

**Hybrid presentation organized by
the Embassy of Uzbekistan in Brussels
and the Energy Charter Treaty Secretariat**

***'Fostering ground breaking European investment in Uzbekistan as a means of
powering economic growth and creating jobs galore'***

Special welcome and introduction by:

Ambassador Urban Rusnak,
Secretary General, the ECT

**Your Excellency Ambassador Khakimov, Distinguished Guests, Dear
Participants;**

I am pleased and honoured at the same time to have been invited to contribute to today's discussion. Since the topic of this event is related to investments, economic growth and job creation, it directly corresponds to the ECT provisions on international cooperation, investments, PEEREA and the ongoing modernisation process of the ECT.

First of all, I would like to highlight that the significant investments, economic growth and job creation are not the only benefits of this truly Energy Efficient project that was presented by H.E Ambassador Khakimov. The implementation of this project can bring the country many other benefits. For example:

- It can contribute to the achievements of the Paris Agreement that was ratified by Uzbekistan in 2018.
- It can increase energy security and natural gas export potential. Since the project is aiming at the reduction of 1.1 bcm of natural gas annually. This volume of gas can be exported and bring additional revenue to the State budget.

- Transfer of technology and encouragement of innovation. According to my knowledge, this plant will have the highest efficiency and the lowest GHG emission compared with other fossil fuels and technologies. For example, the future plant will emit less than 380 g of CO₂ per kWh that complies with the latest requirements and proposals for ECT modernisation.
- Increased flexibility of the power system. Indeed, the increased flexibility of the power sector will allow a smooth integration of ambitious solar and wind projects that are currently being implemented in Uzbekistan.
- Increased reliability of power system. According to my best knowledge, the existing power system of Uzbekistan relies on six large thermal plants, four of which have been in operation for more than 50 years. Thus, phasing out obsolete plants and substituting them with modern ones will also improve the reliability of the energy supply.
- Last but not least, the implementation of such a project will reduce local air pollutions and contribute to Uzbek citizens' well-being.

Dear Participants, this project is a clear example of the cooperation in the energy sector between West and East, between the technologically developed and resource-rich country, between private investors and the national government. This is exactly what the Energy Charter and the PEEREA were designed for 30 years ago, and we can witness that the ECT provisions on energy efficiency, transfers of technology and investments are still relevant today.

However, the implementation of this particular project is not the final objective but just the beginning of the modernisation of the Uzbek Power System. Despite the fact that today, we are speaking not about Renewable but low-emission project, this project fully complies with the National Green Economy Strategy of Uzbekistan for the period 2019-2030, and the RoadMap of Uzbekistan towards

the zero-carbon power sector until 2050 that was developed with the support of the EBRD and the Government of Japan.

According to this Roadmap, until 2030 Uzbekistan has to build 8GW of new RES capacities and modernise 10 GW of existing natural gas capacities, the average age of which is more than 50 years.

Distinguished Guests,

Today, we are witnessing one more confirmation of Uzbek long-term ambitions to achieve the zero-carbon power sector goal until 2050. We are also witnessing a new investment of 1.2 billion USD. However, to achieve the clean energy transition, Uzbekistan needs about 94 billion of investments in the power sector during the next 30 years. According to my information, Uzbekistan has already attracted more than 5.2 billion USD in new Power projects, including 3 billion in Combined cycle gas turbines and 2.2. in Solar and wind projects.

However, from my humble point of view, this is just the beginning. To achieve the RoadMap of Uzbekistan towards the zero-carbon power sector until 2050, Uzbekistan requires about 94 billion new investments by 2050 in natural gas, renewables and storage capacities. According to this Roadmap, combining these three components is the most cost-efficient way to achieve the zero-carbon power sector of Uzbekistan by 2050.

In order to achieve this Roadmap, Uzbekistan still needs to attract about 90 billion USD. This is also the case for many other countries around the globe. For some countries, the achievement of the Paris Agreement may be impossible without stable international cooperation and the protection of foreign direct investments that can also be provided by the modernised Energy Charter Treaty.

Therefore, in order to ensure the required level of foreign direct investments, all countries around the world should cooperate based on the stable and enforceable rule of law.

The Energy Charter Treaty was specifically designed for this purpose via the projection of the rule of law in energy investments, cross-border trade, and energy efficiency.

Over the last years, the Energy Charter Secretariat has also devoted significant efforts in this direction and developed several voluntary instruments aimed at investment facilitation and assessment of investment risks.

The first instrument is our flagship publication - the Energy Investment Risk Assessment, or EIRA that evaluates risks to energy investment that can be mitigated through adjustments to policy, legal and regulatory frameworks. I am happy to see Uzbekistan participation in the EIRA in 2019 and 2020.

The second instrument is our Investment Facilitation Toolbox that addresses obstacles to investment in the energy sector in pre- and post-establishment phases. Here, I am also happy to confirm Uzbekistan's participation in the implementation of the Toolbox.

The next area of cooperation is the development of IDEER and our team closely cooperates with the Ministry of Energy of Uzbekistan on the analysis and the development of proposals for the improvement of Uzbek energy efficiency policies and their alignment with the best international practices.

Distinguished Guests, Dear Participants,

The Energy Charter Treaty was established over 25 years ago. Since then much has changed and now we have much experience of the Treaty's application. There is no doubt that the Treaty will be more effective if adapted for the future and with larger membership. This is why we embarked upon a modernisation process.

And today, we are in the process of the modernisation of the Energy Charter Treaty in order to enhance international cooperation, energy security and support Uzbekistan and other signatories of the International Energy Charter to achieve its long-term climate goals as well as the targets of the Paris Agreement and the SDG 7 "Access to affordable, reliable, sustainable and modern energy for all".