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THE ROAD TO COP29:
POTENTIALS FOR THE GREATER
CASPIAN REGION AND THE MIDDLE
CORRIDOR

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The Road to COP29: Potentials for the Greater Caspian Region and the Middle Corridor

As global leaders are to assemble in Baku, Azerbaijan for the 29th gathering of the [Conference of the Parties \(COP29\)](#) from 11 to 24 November 2024, the occasion may prove to be pivotal on several fronts. The COP29 summit, like its predecessors, will assess global carbon emissions and international efforts to combat climate change. It will also be a milestone for Azerbaijan to lead discussions toward effective climate solutions and to withstand the scrutiny often [faced](#) by host countries with significant energy production.

Nevertheless, holding the COP29 in Baku enhances also significant opportunities. One such opportunity lies in the potential to boost the EU's engagement with the Greater Caspian Region, which includes the South Caucasus and Central Asia. This region not only presents significant [green energy potential](#) to help the EU enhance its energy security and combat climate change, but its strategic location can also help address broader foreign policy challenges.

Indeed, recent developments in Ukraine and the Middle East, such as the Hamas-Israel conflict and the Houthi assaults on freights in the Red Sea, underscore the delicate state of trade connections and commercial routes between Europe and Asia. This instability extends across geopolitical, energy resource, and economic dimensions, with clear risks of global repercussions and escalating international instability. The Caspian region therefore holds significant potential as a linchpin for economic integration along the [Trans-Caspian International Transport Route \(TITR\)](#), or 'Middle Corridor,' connecting Europe to China and beyond.

Hence, the European Union should seize this opportunity to ensure that the November 2024 COP29 accelerates the emergence of a new era of connectivity, as well as fostering stability and economic potentials across Europe and Asia.

Countdown to Baku's COP29

Despite its complexities, 2024 carries an air of promise and opportunity for worldwide climate action. During the previous COP in November 2023, Dubai became the focal point for top leaders in global energy diplomacy, accompanied by a multitude of journalists,

entrepreneurs, lobbyists, and corporate leaders, all converging to cement the notion of [‘transitioning away from fossil fuels.’](#) Substantial strides were also made in methane reduction with over 100 nations [committing](#) to reducing methane emissions by 30% by 2030.

However, the reality of COP28 in Dubai was far from unanimous praise. For instance, the alliance of small Pacific island states, among those most vulnerable to climate change, harshly criticised the final agreement, labelling it as riddled with [‘loopholes.’](#) The [Global Stocktake](#), an integral part of the agreement featuring the ‘transitioning away’ concept, remains open to diverse interpretations. While it sets ambitious targets like tripling renewable capacity by 2030, it also encourages investments in zero and low-carbon technologies, including [nuclear](#) and [carbon capture](#). Critically, the inclusion of [‘transitional fuels,’](#) particularly natural gas, has been heavily scrutinised. This provision suggests a more prominent role for natural gas in facilitating decarbonisation or compensating for renewable energy’s inherent variability. Moreover, the agreement [reflects](#) conflicting worldviews, marked by sharp divisions between security concerns and energy transition priorities, as well as between the global North and South.

Although COP28 achieved significant results in promoting technology inclusivity and a commitment to scale up essential technologies, the successful outcomes of these agreements and the world’s capacity to realign its trajectory will ultimately hinge on efficient planning, financing, and implementation efforts.

As we look ahead to this year’s COP, countries will need to [engage](#) in fresh planning and securing financial resources for climate initiatives amidst looming international uncertainties. The unfolding of geopolitical shifts, unpredictable election outcomes, and trade dynamics could determine the success or failure of global climate ambitions. The efficacy of multilateral institutions, already a topic of discussion – particularly in the Global South – will [come](#) under intensified scrutiny. Recent geopolitical developments, an urgent climate crisis, inadequate progress on the [Sustainable Development Goals \(SDGs\)](#), a fragile global economy, ongoing poverty, widening inequalities, and global human rights concerns, all point towards a challenging road ahead for these organisations and their configuration.

Against the backdrop of a shifting global landscape, the COP29 in Baku, planned to take place shortly after the US elections, stands as one of the significant opportunities to realign the world’s trajectory and ensure nations are held responsible for meeting their environmental commitments. Situated at the crossroads of Europe and Asia, as a host

Azerbaijan can nevertheless offer a unique regional perspective to the conference, potentially reshaping the COP's historically Western-driven narrative.

