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The Regional Analysis for Policy Reforms



Clusters of Measures

"Quick Wins" will demonstrate some rapid results and increase political support. These measures can be introduced in less than a year and are likely to produce significant impact at moderate costs.

"Essentials" are the backbone of a comprehensive energy efficiency and renewable energy policy, affecting the areas of greatest potential by raising standards and stimulating investments that are already financially viable.

The Regional Analysis for Policy Reforms to Promote Energy Efficiency and Renewable Energy Investments is conceived as a wide-ranging regional assessment, including case studies, expert workshops and senior policy maker seminars. The main goal of the analysis is to provide recommendations addressed to the policy makers of the participating countries in order to develop and implement policy reforms that will support market formation and foster a favorable climate for investments in the sectors of energy efficiency and renewable energy sources. To achieve this goal, an interactive approach has been applied with active involvement of the designated National Coordinators (NCs) and National Participating Institutions (NPIs) from the project countries and

direct contributions from experts which have been collected and consolidated in the final report.

The ultimate objective of the Regional Analysis is the development of a set of recommendations for policy reforms addressed to the attention of national and local policy makers in order to overcome the identified barriers to investments in energy efficiency and renewable energy sources. These recommendations have been developed based on the detailed analysis of the country-specific progress in implementation of policy reforms and market formation and subsequently identified barriers that still need to be overcome, as well as on the results of implementation of the analyzed Case Studies in project countries and in neighbouring countries with similar framework conditions. The Case Studies provide examples of successful implementation, thus indicating ways and means for replication of these success stories in other project countries that face similar barriers. Country-specific recommendations are developed for each project country. However, the following more general recommendations are applicable to all or many project countries:

- Development of policy frameworks.

“High Cost, High Return” measures will remove fundamental barriers and will make more energy efficiency and renewable energy investments financially viable. These interventions carry a much higher initial cost to the economy but most of them have a high return in terms of energy savings or renewable energy generation and are crucial to ensure long lasting impact and sustainability.

The Executive Report on the Regional Analysis for Policy Reforms to Promote Energy Efficiency and Renewable Energy Investments is available online at the official UNECE web site (www.unece.org) and the new FEEI site (www.feei.info).

- Monitoring of policy implementation.
- Transparent procedures for tendering, authorizations, grid connections.
- Adaptation of land codes and special planning.
- Metering and consumption-based billing.
- Establishment or strengthening of institutional structures.
- Energy Tariff Reforms.
- Provision of financial incentives for energy efficiency and renewable energy sources.
- Advanced feed-in tariffs.
- Increase of public awareness and dissemination of information
- Capacity building.

The recommendations present a cohesive set of measures and instruments,

responding to the need of overcoming barriers to energy efficiency and renewable energy, which are pervasive, dispersed, and complex. The implementation of the full set of measures is highly recommended to achieve significant improvements in energy efficiency and use of renewable energy. Development and successful implementation of policy reforms to support energy efficiency and renewable energy is vital for the economies in the project countries in order to overcome the present dependency on energy imports (with the exception of Russian Federation and Kazakhstan) and non-rational use of energy resources as well as to mitigate adverse climate change effects and should be therefore assigned a high priority in the political agenda of the national governments.

Project events:

Seminar on Policy Reforms to Promote Energy Efficiency and Renewable Energy Investments



The Seminar was conducted in the framework of the 14th Session of the Ad Hoc Group of Experts on Energy Efficiency Investments for Climate Change Mitigation, which took place on 7-8 October 2009 in Geneva. The objectives of the seminar were set as follows:

- to share experiences on policy reforms to promote market-based energy systems, energy efficiency and renewable energy investments in the countries participating in the FEEI project;

- to highlight accomplishments in and obstacles to implementation of reforms;
- to present measurable outcomes of the reforms;
- to outline trends and short- and medium-term plans in introducing new policy reforms;
- to develop recommendations for promoting future relevant policy reforms in the participating countries.

