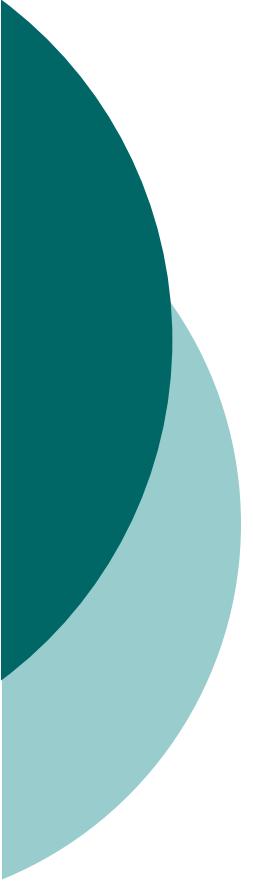


RES Development in Azerbaijan: policy to barriers and regional cooperation

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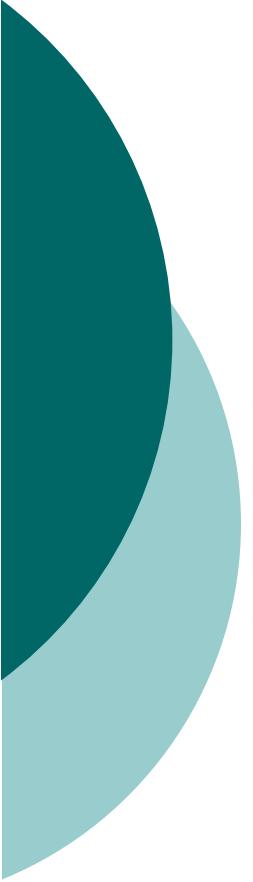
Renewable energy resources

Azerbaijan has great potentialities for using non-traditional energy resources due to its geographical situation, climate and economical infrastructure.

Here are favorable conditions for the use of:

- solar,
- wind,
- geothermal,
- biomass,
- hydropower resources.

Resource	Unit of Measure	Location	Quantity
Wind	Billion kWt.h	Huge area	2.5÷4/year
Large HPP	Billion kWt.h	Count.terr.	2.5÷3.0/year
Small HPP	Billion kWt.h	Count.terr.	2.5÷3.0/year
Solar energy	ton c.f.	Count. terr .	Equivalent to 100 thousand tons of oil
Thermal Waters	ton c.f.	Count. terr.	in a big quantity

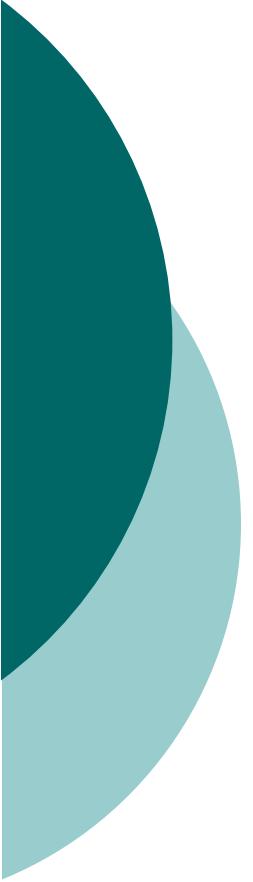


The main State policy

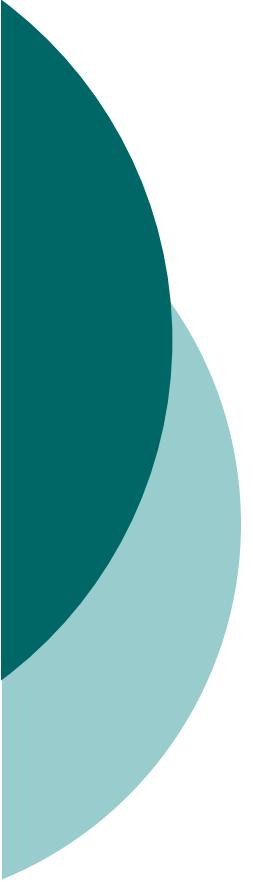
The State policy in the field of renewable and alternative energy applications are reflected in the State Programme on the Use of Alternative and Renewable Energy sources (2004).

The major objectives of this Program include:

- determine the potential of alternative (renewable) energy sources in electric power production;
- increase the efficiency of energy resources by attracting investment in renewable energy;
- ensure that additional new jobs are opened in the sector;
- achieve growth in the overall energy generating capacity of Azerbaijan, thus increasing the country's energy security.

