

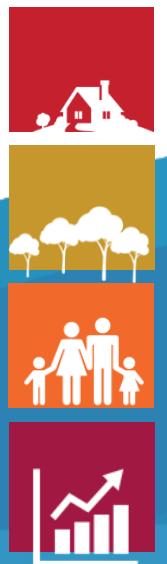


Supporting investment into sustainable renewable energy with multi-stakeholder dialogue



Gianluca Sambucini
Secretary of the Group of Experts on Renewable Energy (GERE)
Sustainable Energy Division (SED)
UN Economic Commission for Europe (UNECE)

High-level workshop “Action across sectors and borders for
sustainable future of the Drina River Basin”,
29 October 2019 Belgrade, Serbia (88 Rooms Hotel)

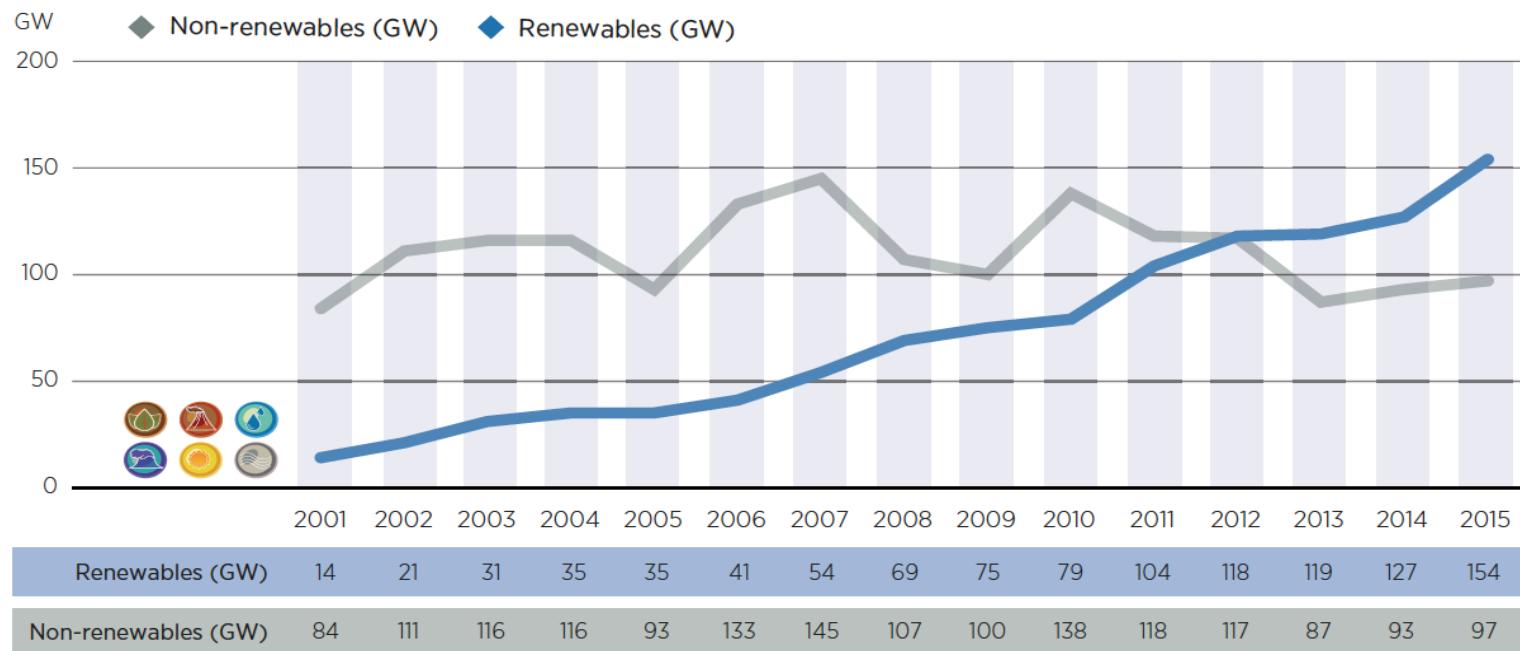


Renewable Non-renewable Energy Capacity Additions

ENERGY



Figure 1.3 Renewable and non-renewable power capacity additions, 2001-2015



Source: IRENA, 2016b

1 Excludes 154 GW of pure and mixed pumped storage capacity otherwise included in hydropower capacity. The bulk of this 154 GW is pure pumped storage capacity that contains no renewable energy generation component but is instead a storage medium for grid power of any origin.

