



Clean Energy in the ECO Region

EIAS Brussels, 17.03.2026

Event Report

The European Institute for Asian Studies (EIAS) and the Clean Energy Centre for the ECO Region (CECECO), committed to accelerating the green energy transition while deepening practical cooperation with Europe on energy security and decarbonisation, convened a closed expert roundtable discussion on clean energy in the ECO region in Brussels on Tuesday, 17 March 2026. The event was held under Chatham House Rules; all statements below are unattributed.

The Economic Cooperation Organisation (ECO) was originally founded by Türkiye, Iran, and Pakistan, and later expanded to include several Central Asian states. CECECO was established as a joint ECO–UNIDO initiative concluded in 2021 and operating since September 2025 headquartered in Baku, Azerbaijan. It is part of UNIDO’s Global Network of Regional Sustainable Energy Centres, with UNIDO providing technical services for institution building, program development and policy support. Its mandate is to promote renewable energy (RE) and energy efficiency (EE) across the ECO region, with a particular emphasis on South-South and triangular cooperation. Current member states are Azerbaijan, Kazakhstan, the Kyrgyz Republic, Pakistan, Türkiye, and Uzbekistan, with Azerbaijan serving as host country.

Participants acknowledged that the ECO region has seen accelerating momentum in RE development, driven by large foreign direct investments from Gulf states and China, as well as strong government commitment to diversifying away from fossil fuels. Solar, wind, and hydrogen were identified as the primary vectors of this transition, with nuclear energy, including the potential for thorium-based systems, given regional availability of the material, also discussed. Nevertheless, the energy mix of several ECO member states remains heavily weighted towards fossil fuels. Countries such as Azerbaijan and Kazakhstan currently rely on natural gas for approximately 85–90% of their electricity generation, and a persistent fossil fuel mentality within both government and industry continues to impede the pace of the transition. The roundtable also highlighted the absence of harmonised RE and EE legislation across the ECO bloc as a structural barrier to regional progress.

A recurring theme across the discussion was the underutilisation of energy efficiency as a lever for decarbonisation. Participants noted that EE improvements, particularly in the building sector, can reduce domestic energy consumption, free up fossil fuel volumes for export, and induce a spillover effect by stimulating local economies, creating employment, and generating demand for EE materials and technologies. The potential for significant domestic gas savings was cited as a compelling economic argument for prioritising efficiency over new generation capacity. Incentive-based electricity pricing mechanisms, drawing on models already deployed in other markets, were recommended as a practical instrument to accelerate behavioural change.

Azerbaijan emerged from the discussion as the most investment-ready country in the region for wind energy. The country benefits from strong onshore and offshore wind potential, a sophisticated regulatory environment, and a clear government appetite for clean energy development. The power purchase agreement model adopted by Azerbaijan, based on bilateral arrangements with large off-takers, was identified as a practical entry point for European corporate buyers, including large data centres with high and growing demand for clean electricity. Yet several obstacles continue to delay the realisation of this potential. Grid infrastructure remains insufficiently developed to support the level of investment needed to meet Azerbaijan's renewable energy targets. Timelines remain unclear to prospective investors, and trust between the Azerbaijani government and European business has yet to be fully established. Participants noted a structural mismatch between the fast-moving investment appetite in Azerbaijan and the more conservative risk thresholds typical of European private finance.

In this context, CECECO was assessed as filling a genuine institutional gap: a regionally focused body capable of supervising projects in the ECO area more closely than global organisations such as IRENA, with which it maintains close coordination to avoid duplication. Its current priorities include the development of legislative models for RE and EE, the launch of a Clean Energy Academy for regional capacity building, the creation of digital platforms for EE strategy development, the planning of an annual research camp, and the establishment of international partnerships and relations. Participants acknowledged that, as a nascent organisation, CECECO will require time to establish the credibility necessary to attract meaningful international investment. In this regard, a series of pointed questions were raised during the roundtable that reflect the scrutiny the organisation will face as it seeks to build its international standing. The first concerned membership composition: the inclusion of Türkiye and Pakistan, whose energy systems are integrated with European and Chinese grids respectively, was questioned, while the absence of Turkmenistan and Tajikistan, both strategically relevant to the Trans-Caspian corridor, was noted as a significant gap. The second related to financing: participants sought clarity on where CECECO's project funding originates and what its realistic capacity is to attract and align with international investment initiatives. Third, questions were raised about the role of education and knowledge transfer within CECECO's international cooperation agenda. Fourth, the geopolitical positioning of China and Russia relative to the ECO framework was identified as an area requiring greater transparency. Fifth, participants asked whether the EU's regulatory and legislative frameworks could be formally useful to CECECO as models for harmonisation. Responses indicated that membership enlargement is not currently foreseen in the ECO charter, though it remains possible over time; that project financing draws on member state contributions and multilateral development bank funding; that educational activities will be pursued through the Clean Energy Academy; and that EU standards, while not obligatory, are considered highly relevant and are being actively referenced. CECECO's mission in Brussels was presented as a first step towards building institutional partnerships with European organisations, research centres, and EU bodies. A memorandum of cooperation between ECO and the EU, signed in 2017, provides a foundation for this engagement.

The roundtable underscored both the considerable untapped potential of the ECO region for clean energy development and the complexity of the transition challenges it faces. Regional cooperation, legislative harmonisation, grid modernisation, and sustained knowledge exchange with European partners were identified as the most critical enablers of progress. The EU's interest in diversifying its energy supply chains creates a genuine strategic opening, but European partners will require greater certainty on project delivery, timelines,



and regulatory frameworks before committing capital at scale. CECECO is a nascent but strategically positioned organisation that could become an important bridge between the ECO region and European institutions, provided it builds credibility and delivers concrete projects in the short term.