Geopolitical considerations and the significance of oil and gas are still likely to take centre stage, alongside the pressing need for financial mobilisation, particularly regarding the [New Collective Quantified Goal \(NCQG\)](#) on climate finance to be agreed upon by the year-end. There is an expected shift in focus from the COP28's emphasis on phasing out fossil fuels to addressing fossil fuel subsidies, ensuring compliance with the COP26 agreement to [eliminate](#) inefficient subsidies and redirect investments toward clean energy. Additionally, there will be continued emphasis on increasing the ambitions of [Nationally Determined Contributions \(NDCs\)](#), with a potential spotlight on defining clearer guidelines for NDC features, [highlighting](#) the importance of sectoral implementation to meet country targets.

As finance is [taking](#) centre stage leading up to COP29, it is crucial to acknowledge that while there is much discussion on financial matters, some of the challenges still remain overlooked. Despite the headline achievement of COP28, which saw the establishment of the ['Loss and Damage Fund'](#) with roughly 700 million USD in pledged funds, this amount pales in comparison to the [estimated](#) annual global climate financing gap of 4.5 to 10 trillion USD. Emerging and developing economies, in particular, are expected to [require](#) significantly higher levels of clean energy investment, possibly doubling or even quadrupling the current levels. Nevertheless, many proposed solutions, such as [blended and concessionary finance](#), may not adequately [address](#) these needs.

In an increasingly fragmented world, progress in climate action may depend on regional collaborations and partnerships, as highlighted by developments at the [Regional Climate Weeks \(RCWs\)](#). Occurring annually, these worldwide events facilitate the exchange of knowledge on best practices for implementing NDCs, [National Adaptation Plans \(NAPs\)](#), SDGs and [Global Climate Action \(GCA\)](#). Nevertheless, the hesitance of major players like China and India to fully [commit](#) to renewable energy pledges at COP28 underscores the geopolitical complexities of multilateral agreements. As consensus on climate policies [waned](#) among the 38 Member countries of the Organisation for Economic Co-operation and Development (OECD), collaboration and agreements at levels below the multilateral sphere become vital. RCWs may ultimately become as influential as COP negotiations. Indeed, these collaborations are gaining importance due to their ability to craft tailored climate strategies, enhance regional knowledge sharing, and leverage local resources. Unlike global agreements hampered by geopolitical complexities, RCWs offer practical, region-specific solutions, strengthen local institutions, and foster innovation and collaboration at achievable levels.

Looking ahead, if current shifts persist, 2024 certainly holds promise for climate action. Investments in methane abatement and carbon management technologies [offer](#) pathways to a net-zero emissions world. A new international climate action paradigm, characterised by a more diverse leadership, pragmatic partnerships, and recognition of climate as an economic and security priority, could pave the way for a more durable and equitable transition toward a cleaner global energy system.

The Energy Transition on the Eastern Shores of the Caspian Sea

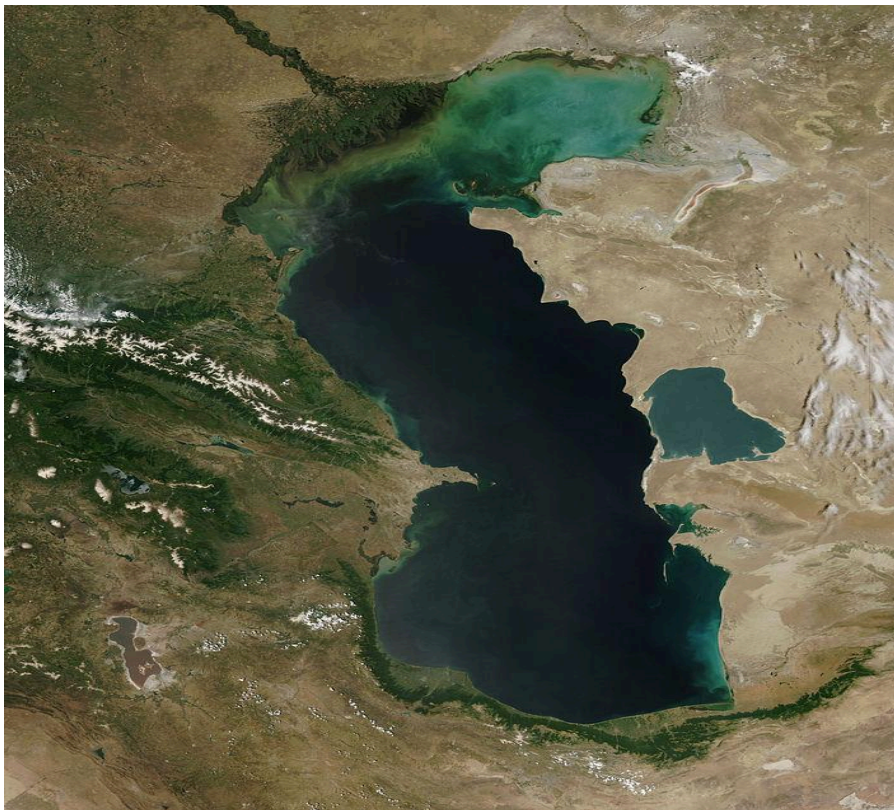


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The Greater Caspian Region holds significant promise in the realm of renewable energy, with substantial wind, solar, and hydropower resources. Harnessing these resources will be crucial for combating climate change and ensuring a smooth transition towards sustainable energy. This is particularly relevant for Kazakhstan and Turkmenistan, the littoral countries on the eastern shores of the Caspian Sea, where the effective utilisation of renewable energy sources can drive both environmental and economic benefits. By integrating renewable energy, these countries can enhance their energy security, reduce

