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**UNECE REGIONAL ADVISORY SERVICES PROGRAMME
IN THE FIELD OF ENERGY**

Note by the secretariat

I. INTRODUCTION

Documentation: ECE/EX/2006/L.22 - Decisions on Matters relating to the Committee on Sustainable Energy, the UNECE Executive Committee

1. In the Decisions on Matters relating to the Committee on Sustainable Energy, the UNECE Executive Committee established the Programme of Work for 2007-2008 and Terms of Reference of the Committee on Sustainable Energy and its Subsidiary Bodies requiring the Sustainable Energy Committee to monitor and coordinate the work of its subsidiary bodies and where possible to seek opportunities to consolidate and streamline the activities of these bodies. In view of this mandate, this paper reviews the work of the Regional Adviser which is an integral part of the Sustainable Energy Programme of Work. The main responsibility of the Regional Adviser on Sustainable Energy is to promote subregional cooperation and strengthen inter-state collaboration and partnerships among countries in Eastern Europe, South-Eastern Europe, the Caucasus and Central Asia as well as other developing countries of the United Nations Economic Commission for Europe (UNECE) region in order to more fully integrate the energy systems and infrastructure of countries at the sub-regional and regional level. In his duties, the Regional Adviser provides senior Government officials with expertise and advice on energy issues, promote capacity and institutional building aimed at raising the overall effectiveness and

efficiency of energy sector, as well as to promote effective sustainable energy policies. These activities, carried out by the Regional Adviser within the Sustainable Energy Division, are linked to UNECE's normative work, limited to those particular areas where the UNECE has recognized expertise, and aim at ensuring effective and efficient responses to the particular demands of UNECE member States.

2. A new Regional Adviser on Energy has assumed his duties in December 2007. During the current year, the Regional Adviser on Energy has participated to different activities and projects implemented by the Sustainable Energy Division (SED) and by promoting these on-going activities and experiences in countries of South-East Europe, the Caucasus and Central Asia. In these countries, the Regional Adviser assisted national officials and experts in developing programmes and projects to facilitate the implementation of energy policies and strategies; assisted in the planning and implementation of programmes for capacity and institutional building; participated to visits to understand training needs in particular for sustainable energy market formation, energy efficiency project development and access to financing; provided advice and participated in workshops and seminars on energy policy reforms in South-East Europe. The Regional Adviser also assisted in the preparation of project proposals for funding by the United Nations Development Account (UNDA).

3. In addition to funding from the Regional Advisory Services budget (Section 21), activities are supported by extrabudgetary resources, in particular from the Energy Efficiency 21 Project (EE21 Project), donor countries and countries with economies in transition. Due to limited staff resources, activities continue to be focussed on a limited number of countries taking into account their priority areas for development, government support as well as the availability of extrabudgetary financing.

II. ENERGY EFFICIENCY

4. The Regional Adviser is contributing to the UNECE work for the implementation of the Project on "Financing Energy Efficiency Investments for Climate Change Mitigation" which is mainly funded by the United Nations Foundation (UNF), the United Nations Fund for International Partnership (UNFIP), the Global Environment Facility (GEF), the United Nations Environment Programme (UNEP) and the French GEF (Fonds Français pour l'Environnement Mondial – (FFEM).

5. The Regional Adviser works for the achievement of the project development objective of promoting an investment climate in which self-sustaining energy efficiency and renewable energy projects can be identified, developed, financed and implemented. The intention is to replicate successful measures nationally in participating countries but also in other countries of South-Eastern Europe and Eastern Europe, Caucasus and Central Asia (EECCA) countries once proven on a limited scale.

6. Advisory services are also provided for main project objectives of capacity building, policy reforms and investment project development including the creation of an investment fund of Euros 250 million for equity participation in projects in countries of South-Eastern Europe and Eastern Europe, Caucasus and Central Asia (EECCA).

7. The Regional Adviser is devoting approximately one-half time to support the project and work together with the Project Management Unit to the implementation of the work plan which includes also the participation in three assessment missions to the countries covered by the Project (September-November 2008).

