



EU4ENERGY PROGRAMME

COMPONENT 3 - LEGISLATIVE AND REGULATORY ENVIRONMENT AND KEY ENERGY INFRASTRUCTURE

WORK PROGRAMME
MAY 2019 – JUNE 2020

REPUBLIC OF BELARUS



INTRODUCTION AND OVERALL OBJECTIVE

During the third year (May 2019 - June 2020) country work programme will further support the Government of Belarus in pursuing electricity and natural gas sector reforms in line with EU best practices. Furthermore the project will follow up on EU4Energy Governance activities carried out during the first two years of implementation and namely to support the implementation of specific EU4Energy Governance recommendations in the areas of investment climate and renewable energy integration.

The overall objectives for EU4Energy Governance activities for Belarus are:

- Provide support to the operationalization of the agreed policy proposals from Component 2 or from other EU4Energy reports/studies
- Support to introducing more efficient and effective procedures including cross-ministerial cooperation and public consultation process
- Strengthen the technical, institutional and administrative capacity in Ministry of energy and other key ministries and agencies

During the first two years of implementation, EU4Energy facilitated the establishment of an Energy Efficiency Task Force, comprising representatives from government (central and local) and non-governmental stakeholders (industry, SMEs, business and home owners associations, banks, IFIs, service providers, etc). In December 2017, the Task Force adopted Energy Efficiency Investment Roadmaps, containing measures and recommendations for overcoming identified barriers and risks to investments in energy efficiency and renewable energy.

Furthermore, an assessment was undertaken of the Draft Electricity law of the Republic of Belarus in comparison with best EU practices, including suggestions and relevant (applicable) for Belarus recommendations to align the draft law to best EU practice. Support was also provided to the development of Wholesale and Retail electricity market rules and Grid connection rules by implementing series of training sessions for representatives from Ministry of Energy, Belenergo and other relevant organisations. In late 2018 the President's Administration has decided to postpone the electricity market reform to post 2022, so any considerations to EU4Energy recommendations would be given after the re-start of the reform.

Energy Investment risk assessment profile was drafted for Belarus with recommendations on means to mitigate risks identified and High level roundtable on Investment climate was organized with the participation of the ECS Secretary General and high-level Belarusian officials.

In 2018-2019, EU4Energy Governance followed up on the Energy Efficiency Roadmap recommendations by providing support to developing legislative and regulatory basis for implementing Energy performance Contracting (EPC) and ESCO jointly with Gosstandart's Department for Energy efficiency. Draft Presidential Degree on EPC and establishment of Super-Esco, template EPC contracts and procurement guideline were developed and discussed with relevant stakeholders. Practical experiences from EU and Eastern neighborhood countries on implementing EPC were presented during a two day capacity building event.

Following on the recommendations from the EIRA, EU4Energy undertook in-depth analysis of existing procedures for inter-ministerial coordination and stakeholders communication and consultation as well as developed Code of good practice for public consultation and inter-ministerial coordination.

In total 10 country missions were organised, 9 events, 200+ participants and 10 technical reports/draft legislative proposals.

The activities presented here take into account ongoing activities of other donors in the country. This country work programme has been drafted by the Energy Charter Secretariat (ECS) in consultation with the Partner Country and the EU. Assistance will be provided in line with EU principles.

THIRD YEAR COUNTRY WORK PROGRAMME, APPROXIMATE TIMETABLE OF ACTIVITIES

For the coming period, the prioritised activities are aimed to:

- Support the development of Electricity grid code requirements for connecting renewable energy generators in line with EU/international best practice;
- Provide detailed review and comparison of EU and international legislative/regulatory requirements for the national gas markets (including unbundling, third party access, competition, tariffs, etc) with existing legislative framework in Belarus
- Monitor and assess the implementation of EIRA 2017 policy recommendations.

The Third Year Country Work Programme comprises of following list of activities, including individual measurable results expected in each priority area (see Table 1 and 3) and approximate timetable of the activities for the third year to support the planning (see Table 2).