After detailed review and discussion of the presentations, the participants of the Seminar made the following conclusions:

- a) Several barriers for investments in energy efficiency and renewable energy sources are still present in the project region;
- b) The main legal, institutional and administrative barriers are: complexity of the regulatory framework; lack of secondary legislation and operational instructions, tools and procedures; complex and cumbersome authorization pro-

Participating Countries

The countries participating in the FEEI project include Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Kazakhstan, Republic of Moldova, Romania, Russian Federation, Serbia, the former Yugoslav Republic of Macedonia and Ukraine.



cedures; inefficiency and limited use of public tendering processes;

c) The main economic and financial barriers are: state intervention in price formation; energy tariffs, which do not cover the full costs, limit the profitability of energy efficiency (EE) and renewable energy sources (RES) projects; limited availability of public funds for financing initiatives and programmes; and relatively small size of EE and RES projects;

d) The main barriers in the level of awareness, human capacity and professional skills are: overall low level of awareness of the need in energy efficiency improvements; commercial banks lack experience in financing schemes; lack of training and education possibilities for the improvement of professional skills;

e) Most of the project countries (with exception of resource-rich Kazakhstan and the Russian Federation) have significant dependency on energy imports, which could be reduced by promoting renewable energy sources and energy efficiency;

f) Several project countries experience high energy intensity levels, which can be reduced by providing incentives for increasing energy efficiency and awareness raising and capacity building;

g) Elimination of cross-subsidies and introduction of energy tariffs that reflect full costs are necessary conditions for the energy infrastructure to be properly maintained and upgraded and to attract new investments in EE and RES;

h) The establishment of dedicated loan facilities to local commercial banks for on-lending to clients undertaking EE and

RES projects is necessary to provide funds for them; this must be done in combination with technical assistance and training to increase capacity and expertise in the banking sector;

i) Several actions that can be implemented in a relatively short term are likely to produce significant impact at moderate costs:

- Increased budget flexibility and autonomy can improve the efficiency of Government-funded organizations; budgeting principles should be based on full life-cycle costing in order to capture the benefits of long-term investments;

- Procedures for project approval, public procurement and tendering must be transparent; Standard Bidding Documents can become a tool to promote transparency in procurement procedures, including contracts evaluation and award;

j) Several actions that can be implemented in a short to medium term may affect the areas of greatest potential and stimulate investments that are already financially viable:

- Financial incentives for EE and RES should include the establishment or increased use of public funds to support sustainable energy projects; the key areas of support should be selected based on the available energy savings potential and on the cost-benefit analysis of proposed projects;

- Least-cost investment plans should evaluate costs and benefits of different energy efficiency measures such as optimization of heat supply systems, heat load redistribution, reduction of losses, balancing centralized and de-centralized heating, cogeneration, and metering;

- The Master Plan for the Transmission Grid should identify and evaluate the needs for an upgrade and expansion of the transmission capacity, identify financing mechanisms for that, and define a feasible action plan with specific deadlines for access of energy producers from RES to the grid;

k) Several actions may carry a higher initial cost but will have high return in terms of energy savings and/or RES generation in a longer run:

Supporting Institutions

This four-year project is supported by contributions from the following institutions:

- United Nations Foundation (UNF) and the United Nations Fund for International Partnerships (UNFIP);
- Fonds Français pour l'Environnement Mondial (FFEM);
- United Nations Environment Programme/Global Environment Facility (UNEP/GEF);
- European Business Congress e.V. (EBC).

The participating countries and the UNECE Secretariat provide in-kind contributions.

Involvement of Private Sector

To implement the assigned tasks under the Project, the contracts with private companies, namely Conning Asset Management Limited, Pöyry Energy Consulting AG and Center for Energy Efficiency EnEffect have been signed. Three contractors have been selected following an international competitive bid tender process:

(i). Conning Asset Management Limited, United Kingdom as the Investment Fund Designer;

(ii). Pöyry Energy Consulting AG, Switzerland to undertake Regional Analysis of Policy Reforms to Promote Energy Efficiency and Renewable Energy Investments; and

(iii). The Centre for Energy Efficiency EnEffect, Bulgaria has been selected to undertake the Development of a Website and Internet Communications Network of Energy Efficiency Managers in Eastern Europe.