2 Including solar power and heat, wind power, hydropower, ocean energy, geothermal power and heat, and modern bioenergy.

UNECE Group of Experts on Renewable Energy (GERE)

ENERGY



The GERE started in 2014 as a subsidiary body to the Committee on Sustainable Energy and aims to:

- Determine the status of RE development and tracking its progress in the UNECE region
- Facilitate policy dialogue, exchange of best practices and data
- Consider the role of renewable energy within the context of future energy systems
- Promote instruments for assessing renewable energy resources and support possible cross-sectoral synergies
- Identify needs, key bottlenecks and opportunities for potential investment

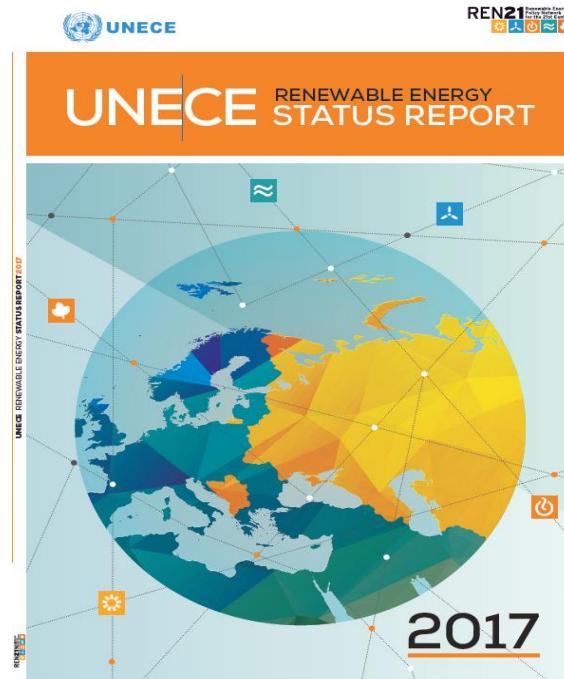
GERE Key Outputs

ENERGY



- REN21 UNECE Renewable Energy Status Report (2015 & 2017)
- Investment Matchmaking events in Baku (2016) and Astana (2017) at the 7th and 8th International Forum on Energy for Sustainable Development.
- Hard Talks events: Georgia (2016), Ukraine (2016), Azerbaijan (2017), Kazakhstan (2018), Bosnia and Herzegovina (4-5 December 2018) and Serbia (21-22 March 2019)
- 5th session of the GERE, Kiev, 10-11 October 2018 within the 9th IFESD
- 6th session of GERE, Bangkok, 7-8 October 2019 within the 10th IFESD

