

The South East European Cooperation Process
Parliamentary Assembly
(*SEEC* PA)

GENERAL COMMITTEE
ECONOMY, INFRASTRUCTURE AND ENERGY

Report on
Role of Energy in Sustainable Development

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At the meeting of the General Committee on Economy, Infrastructure and Energy hosted by the Turkish Grand National Assembly in Ankara on 17 June 2019, it was proposed to take up the subject “Role of Energy in Sustainable Development” as a main agenda item in respect that one of the main purposes of South East European Cooperation Process Parliamentary Assembly (SEECPPA) is the assistance in development of mutual and equal cooperation among participants, and main goals are economic objectives and trade cooperation.

1. With respect to the spectacular changes since 1990, the SEECPPA was founded in 1996 and has become functional since then. With a new role vested on it, the SEECPPA aimed to ensure stability and security in order not only to seek political and social stability expected to secure and strengthen peace and progress throughout the region, but also to find solutions to economic problems encountered in the SEECPPA participants. In this respect, gradual integration to contemporary Western economies and adaptation to free market systems has been regarded as one of the ultimate objectives.
2. In the world, economic integration is considered very significant as an instrument among actors with geographical proximity and mutual interests. Therefore economic integration creates opportunity to establish socio-economic and stable political relations. Indeed, economic integration will not only facilitate free trade activities through the effective utilization of resources but also create division of labor and expertise for the purpose of increasing prosperity of the people in the region.
3. SEECPPA participants are experiencing a period of rapid and significant economic changes characterized by substantial growth in world trade and capital flows, and driven by increased integration of market economies into the global economic system, trade and investment liberalization and technological development.
4. In that respect, success and endurance of the SEECPPA should still enthusiastically be considered as a unique opportunity for all the SEECPPA participants as it has the potential to substantially contribute to the wealth of the region.
5. Possessing a significant economic, scientific and technical potential, today the SEECPPA participants have the opportunities for more intensive economic cooperation. Within this perspective, it is highly considered that energy is an important component of cooperation.
6. Energy must be utilized as one of the main tools for sustainable development. In this respect, cooperation between the SEECPPA participants is of crucial importance.

7. As indicated by the United Nations Sustainable Development Goals Knowledge Platform¹, energy is central to nearly every major challenge and opportunity the world faces today. Access to energy for all is essential for jobs, security, climate change, food production or increasing incomes. Working towards this goal is especially important as it interlinks with other Sustainable Development Goals. Increasing the share of renewable energy, improving energy efficiency, advanced and cleaner fossil fuel technology and promoting investments in energy infrastructure and clean energy technology, expanding infrastructure and upgrading technology for supplying modern and sustainable energy services are the main supporting components for ensuring universal access to affordable, reliable and modern energy services.
8. More progress needs to be made regarding integrating renewable energy into end-use applications in buildings, transport and industry. Public and private investments in energy also need to be increased and there needs to be more focus on regulatory frameworks and innovative business models to transform the energy systems.
9. At a worldwide level, while it is important to acknowledge that fossil fuels still play a major role, energy systems, need to be transform, by increasing investments in cleaner technologies, cooperation in energy efficiency and deployment of renewables and innovation. These processes should involve a cost-effective approach, including social, environmental and economic dimensions.
10. As stated in the WEO 2018², rapid, least-cost energy transitions require an acceleration of investment in cleaner, smarter and more efficient energy technologies. Policy makers also need to ensure that all key elements of energy supply, including electricity networks, remain reliable and robust.
11. Each SEECP PA participant has a unique and diverse energy system. There are different possible paths to achieve energy transitions - while promoting sustainability, resilience and energy security. For a sustainable future, the SEECP PA participant need to benefit from energy efficiency, many types of renewable energy, fossil fuels, nuclear power technologies. Innovation, technology, cost competitiveness and increased investments have central roles in sustainable development.
12. SEECP PA participants are transitioning their energy systems; they choose and define their energy mix according to their priorities, needs and circumstances. In this respect, cooperation on clean coal technologies will be beneficial for the region.
13. SEECP PA participants can cooperate in the fields of renewable and clean energy and energy efficiency and evaluate possibilities for cooperation. They can cooperate technically for construction, operation and maintenance of electricity transmission networks, development of electricity trade and interconnection capacity, exchange of knowledge and experience in the field of energy market regulation.