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- Recently, 3 small hydropower plants and 1 wind power plant have been commissioned in the country

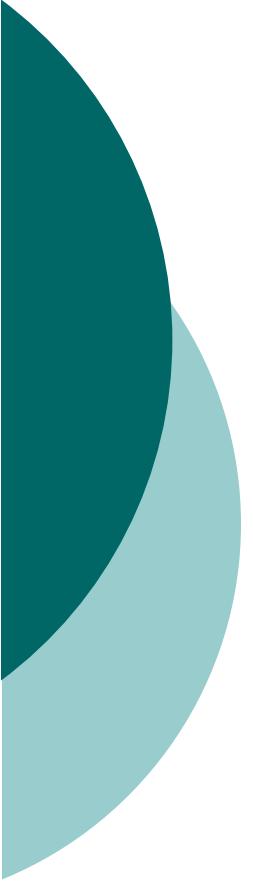
 - In the short-term perspective, it is planned to produce 3.5 billion KVts energy using renewable energy sources
 - The realization of this project will save 1 billion m³ of natural gas and contribute to decreasing the total amount of hazardous wastes and emissions by around 20-25%



Existing barriers

The main barriers are:

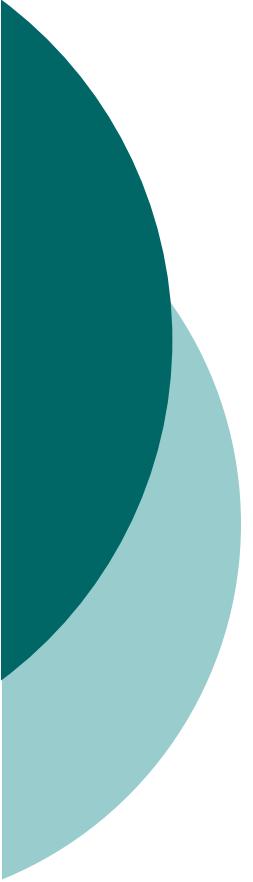
- **1. Financial**
- **2. Institutional**
- **3. Informational**
- **4. Technical**

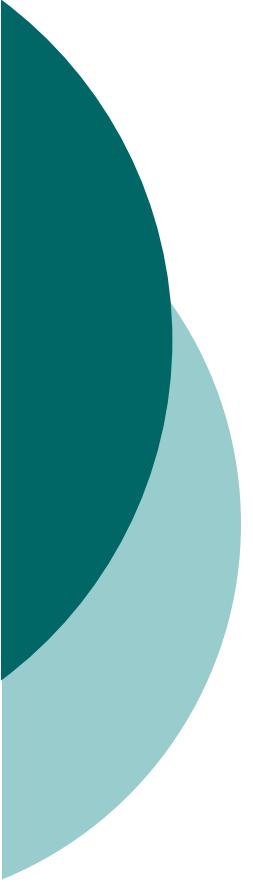


Policy needed to overcome the existing barriers

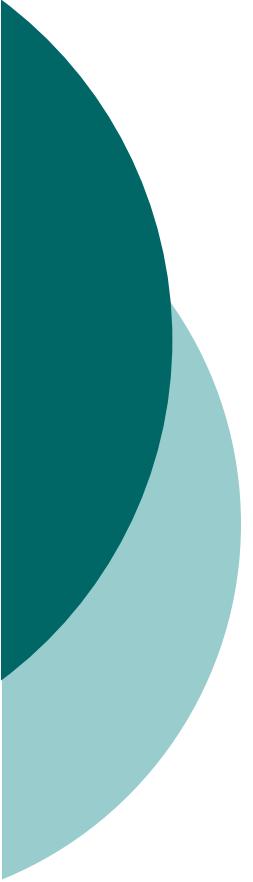
- Strengthening governmental support and expanding organizational structures' commission in the field of renewable energy source (RES) development;

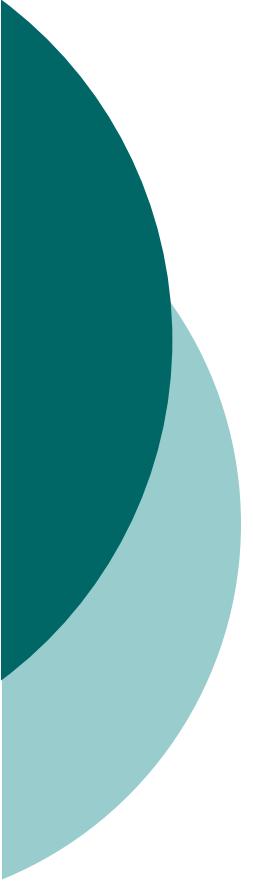
- Creation of legislative and regulatory basis of RES development according to advanced world practice
- Introduction of economic and financial incentives to involve potential investors in the sector and promote activities of energy generating and consuming companies
- Effective use of priority repayment mechanisms and obtaining of additional investments in the implementation of renewable energy projects

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- Improving systems of audit and control over renewable energy source utilization
 - Improving tariff policy in the field of renewable energy source utilization
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- Expanding regional cooperation on scientific-research activities and realization of pilot projects concerning the use solar, wind and biomass energy resources
 - Development of joint regional programs to train specialists in the field of renewable and alternative energy resource use

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- Involvement of the private sector in renewable energy infrastructure development

 - Development of legal framework conditions for regional and international cooperation on renewable energy development
 - Creation of a favorable business climate jointly with FSU countries to involve foreign investment in the joint projects dealing with RES development

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- Large-scale cooperation with international organizations and funds (EU, UNECE, UNDP, UNEP, ADB, EBRD, GEF and etc.) as well as with FSU in the implementation of regional and international projects;
 - Design and introduction of a comprehensive approach to alternative and renewable energy development infrastructure taking into account overall business and institutional aspects including regulation norms, investment incentives, modernization of equipment, raising the level of education and upgrading skills and competences.



**Thanks a lot
for your attention**