8. Other specific advisory services and activities related to the EE21 Project can be outlined as follows:

(a) Khemerovo Coal Mine Project—U.S. Environmental Protection Agency (U.S. EPA) grant. The UNECE received funding from the U.S. Environmental Protection Agency (U.S. EPA) to provide technical assistance to coal mines in Russian Federation and other countries to develop early stage bankable documentation for coal mine methane (CMM) projects and to introduce such projects and their sponsors to potential investors. The underlying purpose of the project is to improve mine safety, reduce greenhouse gas emissions from the mining industry, and encourage the rational use of energy resources in support of the goals and objectives of the Methane to Markets Partnership. The project began in 2004 and concluded in September 2008. From July 2008, the Regional Adviser has been directly involved in the final activities and closing of the project. Within this context, the Regional Adviser will also take part in a road show to facilitate identification of investors ready to support the investment development programme of the Khemerovo Mine (London, 15-17 September 2008).

(b) Interregional Cooperation on Energy Efficiency: Working together for a Low-carbon Economy, 28 May 2008, Geneva. This conference was organized by close cooperation between the UNECE, the Energy Charter Secretariat (ECS) and the International Energy Agency (IEA). The Regional Adviser coordinated its organization both in terms of substance and formal procedures. The Conference gathered more than 150 industry, Government and non-Governmental Organization (NGO) delegates from around the world gathered to discuss how international cooperation could be enhanced to deliver more and faster energy efficiency. Through discussions, the conference identified a number of barriers to energy efficiency that can only be resolved through effective international cooperation. Addressing these barriers could lead to significant improvements in energy efficiency globally.

(c) The Conference of the Parties to the Climate Change Convention (COP 14) will be held on 1-12 December 2008, Poznan, Poland. From the beginning of 2008, the Regional Adviser has been working on the preparation of UNECE Side Event on “Financing Energy Efficiency Investments for Climate Change Mitigation” which is scheduled to be held during the High Level Segment of Conference of the Parties to the Climate Change Convention (COP 14). This event will be hosted by the UNECE and the discussion will be focussed on opportunities and constraints for implementing energy efficiency programmes to reduce greenhouse gas emissions through the United Nations Regional Commissions. Participation of the French, Russian Federation and Polish Government Representatives at the ministerial level as well as involvement of the Executive Secretaries of the UN Regional Commissions is envisaged.

(d) Project “Development of the Renewable Energy Sector in the Russian Federation and in the Commonwealth of Independent States (CIS) countries: Prospects for Interregional Cooperation”. The main objective of the project is to promote interregional cooperation to overcome energy policy, regulatory, institutional and financial barriers to the development of renewable energy resources in the Russian Federation and CIS countries. The project budget for the whole implementation cycle 2008-2010 is financed by the Russian Federation with USD 150,000.-. The UNECE will provide an ‘in kind’ contribution which includes the role of the Regional Adviser as Manager of the project.

III. COOPERATION WITH SUBREGIONAL ORGANIZATIONS

A. Euroasian Economic Community (EurAsEC)

9. Continuation of cooperation with the Secretariat of the EurAsEC Integration Committee in the field of energy , special focus on support for regional cooperation strategy to promote the rational and efficient use of water and energy resources in Central Asia.

B. Balkan sub-regional organizations

10. The Regional Adviser is contributing to strengthen the sub-regional cooperation on energy efficiency with the Regional Cooperation Council (RCC), Network of Associations of Local Authorities of South-East Europe (NALAS), Regional Network for the Efficient Use of Energy and Water Resources (RENEUER) and the European Foundation for the Sustainable Development of the Regions (FEDRE).

IV. SUB-REGIONAL PROGRAMMES

A. Special Programme for Economies of Central Asia

11. The Regional Adviser is providing support in responding to the plans to increase the use of coal in some countries of Central Asia and a strong need to develop air quality management policies and expertise in the region. The Project “Capacity Building for Air Quality Management and the Application of Clean Coal Combustion Technologies in Central Asia” (CAPACT) is funded by the UN Development Account and implemented by UNECE and UNESCAP in collaboration with energy and environmental authorities in Central Asia. The project has aimed to identify appropriate technologies for a cleaner use of coal and to raise the capacity of air quality management within responsible institutions in Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan to implement the UNECE Convention on Long-Range Transboundary Air Pollution (CLRTAP) and its protocols. In close cooperation with the Regional Adviser on Environment, the Regional Adviser on Energy supported the drafting of the final “CAPACT” report.