The UNECE REN21 Renewable Energy Status Report 2017

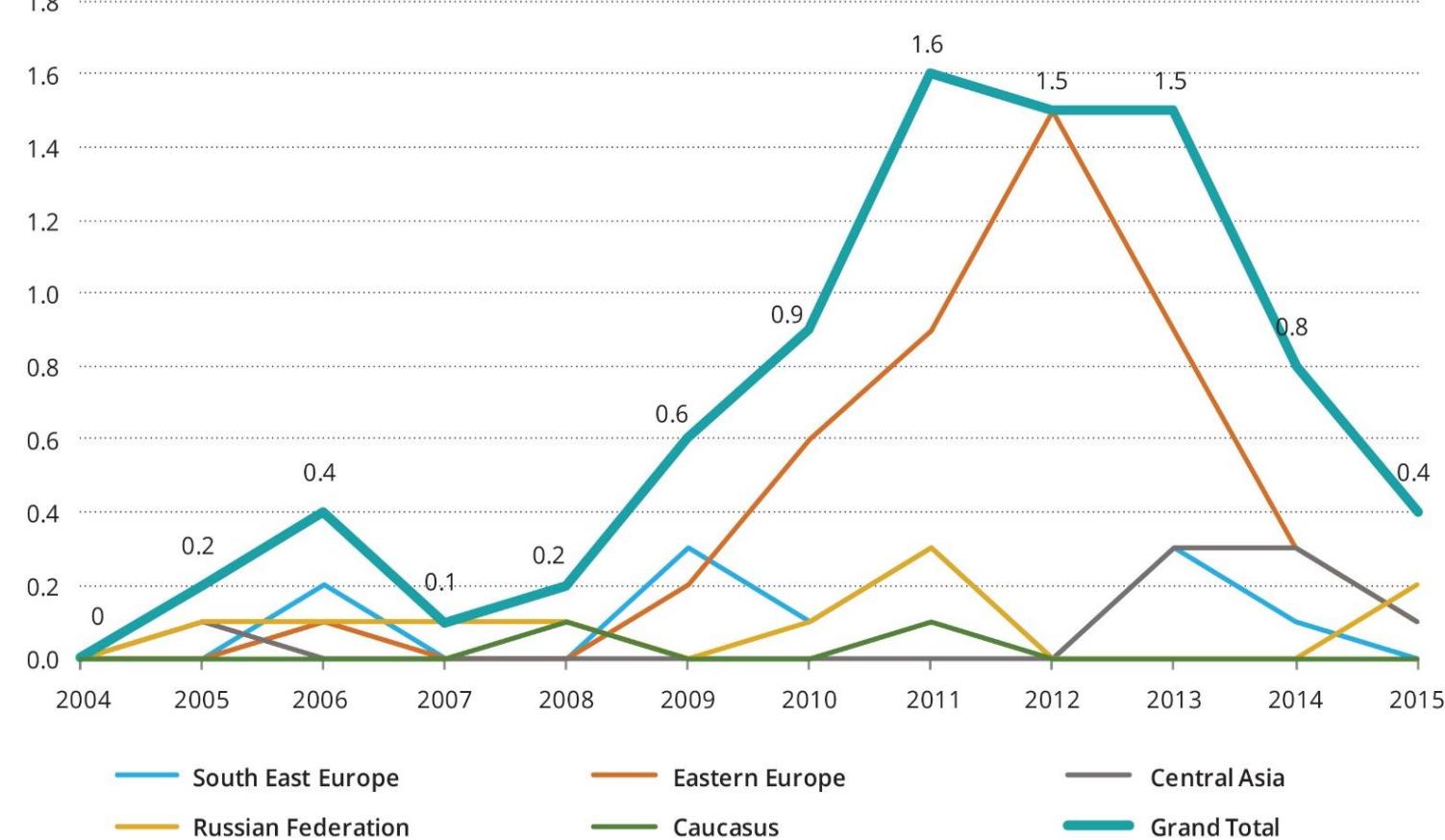


Renewable Energy Investment Overview 2004-2014

ENERGY



Billion USD



GERE RE Hard Talks

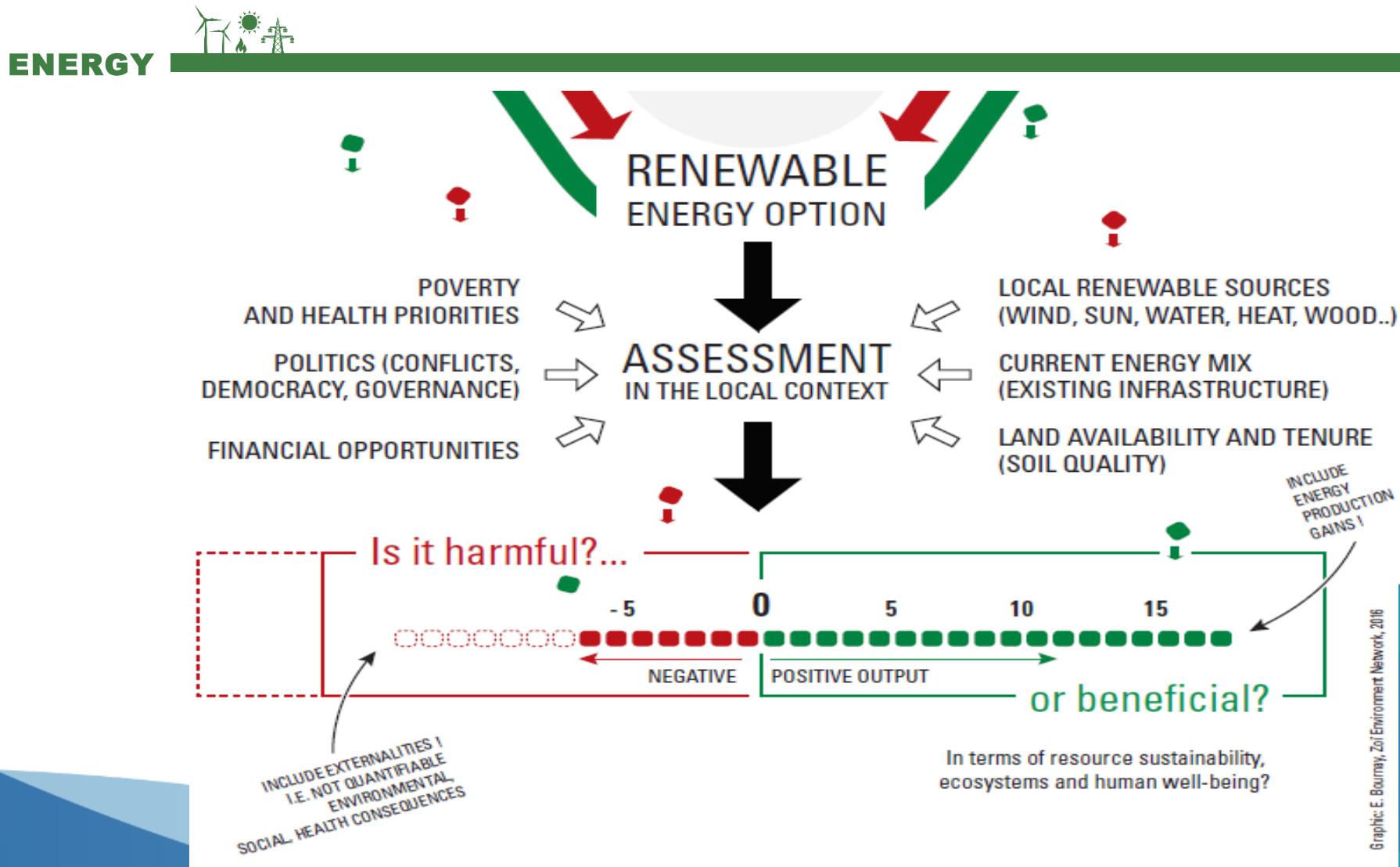
ENERGY



Hard Talks: An Innovative Policy Dialogue Tool For Unblocking Renewable Energy Barriers to Investment

- A uniquely formatted **multi-stakeholder** dialogue:
 - Involved Ministries – Energy, Economy, Finance, etc.
 - Other key players – RES Agencies, Regulators, Network operators
 - Private sector –project developers, industry associations
 - Parliament, NGOs, media (2nd day)
 - Financial actors – IFIs, development banks and commercial lenders
 - International community – Donors, Consulates, etc.
- Adapted to the specifications and requirements of the host country
- Discussion guided by a **practical “problem/solution” Discussion Paper**
- **Neutral international facilitators** for the dialogue
- Involves two days – **one expert day** following by a **half day for high-level decision-makers** to deliver key messages from experts
- **Conclusion:** Discussion Paper is reformatted into a “**Recommendation Paper**” prioritizing the next steps which is sent to all participants and high-level decision-makers for further action

Renewable energy can be good for many reasons - cost, emission reduction, energy security off-grid - but there are trade-offs...
-> Need for a nexus approach



Bosnia and Herzegovina Renewable Energy targets 2020

ENERGY



National Renewable Energy Action Plan (NREAP) is the document setting the targets of use of renewable energy sources until 2020,

