

Second International Energy Efficiency Forum
12-14 September 2011
Dushanbe, Tajikistan

SUMMARY

The Second International Energy Efficiency Forum was held at the Ismaili Centre in Dushanbe, Tajikistan, on 12-14 September 2011. The Forum was organised jointly by the Government of Tajikistan, the United Nations Economic Commission for Europe (UNECE) and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). Over 100 participants from 25 countries attended this event.

The opening session featured addresses by Mr. Pulod Mukhiddinov, First Deputy Minister of Energy and Industry of Tajikistan, Mr. Scott Foster, Director of the UNECE Sustainable Energy Division, Mr. Hongpeng Liu, Chief of the Energy Security and Water Resources Section, ESCAP Environment and Development Division, and Mr. Alexander Zuev, UN Resident Coordinator and UNDP Resident Representative in Tajikistan. Subsequent plenary sessions included presentations by high-level officials from the Tajik government, governments of other countries of the UNECE and ESCAP regions, representatives of the United Nations and other intergovernmental organisations, financial institutions, the business sector and energy efficiency experts.

The second day of the Forum consisted of two parallel workshops:

- The Workshop on Development of Energy Efficiency Policy Frameworks and Investments in Energy Efficiency and Renewable Energy (RE) Projects;
- The Workshop on Attracting Foreign Direct Investments (FDI) in Advanced Fossil Fuel Technologies.

The Roundtable Discussion on the Market Opportunities for Promotion of Energy Efficiency and Renewable Energy Projects in Central Asia took place on the third day. The Ministry of Energy and Industry of Tajikistan organised a field visit to the Nurek Hydropower Plant for the Forum participants.

Based on the presentations and discussions at the Second International Energy Efficiency Forum, its participants agreed on the following Conclusions:

- Sustainability requires that all three dimensions (environmental, social and economic) be considered by energy projects. Improving energy efficiency (EE) addresses all three concerns and is cost-effective.
- Although opportunities for renewable energy use and energy efficiency improvements abound, there are still numerous barriers, including legislative, regulatory, political, financial, social barriers, issues of technical and human capacity and awareness.
- Water resources are interlinked with energy development in Central Asia, and threats to water resources in the future may jeopardise the capacity to develop and deliver energy services. Trans-boundary problems sometimes prevent countries from making the most economically efficient decisions in terms of utilisation and sharing energy and water resources but vast opportunities exist for regional and sub-regional cooperation. Regional cooperation in both energy and water resources management can help Central Asia overcome some of its constraints in achieving the desired levels of energy security.

- EE strategy formulation and policy implementation require a strong political will and the allocation of resources to promote EE. Creation of relevant funds by governments, subsidised interest rates for loans, budgetary support at the household level, tax exemptions, and emission taxes are examples of such policies.
- Significant progress has been made in the policy frameworks to promote EE and RE investments. It includes increasing direct investments into EE and RE projects; economic incentives for energy saving; creation of frameworks for infrastructure renewal; performance monitoring; creation of institutional capacity for the promotion of financing and implementing EE and RE projects; promoting energy audits; setting minimum energy performance standards; and promoting the use of green technologies in the private and public sectors.
- Further actions are required to promote EE and RE investments. This could include the following: further development and enforcement of secondary legislation; enhancing institutional capacity in the field of EE and RE; raising public awareness, development and introduction of new and advanced support schemes, such as green certificates, white certificates, cost-effective approach etc.
- Implementation of EE and RE policies would benefit from experience sharing between countries and regions and from capacity building.
- Case studies are useful tools for knowledge sharing: the development of small hydropower plants in Tajikistan; the ENCON Fund in Thailand; the Green Technology Fund in Malaysia; the GEE21 Project; the En.lighten programme; the co-benefit initiative in China.
- Renewable energy sources (RES) have a vast potential and its development should be pursued. However, RES face a number of challenges, as they remain significantly more expensive and there is a need for additional research and development and technological advances to make them more competitive with traditional energy sources. Specifically designed policies for their development are also needed.
- The Foreign direct investments in RES are dependent on favourable policies in specific countries. Policy reforms in transitional economies can improve the prospects for investments in EE and RES.
- Appropriate pricing, taxation and reasonably applied subsidies (energy economics) can support EE and RES development. Energy pricing is important for sending signals to both consumers and producers. Examples of pricing structures in Thailand, Malaysia and China and their impact on energy consumption are worth analysing for possible application in other countries. Governments need to send correct signals to markets by setting up pricing mechanisms and developing appropriate policy frameworks.
- The Policy and Legislation Online Database to Promote Energy Efficiency and Clean Energy Technologies has been developed for countries of the Central Asian region and neighbouring countries. The database contains legal documents, strategies, action plans, technical regulations, standards and all other legal documents related to the development of the energy sector, promotion of energy efficiency and renewable energy technologies. The database is a useful universal source of legal information and a unique tool for implementing a comparative analysis of legislative systems of various Central Asian countries.

- The database could support the decision-making process for investments in the clean energy sector in the region. A review of national legislative systems is an essential part of every risk assessment made by investors, and the database could assist in undertaking such a review.
- It is important for the database to be complete and maintained up-to-date. The sustainability of the database should be further analysed. The possibility of using it for assessing the market potential of energy efficiency and renewable energy technologies in the region of Central Asia and beyond should be reviewed.
- Investments, including FDI, in advanced fuel technologies are extremely important. They need a longer time horizon and political and market vision, a long-term transparent and stable framework and consistent policies on clean fossil fuel technologies. Such a framework may include market solutions, e.g., green certificates, to attract investments in clean technology.
- FDI inflows in Central Asia are currently modest and primarily focus on the extraction of fossil fuels and minerals. FDI in the electricity generation sector are almost non-existent due to risks inherent not only to the region but to this industry sector in general. Among the advanced fossil fuel technologies, the integrated combined cycle natural gas-fired power plants are considered to be the most attractive.
- In SPECA (the UN Special Programme for the Economies of Central Asia) countries, electricity generation capacity has been lagging behind demand growth. The GEE21 project holds the potential to help bridge this gap, by improving energy efficiency and managing demand for electricity, particularly at the household level.
- The small hydropower sector is growing dynamically in the region but property laws and privatisation issues need to be resolved to ensure its sustainability.

The Forum participants expressed their appreciation to the organisers and proposed that the Third International Energy Efficiency Forum be organised by UNECE and ESCAP in 2012. The next event should focus more specifically on two or three topics related to clean energy, energy efficiency and renewable energy with a more in-depth and interactive analysis.