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**PRESENTATION BY MR. TOLIB SULTANOV,
DIRECTOR OF THE UZBEKISTAN COUNTRY OFFICE OF
THE REGIONAL ENVIRONMENTAL CENTRE FOR CENTRAL ASIA,
AT THE CONCLUDING MEETING OF THE 21st OSCE ECONOMIC
AND ENVIRONMENTAL FORUM**

Prague, 11 to 13 September 2013

**Increasing stability and security: Improving the environmental footprint of
energy-related activities in the OSCE region**

**Session II: Strengthening policy and regulatory frameworks and fostering international
co-operation to promote renewable energy and energy efficiency**

Creating favourable conditions for the development of renewable energy in Uzbekistan

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About the Regional Environmental Centre for Central Asia (CAREC)

The Regional Environmental Centre for Central Asia (CAREC) was established in accordance with a decision of the Fourth Pan-European Conference held in 1998 in Aarhus (Denmark).

CAREC is an independent, non-profit and non-partisan international organization.

Mission:

To promote multi-sector co-operation in addressing environmental problems in Central Asia on national and regional levels.

CAREC was founded by the countries of Central Asia – Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan – as well as the United Nations Development Programme (UNDP) and the European Commission (EC).

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The Sustainable Energy for All Initiative

As a sign of recognition of the importance of energy for sustainable development, on 27 December 2011, the United Nations General Assembly declared 2012 the International Year of Sustainable Energy for All.

The Secretary-General of the United Nations presented the initiative Sustainable Energy for All. By 2030, it foresees the achievement of three objectives:

- Ensure universal access to modern energy services;
- Reduce global energy consumption by 40 per cent;
- Raise the share of renewable energy in the global energy mix to 30 per cent.

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The need to develop renewable energy in Uzbekistan

At current levels of use, reserves of natural gas and oil will cover Uzbekistan's requirements for only 20 to 30 years. (Source: The Centre for Economic Research, *Kontseptualnye podkhody k formirovaniu zelenoy ekonomiki v Uzbekistane [Conceptual Approaches to Creating a Green Economy in Uzbekistan]*, Tashkent, 2011)

Ensuring energy security in the long term



The need to diversify in terms of energy sources



Share of primary energy resources:

- Natural gas, oil and gas condensate = 97 per cent
- Coal = 2.3 per cent
- Hydropower = 0.7 per cent

Using natural gas as a raw material for the petrochemical industry

Reducing greenhouse gas emissions (the energy industry's share of the total volume of emissions is over 85 per cent)

Creating new jobs, solving social issues

Enormous potential for renewables (179 million tons of oil equivalent; mainly solar and biomass energy, which could cover Uzbekistan's existing energy requirements more than four times over).

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State support for renewable energy in Uzbekistan

- On 1 March 2013, a decree of the President of Uzbekistan was adopted on measures to further develop alternative sources of energy. The decree outlines institutional, economic and other measures for the large-scale introduction of solar and biomass energy to the country.
- A road map is being drafted for the development of solar energy in Uzbekistan up to 2031. According to an optimistic forecast, by 2031, the share of renewables in Uzbekistan's total energy mix could reach 20 per cent.
- A programme for the development of alternative energy sources for 2013 to 2017 has been prepared. It includes the construction of major solar, wind, and biogas power plants, and the broad use of renewable energy in all sectors of the economy.

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State support for renewable energy in Uzbekistan

A draft law on alternative sources of energy has been put before the legislative chamber of the Republic of Uzbekistan for appraisal. The law should be adopted by the end of 2013.

Under the law, alternative power plants benefit from guaranteed connection to the energy grid and guaranteed purchase of the power they produce.

We must note and express particular gratitude to the OSCE Project Co-ordinator in Uzbekistan for assisting in the development of this draft law.

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State support for renewable energy in Uzbekistan

The Physics-Sun NGO scientific research centre of the Academy of Sciences, unparalleled in Central Asia, has been established in Uzbekistan and its research has received global recognition. The International Solar Energy Institute was established under the auspices of the centre in 2012.

The Regional Centre for Renewable Energy Sources in Central Asia has been opened in Tashkent. The OSCE Project Co-ordinator in Uzbekistan actively supports the Centre's work. With OSCE assistance, the Centre is planning to hold an international seminar on renewables in early October this year in Tashkent.

The main focus of the institute's work is on high-tech developments for the use of solar energy in various economic and social sectors.

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State support and measures to promote the development of renewable energy in Uzbekistan

In 2012 it became possible to obtain commercial-grade silicon from local raw materials in Uzbekistan by extracting and processing quartz rock. Production currently stands at 12,000 tons. There are plans to increase production capacity to 24,000 tons per year. Work is under way to process the commercial-grade silicon into polycrystalline silicon and to use this as basis for solar cells.

There are plans to produce 100 megawatt-capacity solar panels in the Navoi Free Industrial Economic Zone.

In view of the favourable investment climate, it would be useful to organize the production of modern high-performance photovoltaic systems in the Navoi Free Industrial Economic Zone with the involvement of European companies. We look forward to the OSCE's support in this.

Work has begun on the construction of a 100 megawatt-capacity photovoltaic power station in Samarkand region to produce 110 million kilowatts per year while saving 36 million cubic metres of natural gas.

Between 2016 and 2018, the State-owned joint-stock company Uzbekenergo is planning to build a wind farm with a total capacity of 100 megawatts to generate 210 million kilowatts of electricity per year while saving 68 million cubic metres of natural gas.

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CAREC projects in Uzbekistan:

- Nationally appropriate mitigation actions (NAMAs) – increasing energy efficiency in multi-storey residential buildings (with the support of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety);
- Opportunity analysis for CAREC action regarding climate change and energy efficiency in Central Asia (with the support of the European Commission);
- Sustainable Energy for Central Asia programme – renewable energy sources and energy efficiency (with the support of the European Commission).

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Recommendations to promote the development of renewable energy:

- Preferential loans for the acquisition of renewable energy equipment and partial return of investments for consumers;

- Exemption from taxes and customs duties, and establishment of a tax on fossil fuels, taking into account Co2 emissions;
- Subsidies for investments in renewable energy;
- Establishment of special guaranteed tariffs for the purchase of electric power;
- Identification in the provider's energy mix of a compulsory share of electric power produced from renewables;
- Financing of research and project design work leading to a reduction in the cost of renewable energy.

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Creating favourable conditions for the development of renewable energy in Uzbekistan

In order to develop renewable energy in Uzbekistan more successfully, it is advisable to use the best practices of developed countries. We are asking the OSCE Secretariat to assist us in:

- Developing legislative instruments and regulatory documents taking global practice into account to facilitate the implementation of the Law on Renewable Sources of Energy, along with mechanisms to promote renewables (tax concessions, customs privileges, tariffs, etc.);
- Training for small and medium-sized businesses involved in the production and use of renewables (business plans, modern technology, increasing competitiveness, etc.);
- Continuing to provide assistance in the development and work of the Regional Centre for Renewable Energy Sources in Central Asia;
- Studying modern technologies and conducting a pilot project for obtaining biogas from the sludge of municipal waste-treatment facilities to use as fuel for buses.

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Thank you for your attention.