

RISE 2020 REGULATORY INDICATORS FOR SUSTAINABLE ENERGY

SUSTAINING THE MOMENTUM





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RENEWABLE ENERGY: SLOWED PROGRESS OVER THE PAST TWO YEARS

Although renewable energy policies saw vast improvements between 2010 and 2017, progress has slowed in recent years, decreasing by almost half during the 2017–19 period (figure 25). By 2019, a third of countries worldwide had developed legal frameworks for renewable energy and related regulatory policies. Forty-five percent had begun to develop and adopt policy measures but remained in the yellow zone, suggesting significant room for improvement. Compared with 2017, fewer countries were in the red zone, which still groups nearly a quarter of all countries. Despite the slowdown in global RISE scores for renewable energy, Sub-Saharan Africa and Latin America and the Caribbean made significant progress between 2017 and 2019 (figure 26).



FIGURE 25. RENEWABLE ENERGY: PROGRESS IN RISE SCORES FOR PILLAR, 2010-19

Source: World Bank, RISE 2020.





Source: World Bank, RISE 2020

Latin America and the Caribbean made the fastest progress on renewable energy regulations and policies over the past two years, rising from an average score of 45 in 2017 to 53 in 2019. Colombia—a top performer in 2019 and one of the fastest improvers between 2017 and 2019—gave renewable energy policies and regulations more attention, rising from 55 points in 2017 to 78 points in 2019. The country set targets for renewables in electricity. In 2018, it began to offer small-scale producers long-term power purchase agreements for renewable electricity production. The following year, other direct fiscal incentives for renewable energy were introduced. Also forthcoming in 2019 were policies to encourage the transportation sector to adopt cleaner-powered modes of transport, financial support for electric and hybrid vehicles, and electrification of public transportation.

TABLE 2. RENEWABLE ENERGY: FASTEST IMPROVERS, BY REGION

(RISE score on pillar in 2017, 2019)

East Asia & Pacific	Europe & Central Asia	Latin America & Caribbean	Middle East & North Africa	OECD high Income	South Asia	Sub-Saharan Africa
Indonesia (44, 51)	North Macedonia (28, 40)	Colombia (55, 78)	Kuwait (17, 28)	Korea, Rep. (73, 81)	Pakistan (35, 42)	Chad (7, 77)
Singapore (53, 55)	Bosnia and Herze- govina (45, 54)	Argentina (42, 60)	Oman (42, 51)	Sweden (73, 81)	India (89, 89)	Tanzania (30, 60)
Cambodia (33, 35)	Serbia (58, 61)	Costa Rica (49, 67)	Qatar (39, 47)	Finland (77, 84)	_	South Africa (60, 82)

Source: World Bank, RISE 2020.

Sub-Saharan Africa is the other region that made significant recent progress in renewable energy policies, increasing its average RISE score from 35 points in 2017 to 42 points in 2019. Chad and Tanzania improved their scores by 70 points and 30 points, respectively, during the period (table 2). In 2018, Chad established an action plan and target for renewable energy, one that included measures to integrate renewable energy into electricity generation and transmission planning. as well as a legal framework for private sector ownership of generation.

Different income groups show great variations in their renewable energy performance (figure 27). Despite the overall pattern of low-income countries having a less-developed policy and regulatory framework, exceptions are found across different income groups. Although the high-income countries had an average RISE score of 73 on the renewable energy pillar in 2019, and although 72 percent of these countries were in the green zone, two—Bahrain and Kuwait—were still in the red zone at the end of 2019. On the other hand, Chad and Rwanda, low-income countries, leaped into the green zone in 2019, due to active development and the introduction of policies and regulations conducive to development of renewable energy.

FIGURE 27. RENEWABLE ENERGY: RISE SCORES BY INCOME GROUP, 2019



Source: World Bank, RISE 2020.

Although each region has shown different levels of effort in improving renewable energy policies and regulations since 2010, it is encouraging to observe that 99 percent of the countries around the world have at least begun to establish a comprehensive legal framework for renewable energy (figures 28). Carbon pricing and monitoring has been the least developed policy area since 2010, with half of the countries still not having a mechanism or policy in place in 2019.

Legal framework for renewable energy Carbon pricing and monitoring Carbon pricing and monitoring Counterparty risk Network connection and use Legal framework for renewable energy Attributes of financial and regulatory incentives

FIGURE 28. RENEWABLE ENERGY: PROGRESS OF RISE SCORES BY INDICATOR, 2010, 2015, 2017, AND 2019

Source: World Bank, RISE 2020.

Globally, the gap between renewable energy development policies and regulations in the electricity sector and those in the heating and cooling and transport sectors widened from 2017 and 2019 (figure 29). In the high-income countries of the OECD average scores for renewable energy development policies in all three sectors were quite high in 2019: 100 for electricity, 95 for transport, and 81 for heating and cooling. As a comparison, the average scores for the non-OECD countries were: 83 for electricity, 43 for transport, and 33 for heating and cooling. This disparity clarifies the global results presented in the figures below. Globally, 88 percent of countries have conducted assessments of renewables in the electricity sector, and 86 percent have a clear target and plan for renewables in the sector (figure 30). Meanwhile, at the end of 2019, only 40 percent of countries of countries had a clear target or plan for renewable energy in heating and cooling, and only about half had one for renewables in the transport sector. These two sectors, which account for more than two-thirds of global energy consumption, must be paid more attention by the policy makers in order to increase the use of renewable energy.

FIGURE 29. RENEWABLE ENERGY: EVOLUTION OF RISE SCORE BY SECTOR, 2010–19



FIGURE 30. RENEWABLE ENERGY: EVOLUTION OF ASSESSMENT AND TARGET SCORE BY SECTOR, 2010–19



Source: World Bank, RISE 2020.

Policy frameworks for utility-scale renewable energy projects are better developed than those for small-scale producers (figure 31). As of 2019, 75 percent of countries had made it possible for small-scale producers to connect to the grid (figure 32). Contracts for such producers still need to be made more flexible. For example, only about half of countries have made fixed-tariff contracts available, and only 44 percent differentiate tariffs by technology or size of the generation plant and index tariffs to an international currency or inflation.

FIGURE 31. EVOLUTION OF UTILITY-SCALE RENEWABLE ENERGY PROJECTS, 2010–19

FIGURE 32. EVOLUTION OF SMALL-SCALE RENEWABLE ENERGY PROJECTS, 2010–19



Source: World Bank, RISE 2020.

Globally, grid flexibility and forecasting are improving—but slowly. By 2019, half of countries were conducting regular assessments of the flexibility of the electricity grid and its ability to integrate variable renewable energy (figure 33), but only 37 percent are presently capable of high-quality forecasting for variable renewable energy. Among 71 countries that carry out regular assessments of grid flexibility, 63 percent also integrate high-quality forecasting for variable renewable r



FIGURE 33. PROGRESS ON GRID FLEXIBILITY AND FORECASTING, 2010-19

Source: World Bank, RISE 2020