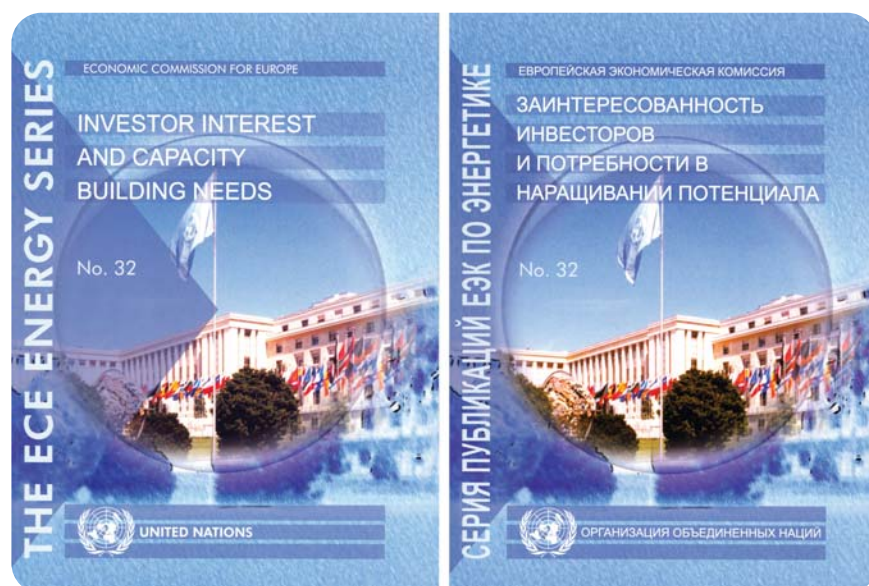
- The tariff levels, tariff design and customer classification should be restructured in such a way that they reflect the actual costs incurred in energy production; the tariffs should internalize environmental externalities in the energy prices;
- Policy implementation should be monitored regularly and involve communicating policy requirements to all concerned

stakeholders and applying incentives to support policy reforms;

- Institutional structures should be adjusted to the reformed national policy framework for it to be implemented at the national, regional and municipal levels; successful implementation requires proper training of experts to be qualified to assess potential for EE and RES and to evaluate policy instruments.

Publications:

The Investor Interest and Capacity Building Needs Report



The conclusions and recommendations set out in the report were approved by the Ad Hoc Group of Experts on Energy Efficiency Investments for Climate Change Mitigation at its 13th session (2-3 March 2009).

The Investor Interest and Capacity Building Needs Report has been prepared in the framework of the FEEI project. It is based on the results of assessment missions to participating countries, as well as information provided by the NCs and NPIs and other available information. It is an outcome of the joint work of the team of national and international experts.

The assessment missions had the following objectives:

- Initial assessment of public and private sector investor interest in the Eastern European Energy Efficiency Investment Fund;
- Preliminary analysis of the local financial environment and conditions under which an equity and mezzanine fund

could operate in each country, including equity participation in energy service companies, special purpose project companies or similar entities;

- Appraisal of the energy efficiency and renewable energy investment project development capacities of local experts and capacity building needs;
- Consultation with the NCs and NPIs on the assistance to be provided for the investment fund design, regional analysis of policy reforms to promote energy efficiency and renewable energy investments, and website and internet communications;
- Preliminary review of national energy policy information relevant for the Regional Analysis;
- Presentation of the methodology and data requirements of national case studies to be undertaken by the NPI in relation to the Regional Analysis;
- Presentation of a draft UNECE–NPI Memorandum of Understanding prepared in accordance with the Revised Work Plan for the First Year of Project Operations (2008).

Representatives of the UNECE Secretariat, including the Regional Adviser on Energy, participated in the assessment missions coordinating the arrangements required for successful implementation of the assignment. The assessment missions team included a Senior Energy Policy Adviser representing the Agency for Environment and Control of Energy (Agence de l'environ-

nement et de la maîtrise de l'énergie – ADEME, France) and a Monitoring and Evaluation Adviser for the United Nations Foundation, one of the project donors. During the assessment missions, the team members had meetings and interviews with governmental officials at the national (ministries, state committees, national agencies etc.), regional and local levels (including municipal authorities), representatives of private businesses and the banking sector (including project developers and energy service companies), state-owned companies, business associations, academic and research institutions, non-governmental organizations (NGOs) and international organizations.

The National Coordinators and representatives of the National Participating Institutions were responsible for arranging these meetings and interviews in their respective countries. They also provided responses to questionnaire developed and distributed by the Project Management Unit before the assessment missions, and valuable comments and contributions related to their specific countries in the preparation of this report.

