

**Minutes of the 7th Board Meeting of the National Energy
Efficiency and Conservation Authority (NEECA)**

The 7th meeting of National Energy Efficiency and Conservation Authority (NEECA) Board was held on 30th June, 2022 at 03:00 P.M. in the Committee Room of Ministry of Science and Technology, Islamabad, under the Chairmanship of the Honorable Federal Minister for Science and Technology, Mr. Agha Hassan Baloch/Chairman, NEECA Board.

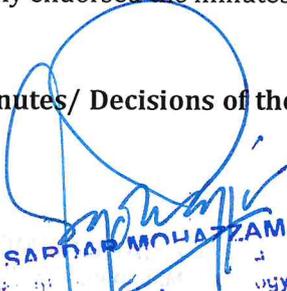
2. Chairman, NEECA Board welcomed the participants of the 7th meeting of NEECA Board and appreciated the members for their continued interest and efforts.
3. With the permission of the Chair, MD NEECA Dr. Sardar Mohazzam (Secretary of the Board) informed the members on the transfer of NEECA from Ministry of Energy (Power division) to the Ministry of Science and Technology. He apprised the Board members on the Board's composition, quorum, current participation, and brief overview agenda of the subject meeting.
4. The Chairman appreciated the NEECA Management to institutionalize and operationalize the NEECA for energy efficiency and conservation gains at national level, given the current energy crises, and he appreciated MD NEECA for formulating the National Energy Efficiency & Conservation Policy where Chairman was briefed prior to the Board Meeting.
5. The Chairman directed the Secretary Ministry of Science and Technology Mr. Ghulam Muhammad Memon/Vice Chairman, NEECA Board to chair the meeting on his behalf and brief him on the proceedings and decisions.
6. MD NEECA initiated the agenda of the 7th Board Meeting with the permission of the Chair.

Item No.1: Confirmation of the Minutes of 6th Meeting of the NEECA Board held on 31st January 2022

It was apprised to the Board that the Minutes/Decisions of the 6th Board meeting were circulated to all the Members of the BOD, and no comments/inputs were received from the Members. The Chair opened the floor for the members to register any comments, however, the Board unanimously endorsed the minutes/decisions of the 6th Board meeting.

Decision:

The Board confirmed the Minutes/ Decisions of the 6th Board Meeting of NEECA held on 31st January 2022.


DR. SARDAR MOHAZZAM
Ministry of Science and Technology
Government of Pakistan
Islamabad

Item No. 2: National Energy Efficiency & Conservation (NEEC) Policy 2022

MD NEECA, Secretary of the Board informed to the Board members that the first draft of the NEEC Policy 2022 was presented to the Chairman of the NEECA Board on 3rd December 2021 and it was advised by the Chairman of the NEECA Board to share the Draft NEEC Policy with all the concerned ministries, entities and private sector stakeholders at the earliest for their comments, feedback and to complete the country-wide consultations.

2. MD NEECA briefed the Board members on the salient features of the Stakeholder Consultations for the Draft NEEC Policy 2022 given as under:

- The stakeholder consultations were conducted across 8 major cities with a total number of 438 participants from Academia, Industry, Civil Society, Banks, and Media, Different tiers of Government, Development Authorities, Chamber of Commerce, Farmer and Manufacturer Associations.
- In order to receive the comments and suggestions from the public at large, the draft NEEC Policy was advertised in all national dailies along with social media to provide comments and feedback. An online link was also maintained on NEECA website for the comments and feedback on Draft NEEC Policy 2022.
- A total of 198 Comments and Feedback received from various ministries, departments, industrial associations, think tanks, civil societies, and international donor agencies at national and provincial level.

3. MD NEECA informed that the Draft NEEC Policy 2022 was revised in the light of comments and feedback received from all the stakeholders in March 2022 and briefed the Chairman of the NEECA Board on the revised draft NEEC Policy.

4. The Board was also informed that various policy interventions proposed in the draft NEEC Policy 2022 are already being implemented, by the Government of Pakistan, given the current energy and economic crises. The Board appreciated the efforts behind formulation of this comprehensive policy document, however, it was directed that the policy, first, should be presented in the Technical Committee of the NEECA Board for review and proper due diligence. Further, the Board directed that, after approval from the Technical Committee, the Policy shall be circulated for approval.

5. MD NEECA submitted the challenges regarding the scheduling of the sub-committees especially Technical and HR&R and briefed the Board members on the urgency of NEEC Policy approval given the existing energy issues of the country. Also, the NEEC Policy 2022 is a prior action to the "Program on Affordable and Clean Energy (PACE)-II" loan programme between Government of Pakistan and The World Bank. The Board acknowledged the submissions made by the MD NEECA and approved the reconstitution of Technical and HR&R sub-committees of the Board.

Decision:

- a) The Board reconstituted the Technical and HR&R Committees where MD NEECA was appointed as Chairman of these Committees.**
- b) The Board directed that the Technical Committee should review the draft NEEC Policy 2022 and approval shall be sought through circulation from the Board.**

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Item No.3: Concept Clearance Proposal for Energy Efficiency and Conservation Project to be Funded through a Loan Arrangement with the World Bank

MD NEECA briefed the Board members that, in the background of the NEEC Policy approval, the World Bank has committed to finance the implementation of the said policy through a loan arrangement available under PACE-II programme. MD NEECA submitted that the proposed project was presented to the Technical Committee in its meeting held on 05th January 2022, 8th March 2022 and 16th March 2022 after incorporation of proposed amendments suggested by the said committee.