carbon emissions, and support the sustainable development and connectivity of the Middle Corridor through the Caspian Sea.

Kazakhstan

Kazakhstan is a large fossil fuel producing country where oil and gas together [account for](#) 35% of GDP and 75% of total exports. Despite being a major oil and gas producer, it has also made significant progress in developing renewable energy projects. The country stands out as a leader among traditionally oil-producing nations in the former Soviet space for [adopting](#) a robust legislative and policy framework to support renewable energy development.

The 2012 '[Kazakhstan 2050' Development Strategy](#) is a long-term basis for all related strategic plans and objectives. Kazakhstan took the lead as the first country in Central Asia to actively cultivate its renewable energy sector. This endeavour commenced with the implementation of the 2013 '[Nation Concept on Transition to a Green Economy](#)'. This framework outlined ambitious targets for renewable and low-carbon energy generation, aiming for 3% by 2020, 10% ([increased](#) to 15% in 2022) by 2030, and 50% by 2050, alongside the commitment to [achieve](#) carbon neutrality by 2060. Although the government's action plan supports this official renewable energy target, it [remains](#) legally non-binding. As of early 2024, Kazakhstan's renewable energy sector [boasts](#) 146 operational facilities, totaling 2.9 GW (gigawatts) in installed capacity. This diverse portfolio includes wind, solar, hydroelectric, and biogas power plants, each pivotal in reshaping the nation's energy landscape.

Kazakhstan's substantial renewable energy resources can play a strategic role in decarbonising its energy-intensive, export-driven economy, with the mining and metals industry being a notable example. The clean energy transition will necessitate a significant increase in the use of minerals and metals. For instance, the demand for minerals used in batteries, such as graphite, lithium, and cobalt, is [projected](#) to have grown fivefold in 2030 and to reach a 14-fold rise by 2040 compared to the 2020 production level. A substantial portion of this demand will need to be [met](#) through new mining operations. Kazakhstan's extensive mineral resources and growing renewable energy capabilities make it well-positioned to significantly [contribute](#) to the global clean energy transition by supplying essential minerals and metals needed for new technologies and infrastructure. It is already the world's largest producer of uranium, [accounting for](#) 37.3% of global output in 2023. Among others, the country is also a significant producer of chromite, coal, iron and steel, copper, zinc, titanium, lead, and gold.

Additionally, the country is exploring opportunities to position itself within the emerging international hydrogen economy. With its abundant renewable energy resources and extensive available land, it has the potential to become a leading producer of green hydrogen. In 2023, Astana [initiated](#) test drilling for its Hyrasia One project, a significant green hydrogen production facility in the Mangystau Region, in the southwest of the country. This project will oversee the production of green hydrogen and its derivatives, such as ammonia. It [includes](#) the construction and operation of a desalination plant with a daily capacity of 255,000 cm, a 40 GW renewable energy station (comprising wind and solar power), and a 20 GW water electrolysis facility, primarily for export or domestic consumption. All hydrogen production will be green, powered by solar and wind energy. Kazakhstan aims to produce up to 2 mt (million tonnes) of green hydrogen annually during the project's first phase, which can be converted into 11 mt of green ammonia annually by 2032. Despite the early stage of the international green hydrogen market, Astana has already signed a [Memorandum of Understanding \(MoU\)](#) with the EU on a strategic partnership that includes renewable hydrogen, positioning itself as a reliable producer and supplier.

Global climate initiatives could drive a shift toward producing high-value, low-carbon intermediates like methanol and ammonia. Companies such as KazMunayGaz are [piloting](#) carbon capture and storage (CCS) technologies to produce blue hydrogen from natural gas. In the future, harnessing the country's vast wind resources will enable the production of green or blue hydrogen for both export and domestic use, replacing coal in industrial processes. Green hydrogen also [offers](#) potential for energy storage and, with advancing technology, could power clean, load-following gas turbines and fuel cells.

Turkmenistan

Alongside Kazakhstan, Turkmenistan demonstrates significant potential with its diverse reserves of critical raw materials essential for the energy transition. This could bring economic growth to the Central Asian nation and position it at the forefront of the green energy system. However, the country's vast gas reserves have [made](#) it one of the most gas-dependent countries in the world, both in its energy sector and export structure. This results in an undiversified, non-resilient, and CO₂-intensive economy.