The Investor Interest and Capacity Building Needs Report is available online at the official UNECE web site (www.unece.org) and the new FEEI site (www.feei.info)

Structure of the Report

The Investor Interest and Capacity Building Needs Report is structured according to the following major areas:

- *Financial environment and major barriers to financing energy efficiency and renewable energy projects;*
- *Energy efficiency and renewable energy project development and finance capacities;*
- *Public and private sector investor interest in the Eastern European Energy Efficiency Investment Fund;*
- *Capacity building needs in the countries of the region for successful development of bankable project proposals in the area of energy efficiency and renewable energy sources;*
- *Energy Efficiency Business Development Course Programme;*
- *Conclusions and recommendations for future project activities.*

Project events:

Workshop on Case Studies on Overcoming Barriers to Investments into Energy Efficiency and Renewable Energy Projects through Policy Reforms

On 10-11 November 2009 the Workshop on Case Studies on Overcoming Barriers to Investments into Energy Efficiency and Renewable Energy Projects through Policy Reforms was held in Kyiv. The Workshop organizers were the United Nations Economic Commission for Europe (UNECE), Pöyry Energy Consulting AG, and Agency for Rational Energy Use and Ecology (ARENA-ECO). ARENA-ECO hosted the Workshop in Kyiv.

The Workshop was organized in the framework of the UNECE Financing Energy Efficiency Investments for Climate Change Mitigation (FEEI) project for participating countries: Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Kazakhstan, Republic of Moldova, Romania, Russian Federation, Serbia, the former Yugoslav Republic of Macedonia, and Ukraine.

The Workshop in Kyiv explored through the case studies how some participating and neighbouring countries had overcome various barriers and how the adop-

tion of specific reforms in these countries made potentially economically viable energy efficiency or renewable energy projects attractive to investors.

In the presentations and following discussions participants indicated that project participating countries face legal, organizational and administrative barriers to investments into energy efficiency and renewable energy, as well as economic and financial barriers. Some of these issues are listed below:

- *need for increased transparency in the implementation of decisions (Bulgaria, Kazakhstan, and the former Yugoslav Republic of Macedonia);*
- *need for capacity building and staff training for preparation and implementation of energy efficiency and renewable energy projects, as well as need for raising awareness among population on the benefits of energy efficiency (Bulgaria, Bosnia and Herzegovina, Serbia, and Ukraine);*
- *standards, labeling and equipment certification are not used sufficiently (Russian Federation and Ukraine);*
- *low enforcement level for deci-*

sions on energy efficiency taken at the national level, complicated regulatory network, lack of by-laws and operational instructions, cumbersome procedures for obtaining permits (Ukraine and other countries);

• *economic and financial barriers include state interference in price setting and energy tariffs not fully covering operation and maintenance costs, as well as limited state funds to finance energy saving initiatives and programmes (Croatia, Kazakhstan, Russian Federation, and Ukraine).*

The necessity to improve the tariff policy and to promote energy efficiency via market reforms has been stressed.



Participants of the Workshop presented results of case studies in the following areas: promotion of investments, improvement of tariff policy, application of equipment standards and labeling, energy efficiency improvement through installation of cogeneration units, use of biofuels, and raising awareness on energy efficiency. The presentations were focused on the following economics sectors: industry; fuel and energy; housing, buildings and municipal services; and transport.

The participants emphasized the **positive experience** of a number of countries in removing the barriers to investment in energy efficiency and renewable energy projects. Other participating countries should make good use of achievements of their counterparts. The following good practices have been discussed and noted:

- improvement of legal and regulatory policy focused on large-scale implementation of energy saving measures (Croatia, Serbia, and Russian Federation);
- active search for instruments, tools and incentives to encourage and promote development and implementation of energy efficiency and renewable energy projects (Belarus, Bosnia and Herzegovina, and Croatia);
- improvements in tariff policy (Belarus, Bosnia and Herzegovina, Serbia, and Russian Federation);
- abolishment of cross-subsidization between different customer categories and establishment of electricity tariffs reflecting actual costs of utilities and other companies (Ukraine);
- strengthening of enforcement of decisions to increase the efficiency of fuel and energy use (Kazakhstan, Russian Federation, and Ukraine);
- improvement in transparency of ownership regulations for companies; introduction of requirements for increasing energy efficiency of former state-owned companies upon privatization (Ukraine);
- establishment of agencies to monitor energy efficiency and renewable energy use to attract foreign investments (Bosnia and Herzegovina);
- raising awareness of population on energy efficiency issues and improving skills of company managers and bank employees with regards to projects in energy efficiency and renewable energy (Russian Federation);
- use of Energy Efficiency Fund as a mechanism to support promising projects (Bulgaria).