¹ <https://www.un.org/sustainabledevelopment/energy/>

² World Energy Outlook 2018 Report.

14. A sustainable environment for increased trade between the SEECP PA participants should be established by promoting effective cooperation. Sharing of best practices and knowledge on energy regulation between the SEECP PA participants should be enhanced to promote effective trade and investments in the energy sector. Within this context, information exchange on the legal and administrative procedures between the SEECP PA participants in the region will help to improve regional trade. Effective cooperation between the SEECP PA participants and increasing the energy trade will benefit both the citizens and the businesses.
15. Effective regulation will help to create a sustainable business environment in which development of SMEs are supported. SMEs are the building blocks of a sustainable economy.
16. Effective regulation is one of the cornerstones for creation of a sustainable energy market. In electricity and natural gas, sharing of regulatory experience for the development of liberal, competitive and transparent markets is essential to create a more harmonized regional market to promote investments and trade in the region.
17. For trade to secure and develop between the SEECP PA participants necessary infrastructure should be in place. To this end, the SEECP region should work on the development of the electricity infrastructure projects that will increase trade within the region.
18. For increase of the renewable energy utilization in final energy consumption, necessary legal arrangements should be in place. Latest developments in the sector such as the auction mechanisms, for example Renewable Energy Resource Zone (REZONES) model in Turkey or the Competitive Bidding Processes in Greece should be followed. Through the REZONES model, localization obligation for renewable energy (wind and solar) equipment is introduced which will help to develop renewable local industry. The implementation of these measures should be effectively managed and supervised for the optimum development of the renewable energy market.
19. The gas markets of the SEECP PA participants offer opportunities for further development, for instance gas infrastructures and regulatory structures could be more enhanced. Most of the SEECP PA participants are import dependent on gas therefore gas trade in the region should be enhanced. Development of the gas infrastructure is essential for development of trade. To this aim, gas interconnection projects are of due importance.
20. Development of natural gas infrastructures such as natural gas storage facilities is one of the important tools for enhancing security of supply. In this regard, Turkey as well as Greece have been continuing to investing in storage facilities. For increasing trade

and cooperation among the SEECP PA —participants, feasibility studies can be conducted on the development of the natural gas pipeline projects.

21. Such feasibility studies could be conducted on the possibility of extending projects under development in the region, such as BRUA (Bulgaria-Romania-Hungary-Austria) and TAP (Trans-Adriatic Pipeline) pipeline towards the South East -European markets, in order to enhance the security of supply in the area.
22. In order to attract investors, the sustainability and predictability of the energy markets should be ensured. For this aim, establishment of energy exchange markets are an important step. The SEECP PA participants can share their own experience contribute to the establishment of energy exchanges, for example Ankara can share its own experience by EXIST, which was established in 2015, or Athens through HENEX, which was established in 2018.
23. Energy efficiency is one of the best methods to decrease energy consumption and therefore to support security of supply. Energy efficiency and conservation measures have the potential to promote economic development, ensuring access to energy and can lead to job creation and saving of personal income. Energy efficiency in every aspect of the energy sector, in production, transmission, distribution and final utilization possesses due importance. Energy efficiency measures should be enhanced by the countries by providing the creation of a market for tertiary sector and by supporting the development of the Energy Service Companies (ESCOs).
24. Collaboration with the International Financial Institutions should be promoted for supporting renewable energy and energy efficiency.
25. Exchange of researcher and training programs can be organized with relevant institutes and universities on renewable energy technology development and energy efficiency measures.