Table 1 Third year Work Programme (May 2019-June 2020)

	Activities	Specific objective	Indicators/Sources of verification
	Area 2 Electricity markets		
BY 2.2	Provide recommendations to Electricity grid code amendments	SO1: Operationalization of the agreed policy proposals from Component 2 SO2: More efficient and effective procedures including cross-ministerial cooperation and public consultation process SO3: Greater Technical, institutional and Administrative capacity in key energy ministries and agencies	
BY2.2.1	Review and assessment of the Belarus electricity grid code connection requirements, in particular to renewable energy generators, identify gaps in applicable technical requirements taking into consideration the current status of the electricity system and grids and national plans and targets for RE development		Gap analysis of current grid code requirements for generators
BY 2.2.2	Elaborate recommendations for the necessary amendments to the Grid code connection rules for renewable energy generators in line with EU practice (including framework guideline and checklist to be used by grids operators)		Recommendations to the grid connection rules for renewable energy in line with EU best practice elaborated and discussed with relevant stakeholders EU best practise exchange workshop Framework guideline and check list for RE generators connection
	Area 3 Gas markets		
BY 3.1.	Natural gas sector legislative frameworks	SO1: Operationalization of the agreed policy proposals from Component 2	
BY 3.1.1	Detailed review and comparison of EU and international legislative/regulatory requirements for the national gas markets (including unbundling, third party access, competition, tariffs, etc) with existing legislative framework in Belarus as well as with common Eurasian union natural gas market concept and programme.		Comparison of current requirements for the creation of internal and common Eurasian natural gas market with the EU and international best practices (1st to 3rd Energy Package)
BY 3.1.2	Policy recommendations to align natural gas market legislative framework to best EU and international practices including list of legislative/regulatory documents and institutional reforms to be considered.		Policy recommendations developed and presented during a High-level Policy talks roundtable at the Ministry of energy

	Area 5 Investment climate		
BY 5.1	Improved predictability of the investment climate in the energy and electricity sectors	SO1: Operationalization of the agreed policy proposals from Component 2	
BY5.1.1	Monitoring and assessment of implementation of EIRA 2017 recommendations	SO3: Greater Technical, institutional and Administrative capacity in key energy ministries and agencies	Monitoring of the implementation of recommendations from EIRA 2017 Revised extended EIRA profile High-level policy talks on investment climate in the energy sector

Table 2 Approximate Timetable of Activities for the Third Year Work Programme (May 2019-June 2020)

	Activities/months	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
	Area 2 Electricity markets														
BY 2.2	Provide recommendations to Electricity grid code amendments														
BY2.2.1	Review and assessment of the Belarus electricity grid code connection requirements, in particular to renewable energy generators, identify gaps in applicable technical requirements taking into consideration the current status of the electricity system and grids and national plans and targets for RE development														
BY 2.2.2	Elaborate recommendations for the necessary amendments to the Grid code connection rules for renewable energy generators in line with EU practice (including framework guideline and checklist to be used by grids operators)														
	Area 3 Gas markets														
BY 3.1.	Natural gas sector legislative framework														
BY 3.1.1	Detailed review and comparison of EU and international legislative/regulatory requirements for the national gas markets (including unbundling, third party access, competition, tariffs, etc) with existing legislative framework in Belarus as well as with common Eurasian union natural gas market concept and programme.														
BY 3.1.2	Policy recommendations to align natural gas market legislative framework to best EU and international practices including list of legislative/regulatory documents and institutional reforms to be considered.														
	Area 5 Investment climate														
BY 5.1	Improved predictability of the investment climate in the energy and electricity sectors														
BY5.1.1	Monitoring and assessment of implementation of EIRA 2017 recommendations														

Table 3 Interventions log frame

SO1: Operationalization of the agreed policy proposals the component 2 or from other country policy analyses (e.g. from the Energy Charter