With regards to experience of neighbouring countries with similar framework conditions, particular interest was expressed for the case studies of Slovenia (Raising Awareness through a Network of Certified Energy Auditors) and Turkey (Establishment of Standards for Project Evaluation within Banks) presented by Pöyry Energy Consulting AG.

Participants of the Workshop suggested that there should be future opportunities to share experiences and exchange views on implementing energy efficiency and renewable energy projects and that they should be held in countries participating in the Financing Energy Efficiency Investments for Climate Change Mitigation Project or in countries participating in other projects of the Energy Efficiency 21 Programme. The agenda of such events could include visits to sites demonstrating successful examples of energy efficiency and renewable energy project

implementation. Future events should be linked more closely with one of the main objectives of the FEEI project, establishment of an energy efficiency investment fund, and with attracting investments to the project countries.

In implementing these proposals, UNECE jointly with UNDP and ESCAP is organizing the Energy Efficiency Forum in Bishkek, Kyrgyzstan on 23-25 June 2010. In the framework of the Forum, the Workshop on Investments in Energy Efficiency and Renewable Energy Projects will be held.

Our interview:

Differences between the countries bring potential for sharing experience

*Interview with Dr. Francesca Paoletti,
Senior Consultant, Pöry Energy Consulting*



Dr. Paoletti, how would you describe the level of countries' legislation in the EE and RES areas?

The countries participating in the project are at different levels of progress regarding legislation for energy efficiency. It is important to consider that all countries are aware of importance of the issue and all of them are on the way to develop a policy to support energy efficiency. Of course, the level of progress differs from country to country because of different political, social and economic conditions. Framework conditions and drivers for implementation are also different from one country to the other. Generally, all participating countries have legal framework in place, however, its implementation has to be further improved and secondary legislation has to be developed. The countries' visits identified that government representatives and the National Participating Institutions are aware of issues that need to be addressed to improve the situation in future.

Are there many differences between the countries in the region?

In my view, the difference between countries is not big. This differentiation can even bring potential for sharing experience between the countries. I think countries that are more advanced

on the implementation of policy reforms can have the occasion to support others that are less advanced. In this regard, the provision of case studies would be a very good tool to bring examples on how barriers can be successfully overcome. The most important outcome will be a set of recommendations tailored to overcome challenges and barriers that have been identified during the regional analysis. These recommendations will be proposed, discussed with representatives of the countries and presented to the government. As a result of regional analysis each country will have a set of unique recommendations tailor-made to their framework conditions. Another value added will come from a set of 24 case studies, 12 of which will be consisted on national case studies and 12 will refer to other countries, which have already overcome the addressed barriers. The collection of success stories will be an inspiration and example to policy-makers on how to replicate these success stories in their own countries.

How would you describe public awareness on these issues?

General awareness on energy issues is raised in the project countries. Majority of people there are aware of relevance of environmental issues, necessity to mitigate the effect of climate change. The important step forward in the awareness is to make people understand that energy is not just a public service, but is a valuable good, so making them understand that it is a limited resource and has its price. They have to be prepared to pay a higher price for their energy consumption in future. So far they have been paying relatively low prices for energy consumption and therefore, energy had taken as granted. This is a common issue not only for the Eastern European but also for the West European countries.

Objectives

The Project is designed to establish a public-private partnership investment fund with a target capital of € 250 million and develop a pipeline of new and existing projects to be financed by it.

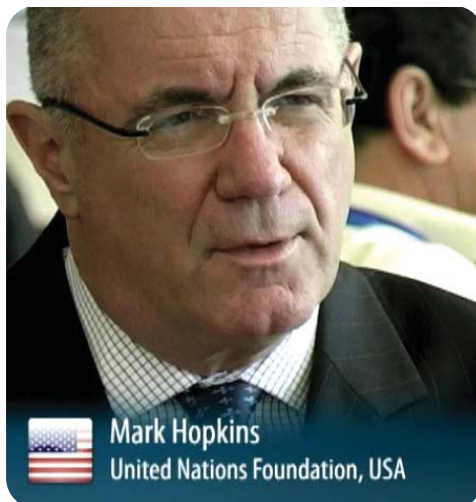
It has established a network of National Participating Institutions and local experts who implement the project nationally and interact by means of advanced Internet communications.