Bosnia and Herzegovina's renewable energy 2020 targets:

- 40% share of renewable energy sources in the gross final energy consumption by 2020

Montenegro Renewable Energy targets 2020

ENERGY



National Renewable Energy Action Plan (NREAP) is the document setting the targets of use of renewable energy sources until 2020,

Montenegro's renewable energy 2020 targets:

- Overall target: 33% of gross final consumption by 2020
- Electricity: 51.4% by 2020
- Heating and cooling: 38.2% by 2020
- Transport: 10.2% by 2020

Serbia Renewable Energy targets 2020

ENERGY



National Renewable Energy Action Plan (NREAP) is the document setting the targets of use of renewable energy sources until 2020:

Serbia's renewable energy 2020 targets:

- **Overall target:** 27% of share of energy generated from renewable sources in gross final energy consumption;
- **Heating and Cooling:** 30% of demand met by renewable energy sources;
- **Electricity:** 36.6% of electricity demand met by electricity generated from renewable energy sources;
- **Transport:** 10% of energy demand met by renewable energy sources.

Bosnia and Herzegovina Recommendations – RE Hard Talk

ENERGY



Overarching Issues

- Address the key issue of fossil fuel subsidies (especially coal) and other market distortions as a prerequisite for energy transition.
- Implement WB6 Road Map, adopted by the BiH Council of Ministers.
- Adopt an amended Law on Transmission of Electric Power, Regulator and Electricity Market of Bosnia and Herzegovina in line with EnC requirements and obligations.
- Adopt a law and regulations on district heating and heat energy systems in Bosnia and Herzegovina