Turkmenistan's ongoing [allowance](#) of significant methane emissions from its oil and gas sector remains problematic, despite the country's [commitment](#) to the [Global Methane](#)

[Pledge \(GMP\)](#) at COP28. Turkmenistan should therefore prioritise significant and immediate methane emission reductions.

With its wind-swept Caspian shores, vast deserts, and excellent solar radiation levels, Turkmenistan boasts significant renewable energy potential and abundant available land. The country has [identified](#) a total renewable energy potential of 666 GW, with solar energy accounting for the largest share at 655 GW, followed by wind and hydropower. Advancing this sector, combined with reducing methane emissions from energy, agriculture, and waste, would greatly enhance environmental protection and energy supply. Nevertheless, the country had no significant solar or wind capacity [installed](#) as of 2021, and its total renewable energy capacity in 2021 was 2 MW (megawatt), all from hydroelectric power.

Despite the slow progress of Turkmenistan's renewable energy industry, in recent years signs of increasing interest are emerging, bolstered by national strategies and international initiatives such as the EU's 2018 [Support for Energy Cooperation in Central Asia \(SECCA\)](#) project. In December 2020, Ashgabat adopted the [National Strategy for Renewable Energy Development in Turkmenistan until 2030](#), the purpose of which was the development and efficient use of renewable energy sources, which will lead to a reduction in greenhouse gas emissions (GHG) in the long-term. This was followed by the [Renewable Energy Law](#) in March 2021, drafted with support from the UN Development Programme (UNDP). Furthermore, the [2023-24 Methane Roadmap](#) was approved, and an [Intersectoral Commission for the Reduction of Methane Emissions](#) was established to facilitate joining the GMP.

The energy industry in Turkmenistan has recently introduced several cutting-edge technologies and practices, including the use of renewable energy sources, the modernisation of existing infrastructure, and energy-efficient appliances. A notable example is the [construction](#) of a 10 MW hybrid solar-wind power plant near Lake Altyn Asyr in 2023. Additionally, the Turkmenenergo Corporation [plans](#) to build solar power plants with capacities exceeding 6 MW in remote settlements across the country.

Beyond solar energy, Turkmenistan acknowledges the significance of hydrogen energy in addressing global environmental and climate challenges. As the [fourth-largest holder](#) of natural gas reserves, Turkmenistan is strategically positioned to develop itself into a hydrogen energy base. With over 68% of hydrogen production [relying on](#) natural gas, it remains the most cost-effective method for the country. To fully unlock the potential of hydrogen energy, Ashgabat is preparing to create an industry infrastructure, including the organisation of industrial production, storage, and transport networks. The [Roadmap of](#)

[Turkmenistan for the development of international cooperation in the field of hydrogen energy for 2022-2023](#) represents the first practical step to start attracting foreign investment and foster collaboration in this vital sector. This initiative is further emphasised by the [Turkmen Energy Investment Forum \(TEIF\)](#) held in Paris this April 2024, showing Turkmenistan's efforts to diversify its energy sector. In this context, hydrogen is being considered as an alternative, with Ashgabat actively developing a national hydrogen strategy.

Leveraging its ample natural gas resources, Turkmenistan stands poised to provide a sustainable and economically viable response to the rising demand for hydrogen in the EU market. This could present an alternative to hydrogen sourced from Kazakhstan.

Global Methane Pledge

The GMP includes over 150 countries and jurisdictions, united in a collective effort to reduce global methane emissions by at least 30% by 2030, relative to 2020 levels. Global methane data [indicate](#) that Central Asian countries significantly contribute to global methane emissions. For instance, Kazakhstan is the world's [10th largest coal producer](#) and [12th largest oil producer](#).

But it is Turkmenistan's oil and gas production which [has](#) the highest global methane intensity. Almost 38% of all the global methane emission episodes identified by the United Nations Environment Programme (UNEP) [occurred](#) in Turkmenistan. This stark statistic highlights the need for substantial reforms and urgent technological improvements. Turkmenistan is really at a pivotal moment. By taking decisive action now, Turkmenistan should set a strong example for other oil and gas-producing countries in making a significant contribution to global efforts to combat climate change. Reducing these methane emissions are crucial not only for environmental sustainability but also for public health and economic efficiency. Nevertheless, the recent agreement in which Turkmenistan has [signed](#) a swap deal with Iran, allowing Ashgabat to sell 10 bcm (billion cubic metres) of natural gas annually to Iraq, serves instead more as an alarm signal in this regard.

