

# EU4ENERGY IN AZERBAIJAN

The EU4Energy Programme, funded by the European Union, has been working with Azerbaijan since 2016, helping to strengthen legislative and regulatory frameworks, improving the quality of data and statistics, and supporting evidence-based policymaking. With the help of the International Energy Agency and the Energy Charter Secretariat, significant progress has been made towards strong policymaking, legislation and statistics that will lay the groundwork for Azerbaijan's energy security, sustainable energy and energy markets in the years to come.

## KEY DATA 2019

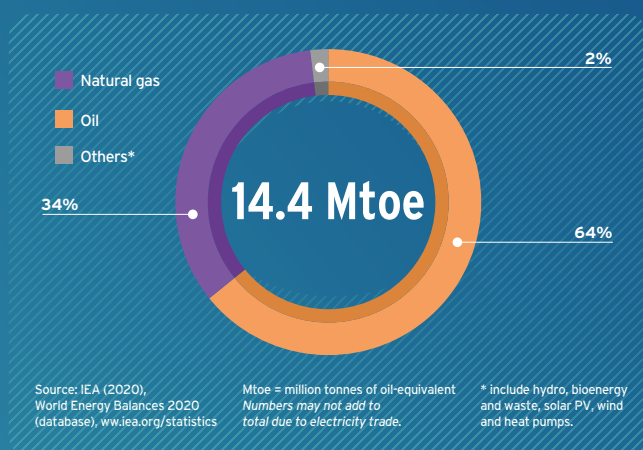
Population	9.942	millions
Gross domestic product	170.01	billion USD (2015 prices and PPPs)
Total energy supply (TES) / GDP (2018)	0.085	toe per thousand USD (2015 prices and PPPs)
TES / population (2018)	1.446	toe per capita
Share of renewables in electricity generation	7.8	%

Source: IEA (2020), World Energy Balances 2020 (database), [www.iea.org/statistics](http://www.iea.org/statistics).

toe = tonnes of oil-equivalent

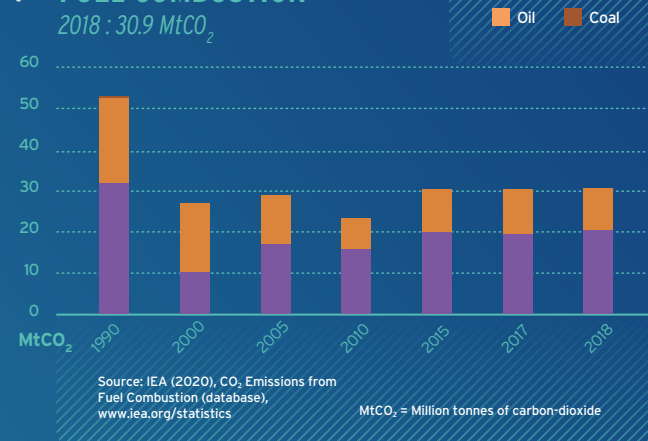
## AZERBAIJAN ENERGY MIX

### TOTAL ENERGY SUPPLY (TES) 2018



## AZERBAIJAN CO<sub>2</sub> EMISSIONS

### CO<sub>2</sub> EMISSIONS FROM FUEL COMBUSTION 2018 : 30.9 MtCO<sub>2</sub>



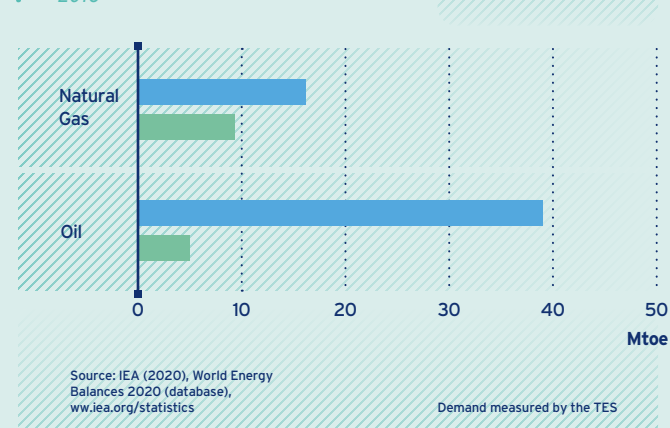
## ENERGY SECURITY

EU4Energy developed a long-term energy strategy concept and a roadmap for its adoption. In line with these a wide-ranging inter-ministerial and stakeholder consultations took place, and a Presidential Decree was issued in 2019 mandating the Ministry of Energy to present a Long-term Energy Strategy for Azerbaijan within a year. As of end-2020, a draft long-term strategy through 2050 is being considered for adoption, with scenarios and policy options made on the basis of a robust assessment of energy supply and demand trends, and considering the potential for increasing the share of renewables and boosting energy efficiency in all economic sectors.

