



Mid Term Report Azerbaijan Renewable Energy Partnership

Introduction

This report provides a summary of the project activities that have been undertaken within the first six months of the PECE project titled Azerbaijan Renewable Energy Partnership. The full project builds upon the initial activities undertaken in the pilot initiated in September 2004.

The report details activities carried out from April – June 2005 and identifies proposed next steps planned to take place in the final six months of the project.

The project has achieved the initial aims of identifying requirements within communities along the route of the Baku, Tblisi, Ceyhan pipeline to deliver quality of life benefits, including through the use of Renewable Energy technologies. In addition the project partners have begun to identify further priority issues facing the communities that not related to energy provision.

Project partners

The partners in the pilot project include:

- LEAD International (UK)
- Intermediate Technology Consultants, ITC (UK)
- Hayat (Azerbaijan)
- RSL (Azerbaijan)
- European Renewable Energy Council, EREC (Brussels)
- Baku Tblisi Ceyhan Pipeline Company (BTC) (Azerbaijan)

During the initial phases of the full project the cooperation of additional partners was secured. ITC has begun to play a more active role in the project. Both LEAD and ITC have been able to make an increased allocation in pro bono time contributed to the project in order to assist Hayat in the effective delivery of community led projects.

Activities

March 2005 Site Visit and Community Consultations

Following the site visit carried out by project partners from LEAD and Hayat in March 2005 a detailed proposal document was prepared for BTC identifying possible solutions utilizing renewable energy in a number of locations. The full report is attached as Annex One to this document.

The consultations were carried out in the communities of Yevlach, Agdash and Ujar and provided important information about the priorities and the possibilities of using renewable technologies. It was evident from the initial consultations that water remained a high priority for the communities. The requirements for energy, were largely focused on a large school building in Yevlach that is being refurbished as part of the Community Investment Programme of the BTC. The following text is extracted from the report prepared by Dulas

"The community's main priority is heating for the school. The school can accommodate a maximum of 650 pupils, has two floors and an approximate floor space of 3,253m². The

building is of brick construction although it is difficult to ascertain whether it had cavity wall insulation. It is currently being refurbished with double glazing and roof insulation throughout.

There used to be an inefficient gas boiler heating system; this has been out of use for 15 years and has mainly been dismantled. The school currently uses wood burners in some of the classrooms, with short flues emitting the combustion gases directly outside of each classroom window. The headmaster and community representatives reported that this system is not safe and provided evidence of serious fire damage resulting from these boilers. In addition, the wood supply is currently not sufficient to meet the requirement. The wood is partially subsidised by the government, but the school must also rely on parents helping out. It is believed that the wood supply is not sustainably managed, that is, trees are being cut down and not replaced and there were very few wooded areas in the region.

There are gas pipelines to the community, however, there is currently no gas supply and it is uncertain if or when it will be reinstated, or if the pipelines are still in working order. The school is connected to the electricity grid and currently receives power between the hours of 7–9am and 12-2pm. The electricity supplier is Bayve Company, however, the Council for District Education pay the bills and so the headmaster could not provide costs.”



Images of School refurbishment programme.

Dulas Renewable Energy Options Report and Follow Up

The report outlined a number of options for the communities – however none of the proposed solutions was straightforward. The biomass heating system that was outlined would have required a temporary supply of biomass (wood chip or pellets) to be imported until a sustainable supply could be effectively grown in the region. The report was presented to BTC and the other partners for consideration in May 2005, BTC is considering the proposals as part of its wider programme of community investment.

Following review of the document it was proposed that three immediate actions be taken:

1. LEAD International make contact with other agencies involved in water supply and security issues;
2. Hayat undertake further community consultations with communities along the route of the pipeline to identify sub projects;
3. ITC become more closely involved with the next phases of the programme to jointly develop sub-projects with target communities.

Follow Up to Report

LEAD International made contact with a number of agencies involved in dealing with issues of water and sanitation including Water Aid and Water Health International. Following discussions with these organizations a set of recommendations have been passed on to Hayat in Azerbaijan. Although Water Aid are a member of the PECE partnership the focus of their activities makes it difficult for them to get involved in projects in Azerbaijan, however free advice was provided on possible solutions to meet the community water requirements.

Hayat carried out further consultations with communities throughout August to October in order to establish a clear picture of community priorities. Following these further consultations the project partners have agreed on a new approach that will develop a range of sub-projects as the focus for activities. Additional resources for the first set of sub projects have been secured from BTC to a value of around \$120,000.

The first installment of co-finance from BTC has been received by Hayat and a first set of principal project ideas have been identified and are summarized below

- Practical applications of Renewable Energy
- Partners provide expert advice to communities on themes of energy and resource management
- Waste management and community composting
- Demonstration projects using tried and tested technologies.
- Programmes for sustainable economic development
- Provision of materials and training for environment improvement programmes
- Environmental education and awareness raising activities

These initial ideas will form the basis for discussions at the proposed partners meeting that will take place in early December 2005 in London.

Additional Financial Support from BTC

As indicated in the original proposal document BTC has made a significant contribution to the project. Rather than using this money to pay for one major project, Hayat is using an allocation of \$10,000 per community to implement a series of sub-projects involving the skills and expertise of all partners in the PECE project. The contribution to each sub-project from the PECE funding will be in the region of \$5,000 per project based upon the budget allocations for community involvement, training and equipment and materials. Within the scope of this PECE initiative it is anticipated that 5 sub projects will be implemented.

Next Steps

A partners meeting will take place in London during the week of December 11th 2005. The purpose of the meeting is to produce an Action Plan that identifies specific actions within the project timeframe for implementation of agreed sub-projects. Further commitments including details of additional co-financing arrangements will also be confirmed at this meeting. DEFRA will be provided with a report of the partners meeting.

At this stage it is anticipated that the bulk of project activities will be completed within the initial project timeframe (ending March 2006). However if the partners feel that the programme would benefit from being extended beyond the original timeframe then the revised action plan will reflect this. DEFRA will be informed of any discussions concerning the project timeframe and possible budget implications.

A to-date financial report will also be prepared following this meeting.

Summary Update from December 12th Meeting

A meeting of the project partners held at Chatham House on December 12th produced the following outputs:

- Confirmation that NGO partner Hayat has received \$300,000 BTC funding to spend on project activities in the first half of 2006;
- List of sub-projects identified – will be agreed subject to community consultation early January 2006. Sub projects as follows:
 1. Energy Management Kit – With Pilot Project in One School
 2. Renewable Energy to Light Public Spaces, Bazaar etc
 3. Agricultural Biomass to Heat Greenhouse Enterprise Project
 4. Renewable Energy Cottage Industry Applications – Battery Charging, Efficient Stove Manufacture
 5. Solar Lanterns for Community Use
 6. Multi Community Waste Management Project

The discussions were focused on developing an action plan for implementation – delivering benefits at the level of individual households, public buildings (including schools, health centres etc. and public spaces.

ITC will produce a draft portfolio of projects that will be reviewed with community representatives in Azerbaijan. A schedule for implementation will be agreed by mid January with activities due to commence February 2006.