As we near 2030 and the impacts of rising global temperatures become more severe, 'methane diplomacy' will gain momentum. Failing to achieve the methane reduction target would likely place significant blame on China, India, and Russia, along with other non-participating countries such as Azerbaijan. The latter is therefore prioritising

significant and immediate methane emission reductions. The State Oil Company of Azerbaijan Republic (SOCAR) is a [signatory](#) of the [Methane Guiding Principles](#), initiated in 2017 to promote methane emission cuts in the natural gas supply chain. In 2023, SOCAR committed to reducing methane emissions to zero by 2035 and [partnered](#) with the British energy company BP to tackle methane emissions in Azerbaijan’s oil and gas sector, which [accounts for](#) 52% of the country’s total methane emissions. Joining the GMP before hosting COP29 in November 2024 could be a politically prudent move for Azerbaijan.

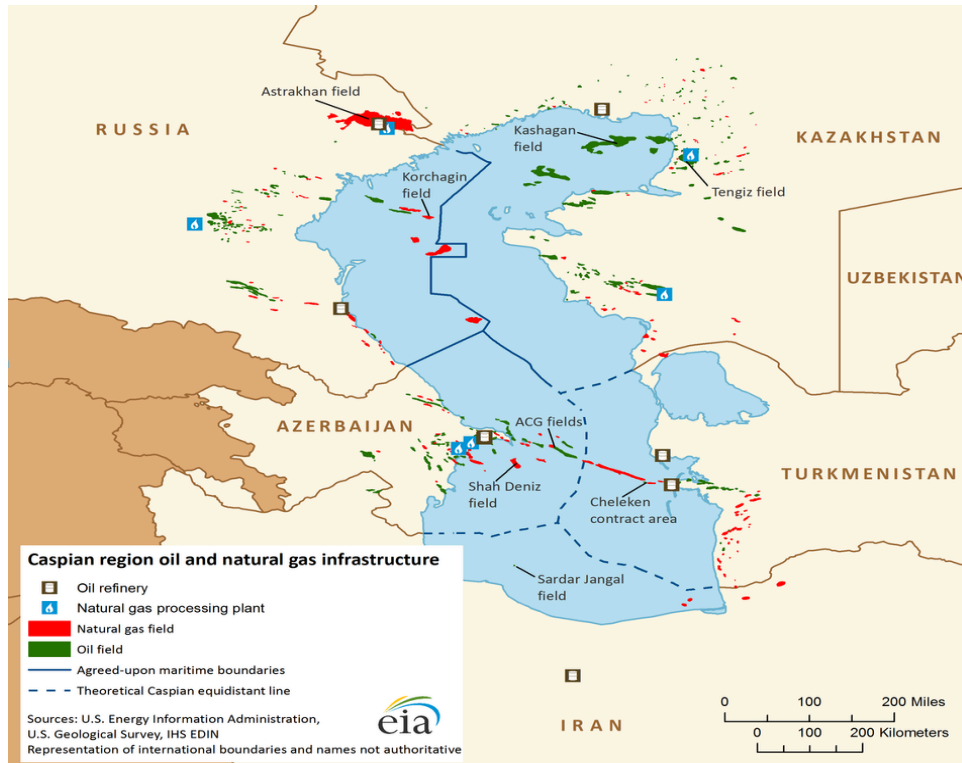


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Azerbaijan’s Green Energy Agenda

The path towards COP29 is marked by Azerbaijan’s strong emphasis on promoting renewable energies and its increasing openness to international investments in the sector. The country’s long-term plans for widespread deployment of renewable energy sources are at the core of resource diversification and fostering green growth. Azerbaijan’s proclamation of 2024 as the [‘Green World Solidarity Year’](#) is a step in this direction. Despite its wealth in fossil fuels and heavy reliance on them in its energy mix, the country has already initiated its green transition process. Its renewable energy sources [have](#) a

significant technical potential of 135 GW onshore and 157 GW offshore, with an economic potential of 27 GW, including 3,000 MW of wind energy, 23,000 MW of solar energy, 380 MW of bioenergy, and 520 MW from mountain rivers.

Signing the 2016 Paris Agreement on climate change and, particularly, the 2023 [Updated document on Nationally Determined Contributions \(NDC\)](#) signalled its commitment to reducing GHG by up to 35% by 2030 and to 40% by 2050. In pursuit of this objective, the government has [established](#) a target to elevate the proportion of renewables in electricity generation to 30% by 2030. Efforts are underway to operationalise renewable energy-based power plants with capacities of 440 MW from 2020 to 2022, 460 MW from 2023 to 2025, and 600 MW from 2026 to 2030. In addition, the NDC [includes](#) mitigation measures such as the development of legislative acts and regulatory documents, despite the absence of a comprehensive national climate action plan or strategy delineating specific actions to attain the prescribed quantitative objectives.

