



UN Economic Commission for Europe

Regional Analysis of Policy Reforms to promote Energy
Efficiency and Renewable Energy Investments
Work Plan of the Project

Presentation to the 13th session of the
Ad Hoc Group of Experts
on Energy Efficiency Investments
for Climate Change Mitigation

Geneva, March 3, 2009

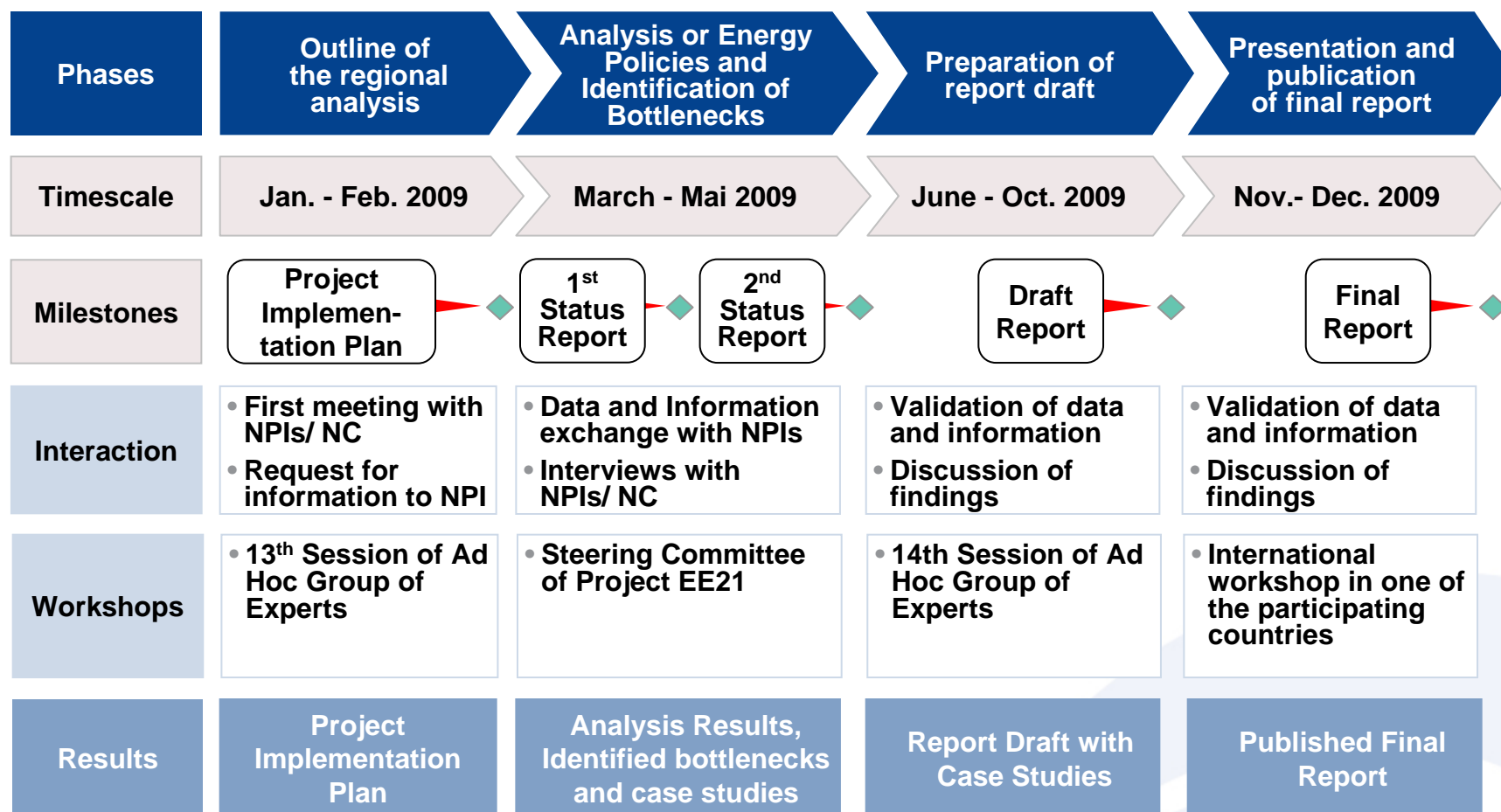
Situation and context

The Work Plan describes the methodological approach that will be used for the Regional Analysis

- In November 2008, Pöyry received the mandate for the Regional Analysis
- In December 2008, Pöyry presented its vision for the implementation of the assignment at the 12th Session of the AHGE
- Following the session, Pöyry was requested to provide a detailed work plan on project implementation to the 13th Session of the AHGE
- In January 2009 the project activities started (Phase I of the project)
- The first activities were the definition of a detailed work plan for project implementation and the outline of the report : these inputs have been consolidated into the Project Implementation Plan, which has been discussed with the UNECE Project Management Unit in the first face-to-face meeting in Geneva on the 29.01.2009
- Once finalized, the Project Implementation Plan has been submitted to the UNECE Project Management Unit for approval
- The current presentation responds to the request of the AHGE and is based on the finalized version of the Project Implementation Plan

