a broad based international coalition including the Department of State, Department of Energy (Headquarters, EE/RE and NREL), BISNIS (US Commercial Service), UNDP, World Bank, Sentech and assorted U.S. renewable energy firms on a series activities focused on increasing regional cooperation on renewable energy market development. USAID support of the initiative under EcoLinks will cease in FY 2006.

Opportunities to tap Central Asia's vast renewable resources and to accelerate the transfer and development of technologies for environmentally sustainable power generation, heating, cooling and water delivery, are hampered by the post-soviet era breakdown in regional cooperation and a lack of local understanding about the cost benefits of EE/RE



to environmentally sound economic and social development, particularly in poor rural areas.

Eurasian government agencies and foreign investors are increasingly aware of the vast potential presented by EE/RE technologies to improve living standards in rural and energy deprived areas of the macro-region. They also realize that actively engaging neighboring countries and the international community is essential to funding pilot projects and demonstrating the technical and economic viability of sustainable energy technologies.

Activities

EcoLinks supports a broad-based effort by Eurasian governments and private organizations to promote the adoption of renewable and/or energy efficient technologies in Eurasia. A cornerstone of this effort Central Asian working group of energy experts formed at EcoLinks “Workshop for Renewable Energy Market Development in Central Asia” in October 2004. The workshop launched a road mapping exercise for renewable energy markets and an informational website. In September 2005, EcoLinks, Chevron and UNDP organized a Regional Conference on Renewable Energy Market Development in Almaty, Kazakhstan which brought together 70 policy and energy experts from government agencies and the private sector in Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan to discuss challenges to renewable energy deployment. In Almaty the government representatives endorsed the founding of a regional “Eco-Energy Alliance” organization for the promotion of renewable energy on regional scale in the Central Asia Republics (CAR) and adjoining regions

In February 2006, the national representatives from Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan met in Dushanbe to sign the foundation agreement of the Eco-Energy Alliance, a multi-national association of institutions, government agencies,

private sector enterprises, NGOs, financial institution representatives and research institutes. The objective of the new organization will be to promote markets for efficient, clean, renewable, and affordable energy and energy uses to the residents of Central Asia.

The Alliance will also encompass an international advisory group comprised of the U.S. and international organizations such as the World Bank and USAID who have supported the effort.

The scope of the organization will encompass:

- Renewable energy
- Energy efficiency – in industry, buildings, district heating, services (hospitals, schools, water purification, water pumping, etc.)
- Environmental protection
- Least cost power system design.
- Distributed generation and reliable grids
- Village power for remote settlements.
- Affordable energy – cost reductions and improving efficiency of use

The Alliance will accept applications for membership from neighboring states of Central Asia and Eurasia. Expressions of interest have been received from Azerbaijan and Ukraine. EEA anticipates the creation of a coordination office in Washington, DC.

The organization will be a central node for developers, sponsors and users of sustainable energy projects; enabling efficient and effective small scale technology transfer and business development by offering scientific, business and financial expertise in clean energy applications in Eurasia.

The organization will assist Eurasian energy, business and development organizations to cooperate amongst each other by sharing information, facilitating trade in clean/efficient energy



technologies, reporting on technological feasibility, disseminating local pilot project experience, purchasing systems and materials in bulk to reduce costs, developing a design and evaluation guidelines to streamline the planning, develop competitive procurement procedures that will be acceptable for foreign/multinational institutions.

Currently the Alliance is examining its first proposed regional pilot demonstration projects:

- PV for cathodic protection on oil pipelines
- PV for telecommunications
- PV water purification in Aral Sea region

Through international partnerships the Alliance will organize training – for example on market based policy instruments, ESCOs, energy audits, efficient district heating, village power systems, equipment maintenance, efficient irrigation, etc.

In 2006, Eco-Energy Alliance activities include:

- EEA Founder's Agreement, Dushanbe (Feb)
- Advisory group meetings (Feb, April, May)
- CAR Founder's Study Tour to US (April)
- EEA Seminar at UNDP Renewable Energy Conference in Kazakhstan (May)
- EEA Workshop (July)
- Planning 2007 EEA Donors Conference
- Founding EEA International Office in Washington, DC
- Renewable energy training (July-Tentative)

Results and Development Impact

Over the past two years, EcoLinks Eco Energy Alliance workshops have raised the awareness in Central Asia and the United States about the potential for renewable energy and energy efficiency technologies to address poverty; environmental deterioration and energy supply imbalances in the region. The EcoLinks sponsored activities of the Central Asian working group and subsequent workshops have enhanced the capacity key Central Asian experts lay the organizational ground works for a regional eco-energy alliance. Of further consequence is the coalition of U.S. and international agencies who have jointed the EEA Advisory Group.

Development impacts are becoming apparent through the founding of the Eco Energy Alliance in February 2006 by representatives from Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. This unique regional organization involves government, private sector and non-governmental organizations in single regional non-governmental entity. The registration of the Alliance in Tajikistan by governmental representatives represents a milestone in EcoLinks regional effort. It is expected that national offices of the Alliance will be registered in Kazakhstan, Kyrgyzstan and Uzbekistan by September 2006. In addition, the Alliance will expand to accept applications from Afghanistan, Azerbaijan and Ukraine in 2006.

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