The 2021 plan [Azerbaijan 2030: National Priorities for Socio-Economic Development](#) – and its most recent articulation of the [Socio-Economic Development Strategy \(SEDS\) for 2022-2026](#) – reinforces efforts toward energy diversification. SEDS, in particular, acknowledges the country's progress in identifying new sources of comparative advantage and outlines an ambitious economic diversification program focused on digital technologies, human capital, and new industrial export sectors. It also commits Azerbaijan to significant investments in the clean energy transition, including renewable energy, electric mobility, and energy efficiency, alongside enabling reforms such as cost-reflective energy pricing. This aims at expediting the decarbonisation of its energy infrastructure, which heavily [relies](#) on fossil fuels, particularly natural gas, for over 98% of its energy consumption. Natural gas production [reached](#) 48.3 bcm in 2023, an increase by 37%. Notably, the Azeri-Chirag-Guneshli field contributed 12.9 bcm, the Shah Deniz field 26.2 bcm, and the Absheron field 0.8 bcm. SOCAR recorded gas production of 8.4 bcm in 2023, up from 8.1 bcm in 2022. Azerbaijan also [produced](#) a total of 30.2 mt of crude oil in 2023, including condensate, marking a 7% decrease from 2022. SOCAR's overall oil production accounted for 7.8 mt, while oil exports amounted to 25.2 mt, reflecting a 5% decline from the previous year.

Azerbaijan stands to gain numerous benefits from tapping into its renewable energy potential. Embracing renewable energy sources would enable the country to conserve natural gas for export and utilisation in the petrochemical sector, decrease GHG emissions to fulfil its 2030 Paris Agreement obligations, while at the same time enhancing electricity security through diversified generation methods. As part of its envisioned energy market

reforms, SEDS targets renewables to make up for 30% of its electricity generation by 2030 –an ambitious goal nearly doubling the 2018 share of 16%.

Therefore, the establishment of SOCAR Green holds significant importance for the country ahead of COP29. SOCAR Green’s objectives [encompass](#) investment in solar and wind projects, green hydrogen production and CCS. For instance, SOCAR Green and the UAE-based energy company Masdar are collaborating on a 1 GW onshore wind and solar energy initiative under the ‘Megaproject.’ The company plans to develop 240 MW of solar energy projects in Azerbaijan. Future endeavours include solar and wind energy projects in the Nakhchivan Autonomous Republic, facilitated by partnerships with the Saudi ACWA Power, Masdar and Energy China.

Recently, significant attention has been [given](#) to the potential for renewable energy investments in the Karabakh and eastern Zangezur regions. Azerbaijan has made substantial investments in green energy and has signed agreements with international energy companies, including BP, Masdar, and ACWA Power. In 2021, plans were made to establish a [Green Energy Zone](#) in the Karabakh region to export green energy produced there to Europe. In 2022, the Nakhchivan exclave was also incorporated into the Green Energy Zone, and an [Action Plan for 2022-2026](#) was developed to guide this initiative.

Overall, Azerbaijan is poised to become a significant clean energy exporter, bolstering its zero-carbon goals in partnership with the EU. Achieving this requires infrastructure investment, supportive policies, financial incentives, innovation promotion, international collaboration, workforce training, and public engagement. Challenges include funding, regulatory navigation, grid integration, stability maintenance, environmental considerations, geopolitical management, market adaptation and energy transition away from fossil fuels. Overcoming these hurdles is essential for realising renewable energy success in Azerbaijan and the entire region. The EU should therefore grasp this opportunity to become a substantial partner in assisting Azerbaijan to overcome these challenges.

Progressing The EU–Azerbaijan Energy Partnership in the run up to COP29

Amidst the evolving global energy landscape and geopolitical uncertainties, the partnership between Azerbaijan and the EU stands out as a potential beacon of mutually advantageous and strategic collaboration.

The EU's collaboration with Azerbaijan rests on two pivotal initiatives: the 1999 [Partnership and Cooperation Agreement \(PCA\)](#) and the [EU Strategy for the South Caucasus](#), which forms an integral component of the [Eastern Partnership \(EaP\)](#) initiative since 2010. Their relationship is multifaceted and holds significant geostrategic implications. The EU is a major trade partner for the South Caucasus republic, [making up](#) about 65% of its foreign trade. The region is also crucial for the EU in improving Europe–Asia connectivity and as an important energy supplier, highlighting their strong partnership beyond just economic ties.

