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Regional advisory services programme in the field of energy

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Note by the secretariat

I. Introduction

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1. The draft programme of work of the Committee on Sustainable Energy is prepared in the light of the Work Plan on ECE Reform, the decisions of the Commission at its sixty-third session and the decisions of the Committee at its eighteenth session. In relation to this mandate, the Committee on Sustainable Energy is invited to review 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, promotes capacity and institution-building aimed at raising the overall effectiveness and efficiency of energy sectors, as well as promotes 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.

The activities undertaken by the Regional Adviser are mandated by the General Objectives of the UNECE's Programme of Work on Energy outlined and adopted by the Economic Commission for Europe 60th Anniversary Session, Geneva, 25–27 April 2007 (Item 8: Promoting sustainable development in the ECE region: Some decisive factors (a) Sustainable energy policies: the key to energy security).

2. During the current year, the Regional Adviser on Energy has participated in different activities and projects implemented by the Sustainable Energy Division (SED) and promoted 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 institution-building; participated in 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 renewable energy policy reforms in the Commonwealth of Independent States (CIS) countries. The Regional Adviser also assisted in preparation of project proposals to be funded by the United Nations Development Account (UNDA) and under United Nations Development Assistance Framework (UNDAF).

3. In addition to funding from the Regional Advisory Services budget (Section 21), activities are supported by extra-budgetary 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 focused on a limited number of countries taking into account their priority areas for development, government support, as well as the availability of extra-budgetary financing.

II. Energy efficiency

4. The key advisory services and activities related to the EE21 Project can be outlined as follows:

5. In 2010, the Regional Adviser has continued his contribution to the UNECE work for implementing 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).

(a) The Regional Adviser works toward achieving 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. Once proven on a limited scale, the intention is to replicate successful measures within participating countries on a national scale, but also in other countries of South-Eastern Europe and Eastern Europe, the Caucasus and Central Asia (EECCA) countries.

(b) 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, the Caucasus and Central Asia (EECCA).

6. Project “Development of the Renewable Energy Sector in the Russian Federation and in the Commonwealth of Independent States (CIS) countries”: Prospects for Interregional Cooperation”.

During its nineteenth session in May 2008, the Steering Committee of the Energy Efficiency 21 Project (EE21) welcomed the proposal of the Government of the Russian Federation to launch a new project activity on the development of the renewable energy sector in the Russian Federation and in the countries of the Commonwealth of Independent States (CES), which could promote the development of renewable energy resources to address global climate change (ECE/ENERGY/WP.4/2008/2).

(a) The project budget for the whole implementation cycle 2008–2010 is financed by the Russian Federation with USD 150,000.-. The UNECE provides an ‘in kind’ contribution, which includes the role of the Regional Adviser as Manager of the project.

(b) CIS countries participating in the Project include Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Republic of Moldova, Russian Federation, Tajikistan, Ukraine and Uzbekistan.

(c) The project aims to promote and support interregional cooperation in order to overcome energy policy, regulatory, institutional and financial barriers to the development of renewable energy resources in the Russian Federation and the other CIS countries. The expected accomplishments include an increased capacity of national and regional experts to identify and adopt measures to overcome barriers as well as an enhanced investment climate for the deployment of renewable energy technologies.

(d) The Committee on Sustainable Energy at its eighteenth session in November 2009 expressed appreciation for the work and progress of implementation of the “Development of the Renewable Energy Sector in the Russian Federation and CIS Countries: Prospects for Interregional Cooperation” project.

(e) From the end of 2009 significant progress has been made in implementing the Project, especially in developing a network of regional renewable energy experts to develop a systematic exchange of experience and promote interregional cooperation on renewable energy. Progress has also been made in preparing a strategy to promote an enhanced investment climate for renewable energy technologies for dissemination to national and regional authorities in participating countries.

(f) In the end of 2009 the Terms of Reference (TOR) for the Report on the Strategy to Promote an Enhanced Investment Climate for Renewable Energy Technologies were disseminated to the relevant Ministries in the participating countries for their nomination of an Energy Research Institution to prepare the Report. Proposals from five participating countries have been received (Armenia, Kazakhstan, Ukraine, Tajikistan and the Russian Federation).

(g) Following the TOR’s criteria the proposed Grant Recipient: International Sustainable Energy Development Centre (ISED), under the auspices of UNESCO, Moscow, was selected by the ECE Grant Committee. The total amount of expenditure authorized through the grant is USD 30,000.

