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Investment in renewable energy still lacking in 17 countries in South and Eastern Europe, the Caucasus and Central Asia

The 17 UNECE countries in South and Eastern Europe, the Caucasus and Central Asia represented only 0.2% or USD 0.4 billion of global renewable energy investment in 2015, despite comprising over 300 million inhabitants and representing 4.9% of the world's GDP. Attracting investment represents a major challenge in these countries, even with numerous advanced support schemes and policies for renewable energy present.

These are two of the main findings of the *UNECE Renewable Energy Status Report 2017*, produced in partnership with the UNECE and the Renewable Energy Policy Network for the 21st century (REN21), and in collaboration with the International Energy Agency (IEA).

The report provides a comprehensive, up-to-date overview of the status of renewable energy and energy efficiency markets, industry, policy and regulatory frameworks, and investment activities in the region. It draws on information from national and regional sources to present the most up-to-date summary of sustainable energy in:

Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Montenegro, Russian Federation, Serbia, Tajikistan, The former Yugoslav Republic of Macedonia, Turkmenistan, Ukraine and Uzbekistan.

While there is huge untapped renewable energy potential in many of these countries, the share of renewable energy in total final energy consumption differs widely. In 2016, one year after the Paris Agreement, only three countries – Kazakhstan, the Russian Federation and Ukraine saw considerable new investment in renewable energy committed energy technology,

Of positive note, 13 countries had enacted feed-in tariffs by the end of 2016, making this the most widely adopted regulatory mechanism to promote renewable power in the region. Overall the region continues to adopt new policy measures that help to remove barriers for development, attract investment, foster energy security and increase the flexibility of power systems. These policy frameworks, however, have not resulted in the widespread adoption of renewable energy.

Energy subsidies for fossil fuels persist in the region, presenting an additional obstacle for the deployment of both renewable energy sources and energy efficiency measures. Low oil prices in the Russian Federation further hinder uptake.

The report highlights, that while rural electrification is not a central issue for the countries, distributed renewable energy solutions such as solar PV, small-scale wind, biomass and micro-hydro can provide electricity to people living in remote areas or in suffering from an unstable power supply.

The uptake of modern renewable energy technologies for heating and cooling in the 17 countries remains modest, despite considerable potential and supportive energy efficiency measures. Countries of South East and Eastern Europe, the Caucasus and Central Asia continue to face challenges in improving the efficiency of their electricity supply, despite ongoing modernisation of their aging electricity infrastructure.

“While more than 2 GW of renewable power was added in 2016 (581 MW for non-hydro renewable energy), the full renewable energy potential in the region is still far from being reached. Despite a total population of 300 million, the selected 17 UNECE countries still represent only a fraction of global investment in renewable energy in 2016. Modern renewables are uniquely positioned to provide needed energy services in a sustainable manner, more rapidly and generally at lower cost than fossil fuels. Their potential in South East and Eastern Europe, the Caucasus, the Russian Federation and Central Asia remains very significant” says Christine Lins, Executive Secretary of REN21.

“The share of renewable energy in the energy mix varies greatly amongst these 17 countries, with six of them reaching shares between 28% and 46%. The report will thus provide useful information to policy makers of the UNECE region to undertake the necessary steps to increase the uptake of renewable energy, contributing to achieve Sustainable Development Goal 7: Ensuring access to affordable, reliable, sustainable, and modern energy for all. This outcome will contribute to climate mitigation while providing energy needed for sustainable development. The information gathered in the report will be instrumental for a constructive and informed dialogue among all stakeholders in the region” outlines Olga Algayerova, Executive Secretary of UNECE.

The report was launched 12 June, 2017 at Ministerial Conference and the Eighth International Forum on Energy for Sustainable Development in Astana/Kazakhstan. It is available at www.ren21.net (<http://www.ren21.net/status-of-renewables/regional-status-reports/>) and linked from <http://www.unece.org/energy/se/gere.html>.

Note to editors

The REN21 UNECE Renewable Energy Status Report 2017 was made possible thanks to the support of the German Federal Ministry for Economy and Energy (BMWi) which supports this initiative on the basis of a decision adopted by the German Bundestag.

The report is the result of the ongoing work of the UNECE Group of Experts on Renewable Energy which aims to increase the uptake of renewable energy in its region. It closes data and information gaps which is key to unlock progress across a stream of priorities and reinforce the basis to track future progress.