Activities of the Regional Analysis: overview

The project results will be achieved in four phases; interaction with the participating countries will take place throughout all project phases



Phase 1: Outline of the regional analysis



In the first phase of the project, the outline for the Regional Analysis is defined and agreed upon jointly between Pöyry and the Project Implementation Unit

Activities (Pöyry)	<ul style="list-style-type: none">• Project Implementation Plan• Methodological Outline of the Analysis and Report Structure• Presentation and discussion of Request for Information from National Participating Institutions (at 13th Session of AHGE)
Activities (NPI)	<ul style="list-style-type: none">• Participation on first meeting on Requests for Information (02.03.2009)
Activities (NC)	<ul style="list-style-type: none">• No activities
Results	<ul style="list-style-type: none">• Project Implementation Plan (approved by UNECE PMU)• Outline of final report (in Project Implementation Plan)• Project Work Plan (sent to Ad Hoc Group of Experts)• Outline for collaboration between Pöyry and National Participating Institutions / National Coordinators

Phase 2: Analysis of Energy Policies and Identification of Bottlenecks



In the second phase of the project, the energy markets developments and the policy frameworks of each countries are analyzed

Activities (Pöyry)	<ul style="list-style-type: none"> • Collection and consolidation of information from UNECE assessment missions, NPIs and independent sources • Support to NPIs in the preparation of data / Clarification of delivered data • Interviews with National Participating Institutions and National Coordinators • Validation of data and elaboration of analysis results • Identification of the bottlenecks and barriers to investments • Selection of case studies to be analysed
Activities (NPI)	<ul style="list-style-type: none"> • Preparation of data and delivery to Pöyry • Support to Pöyry in data validation • Participation to interviews
Activities (NC)	<ul style="list-style-type: none"> • Participation to interviews
Results	<ul style="list-style-type: none"> • Country-specific results of the analysis of energy market developments and policy frameworks • Country-specific identified bottlenecks and barriers to investments • Overview of case studies to be analyzed in next phase

Phase 2: Analysis of energy markets development



The analysis of the energy markets will cover all aspects related to the identification and financing of energy efficiency and renewable energy projects

Energy Supply	<ul style="list-style-type: none">• Primary energy sources and energy balance• Electricity generation, heat supply and technologies in use
Energy Demand	<ul style="list-style-type: none">• Demand of primary energy resources by consumption sectors• Demand of electricity, gas and heat by consumption sectors
Energy Markets	<ul style="list-style-type: none">• Structure of markets and market players for electricity, gas and heat• Tariffs and tariff policy for electricity, gas and heat
Energy Efficiency	<ul style="list-style-type: none">• Energy intensity of the country by consumption sector• Possible sources for energy losses and estimated saving potential• Energy efficiency markets and business models
Renewable Energy Sources	<ul style="list-style-type: none">• Current deployment of renewable energy sources• Estimated potential for renewable energy sources• Market players and business models for renewable energy sources

