



# EU4ENERGY PROGRAMME

## COMPONENT 3 - LEGISLATIVE AND REGULATORY ENVIRONMENT AND KEY ENERGY INFRASTRUCTURE

WORK PROGRAMME  
MAY 2018 – APRIL 2019

REPUBLIC OF AZERBAIJAN



## INTRODUCTION AND OVERALL OBJECTIVE FOR THE YEAR

The overall purpose of the second year (May 2018 - April 2019) country Work Programme is to follow up on the EU4Energy Governance activities carried out during the first year of implementation, as well as to respond to additional requests for support, received from the Partner Country. Activities included into the Work Programme are taking into account recommendations, coming from earlier EU4Energy Governance activities and the Energy Charter' reports and are considered necessary for achieving the objectives of the EU4Energy actions.

The overall objectives for EU4Energy Governance activities in the second year are:

- Provide support to the operationalisation of the agreed policy proposals from the 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 the Ministry of Energy and other key ministries and agencies.

These objectives were identified following a comprehensive assessment regarding the status of the legislative, regulatory and institutional environment in the energy sector of the Republic of Azerbaijan, consultations with national authorities, EU Delegation to the Republic of Azerbaijan and other stakeholders.

During the first year of implementation (May 2017-April 2018), the development of a draft Law for Energy Efficiency in line with the best EU practices was the core of the EU4Energy Governance support provided. The Project facilitated the establishment of an Inter-ministerial Working Group, chaired by the Deputy Minister of Energy and organised three meetings of the Inter-ministerial Group. During these meetings, members of the Group discussed in-depth the specific country needs as well as expectations of the key decision-makers with regard to the scope of the draft Law. One two-days Capacity-building Workshop was organised for the members of the Working Group to allow them to get well acquainted with success stories and best practices in the development and implementation of energy efficiency policies in different sectors as well as the various financial mechanisms and incentives to be considered for their effective implementation.

In total four country missions and five events, including Working Group meetings, Capacity Building Workshop on energy efficiency policies, Stakeholders Consultation and High-level Roundtable were organized during the first year, 110 participants, more than 20 articles and news items.

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 the EU principles.

## SECOND YEAR COUNTRY WORK PROGRAMME, APPROXIMATE TIMETABLE OF ACTIVITIES

For the coming period the prioritised activities are aimed to:

- Facilitate the adoption of the Energy Efficiency Law, including improving the stakeholders consultation procedure;
- Provide methodological support to the process of development of a long-term national energy strategy<sup>1</sup>.

The second year country Work Programme comprises of the list of activities to support implementation of selected priority measures, including individual measurable results expected in the area and assumptions (see Table 1 and 3), approximate timetable of activities for the second year (May 2018-April 2019) to support the planning (see Table 2).

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<sup>1</sup> Important recommendations made by IEA and ECS include the necessity to develop a comprehensive long-term sustainable energy strategy, including considerations of energy scenarios to 2030 and 2050 made on the basis of a robust assessment of energy supply and demand trends, and including the potential for renewables and energy efficiency. Planned activities aim to provide methodological support in the process of draft energy strategy development and the definition of medium and long term energy sector development goals.

Table 1 Second year Work Programme  
Part 1: Low scenario

	Activities/months	Specific objective	Indicators/Sources of verification
	Area 1 Energy efficiency		
AZ 1.1.	Law on energy efficiency <sup>2</sup>		
AZ1.1.1	Facilitate adoption of law	SO1: Operationalisation of the agreed policy proposals from Component 2	Organise high-level policy talks with Cabinet of Ministers and/or Committee on Natural Resources, Energy and Ecology to facilitate adoption of law
AZ1.1.2.	Public consultation process	SO2: More efficient and effective procedures including cross-ministerial cooperation and public consultation process	Gap analysis of existing procedure for inter-ministerial and stakeholders consultation in comparison with EU best practice Code of good practice for public consultation and inter-ministerial coordination (based on EU best practice) developed, presented at a workshop and agreed with Ministry of energy. Stakeholders consulted and informed on the draft law (according to Code of good practice)

<sup>2</sup> As continuation of first year activities

Area 4 - Energy Strategy			
<b>AZ 4.1</b>	Support to development of a long term strategy		
<b>AZ.4.1.1</b>	Provide assistance to the activities of the National High Level Working Group (established by The Ministry of Energy)		Facilitate the activities of National High Level Working Group Support the organisation of 1-2 meetings
<b>AZ 4.1.2</b>	<p>Provide methodological support in the process of draft energy strategy development and the definition of medium and long term energy sector development goals, including:</p> <ul style="list-style-type: none"> <li>• Gap analysis and assessment of the existing strategic, institutional and legal framework in the energy sector</li> <li>• Assistance in assessment and gap analysis of the energy and other data availability</li> <li>• Proposed design and outline of the long-term energy strategy</li> <li>• Assistance in definition of the strategy timeframe</li> <li>• Recommendation for identification of strategic goals (also via wide consultations with relevant energy stakeholders in Azerbaijan)</li> </ul>	<p>SO1: Operationalisation of the agreed policy proposals from Component 2</p> <p>SO2: More efficient and effective procedures including cross-ministerial cooperation and public consultation process</p> <p>SO3: Greater Technical, institutional and Administrative capacity in key energy ministries and agencies</p>	<p>Develop Energy Strategy Concept and Road map for discussion and approval of the Advisory group</p> <p>Organise Stakeholders consultations on the Energy Strategy – definition of long-term strategic goals</p>

Table 2 Approximate Timetable of Activities for the Second Year Work Programme (May 2018-April 2019)

Activities/months		May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
<b>Area 1 Energy Efficiency</b>													
<b>AZ 1.1.</b>	<b>Law on energy efficiency</b>												
<b>AZ 1.1.1</b>	Facilitate adoption of law												
<b>AZ 1.1.2.</b>	Public consultation process (work on code of good practice started in feb already)												
<b>Area 4 Energy Strategy</b>													
<b>Az 4.1</b>	Support to development of a long term strategy strategy												
<b>Az.4.1.1</b>	Facilitate the activities of the National High Level Working Group												
<b>Az 4.2.1</b>	Provide methodological support in the process of draft energy strategy development and the definition of medium and long term energy sector development goals												