The Project is also conducting national case studies and a comprehensive regional analysis of policy reforms to promote energy efficiency and renewable energy investments.

Our interview:

There is a huge market opportunity for energy efficiency projects

*Interview with Mr. Mark Hopkins,
Director, International Energy Efficiency, United Nations Foundation*



How do you evaluate your cooperation with UNECE?

During the 20th Session of the EE21 Steering Committee, taking place on 3-5 June 2009 in Geneva, EnEffect organized video interviews with 20 project participants and energy experts. All interviews will be edited, translated and published in the project's web blog and web site, and some of them are published in the current newsletter. EnEffect would like to thank to all participants for their positive attitude and invaluable contribution!

The United Nations Foundation is a non-profit international organization and our role is to help the United Nations to work on global problems and bring about partnerships to solve those problems. Over the years we worked very closely with UNECE on their innovative approach for increasing energy efficiency and climate change mitigation in transitional countries.

What are the primary results that you expect to achieve on local level?

The work on this project is being done by UNECE, which, in my view, has a lot of potential because it is operating on the ground and dealing with real problems in the countries. UNECE is also combining a close work with private sector and cooperation with the governments to further ensure financing of energy efficiency projects. The main challenge is to bring governmental policy and regulatory framework to conditions enabling and promoting the creation of open markets for financing which will operate as a normal force of everyday business. I think, this project offers a key to the opportunity to create

such local conditions and furthermore to expand this experience to other regions in the world, where work in this direction is certainly needed too.

How would you describe public awareness on the issues of energy efficiency, renewable energy sources and climate change in the area, according to your impressions?

There are some NGOs and governments that are well informed on climate change issues, but there is actually a lack of understanding on benefits that energy efficiency gives. In many cases governments are still in the old energy business mind-set of increased production. They do some things on energy efficiency (mostly, as pilot projects) but very few governments are scaling energy efficiency deployment to the size of energy efficiency market opportunity. It's a huge market opportunity and those countries really have to focus on energy supply sources available to them and also on possibility that it gives for job and business creating, to lift out of economic recession that we all find ourselves in.

In this aspect, how do you rate the role of the UN for meeting global challenge of climate change mitigation?

I think UNECE and the other UN agencies have a big role to play. In particular, they can increase awareness on the need of changes in energy efficiency policies and help countries to draft new policies. In my view, this can do not only the UN but also regional energy efficiency centers, like the ones in Sofia, Moscow, Czech Republic and Poland. I think they all have a big role to play in educating governments on what needs to be done in this area.

UNECE events:

Towards an Action Plan for Energy Efficient Housing in the UNECE region

UNECE, in cooperation with the City of Vienna and CECODHAS (the European Liaison Committee for Social Housing), conducted an International Forum on energy efficiency in housing which took place in Vienna on 23-25 November 2009. The Forum, entitled "Towards an Action Plan for Energy Efficient Housing in the UNECE region", was focused on the institutional, legal, policy, technological, public awareness, financial and other measures and solutions to enhance energy efficiency in housing. The results of the International Forum and the related measures will feed into and contribute to the development of the Action Plan for Energy Efficient Housing to be developed under the UNECE.

The Action Plan

The Action Plan for Energy Efficient Housing in the UNECE Region provides a framework programme of work for the UNECE Member Governments to improve energy efficiency of their housing sector and thus to enable this sector to more fully accomplish its potential in addressing environmental and economic challenges and satisfying social needs. It specifies a range of measures for removing barriers to energy efficiency and for a progressive transformation towards a low-energy and ultimately zero-energy and carbon-neutral housing sector. The Action Plan is based on the principles of comprehensiveness, flexibility, people-centred approach, and sensitivity to geographical context.

