

# Project Concept Note Template for the follow-up meeting of the 2010 SPECA Economic Forum

**Ashgabat, 7-8 June 2011**

<b>Project Title</b>	Energy Poverty Mitigation in the rural, off-grid regions of SPECA Countries through the Development of Regional Cooperation in Renewable Energy Sector	
<b>Outcome</b>	Governments of SPECA countries enhanced investment climate for the deployment of efficient renewable energy technologies in the rural, off-grid regions	
<b>Indicative Funding Requirements</b>	Total estimated budget:	\$ 250,000 (over two years)
<b>Potential Sources of Funding</b>	[Donor(s): [Development Bank(s): Other Resources:	No funding pledged so far
<b>Expected start date</b>	II Q 2012	
<b>Expected Duration</b>	2 years	
<b>Implementing Organisation(s)</b>	UNECE	
<b>Country/Countries</b>	All SPECA countries	
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## 1 Background

The representatives of Afghanistan speaking at the fourth session of the **SPECA Governing Council** in Bishkek in November 2009 underlined the need for closer economic cooperation between Afghanistan, the Russian Federation and other CIS countries. In order to foster development and stabilization of the overall area, they proposed to the Central Asia partners to exchange ideas and jointly address to shared challenges

In light of the favorable reaction from other member countries, the SPECA Economic Forum in Geneva in October 2010 discussed how strengthening regional cooperation in Central Asia could contribute to long-term stability and sustainable development of Afghanistan. Speakers at the opening high-level session argued for a comprehensive approach to stability based on shared security and economic interests of Afghanistan and Central Asia. Turkmenistan, the SPECA Chair in 2011, proposed to host a follow-up event of the SPECA Economic Forum. The Governing Council at its fifth session welcomed this generous offer and decided to organize the follow-up meeting in the first half of 2011 in Turkmenistan. The meeting is expected to provide an opportunity to translate the substantive outcomes and recommendations of the Geneva Economic Forum into concrete programs and projects in support of cooperation between Afghanistan and Central Asia and raise funds for yet unfunded projects.

## 2 Justification

Much wider and greater access to energy services by all groups of society is critical to achieve sustainable development and by that the MDGs.

Scaling up the availability of affordable and sustainable energy services through enhancing Renewable Energy Sources in Afghanistan and other SPECA countries can contribute to improving rural population' well being notably women, as energy services have a multiplier effect on health, education, transport, telecommunications, safe water, and sanitation services, as well as on investments in and the productivity of income-generating activities in agriculture, industry, and service sectors.

**In Central Asia, the prospects and potential for renewable sources are very promising.** Alternative energy sources such as wind, sun, geothermal and biomass have great potential for development in Afghanistan and SPECA countries.

Despite this potential, the **deployment of renewable energy technologies** in Afghanistan and the vast majority of the SPECA countries is hindered by: **lack of legislative and regulatory support; energy prices that do not reflect the real costs of production; low electric power and heat tariffs and lack of information for decision makers.** These factors all contribute to an inadequate investment climate for renewable energy technologies. **Interregional cooperation can contribute greatly to overcoming these obstacles** since many of the opportunities and constraints for the future development of renewable energy resources are common between the SPECA member states.

**Small and medium RES projects could be critical for energy poverty mitigation and promotion of economic development of many municipalities** especially in the Northern part of Afghanistan. **Off-grid** electricity could be easily provided by wind-diesel systems, biomass-fired steam boilers and small hydro-electric plants.

Nowadays, a significant part of the rural population in SPECA countries is facing energy poverty because households are still not connected to electric power grids. Currently many households use small scale gasoline or diesel generators which are expensive and unreliable.

The low level of income in these countries makes it impossible for poor women in particular to use energy services. Reliable and affordable access to energy enhances women's possibility to carry out their tasks more efficiently, providing extra opportunities to be engaged.

Deployment of efficient renewable energy technologies could significantly **improve women's equality and empowerment in the rural, off-grid regions in Afghanistan and other SPECA countries.** Therefore it is crucial to integrate the impact energy efficiency has on woman into the policy debate at national and regional levels. The proposed project is suggested to contribute to this objective.

A number of renewable energy technologies are considered to be competitive and ready to provide electric power to national grid systems. However, **shifting to cleaner energy alternatives would be impossible in the longer term without external financial support and technological assistance** including the support for locally manufactured, cheap and efficient RES technologies.

Renewable energy sources development will also play an important role in helping SPECA countries **meet their international obligations on climate change mitigation.**

## 3 Expected Output(s)

The project aims to promote regional cooperation in order to **overcome energy policy, regulatory, institutional and financial barriers to the development of renewable energy resources in Afghanistan and the SPECA region** through:

- An **established network** of national and regional **experts** on renewable energy technologies and gender advocates for policy making in Afghanistan and the region.
- **Renewable energy strategy** oriented to promote an investment climate for renewable energy technologies in participating countries targeting rural areas and women in particular.

- Promotion of **renewable energy technologies** in Afghanistan through national programs and international cooperation (pilot projects, demonstration zones).

#### 4 Proposed Approach & Strategy, including Capacity Development Response

1. Establishing a network of national and regional experts responsible for promoting renewable energy technologies and gender-sensitive policies in Afghanistan and SPECA region.
2. Analysing the energy policy, regulatory, institutional and financial barriers to the development of renewable energy resources and their gender aspects.
3. Identification, comparing and contrasting measures adopted in CIS/SPECA countries to overcome barriers to the deployment of renewable energy technologies in the rural, off-grid regions
4. Capacity building of national and regional experts to identify and adopt measures to overcome barriers to the development of renewable energy resources and advocate for women's participation in the process through lessons learnt and best practices sharing.
5. Preparation of the strategy to promote an enhanced investment climate for renewable energy technologies in the rural, off-grid regions of the SPECA countries.
6. Identification and development of pilot projects and demonstration zones on efficient use of RES in Afghanistan and other SPECA countries.

#### 5 Annual Work Plan

Expected accomplishment (EA)	Main activity	Timeframe by activity		
		2012	2013	USD
EA 1: Increased capacity of national experts and regional experts to identify and adopt measures to overcome barriers to the development of renewable energy resources in the rural, off-grid regions of Afghanistan and Central Asia.	A1.1 Establish a network of national and regional experts responsible for promoting renewable energy technologies in Afghanistan and Central Asia.	II Q		10.000
	A1.2 Analyse the energy policy, regulatory, institutional and financial barriers to the development of renewable energy resources in participating countries.	II Q		10.000
	A1.3 Organize capacity building workshop for national and regional experts to identify barriers and measures to overcome barriers to the development of renewable energy resources in the rural, off-grid regions of Afghanistan and Central Asia.	IV Q		50.000

EA 2: An enhanced investment climate for deployment of renewable energy technologies in the rural, off-grid regions of Afghanistan and SPECA countries	A2.1 Identify, compare and contrast measures adopted in participating countries to overcome barriers to the deployment of renewable energy technologies	III Q		10.000
	A2.2 Prepare a strategy to mitigate energy poverty through the promotion of an enhanced investment climate for renewable energy technologies in Afghanistan and other SPECA countries		I Q	20.000
	A2.3 Identify and develop pilot projects and demonstration zones on efficient use of RES in participating countries		II Q	100.000
	A2.3 Organize a capacity building workshop for national and regional authorities in participating countries on a strategy to mitigate energy poverty through the promotion of an enhanced investment climate for renewable energy technologies in Afghanistan and other SPECA countries		III Q	50.000
<b>TOTAL</b>				<b>250.000</b>