(h) The funds were made available to the ISED through a UNECE grant procedure by signing the Memorandum of Understanding (MoU) between UNECE and the selected Institution in July 2010. The grant is for carrying out the activities by the ISED aimed at the following:

- (i) Preparation of the renewable energy strategy to promote an enhanced investment climate for renewable energy technologies for

dissemination to national and regional authorities in participating countries;

- (ii) Identification and presentation of the best practices (2-3 cases) of successful regional cooperation on renewable energy projects among participating countries.

(i) Since the initiation of this project, National Reports from 10 participating countries have been prepared and forwarded to ECE. The last 4 of them from Azerbaijan, Kyrgyzstan, The Russian Federation and Tajikistan were received and commissioned by the Secretariat in 2010. They were all transmitted to ISEDC for inclusion in the Report on a strategy to promote an enhanced investment climate for renewable energy technologies for dissemination to national and regional authorities in participating countries.

(j) Following the work plan for the Project on the 22 and 23 July, 2010 in Minsk, Belarus the ECE, in close cooperation with the Department of Energy of the State Standardization Committee of Belarus and the United Nations Development Programme (UNDP), hosted the First International Workshop on "Developing the renewable energy sector in the Russian Federation and CIS Countries: Prospects for interregional cooperation."

(k) Representatives of the participating CIS countries shared their experiences in the development of renewable energy and discussed the prospects for interregional cooperation in this field.

(l) The Workshop was also attended by representatives of national and local public authorities and organizations responsible for implementing measures to promote renewable energy sources, representatives of UNDP, the International Energy Agency, representatives of scientific organizations and educational institutions, investors and developers of renewable energy, as well as members of the community and business.

(m) 25 reports were delivered during the seminar, including a Consolidated Report on RES in CIS and an Outlines for the Strategy on developing renewable energy in the CIS was presented by ISEDC under their grant work plan activities.

The meeting noted:

- (i) significant progress in implementation of the Project;
- (ii) the need to strengthen coordination at the national level in terms of promotion, development and use of renewable energy in the CIS countries;
- (iii) the need to develop a joint framework strategy for the future development of renewable energy in the CIS region.

(n) The Project is entering its final implementation phase and will be completed by the end of 2010. It will produce conclusions and recommendations to the UNECE Committee on Sustainable Energy concerning the orientation of its future activities on renewable energy sector in the Russian Federation and CIS countries.

III. Cleaner electricity production from coal and other fossil fuels

7. In 2010, the Regional Adviser has provided his continued support and technical assistance to the activities of the Group of Experts on Cleaner Electricity Production from Coal and Other Fossil Fuels. He took active participation in the preparation for UNECE-EBRD-e8-WEC "High-level Dialogue on Fostering Investment in Electricity Generation" to be held in Montreal, Canada, 14 September 2010.

IV. Energy security

8. Throughout 2010 the Regional Adviser has worked directly on the Energy Security Progress within ECE region and all related activities. He has participated in the structuring and testing of DELPHI scenarios and Energy Security Risks questionnaire.

Participation in such complex projects has in turn enriched all other activities and services provided by the Regional Adviser.

V. Cooperation with subregional organizations

A. Eurasian Economic Community (EurAsEC)

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

B. Central Asia economic cooperation (carec)

10. A number of energy efficiency and renewable energy regional cooperation issues were discussed during SPECA meetings held from 3 to 5 November 2009 in Bishkek, Kyrgyzstan, including the possible collaboration on joint initiatives and programmes. It is envisaged that CAREC will participate in the SPECA Energy Efficiency Session to be held on 30 October 2010 in Astana as well as take part in the last stage of the Project "Development of the Renewable Energy Sector in the Russian Federation and in the Commonwealth of Independent States (CIS) countries: Prospects for Interregional Cooperation" currently under implementation by UNECE.

C. Balkan sub-regional organizations

11. In the end of 2009 and throughout 2010 the Regional Adviser has continued contributing to strengthen the sub-regional cooperation on energy efficiency with the Regional Cooperation Council (RCC), the Network of Associations of Local Authorities of South-East Europe (NALAS), and the Regional Network for the Efficient Use of Energy and Water Resources (RENEUER).