The Plan outlines three Policy Areas to act upon. Each Policy Area consists of four Goals, which are supplemented by more detailed Targets and suggested Actions. Each of the Goals is also underpinned by an overall Vision of what is expected to be achieved in the UNECE region by the year 2020. While the Actions suggested can be operationally adapted to the local requirements, it is expected that the Member Governments will ensure an all-round and coherent implementation of the Goals and Targets. The Policy Areas and Goals are summarized below:

(a) Energy efficiency governance and financial infrastructure. This Policy Area outlines measures for the establishment of organizational and financial capacities necessary for the implementation of the comprehensive policies with regard to improved housing energy efficiency. Goals include: (1) setting up administrative systems for effective policy formulation and implementation; (2) developing financial stimuli; (3) integrating energy efficiency into housing management and maintenance practices; and (4) improving incentives and capacities for efficient end-use management of energy services;

(b) Energy performance standards and technology integration. This Policy Area embraces measures to ensure that new and existing residential buildings progressively meet better technological standards. Goals include: (5) strengthening mandatory energy and carbon performance requirements; (6) promoting very-low-energy and low-carbon technology; (7) integrating energy efficiency into spatial planning and development practices; and (8) stimulating the development of cost-effective technological solutions and innovations;

(c) Access to energy efficiency and public housing. This Policy Area is concerned with a better outreach of policies in question so that the benefits of energy efficient housing, and knowledge of these benefits, are not limited to a few areas or social groups but contribute to wider social and spatial integration, as well as to housing affordability. Goals include: (9) transforming social (public) housing towards greater energy efficiency; (10) ensuring energy affordability; (11) raising awareness and capacity building; and (12) balancing geographical development with respect to the access to housing energy efficiency.

The International Forum is a follow-up of a previous event that was held in Sofia on 21-22 April 2009 and focused on benefits and challenges of energy efficiency in housing, considered some cases studies and pilot projects in the region, and made some recommendations on priority actions to be considered by the UNECE Committee on Housing and Land Management. For more information and to view the presentations and the background paper: <http://www.energy-housing.net>



news

International Energy Efficiency Forum



The International Energy Efficiency Forum will be held in Bishkek, Kyrgyzstan on 23-25 June 2010. The Forum is organized jointly by the Government of the Kyrgyz Republic, the United Nations Development Programme (UNDP), the United Nations Economic Commission for Europe (UNECE) and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).

The Forum will combine an assessment of energy efficiency (EE) and renewable energy (RE) policy and legislative frameworks with the analysis of international best practices in EE and RE. Status and potential of EE and RE in various economic sectors (industry, fuel and energy, housing and communal services, public buildings, construction, transport, etc.) will also be reviewed. Emphasis will be given to energy efficiency in the residential and municipal sector, as one of the major sources of greenhouse gas emissions with large potential for improvements in energy efficiency. The main focus of the Forum will be on ways and means of financing EE and RE investments.

The goal of Green Building Workshop organized by UNDP-GEF "Energy Efficiency in Buildings" Project in Kyrgyzstan is to establish a dialogue and exchange of knowledge and best practices on policies, technologies and know-how on

energy efficiency in building sector among UNDP-GEF project teams, experts, policy-makers, international and private sector stakeholders from across the CIS, as well as Central and Eastern European countries. The Green Building Workshop will also provide a specific analysis of opportunities for saving energy in the housing sector, including the implementation of the UNECE Action Plan for Energy Efficiency in Housing, and conclude with a discussion on the contribution that green building could make to achieving climate neutrality.

The Workshop on Investments in Energy Efficiency and Renewable Energy Projects will focus on policy reforms to promote investments in energy efficiency and renewable energy projects and on potential for such investments with specific examples of project proposals. In addition



to participants of the FEEI and GEE21 projects, experts from the countries of the UNECE Project 'Development of the Renewable Energy Sector in the CIS' will make presentations. Part of the Workshop will be dedicated to the ESCAP Project 'Supporting the implementation of the Baku initiative on energy efficiency and conservation for sustainable and inclusive development' for countries of the UN Special Programme for Economies of Central Asia (SPECA).

For more information on the Forum, please contact UNECE at fee@unece.org.

European Clean Energy Fund

European Clean Energy Fund (ECEP) was officially launched in 2006 under the mandate of the Energy Efficiency 21 (EE21) Programme. ECEP is a mezzanine and equity investment fund with investment capital of EUR 354 million. Target projects for ECEP are clean energy projects in the European Union (EU). Eligible projects are in the areas of renewable energy (wind, solar, biomass, geothermal), electricity sector (hydropower, cogeneration, combined cycle technology), fuel switching, clean coal, waste-to-energy, and district heating. The UNECE Committee on Sustainable Energy has supported creation of ECEP and has viewed it as a prototype for future investment funds for energy efficiency (EE) and renewable energy (RE) projects in other countries of the UNECE Region. To date, over 80 per cent of the ECEP capital has been invested in a number of projects in wind energy, solar energy, biofuels and natural gas related infrastructure. Investment projects were financed in France, Germany, Ireland, the Netherlands, Spain, and United Kingdom. Some estimates show that implementation of projects under this fund could save at least 1,000,000 MT of CO₂ emissions. Experience of ECEP is being used in the process of design of the new investment fund for the twelve countries of the FEEI project.