Results chain	Indicators	Baseline	Targets	Sources and means of verification	Assumptions	Ref. to Work programme (2019-2020)
		Oct-16	End 2020			
Result 1.1 Operationalization of Policy Proposal on creating conditions to scale up investments in energy efficiency	At least 2 drafted, adopted and implemented legislative and regulatory acts as results of recommendation provided	<p>General legal and institutional framework for energy efficiency is in place, however only limited energy efficiency investments are taking place in public and private sector</p> <p>Number of legal and regulatory barriers are hampering the demand and supply of energy efficiency investments</p>	<p>Energy efficiency investment Task Force established</p> <p>At least 4 state and 6 non government stakeholders representatives, actively contribute to the Task Force activities</p> <p>Main drivers and legal and regulatory barriers to demand and supply for energy efficiency investments are identified</p> <p>The necessary legal and regulatory amendments to drive the investments in energy efficiency are</p>	<p>Minutes from the Task Force meetings, agendas and participants lists</p> <p>Report with main legislative and regulatory barriers identified</p> <p>Report proposing necessary legislative and regulatory changes</p> <p>Text of revised/amended legislative and regulatory acts</p>	<p>Political willingness to drive the Task Force activities</p> <p>Willingness to engage non-government stakeholders in discussion on ongoing energy sector reform and legislation development</p> <p>Willingness of key stakeholders to engage in consultation</p>	n.a

			identified		process	
Result 1.2: Operationalization of policy proposal to ensure predictability of the investment climate in the energy sector ¹	<p>Set of investment indicators for Belarus analysing legal and regulatory investment risks (prepared based on methodology developed at ECS)</p> <p>At least two extended country energy investment profiles developed</p> <p>Number of</p>	<p>Investment climate is gradually improving, however still some legal and regulatory risks exist, which impede the inward flow of investments in the energy sector</p> <p>Lack of knowledge and understanding among government stakeholders on how to overcome existing legal and regulatory investment risks in the energy sector</p>	<p>Concrete solutions proposed to reduce legal and regulatory investment risks and improve conditions for private investments in the energy sector are followed up</p> <p>At least a third of the investment risk indicators show improvement in 2019</p> <p>Increased knowledge and understanding among government officials and high-level decision makers on potential solutions to minimise risks</p>	<p>2 Sets of investment risk indicators for Belarus prepared (2017 and 2019)</p> <p>Report with concrete recommendations on improving investment climate in Belarus</p> <p>Minutes of meetings with government officials to follow up on recommendations</p> <p>Text of revised/amended legislative and regulatory acts</p> <p>Agendas, summaries and list of participants from High level policy</p>	<p>Political willingness to undertake proposed legislative amendments</p> <p>Political willingness to remove legal and regulatory investment risks</p> <p>Sufficient data available to create indicators</p> <p>Involvement/commitment of state authorities to work programme activities</p>	<p>Monitoring report on the implementation of recommendations from EIRA 2017</p> <p>Revised extended EIRA profile</p> <p>High-level Policy talks roundtable at the Ministry of energy</p>

¹ Some indicators, targets and activities are relevant also for SO3

	<p>draft revised/amended legislative and regulatory acts and procedures developed</p> <p>At least 4 meetings and number of officials involved in identification of legal and regulatory investment risks and follow up on recommendations</p> <p>At least one high level policy events and level of attendance</p>			<p>events</p> <p>Official feedback from participants</p>		
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<p>Result 1.3 Operationalization of policy proposal to: implement energy sector market reform</p>	<p>Proposals and recommendations provided to at least 3 legislative/regulatory proposals drafted, adopted and implemented</p> <p>At least 2 Intergovernmental working group meetings to discuss electricity/natural gas market reform</p>	<p>No legislative framework for competitive electricity/natural gas market exists Draft electricity market law concept is developed and is under consideration, but is not publicly available</p>	<p>Electricity market law is aligned to EU best practise and is adopted and implemented</p> <p>Market rules and regulations (if applicable) aligned to best EU practice are drafted, adopted and implemented</p> <p>Intergovernmental working group on electricity/natural gas market reform established to undertake electricity sector reform and work on draft legislation and rules</p>	<p>Text of Electricity market law</p> <p>Market rules and regulations (if applicable)</p> <p>Minutes from working group meetings</p>	<p>Political willingness to undertake electricity sector reform and align draft legislation to best EU practices</p> <p>Potential for compatibility of the draft electricity law concept with best EU practices.</p> <p>Involvement/commitment of state authorities to work programme activities</p>	<p>Gap analysis of current grid code requirements for RE generators</p> <p>Recommendations developed for the necessary amendments to the Grid code connection rules for renewable energy generators in line with EU practice (including framework guideline and checklist to be used by grids operators)</p> <p>Comparison of current requirements for the creation of internal and common Eurasian natural gas market with the EU/international best practices</p> <p>Policy</p>
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						recommendations developed to align natural gas market legislative framework to best EU and international practices
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SO2: More efficient and effective procedures including cross-ministerial cooperation and public consultation process