2. The Board was informed that the proposed EE&C project involves focused and highly integrated activities and investments to remove the institutional, technical, financial, and capacity related barriers to EE&C in the country. MD NEECA explained that this project will support the operationalization of National Energy Efficiency and Conservation (NEEC) Policy and the Action Plan. The proposed EE&C project's lifecycle will be ten (10) years and would compose of the following four components:

- Component 1: Transitioning to energy efficient buildings
- Component 2: Shifting from gas to electricity in the commercial, industrial and residential sectors
- Component 3: De-risking EE&C investments and mobilizing private sector financing
- Component 4: Enhancing the capacity of NEECA to aid the implementation of the NEEC Policy and Action Plan

3. MD NEECA informed the Board that a number of studies and other analytical work is ongoing by NEECA and various development partners (including the World Bank) that will support the elaboration and detailed design of these four components as part of the PC-1 preparation and appraisal process during FY 2022-23. The Board was also briefed on next steps, where after approval of the Concept Clearance Proposal from the Board, the next step will be the approval of CDWP and then EAD will send an official request for assistance to the World Bank.

4. Board was also informed that it was also proposed by the, Technical Committee, to present this project to ECF Board for information regarding the Component 3.

Decision:

NEECA Board approved the "Energy Efficiency and Conservation Project" and directed the initiation of the PC-I development and appraisal process as per set procedures.


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Item No.4: Re-Appropriation of Budget for Operational Expenses FY. 2021-22

MD NEECA submitted that, as a first since the establishment of NEECA, an amount of PKR 175 Million was allocated by the Government of Pakistan under an Assignment Account/single line budget, to finance the operations of the Authority involving initiation and implementation of EE&C measures in the country. The Board was informed that the NEECA Budget for operational expenses FY 2021-22 was approved in its 5th Board Meeting.

2. MD NEECA said that as the NEECA building was in dire need for renovations and maintenance for the last more than 20 years, it was agreed in 5th Board Meeting that NEECA management should allocate maximum funds to the building renovation and repair. However, it was directed by the Board that NEECA management may request for Board Meeting if there is a need for any re-appropriation in the expenditure heads to meet the deadlines of this fiscal year.

3. The Chair asked if the appropriation of the single line account is the mandate of the Board as per NEEC Act 2016, to which, it was informed that this does not fall under the mandate of the Board. However, the management should present the Budget Demands to the Board. Therefore, it was unanimously decided that, as this is the case of re-appropriation of the single line account and an operational matter, it does not require Board's approval.

Decision:

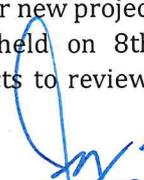
NEECA Board directed that it is not under the purview of this Board to oversee the operational matters related to the NEECA management.

Item No.5: NEECA's PC-1s for PSDP 2022-23

MD NEECA informed the Board members that, in light of the NEECA's transition from its Institutionalization phase to operationalization phase as per the Strategic Plan 2020-2023, NEECA has prepared four new projects/PC-Is to be funded through PSDP 2022-2023. It was explained that these projects have been developed to directly support the implementation of the NEEC policy 2022 through creation of an enabling environment for the execution of the stated policy interventions. The summary of the proposed projects was submitted as below:

- Establishment of Industrial Assessment Centers in Engineering Universities
- Geographic Network Planner - Industrial and High-Pressure Gas & Power Consumers for Energy Efficiency Planning
- Establishment of Certification Regime for Energy Auditors and Managers
- National Energy Efficiency & Conservation Drive to Create A Culture of Conservation and Efficient Use of Energy Resources to Achieve Sustainable Development

2. The Board was informed that these four new projects were presented in the meeting of Technical Committee of NEECA Board held on 8th March 2022. The committee recommended the following two PSDP projects to review and re-submit to the Technical Committee;


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- Establishment of Certification Regime for Energy Auditors and Managers
- National Energy Efficiency & Conservation Drive to Create A Culture of Conservation and Efficient Use of Energy Resources to Achieve Sustainable Development

3. It was informed that the Technical Committee agreed in principle to submit the both PC1s for the approval of the NEECA Board due to significance for the implementation of EE&C in Pakistan in its meeting held on 16th March 2022. The committee suggested to merge both the PC-1s and should make a bigger project for approval from CDWP. MD NEECA briefed the Board that the merged PC-I costing PKR 3183.37 Million has been submitted to the Planning Commission for initiation of review process as per set procedures.

4. MD NEECA, further, submitted to the Board that a 3-year PC-I titled "Building Sector Energy Efficiency and Conservation Initiatives" worth 500 million PKR and a 2-year PC-II titled "Transport Sector Energy Efficiency" worth 300 Million PKR have already been approved in the PSDP 2021-22 but not financial allocations have been made as of today.

Decision:

- a) The Board approved the proposed PC-I "Establishment of Certification Regime for Energy Auditors and Managers and Awareness on EE&C" costing Pak Rs.3183.37 Million for onward submission to the CDWP against PSDP 2022-23.
- b) The Board also directed that the case for financial allocation against approved/sanctioned PC-I and PC-II should be initiated as early as possible by the Ministry of Science and Technology.


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