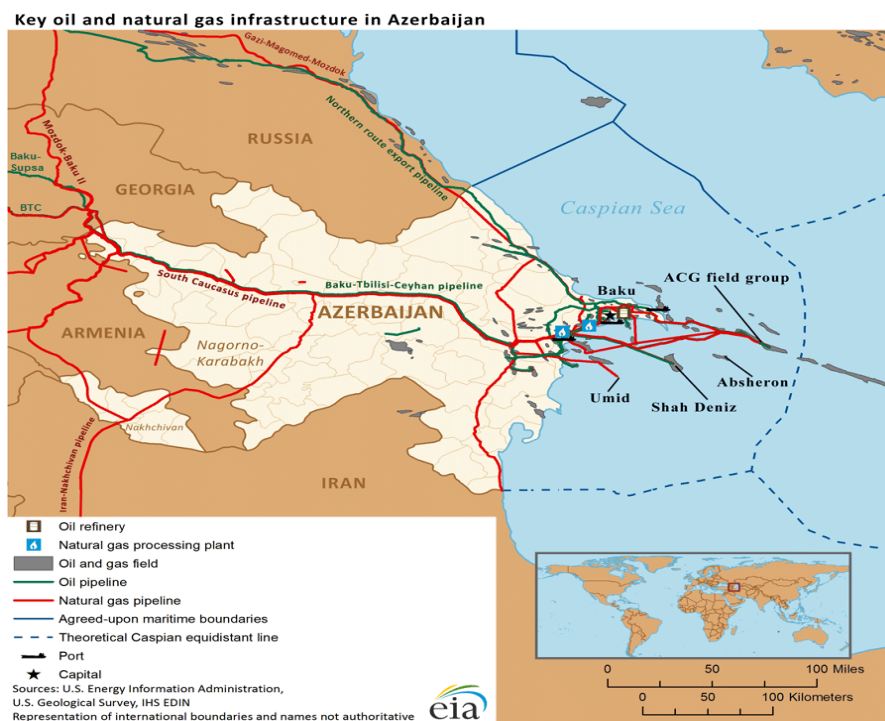


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Just months after Russia invaded Ukraine, the EU and Azerbaijan signed an [MoU to establish a strategic partnership in the field of energy](#) in July 2022. This partnership, highlighted by events such as the 10th Ministerial Meeting of the Southern Gas Corridor (SGC) Advisory Council and the 2nd Ministerial Meeting of the Green Energy Advisory Council [held](#) in Baku on 1-2 March 2024, is built upon concrete achievements and common objectives, particularly in the field of energy cooperation. Since 2020, the [Southern Gas Corridor \(SGC\)](#) aimed at diversifying Europe's gas supply sources through the imports of Azerbaijani gas, has become one of the cornerstones of Azerbaijan-EU relations. Furthermore, the EU's commitment to its long-term strategic energy

cooperation with Azerbaijan is evident in its efforts to [expand](#) the SGC and double gas trade volumes to 20 bcm by 2027. This will contribute to the diversification objectives of the [REPowerEU Plan](#) and help Europe end its dependency on Russian fossil fuels. Based on this strengthened energy cooperation, the EU imported around 12 bcm of natural gas from Azerbaijan in 2023, which [represents](#) more than a 45% increase since 2021.

The cooperation between Azerbaijan and the EU has significantly boosted the development of the renewable energy sector in the South Caucasian republic, alongside its traditional energy industry. Nevertheless, while the EU's heightened imports of natural gas from Azerbaijan represent a practical response to existing energy challenges, they prompt scrutiny regarding their alignment with the [European Green Deal](#) objectives. As Europe strives to reduce its carbon footprint and transition to cleaner energy sources, it will be crucial to align these efforts with the broader goals of renewable energy adoption and decarbonisation. Therefore, the EU should prioritise investments in renewable energy infrastructure and technologies to expedite the transition to a more sustainable energy landscape. This entails not only promoting renewable energy projects within the EU but also supporting initiatives that facilitate the adoption of clean energy solutions in partner countries like Azerbaijan.

Indeed, the EU-Azerbaijan partnership is expanding to embrace the clean energy transition and renewable energy development. During COP28, EU and Azeri officials [discussed](#) the expansion of the SGC and the implementation of the [Turkish Gas Hub \(TGH\)](#) or 'Solidarity Ring.' Azerbaijan has the potential to transition from being a 'pan-European gas supplier' to a 'pan-European energy supplier' through the adoption of green energy initiatives. A prominent example of this potentiality is the 1 GW underwater electric cable project under the Black Sea, spanning 1,195 km. This project aims to transport green energy from the Caspian region to Europe, referred to as the [Caspian-Black Sea-European Green Energy Corridor](#) project. These initiatives, which form part of the EU's [Global Gateway](#) strategy, have strengthened the importance of the Middle Corridor, largely overlapping with the 1993 [Europe-Caucasus-Asia Transport Corridor \(TRACECA\)](#) programme.

