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**Statement**

**by**

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**United Nations Under-Secretary-General  
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**at**

**COP29 Energy Transition Investment Forum**

**High-Level Panel Discussion on Regional Cooperation for Scaling up Energy Transition  
Investments and Finance in Central Asia**

**15 November 2024  
8:45 – 11:00  
(ES Panel 8:50 – 9:40)**

Excellencies,

Ladies and Gentlemen,

Distinguished Colleagues,

It is my pleasure to be with you here today, at this important event on Central Asia.

Why is this important? The transition to carbon-free societies entails the complete overhaul of all industrial sectors, and more particularly the energy sector. This requires **massive amounts of investments**: the IEA estimates that USD 5 trillion are needed yearly from now till 2030 only in the energy sector, to maintain the objective of 1.5° degrees maximum of climate warming as aimed by the Paris Agreement. It is sad to remark that we are very far from that: 2023 saw USD 1.8 trillion invested in the energy transition, an increase of 17% over the previous year, but still very far from where we should be. And **the share of these investments in Central Asia is tiny**: notwithstanding some progress in certain countries, the share of renewable energy in the overall energy mix and the level of energy efficiency have barely increased over the last 5 years.

Our experience tells us that **three issues constitute important roadblocks for capital to flow at the level required, particularly in Central Asia**:

1. climate projects sponsors and investors' criteria are misaligned
  2. funding requirements are hard to address as markets are fragmented and sectors are not mature, and
  3. investors risk perception is elevated and foreign currencies volatility is high
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It is for this reason that three years ago we at UNECE teamed up with the UN High Level Climate Champions to work together to **provide practical financial solutions to critical transition issues**. We held the 3rd European Regional Climate Finance Forum in Hamburg this year, in the framework of the Hamburg Sustainability Conference. As in previous years, we worked with project sponsors to bring to the attention of the international financial community a sample of interesting and emblematic projects to support the transition, particularly in Central Asia. Our aim here is to help them achieve financial close by connecting them with financiers and investors and showcasing their projects. We brought as well to the table international financial institutions and private financial players to showcase what works and discussed what does not work and what can be done about it. Our **Regional Platforms for Climate Projects** offer a space for project sponsors and financiers to meet and try to bring solutions to the obstacles that hamper capital to flow at the required level such as:

1. invest in capacity-building in these markets and involve investors early on,
2. leverage financing vehicle instruments and project aggregation, and
3. develop de-risking mechanisms

This year we looked at **more than 50 projects in Central Asia**. Many of them concerned the construction of solar and windfarms, but not only. Increasingly, we see projects for the construction of green technologies equipment, such as batteries, electrolyzers, cathodes and inverters. This is good news as the industry in the region is starting to transform itself, embracing new technologies, creating economic development and new jobs in the sectors of the future.

Many of these projects are assessed using the **PIERS methodology**, where **PIERS** stands for the UNECE Public Private Partnership and Infrastructure

Evaluation Rating System, that aims at identifying how infrastructure projects can contribute to the achievement of the SDGs. In the jungle of ESG standards, sustainability reporting metrics and different degrees of “green”, **this is one of the methods that allow to look and measure how an individual action can help (or not) the transition.**

In conclusion, I wish to thank the COP29 Presidency for focusing on such an important region, very close to the heart of UNECE, and IRENA for our continued and longstanding excellent cooperation.

Thank you for your attention.

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