In 2020, EU4Energy conducted an IEA In-Depth Peer Review of Azerbaijan's energy sector, analysing energy policy and providing recommendations as the country looks to transition to a more secure, sustainable and diverse energy future. In addition, EU4Energy, in coordination with the Azeri government, is developing a roadmap on Long-term Energy Planning, with a focus on integrating statistics and modelling into the planning process. Long-term energy planning is a fundamental step towards

ensuring a country's energy security, and this roadmap focuses on how this can become an integral part of the overall policymaking process.

### SELF-SUFFICIENCY 2018



## ENERGY MARKETS

Between 2017 and 2019, EU4Energy organised a series of policy events, creating a platform for dialogue on key energy issues. These were a chance for Azeri policymakers and stakeholders to exchange best practice with regional peers and discuss key areas of focus, such as phasing out fossil fuel subsidies, long-term energy planning, system integration of renewables, and energy efficiency. These events allowed Azeri stakeholders to strengthen capacity and build a network within the region, while focusing on topics of interest and leading directly into the roadmap and In-Depth Peer Review.

The State Statistical Committee of the Republic of Azerbaijan (AzStat) is increasingly involved in policy dialogue: AzStat convenes the national energy statistics consulting group with participation from the Ministry of Energy, and, even more importantly, provided its expertise during the drafting of the new energy strategy. These developments were strongly advocated by EU4Energy, as they allow for stronger integration of data into the policymaking process, which leads to greater trust in data by investors and citizens.

## SUSTAINABLE ENERGY

### ENERGY EFFICIENCY

EU4Energy provided support to the Government of Azerbaijan in developing a new energy efficiency law that introduces best EU practices into the Azeri context. When adopted, the law and corresponding secondary legislation will establish a framework for pursuing energy efficiency policies, such as setting up national action plans with targets, promoting energy audit schemes and ISO energy management systems in industry, as well as utilising public financing instruments. Expected long-term benefits include the more efficient use of national energy resources, lower utility bills for businesses and citizens, job creation, and enhanced competitiveness among industrial enterprises.

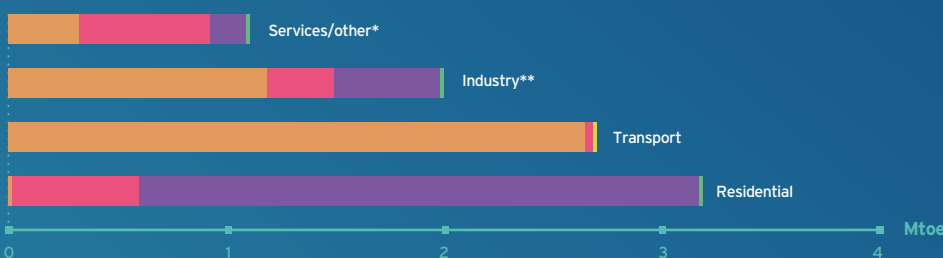
Furthermore, a draft National Energy Efficiency Action Plan (NEEAP) was designed with EU4Energy support. The NEEAP Inter-Ministerial Working Group provided continuous and valuable input on key issues, such as setting the indicative

national energy efficiency target, identification and analysis of cross-sectoral and sectoral energy efficiency measures, and assessment of investment needs. In total, seven cross-sectoral and 22 sectoral measures are part of the NEEAP: their full implementation would bring cumulative energy savings between 3.1 and 3.7 Mtoe until 2025.

EU4Energy provided guidance on the process of adopting eco-design and labelling requirements for energy using products, including recommendations for necessary changes in the legal, regulatory and institutional framework. In order to further support the adoption process, model technical regulations were developed for five priority product groups, including refrigerators, air conditioners, lighting, industrial motors and distribution transformers.

### TOTAL FINAL CONSUMPTION: 9.2 MTOE

2018



\* include commercial and public services, agriculture and forestry  
\*\* Includes non-energy use

Source: IEA (2020), World Energy Balances 2020 (database), [www.iea.org/statistics](http://www.iea.org/statistics).

### REDUCING CARBON EMISSIONS

In January 2017, Azerbaijan ratified the Paris Agreement, with the country's commitment to reduce greenhouse gas emissions by 35% in 2030, as an intended nationally determined contribution (INDC). It is expected that the first NEEAP until 2025 should contribute more than 50% of the remaining net emissions reduction (8.6 MtCO<sub>2</sub>) required to meet Azerbaijan's official 2030 INDC target.

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