V. AD HOC REQUESTS BY A SINGLE COUNTRY ON SPECIFIC TOPICS

A. Workshops

12. Slovenia, Maribor – participation in a workshop “Power Engineering” organized by University of Maribor, University of Ljubljana, Energy Agency and Association of Slovenian Engineers on specific energy efficiency and energy security issues/network fees as a tool for the security of energy supply.

B. Advisory Missions

13. At the request of member States and to facilitate implementation of a number of projects, the Regional Adviser on Energy undertook missions to the following countries: Kazakhstan, Poland. Direct advice was provided to national experts on the preparation of plans, programmes and projects in order to facilitate implementation of their energy strategy, capacity and institution building and training. Special attention was paid to energy security matters and problems related to energy efficiency and conservation in countries with economies in transition.

14. Kazakhstan – Establishing National Energy Conservation and Energy Efficiency Centre in Almaty in May, 2008 was supported by the Regional Adviser. The newly opened National Energy Efficiency Centre in Almaty is a very valuable institutional tool to address and enhance energy efficiency issues not only in Kazakhstan, but also at the sub regional level in the future.

15. On request of the Minister of Environment Protection of Poland advisory services have been provided on the possibility of the European Clean Energy Fund (ECEP) to be involved in environment friendly, energy efficiency investment projects in Poland.

C. Project Formulation

16. New project proposal “Enhancing Investment in Advanced Fossil Fuel Technologies for Climate Change Mitigation and Sustainable Development in Countries with Economies in Transition” was prepared and submitted to the United Nations Department of Economic and Social Affairs (UNDESA) in August, 2008. In case of approval, the project will be executed by the UNECE in cooperation with UNDESA and UNESCAP. The total value of the project is USD 497,000.-. The objective is to enhance governments’ abilities to attract foreign direct investment into advanced fossil fuels technologies to support energy security and low-carbon sustainable development

VI. FUTURE WORK ORIENTATION

17. The Regional Adviser on Energy will continue to respond to the specific needs and priorities of countries with economies in transition in strategic areas of sustainable energy development such as: the rational and efficient use of energy; energy security; analysis of new developments affecting energy demand and supply in the short and medium-term; pricing policy and security of supply; restructuring of the energy sector; energy infrastructure, including

interconnection of electric power networks; normative activities in the energy field; and renewable sources of energy. In all these areas, assistance will be provided in identifying the needs for further development of the energy sectors of economies in transition, assisting national experts to prepare plans, programmes and projects to facilitate the implementation of their energy strategies, providing assistance in capacity and institution building and in realization of the United Nations Framework Convention on Climate Change (UNFCCC), in particular the Kyoto Protocol through use of the Clean Development Mechanism (CDM) and Joint Implementation (JI). Special emphasis will be given to energy efficiency investment, training on project financing and management, small and medium-sized company start-up including energy services companies (ESCO), utilization of new environmental clean energy technologies, networking and information exchange, energy efficiency standards, and development of business contacts.

18. Primary attention will be given to cooperation with subregional organizations to the implementation of energy projects under subregional programmes.

19. The Regional Adviser will continue his cooperation with UN agencies and international organizations, in particular with the United Nations Development Programme (UNDP), UNFCCC, World Bank, European Bank for Reconstruction and Development (EBRD), Black Sea Trade and Development Bank, EurAsEC Integration Committee Secretariat, CIS Executive Committee and other regional and subregional organizations as well as the Commission of the European Union (EC).

20. With regard to specific projects that are currently being realized and will be implemented in the future, the following examples can be noted:

- (a) 2006-2009 phase of the “Energy Efficiency 21 Project”;
- (b) Project “Financing Energy Efficiency Investments for Climate Change Mitigation”;
- (c) Project “Development of the Renewable Energy Sector in the Russian Federation and in CIS Countries: Prospects for Interregional Cooperation“;
- (d) Project “Enhancing Investment in Advanced Fossil Fuel Technologies for Climate Change Mitigation and Sustainable Development in Countries with Economies in Transition”.