FEEI web site

The official website of the Financing Energy Efficiency Investments for Climate Change Mitigation (FEEI) project has been developed by Center for Energy Efficiency EnEffect – Bulgaria under the guidance of the UNECE PMU. It has been launched and is accessible at the following address: www.feei.info. It offers detailed information on project's background

news

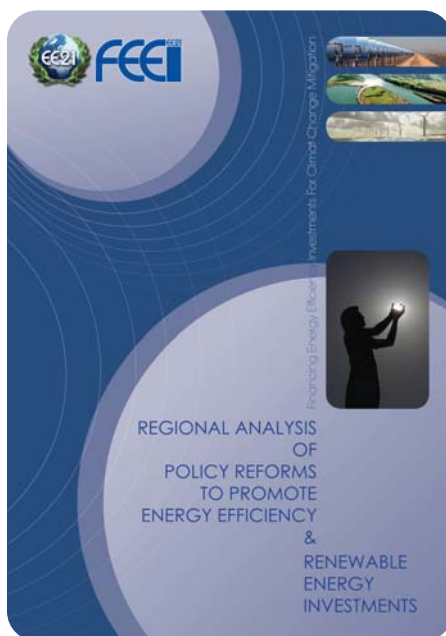
and objectives and provides review of the main activities, including the development of the investment fund, the analysis of policy reforms, networking and capacity building. Its information value is enhanced by the news section which will always be kept up-to-date with the project's latest activities and achievements. The site also offers direct links to the other electronic tools developed under the FEEI project, namely the FEEI web blog (www.feei.info/blog) and the FEEI database (www.database.feei.info), to the Energy Efficiency 21 web site (www.ee-21.net) and to the official sites of the National Participating Institutions and other project partners. Using a simple and intuitive interface, it redirects the user to the national pages of the participating countries, which are intended to provide relevant information on the activities in the countries at the national and local level, including on the development of investment project proposals. The library section of the site is the place to find the all the latest publications and official documents. The gallery will offer the pictures from the latest events and the videos produced under the project.



With the support of all project participants and partners, we hope that the FEEI website will soon establish itself as a valuable source of information to the project stakeholders and to the general public.

Booklet on the Regional Analysis for Policy Reforms

Pöyry Energy Consulting (Schweiz) AG has completed its work on the Regional Analysis for Policy Reforms to Promote Energy Efficiency and Renewable Energy Investments, which represents one of the major outcomes of the FEEI project. The Executive Summary of the Regional Analysis has been published as a booklet by the Center for Energy Efficiency EnEffect and will be presented at the 15th Session of the Ad Hoc Group of Experts on



Energy Efficiency Investments for Climate Change Mitigation on 19 April 2010 in Geneva. The publication is also available in English and Russian in electronic version at the official FEEI website (www.feei.info) and at the FEEI web blog (www.feei.info/blog).

Conning's planned renewable energy investment fund generates market excitement

Conning Asset Management has been met with a welcome reception from many interested parties for the planned fund under its UNECE mandate to develop a EUR 250 million mezzanine and equity fund for energy efficiency and renewable energy projects. Locations for these projects include Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kazakhstan, Republic of Moldova, Romania, Russian Federation, Serbia, the former Yugoslav Republic of Macedonia and Ukraine.

Various stakeholders have commented that this initiative is well timed to meet their various needs. A senior banker in one target country stated, "Although 2007 was a busy year for us, after the financial downturn, 2009 was very slow. Now in 2010 we are actively looking to partner with others at the project level to keep up the momentum in our lending programme". Project developers too have been enthusiastic, if not cautious, with one project sponsor saying, "In the past, obtaining finance often involved very long lead times and came with conditions we find complex. Market standard lending would suit us well." Others involved in the promotion of project development were also keen, saying that "early investment manager feedback will help us promote and produce quality project documents". Additionally, investor interest in the fund has been strong also because of their need to meet climate mitigation investment targets.

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