

Statement by UNECE Executive Secretary Ms. Tatiana Molcean

At the IRENA – Energy Community side event COP28,

3 December 2023, 17:15 - 18:00

“ NDCs and NECPs as the new financial roadmaps for facilitating a transition towards renewable energy in the Southeast Europe “

Ladies and gentlemen, dear colleagues,

Firstly, thank you to IRENA for being a valuable partner to UNECE in our common goal to make sustainable energy a reality across Southeast Europe.

I want to start with three key points:

1. Renewable Energy is on the Rise:

In our region, we're seeing a big increase in renewable energy sources like solar and wind power for electricity production. In the last five years, we've added 20.7 gigawatts of renewable energy capacity.

That's great news for the environment.

But we still have some catching up to do in areas like transportation and heating. Heating, cooling, and transportation still heavily rely on non-renewable sources, even though they make up about 80% of our energy demand.

2. We Need More Investment in Renewables:

Unfortunately, we're not keeping up with the rest of the world when it comes to investing in green energy.

In 2022, we had \$7.2 billion invested in the region, while Western Europe had \$56.6 billion in the same year.

Globally, the figure was a staggering \$284 billion in 2018.

To make a real impact, we need to get more funding for green and transition projects.

3. Energy Independence Remains Important:

Right now, we rely heavily on fossil fuels and the countries that export them: the share of renewable energy in our total energy use has remained the same since 2014.

Switching to renewable energy isn't just good for the planet; it's also essential for our energy security in this region.

UNECE is working to scale up and promote renewable energy in the region.

Our work on scaling up financing has shown that for renewable energy projects to have a scale impact need to be accompanied by a robust network of infrastructures to support them, notably the grid.

Another important insight is the need to address increasing costs and bottlenecks in the supply chain that raise the overall costs of the equipment and construction.

If we want to maintain the speed of investment, favourable financing conditions need to be provided to mitigate the increasing capital investment costs.

Finally, innovative financial structures that blend public and private capital, insurance and financial products can play an important role but market participants need time to get acquainted with, slowing down the negotiation process.

The overall investment and financing environment counts a lot too and in many countries in our region needs to be improved.

We do this via Hard Talks held with stakeholders in countries such as Serbia and Bosnia & Herzegovina, via work on the water-energy nexus (in particular in the Drina river basin), and via our support to closing down coal mines in an appropriate way in Albania and Serbia, thus mitigating methane leaks and making sure that the transformation of those countries does not leave anyone behind.

Furthermore, we have launched innovative financing schemes in collaboration with EBRD in North Macedonia.

These support investments in energy efficiency and small-scale renewable energy production undertaken by small and medium sized enterprises.

This scheme shows the impact we can have when different international organizations work together, each one bringing to the table their strengths and added value.

South East Europe is a focus region for us.

We aim to continue working on the areas mentioned before, but also to start work on critical raw materials.

This would help the region develop mineral resources sustainably, especially in light of the EU Raw Materials Act whereby the UN Framework Classification of Resources, a methodology developed by our team, is a reference for the EU and its trading partners.

So, in a nutshell, we're making progress in renewable energy, **but there's still work to be done, especially in getting more funding and transitioning other sectors like transportation and heating to cleaner energy sources.**

As I said, this is not just good for the planet; it's crucial for our energy security in this region.

In this, we espouse our partner IRENA's approach: **it's not enough to set targets; we need action.**

And we are here to help those actions have a real impact.

Thank you for your attention.