Bosnia and Herzegovina

Maximising positive synergies – RE Hard Talk

ENERGY



Type of RE	Benefits for water sector, agriculture, forestry, rural development	Environmental & Social impact	Transboundary impact
Bioenergy (biomass)	<p>Wood biomass a highly valuable RE source for BiH. Potential for heat and CHP production at different scales.</p> <p>Improving the sustainability of biomass means:</p> <ol style="list-style-type: none">1) sustainable forestry (protection/valuing of resource) and2) sustainable value chain (investments in transformation/production processes and efficient utilization).3) ensuring sustainable fuel supply to producers in the long-term (e.g. fast-growing trees/bushes).	<p>The sector holds concrete opportunities for rural development and job creation in a field where local knowledge and skills are already well-developed.</p> <p>Many benefits would derive from biomass efficiency (most notably the decrease of indoor and outdoor pollution) but this is not currently incentivized.</p>	<p>Sustainable forestry a means for flood protection and sediment control.</p> <p>Protection of transboundary forests can be a regional climate mitigation effort.</p>

Serbia Recommendations – RE Hard Talk

ENERGY



Key priorities proposed for Serbia are:

1. Recognition and acknowledgement of need for energy transition in Serbia both from politicians and population.
2. Support to the application of existing legal framework and commitments on RE.
3. Continued support for multi-stakeholder dialogue as well as consultation towards the sustainable energy transition, including related environmental considerations.
4. Enhancement of inter-sectoral and cross-sectoral approach with a view to Nexus criteria and added societal benefit. Further expansion of the initiative of inter-ministerial and inter-sectoral cooperation on biomass and for other fuels and technologies as well.
5. Establishment of a Renewable Energy and Energy Efficiency Agency (including permanent a Commission on RES and an Expert Team from academia, NGOs, etc.) with a mandate to promote RE awareness and advice on best policies and practices for renewables.

Serbia Recommendations – RE Hard Talk

ENERGY



Market Outlook

- Review and actively monitor RE target progress; Establish viable targets beyond 2020.
- Identify a possible Roadmap towards target which reflects the realities. Strategically plan for long-term Sector evolution, taking into account the regional situation and EU Internal Energy Market.
- Adopt clear, long-term policy for support of RE, based on latest EU Guidelines on State aid for environmental protection and energy.
- Establish policies for RE on sectors such as transport (overlooked) and explore distributed/small-scale generation net-metering, community/cooperative projects.

Serbia Recommendations – RE Hard Talk

ENERGY



Market conditions for Renewable Energy

- Align legal framework with EU's acquis for renewables, taking into account Energy Community recommendations.

Market Distortions

- Identify and gradually address fuel subsidies and gradually cross-subsidies.
- Increase regulatory oversight of market activities and participants.
- Establish market rules that help reveal and properly allocate costs according to a “beneficiary pays” principle; transparency in pricing structure.
- Increase competition in retail market. Continue in way for fully deregulation of supply and balancing prices.

Serbia

Recommendations – RE Hard Talk

ENERGY



Type of RE	Who benefits?	How can it be financed	How to implement in Serbia	How to ensure sustainability?
Wind/Solar	<ul style="list-style-type: none"> Distributed energy solutions help with social acceptance both on RE and EE A possible synergy was identified between power generation, transport and agriculture. Autonomous charging stations for transport based on PV/Storage in remote rural areas The Ministry of Agriculture has also identified a synergy: The Rural Development Policy as a cross-sectoral policy recognizes RE as a tool for sustainable rural development: benefit on rural communities by creating jobs, Tourism is another sector with synergies: e.g. WWF and a local community of Sombor cooperate on clean energy, to increase security of supply but also to attract tourists. Agrisolar: Elevated panels that allow for farming activities underneath. Floating solar: Solar panels on existing Hydro Dams. 	<ul style="list-style-type: none"> Financial incentives: Establishing credit lines, while facilitating access to financing for poorer households. Grants from Ministry of Agriculture exist for setting up of RE stations by farmers. Those mainly target self-consumption In case the farmer wants to sell to the grid, the question of double subsidies (Grant and FiT) is not allowed. 	<ul style="list-style-type: none"> Net metering and smart meters for distributed solutions and more synergistic approaches. Net metering is currently examined by Ministry of Mining and Energy Cooperatives / Communal energy / Peer to Peer market of electricity through block chain solutions Protection of high yield agro lands is needed (method to address trade-offs). 	<ul style="list-style-type: none"> Consider possibility for small solar plants to use grants/subsidies only to cover part of CAPEX and not also for OPEX



More on GERE:

<http://www.unece.org/energy/se/gere.html>

ENERGY



Thank you!

Gianluca Sambucini
Secretary of the Group of Experts
on Renewable Energy (GERE)
Sustainable Energy Division (SED)
UNECE

