SUPPORT TO THE DEVELOPMENT OF THE LONG-TERM ENERGY STRATEGY OF AZERBAIJAN
STAKEHOLDERS CONSULTATION WORKSHOP
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INTRODUCTION

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Azerbaijan’s unique position - and challenging strategic question

At the crossroads between
East and West
North and South

Endowed with energy resources
But aware of the need for non-oil growth

How could and how should the wealth creation from the energy sectors be optimised, harnessed and combined with the emerging new economic sectors; which role could should and could the various parts of the energy sector play in this process
**Background and basis for the project**

**Existing strategic documents**

- Development Concept. Azerbaijan – 2020: Outlook for the future
- Strategic Road Map on National Economic Perspectives
- Strategic Road Map on Development of the Oil and Gas industries
- Strategic Road Map on Public Utilities Development (electricity, gas, heating and water)

**Agreed priorities for Reform and Co-operation**

- MoU on a Strategic Partnership
- Priority Action Plan
- 10 Priority Tasks of the Minister of Energy of Azerbaijan

**Support to the development of the Long-Term Energy Strategy – Inception Phase**

Financed within the EU4Energy initiative
Energy Strategy – specific purpose and characteristics

- **Energy sector is fundamental** for economic welfare and growth
- Energy Strategy declares **agreed main strategic objectives** for the development, determines **main measures** that need to be taken and the **priority actions**
- Describes the **development path** towards a safe, reliable, sustainable and affordable energy supply within one comprehensive strategy. Provides a **long-term guidance** (guiding principles) for decision-making, while also keeping flexibility. Provides the **orientation** for all stakeholders and all technical decisions in the energy sector
- Achieves the **co-ordination** of government climate policy with the ambitions for economic development and environmental protection; determines an **acceptable development** of energy demand and energy supply sectors; for the **increase of trust** of society and investors for the energy policy of the government.
- It is not just a list of strategic objectives, priorities and measures, but it is based on **deep analysis of a large amount of data, trends, risk evaluation and expert assessment**
- **It is dynamic.** The Energy Strategy becomes an “institution” with highly qualified experts.
Common features of EU Energy Strategies

Existing situation in the energy sector by sub-sectors

International trends in energy consumption and production

Existing prognosis for demand, plans for development, investments and international commitments

Gaps/Weaknesses

Objectives/Goals/Targets/Principles

Scenarios/Visions

Aspirations

Action fields/ Measures/ Actions/ Tools

Monitoring Framework

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Common features of EU Energy Strategies – reflected in Azerbaijan strategic documents for energy sector

- Existing situation in the energy sector by sub-sectors
- International trends in energy consumption and production
- Existing prognosis for demand, plans for development, investments and international commitments

Gaps/Weaknesses

Security of supply

Scenarios/Visions

Aspirations

Action fields/ Measures/ Actions/ Tools

Monitoring Framework

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Two main and interrelated challenges

- Existing situation in the energy sector by sub-sectors
- International trends in energy consumption and production
- Existing prognosis for demand, plans for development, investments and international commitments

- Comprehensive setting of strategic objectives
- Comprehensive modelling of scenarios

Action fields/ Measures/ Actions/ Tools

Monitoring Framework

Aspirations

Gaps/Weaknesses

Economics Sustainability

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Scenario building – central component in developing the Energy Strategy

- Transparent assessment of options
- Process of building consensus based on data and evidence
- Sharing of visions – domestically and internationally
- Creating signals for investment
PARTICIPANT’S QUESTIONNAIRE: HAVE YOUR SAY!
«To securely, safely, economically and sustainably satisfy the energy needs of Azerbaijan’s economy and society; to utilise Azerbaijan’s oil and gas resources to optimally increase the welfare of the Azerbaijan people in the short- and long term”
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Employment; Regional Development; Reduction of Poverty; Develop/Not Develop nuclear energy ....

Security of Supply  Energy Efficiency  Sustainability  Market principles
PARTICIPANT’S QUESTIONNAIRE: HAVE YOUR SAY!

Overarching Strategic Objective

Horizontal Issue/ Principle 3
Horizontal Issue/ Principle 2
Horizontal Issue/ Principle 1

Strategic Objective 1
Strategic Objective 2
Strategic Objective 3
Strategic Objective 4

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