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ECONOMIC COMMISSION FOR EUROPECOMMITTEE ON SUSTAINABLE ENERGY
Steering Committee of the Energy Efficiency 21 Project
Fifteenth session, 24-26 May 2004
(Item 5 of the provisional agenda)**Renewable Energies- A Draft Proposal for activities, within the
ECE Energy Efficiency 21 Project (2003-2006)**

Note by the secretariat

Introduction

1. Since 2000, political support to renewable energies in the UNECE region has continuously grown, both at the national and international level. The World Summit on Sustainable Development (WSSD, Johannesburg, September 2002) adopted a Joint Declaration on "*The Way Forward on Renewable Energy*" and recommended that the UN regional commissions and international organisations should promote cleaner, more efficient and cost-effective energy technologies, including renewables. The year after, the fifth Ministerial Conference Environment for Europe (Kiev, Ukraine, May 2003) stressed the need for urgent actions to be taken by UNECE governments to increase substantially the share of renewable energies in the energy mix, fully recognising the driving role of national and voluntary regional targets and initiatives. The Conference also invited the UNECE Committee on Environmental Policy and Committee on Sustainable Energy "*to examine the role of economic instruments in promoting the use of renewable energy taking into account the work of OECD and other international organisations*" (ECE/CEP/94/Rev.1, paras. 47-48).

2. Recently, the European Commission approved the implementation of the "Community Strategy and Action Plan on Renewable Energy" and the European Parliament adopted a Directive on "The Promotion of Electricity Produced from Renewable Energy Sources in the Internal Electricity Market" (Directive 2001/77/EC-the Directive on Renewables). Targets for renewables have been set, at both the national and EU level, with an objective to double the share of RES by the year 2010. National programmes and related policy measures are being developed in a number of UNECE transition countries and the United States.

The position of the UNECE Committee on Sustainable Energy and Committee on Environmental Policy

3. In response to these international initiatives, the extended Bureau of the UNECE Committee on Sustainable Energy, at its meeting in June 2003, widely discussed the recommendations of WSSD and fifth Ministerial Conference “Environment for Europe”, seeking an appropriate manner to include, in its current programme of work, an integral component on renewable energies, and also more specifically to decide what UNECE should do in this area to avoid duplication with other international organizations dealing with renewables in the UNECE region. For this purpose, the secretariat prepared a discussion paper, including a proposal for the Terms of Reference of such activities (ENERGY/2003/1, Annex 1).

4. At its annual session, in November 2003 the Committee on Sustainable Energy recognised that renewable energy sources had great potential in the UNECE region and that they could make a considerable contribution to emission reduction, energy mix diversification, security of energy supplies and sustainability of the energy markets in the long term. Despite this they are still not competitive with fossil fuels and their market penetration should be facilitated by the introduction of appropriate direct or indirect subsidies, which however should not be allocated indefinitely. Biomass, hydro, wind and solar energy sources are the most promising and developed in the UNECE region.

5. The Committee also discussed where the niche would be that UNECE could define, among other international organisations, to focus its programme on renewable energies. Should it be on policy and regulations or just on market promotion? Should the programme cover all the UNECE member countries or the ECE non EU-accession countries only? What should be the scope in terms of RES inclusion? And finally, what working methods should be adopted to carry out those activities?

6. After giving serious consideration to this issue, the Committee on Sustainable Energy decided that, at this initial step, its work on renewable energies should consist of providing technical assistance to UNECE economies in transition, with the aim of increasing investments to RES-related projects. The Committee recommended that these activities be carried out within the UNECE Energy Efficiency 21 Project, and for this purpose, it *“requested the Steering Committee of the Energy Efficiency 21 Project to consider, in relation to its forthcoming session in May 2004, a draft programme of work for technical assistance on renewable sources of energy to UNECE economies in transition, similar in nature to the activities on energy efficiency”*. (ECE/ENERGY/53, para 11 (iii))

7. The answer to whether ECE should cover all activities on renewables e.g. policy, regulations and market promotion depended, to some extent, on the position of the UNECE Committee on Environmental Policy, in response to the recommendation of Kiev Conference “Environment for Europe”. At its annual session in October 2003 the Committee on Environmental Policy decided to leave all activities on renewables to the Committee on Sustainable Energy. The initial proposal of the UNECE secretariat was for the Committee on Environmental Policy to recommend renewable policies and for the Committee on Sustainable Energy to promote market instruments. The UNECE secretariat has prepared a Draft Proposal defining the new objectives and modalities for carrying out a sub-programme on renewable energy, through the Energy Efficiency 21 Project (see Annex).

A N N E X

PROMOTING RENEWABLE ENERGIES THROUGH EE 21 PROJECT

Driving forces: Political commitments of the UNECE member States to shift the energy sector towards a more sustainable pattern of development (Johannesburg Plan of Implementation; WEHAB proposals and partnership initiatives; Kyoto Protocol commitments; the identification of renewables by the UNECE Committee on Sustainable Energy as a priority sustainable policy issue in the UNECE region; the UNECE Declaration/Contribution to CSD-9 (ECE/ENERGY/43 and Annex I)

Mandate: UNECE Declaration Contribution to CSD-9 and programme of work (para.29). Kiev Ministerial Declaration, paras. 47 and 48; the extended Bureau meeting of the UNECE Committee on Sustainable Energy, June 2003; the Decision of the Committee on Sustainable Energy, November 2003.

General Objective: *To Contribute to increasing the market share of RES in the current energy mix by promoting RES-market formation and developing RES-investment Projects. This promotion should be carried out in a balanced and convergent way with the energy efficiency sub-programme, with a view to pursuing the ultimate objective, of reducing GHG emissions in UNECE transition economies.*

Immediate Objectives

Objective 1: *Creation of regional partnership network* by comprising public institutions, private sector and international partners. Ensure effective linkages with existing energy partners and initiatives. Facilitate communications to identify, develop, finance and implement RES- related projects;

Objective 2: *Identify and promote best practices* regarding supportive policies, regulatory incentives and market instruments for renewable energies. Create enabling environment to boost local markets for renewables, both on-grid and off-grid. Encourage policy making to set up national targets/timeframe for RES and voluntary commitments to reduce harmful energy subsidies. Provide assistance on initiatives for evaluation and promotion of the non-carbon benefits of renewable energy.

Objective 3: *Promote investment opportunities* through the use of innovative financing mechanisms, including supportive schemes, tradable emission permits, public/private partnership, Kyoto Protocol mechanisms. Promote appropriate effective financing tools which have been used in investing in energy efficiency projects.

Objective 4: *Disseminate information*, to raise public awareness of renewable energies by widely explaining, in transparent way, their social and environmental benefits. Relevant information could be downloaded from the website <http://www.unece.ee-21.net>

Area of implementation: Eastern and South-Eastern Europe, CIS countries.

Working methods: The secretariat would suggest that activities on this issue should be carried out within the Energy Efficiency 21 Project by an *Ad Hoc Group of Experts on Renewable Energy*. This proposal, as well as the entire text of this Annex will be discussed at the fifteenth session of the Steering Committee. The Draft Proposal is not intended to prejudge any decisions. On the contrary, delegations are encouraged to use this paper as a starting point before taking a final decision on how the renewable energy issue should be accommodated within the Energy Efficiency 21 Project.