



**Economic and Social
Council**

Distr.
GENERAL

ECE/ENERGY/WP.4/2010/6
5 February 2010

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE

COMMITTEE ON SUSTAINABLE ENERGY

Steering Committee of the Energy Efficiency 21 Project

Twenty-first session
Geneva, 21 April 2010
Item 6 of the provisional agenda

**DEVELOPMENT OF THE RENEWABLE ENERGY SECTOR IN THE RUSSIAN
FEDERATION AND IN COUNTRIES OF THE COMMONWEALTH OF
INDEPENDENT STATES (CIS): PROSPECTS FOR INTERREGIONAL
COOPERATION**

Note by the secretariat

I. INTRODUCTION

1. During its nineteenth session in May 2008, the Steering Committee of the Energy Efficiency 21 (EE21) Project welcomed the proposal of the Government of the Russian Federation to launch a new project activity on the development of the renewable energy sector in the Russian Federation and in the countries of the Commonwealth of Independent States (CIS) to promote the development of renewable energy resources to address global climate change (ECE/ENERGY/WP.4/2008/2). The first meeting on the project, which took place during the twentieth session of the Steering Committee in June 2009, recommended the project to be submitted to the Committee on Sustainable Energy for further review and approval (ECE/ENERGY/WP.4/2009/9).

II. OBJECTIVE

2. The project aims to promote and support interregional cooperation in order to overcome energy policy, regulatory, institutional and financial barriers to the development of renewable energy resources in the Russian Federation and other CIS countries. The expected accomplishments include an increased capacity of national and regional experts to identify and adopt measures to overcome barriers as well as an enhanced investment climate for deployment of renewable energy technologies.

III. BRIEF DESCRIPTION

3. The Russian Federation and other countries of the CIS are endowed with very significant renewable energy resources. Even though the current contribution of solar, tide, wind, hydro, geothermal, and bio-fuels energy is less than 5 per cent of total primary energy consumption in the region, the countries possess a large, diverse and unrealized potential that could have significant impact for environmental protection, energy security and the economy.

4. Despite this potential, the deployment of renewable energy technologies is hindered by, inter alia, lack of political, legislative and regulatory support; energy prices that do not reflect the costs of production; lack of information for decision-makers; and a preference for centralized energy supplies. These obstacles contribute to unfavourable investment climate for renewable energy technologies.

5. Interregional cooperation supported by the United Nations Economic Commission for Europe (UNECE) could greatly contribute to overcoming the above-mentioned obstacles since many of the opportunities and constraints for the future development of renewable energy resources are shared among the CIS Member States.

IV. MAIN ACTIVITIES

6. The activities to be pursued are the following:

(a) Establishment of a network of national and regional experts responsible for promoting renewable energy technologies in the Russian Federation and other interested CIS countries;

(b) Analysis of the energy policy, regulatory, institutional and financial barriers hindering the development of renewable energy resources in participating countries;

(c) Identification and comparison of measures adopted in participating countries to overcome barriers to the deployment of renewable energy technologies;

(d) Preparation of a strategy to promote an enhanced investment climate for renewable energy technologies for dissemination to national and regional authorities in participating countries.

V. CURRENT STAGE OF PROJECT IMPLEMENTATION

7. At the twentieth session of the EE21 Steering Committee in June 2009, the secretariat made a presentation on the current status of the project. National experts from eight of the participating countries (Armenia, Belarus, Kazakhstan, Kyrgyzstan, Republic of Moldova, Russian Federation, Ukraine, and Uzbekistan) made presentations on the status of the renewable energy sector in their countries, including main barriers to the sector's development and possible measures to address the main challenges. A network of regional renewable energy experts has been established.
8. Initial reviews of the renewable energy use in the participating countries and initial drafts of the National Reports prepared by national experts were submitted to the secretariat for review and comments in July-August 2009.
9. UNECE has received nomination of the national expert from Tajikistan (ninth country of the project) to participate in the project's activities in September 2009.
10. Thematic session "Perspective Implementation of Renewable Energy Sources" was held at the international conference Efficient Gas Distribution and Utilization organized by UNECE and GAZPROM in Moscow, Russian Federation on 15 October 2009. The meeting has strengthened the renewable energy network and gave an opportunity to the national experts from 5 countries participating in the project (Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, and Ukraine) to present the key elements of their final drafts of National Reports. The session contributed to the development of systematic exchange of experience and promotion of interregional cooperation on renewable energy in the CIS.
11. Five final National Reports, prepared by national experts under the guidance of the secretariat, were submitted to the UNECE in October 2009.
12. Draft Terms of Reference (TOR) was prepared by the secretariat in October 2009 for the nomination of an international consultant (energy research institution) whose tasks include developing a consolidated report based on submitted national reports, reviewing the current status and future prospects for renewable energy development in the CIS countries, and preparing a strategy to promote an enhanced investment climate for renewable energy technologies for dissemination to national and regional authorities in the participating countries. The document was circulated to the relevant ministries in the participating countries for their comments.
13. Comments on the draft TOR for the nomination of an international consultant were received from the relevant ministries in the participating countries in November 2009.
14. At the eighteenth session of the Committee on Sustainable Energy in November 2009, a special session on "Energy Security and the Financial Crisis" examined the impact of the financial crisis on energy infrastructure investments and how energy companies and Governments reacted to avoid energy security risks. The Committee concluded, inter alia, that while the economic slowdown has reduced global energy demand and consequently lowered greenhouse gas emissions, the volatility of energy prices has had a discernible negative impact on energy efficiency and renewable energy investments.

15. The Committee on Sustainable Energy at its eighteenth session in November 2009 expressed appreciation for the work and progress of implementation of the “Development of the Renewable Energy Sector in the Russian Federation and CIS Countries: Prospects for Interregional Cooperation” project.

16. In December 2009, UNECE received nomination of the national expert from Azerbaijan to participate in the project’s activities. Therefore, currently ten out of eleven eligible countries are participating in the project.

17. The revised TOR for an international consultant to develop a consolidated report was prepared by the secretariat in January 2009 on the basis of final national reports and comments received from the relevant ministries in the participating countries.

18. In February 2009, the revised TOR was disseminated to relevant ministries in participating countries for their suggestions on the nomination of an energy research institution to prepare the Report.