Results chain	Indicators	Baseline	Targets	Sources and means of verification	Assumptions	Ref. to Work programme (2019-2020)
		Oct-16	End 2020			
Improve stakeholders participation in energy/energy efficiency policies development and implementation	<p>At least 3 stakeholders meetings</p> <p>least 3 non-government/civil society stakeholders consulted and comments taken on board</p> <p>5+ bilateral consultations and comments taken on board</p> <p>3+ civil society stakeholders consulted and comments taken on board</p>	<p>Formal procedure for public consultation of legislative proposals exists, but it takes place only at the final stage of draft law, when there is almost no scope to influence the policy outcome</p> <p>No participation of civil and business society in the process of identification, development and amendments of energy/energy efficiency related policies, legislation and respective institutional framework.</p>	<p>Code of good practice for Public consultation (for energy/energy efficiency policies taking into account Belarus context and legislations) is prepared and aligned to best EU practice and is used in practice.</p> <p>Public consultation for energy related legislative proposals is organised at early stage of draft law</p> <p>Civil and business society is consulted in the process of identification, development and necessary amendments of</p>	<p>Text of code of good practice for public consultation taking into account Belarus context</p> <p>Agendas, list of participants and minutes from stakeholders consultations meetings</p> <p>Documented results and conclusions form survey among task force members</p> <p>Documented stakeholders positions and comments</p> <p>Summary of proposed legislative amendments</p> <p>Minutes from individual stakeholders consultations</p>	<p>Political willingness to improve existing procedures for stakeholder involvement</p> <p>Willingness to engage non-government stakeholders in discussion of ongoing energy sector reform and legislation development</p> <p>Willingness of key stakeholders to engage in consultation</p>	<p>Recommendations to Electricity grid code requirements discussed and presented to relevant stakeholders</p>

			energy/energy efficiency related policies, legislation Comments from public consultations are properly recorded and available for the public		process	
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SO3: Greater Technical, institutional and Administrative capacity in key energy ministries and agencies

Results chain	Indicators	Baseline	Targets	Sources and means of verification	Assumptions	Ref. to Work programme (2019-2020)
		Oct-16	End 2020			
Increased capacity to follow up with electricity market reform and energy efficiencies policies implementation	<p>At least 2 training sessions</p> <p>20 government official trained</p> <p>At least one high level policy events and level of attendance</p>	<p>Low knowledge and capacity among state stakeholders to effectively undertake electricity sector reform, including drafting/implementing legislation and regulations</p> <p>Low awareness of high level policy makers on benefits from planned reform</p>	At least 20 relevant officials, high-level decision makers are trained and show improved awareness following trainings, guidelines and policy dialogue meetings.	<p>Training materials, guidelines and manuals</p> <p>Evaluation forms following training sessions, as well as test results before and after the training</p> <p>Agendas and list of participants in training sessions</p> <p>High level policy events agendas, list of participants a and summaries</p> <p>Feedback from participants</p>	<p>Political willingness to undertake electricity sector reform</p> <p>Relevant officials are participating in project activities and training sessions</p> <p>Involvement/commitment of state authorities to work programme activities</p> <p>Project access to decision makers</p>	<p>High-level policy talks on investment climate in the energy sector</p> <p>Framework guideline and check list for RE generators connection</p>