VI. Sub-regional programmes

A. Special programme for economies of Central Asia

12. The Regional Adviser on Energy is providing support and technical assistance to the countries of Central Asia in the area of energy efficiency and renewable energy institutional capacity-building as well as promotes effective sustainable energy policies. The Workshop on Energy Efficiency in Central Asia, including SPECA Countries and meeting of Project Working Group, was held in Bishkek, Kyrgyzstan from 3 to 5 November 2009. The Workshop organized jointly by the UNECE and ESCAP was attended by 24 participants comprising Government Officials, specialists and experts from Azerbaijan, Kazakhstan, Kyrgyzstan, Mongolia, the Russian Federation, Tajikistan, and Uzbekistan as well as

representatives of UNDP (Kyrgyzstan), CAREC and IFAS. The final session of the Workshop recommended that activities be continued to facilitate the establishment of a network of energy efficiency centres in Central Asia to pursue energy efficiency initiatives (special focus on energy efficiency in buildings and ECE GEE21Project), assist decision makers and serve as a counterpart with international organizations.

Regional Adviser is taking active participation in the preparation of the next SPECA Energy Workshop and Energy Efficiency Forum is to be held from 28 to 30 September 2010 in Astana, Kazakhstan.

VII. Ad hoc requests on specific topics

A. Workshops

13. Participation in the Parliamentary Workshop " The security of energy supplies in SEE", 15 December 2009, Sarajevo, Bosnia and Herzegovina.

14. ECE First International Workshop on "Developing the renewable energy sector in the Russian Federation and CIS Countries: Prospects for interregional cooperation." held on 22 and 23 July, 2010 in Minsk, Belarus.

B. Advisory missions

15. At the end of 2009 and in 2010, at the request of member States and to facilitate the implementation of a number of projects, the Regional Adviser on Energy undertook missions to the following countries: Belarus, Belgium, Bosnia and Herzegovina, Kazakhstan, Poland, the Russian Federation, Turkmenistan and the United States. 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 renewable energy in countries with economies in transition.

C. Consultations

16. Consultations with the State Committee on Standardization and UNDP on the preparation of the UNECE First International Workshop on "Developing the renewable energy sector in the Russian Federation and CIS Countries: Prospects for interregional cooperation", Minsk, Belarus, 17 May, 2010.

17. Participation in ECE-DESA Energy Consultative meeting on the Turkmen energy transit security initiative (New York 5 August, 2010).

D. Project formulation

18. Project proposal "Mitigating climate change through attracting foreign direct investment in advanced fossil fuel technologies". The Regional Adviser participated in its preparation and submission to the United Nations Department of Economic and Social Affairs (UNDESA) in August 2008. The project has been further developed and updated in 2010 and finally approved to be executed by the UNECE in cooperation with UNDESA and UNESCAP. The total value of the project is USD 629.900-. 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.

VIII. Future work orientation

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

20. The Regional Adviser will continue his cooperation with UN agencies and international organizations, in particular with the United Nations Development Programme (UNDP), UNFCCC, UNIDO, UN ENERGY, UNDA, UNDAF, World Bank, European Bank for Reconstruction and Development (EBRD), Black Sea Trade and Development Bank, EurAsEC Integration Committee Secretariat, CIS Executive Committee, CAREC, the Regional Cooperation Council (RCC), the Network of Associations of Local Authorities of South-East Europe (NALAS) the Regional Network for the Efficient Use of Energy and Water Resources (RENEUER) and other regional and subregional organizations as well as the Commission of the European Union (EC).

21. 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.

22. Assistance will be provided to identify the needs in further developing 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 the realization of the United Nations Framework Convention on Climate Change (UNFCCC).

23. Special emphasis will be given to energy efficiency investment, training on project financing and management, small and medium-sized company start-ups, including energy services companies (ESCO), utilization of new environmental clean energy technologies, networking and information exchange, energy efficiency standards, and the development of business contacts.

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

- (a) 2010-2012 phase of the "Energy Efficiency 21 Project";
- (b) Project "Financing Energy Efficiency Investments for Climate Change Mitigation";
- (c) Global Energy Efficiency 21" Project,
- (d) The project "Development of the Renewable Energy Sector in the Russian Federation and in CIS Countries: Prospects for Interregional Cooperation"; It is envisaged that as the Project continues the pilot RES regional investment projects could be developed and implemented (2011-2012).
- (e) Project "Mitigating climate change through attracting foreign direct investment in advanced fossil fuel technologies".
- (f) Energy Security Dialogue activities.