Azerbaijan could thus also [become](#) a reliable green hydrogen supplier for the EU. This presents a mutually beneficial opportunity for the parties involved. The EU's pursuit of a dependable green hydrogen source is pivotal for diversifying its energy supplies and reducing reliance on fossil fuels, which are crucial steps towards achieving a carbon-neutral future. Meanwhile, Baku stands poised to reap economic benefits and elevate its geopolitical influence by strategically capitalising on the growing demand for renewable fuels in the European market. Additionally, Azerbaijan has the potential to

establish itself as a hydrogen hub by transporting hydrogen produced in Kazakhstan and Turkmenistan to Europe, further solidifying its position in the global energy landscape.

Also wind energy is set to play a pivotal role in the energy transition for the Greater Caspian Region, with Azerbaijan increasingly focusing on harnessing wind power to diversify its energy mix. In line with this objective, at the end of the Ministerial Meetings of the SGC Advisory Council and the Green Energy Advisory Council in March 2024, the European industry association [WindEurope](#) and the [Azerbaijan Renewable Energy Agency](#) signed an [MoU on wind energy cooperation](#) to advance the development of onshore and offshore wind energy. This follows the EU Commission's [Wind Power Package](#) of October 2023 to help accelerate the deployment of wind energy and support the sector's competitiveness. This agreement will enable European renewable energy companies to leverage Azerbaijan's significant wind power potential, advancing the clean energy transition in the region and potentially providing new renewable energy supplies for Europe.

The 30th [Baku Energy Week](#) from 4 to 6 June 2024 marked an important development in Azerbaijan's energy portfolio by bringing together three major events: the 29th [International Caspian Oil & Gas Exhibition](#) (now encompassing green energy segments), the 12th [Caspian International Power and Green Energy Exhibition](#), and the 29th [Baku Energy Forum](#). This gathering attracted around 300 companies from 37 countries, highlighting Azerbaijan's role in global energy markets and its commitment to both traditional and renewable energy sectors. It also provided an opportunity to expand business contacts with European companies and enhance dialogues on renewable energy with EU Member States and institutions. Concurrently, the [EU-Azerbaijan Business Forum 2024-2026](#), launched in Baku on 29 May 2024, promises to enhance economic cooperation between the EU and Azerbaijan in the next years. It [includes](#) activities such as launching the EU Business Climate Report survey, organising business forums and missions, and introducing a digital networking platform. This initiative seeks to foster partnerships, promote investment opportunities, and improve awareness of Azerbaijan's business climate in Europe.

In the context of global sustainability efforts, the Baku Energy Week highlighted the growing importance of the renewable energy sector and the strategic significance of the Middle Corridor in attracting investments for vital infrastructure projects in the Greater Caspian Region.

The EU and the Greater Caspian Region: COP29 and Beyond

Hosting COP29 in Azerbaijan offers a unique opportunity for the country and the Greater Caspian Region to raise global and international awareness and to mobilise global support for collective action in the region about its environmental challenges such as the depleting water levels of the Caspian Sea as well as the significant methane emissions of the Central Asian countries and Turkmenistan in particular.

It also offers significant opportunities for the EU to highlight and invigorate its engagement and connectivity with the South Caucasus and Central Asia also in view of the strategic importance of the Middle Corridor. By strengthening sustainable infrastructure in South Caucasus countries, the EU can further enhance regional energy efficiency and promote shared prosperity. The Greater Caspian Region holds considerable promise for enhancing the EU's energy security through its vast green energy resources. Harnessing these resources can help the EU diversify its energy sources, reducing reliance on fossil fuels and enhancing resilience against geopolitical disruptions. One key area is renewable energy research, where joint initiatives can facilitate the development and deployment of innovative technologies that harness renewable resources more efficiently. Aligning with the EU's climate goals, Azerbaijan can thereby leverage European knowledge, expertise and resources to advance its sustainability efforts as well as its shift to a low-carbon economy through the EU's Global Gateway initiative. As the EU aims to reduce its carbon footprint and accelerate its transition to cleaner energy, it is crucial to align these efforts with broader renewable energy and decarbonisation goals. Enhancing collaboration between Azerbaijan and the EU offers therefore significant potential for fostering sustainable development and green connectivity. Increased related investments in the South Caucasus infrastructure can also bring economic benefits to regional countries like Turkmenistan and Kazakhstan, which rely on Azerbaijan and the Middle Corridor for logistic connectivity and energy transportation to the EU.

Joint initiatives between the EU and the Greater Caspian Region countries can set the stage for impactful climate action that lasts beyond COP29. This includes enhancing renewable energy infrastructure, promoting green technology transfer, and strengthening climate resilience. By sharing best practices and collaborating on capacity-building, the EU can ensure COP29 yields tangible benefits for both the region and the planet in a more sustainable way.

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