Phase 2: Analysis of policy reforms and regulatory frameworks



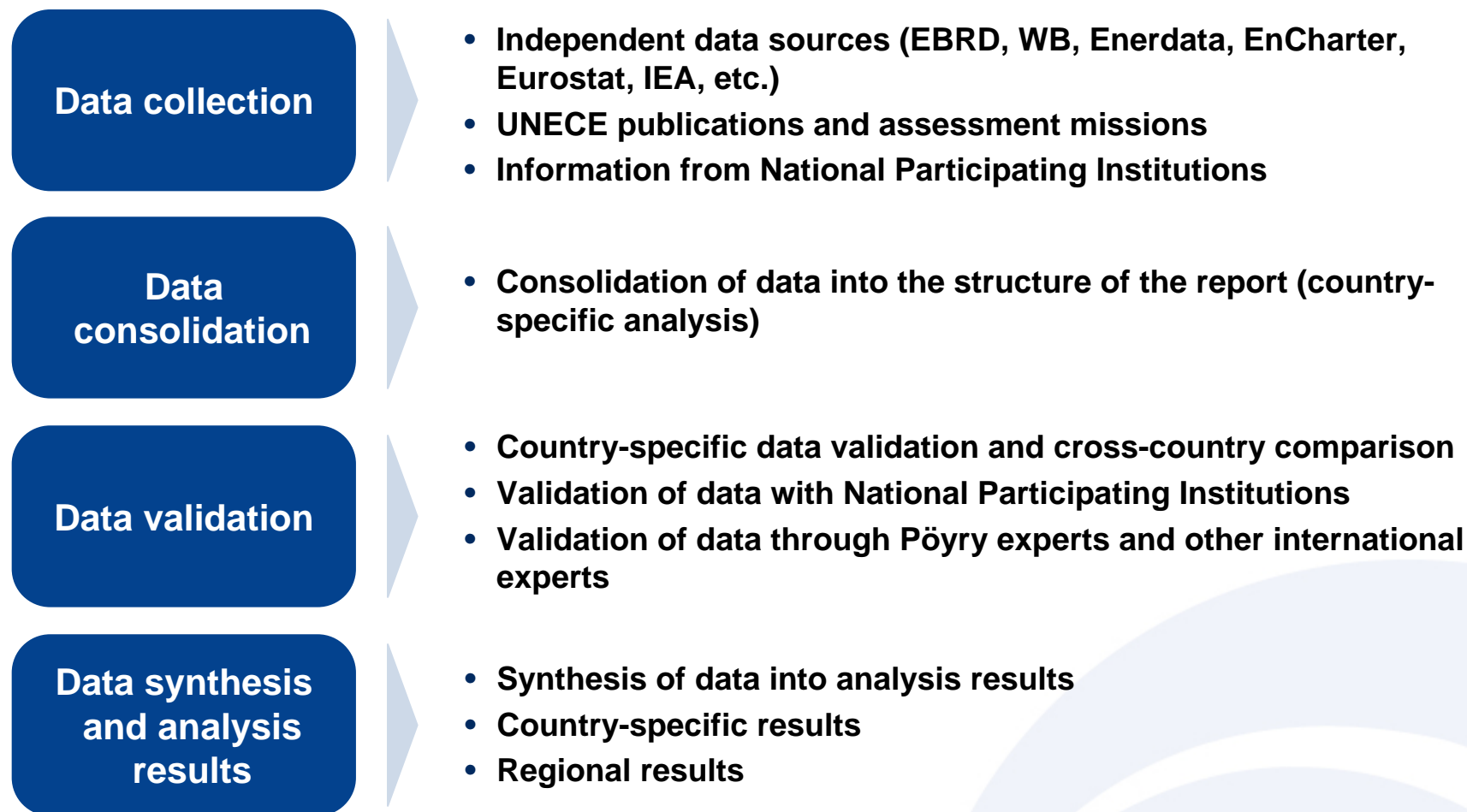
The analysis of policy reforms and regulatory framework will cover all aspects related to support mechanisms and financial incentives for energy efficiency and renewable energy projects

General framework for investments	<ul style="list-style-type: none">• General framework for investments• Attractiveness of the country for investors• Authorization procedures
Energy policies and policy makers	<ul style="list-style-type: none">• Current policy and regulatory framework in the energy sector, on energy efficiency and renewable energy sources• Policy makers in the energy sector• Future developments of policy and regulatory framework
International commitments	<ul style="list-style-type: none">• Implementation of EU directives, targets and standards• Implementation of Kyoto protocol• Other international commitments
Economic incentives and financing mechanisms	<ul style="list-style-type: none">• Nature, structure and volume of incentives for energy efficiency• Nature, structure and volume of incentives for renewable energy sources• Financing mechanisms for energy efficiency and renewable energy projects

Phase 2: Methodology for analysis



The methodology for the analysis phase involves thorough validation of the data and the elaboration of the results in subsequent steps



Phase 2: Identification of barriers and selection of case studies



The results of the analysis phase will be identified country-specific bottlenecks for investments and the selection of case studies to be analyzed

Identification of barriers to the implementation of projects

- **Legal, institutional and administrative barriers**
- **Economic and financial barriers**
- **Lack of awareness and human capacities**

Criteria for selection for case studies (criteria)

- **The selected case studies are examples of success stories of overcome barriers**
- **Each case study shall have a direct link to an identified barrier in the participating countries**
- **The case studies will be identified among the participating countries or in countries with similar conditions**
- **The case studies will allow the definition of recommendations for policy reforms**

Phase 3: Preparation of the report draft



In the third phase of the project, the identified case studies are analyzed in detail and consolidated into the report draft

Activities (Pöyry)	<ul style="list-style-type: none">• Elaboration of case studies• Develop recommendation for policy reforms• Validate results of case studies and developed recommendations with NPIs, NC, UNECE PMU and international experts• Preparation and presentation of report draft
Activities (NPI)	<ul style="list-style-type: none">• Discussion and validation of case studies results and proposed recommendations
Activities (NC)	<ul style="list-style-type: none">• Discussion and validation of case studies results and proposed recommendations
Results	<ul style="list-style-type: none">• Draft report of the Regional Analysis, including the 12 analyzed case studies (approved by UNECE PMU)

Phase 3: Methodology for analysis of case studies



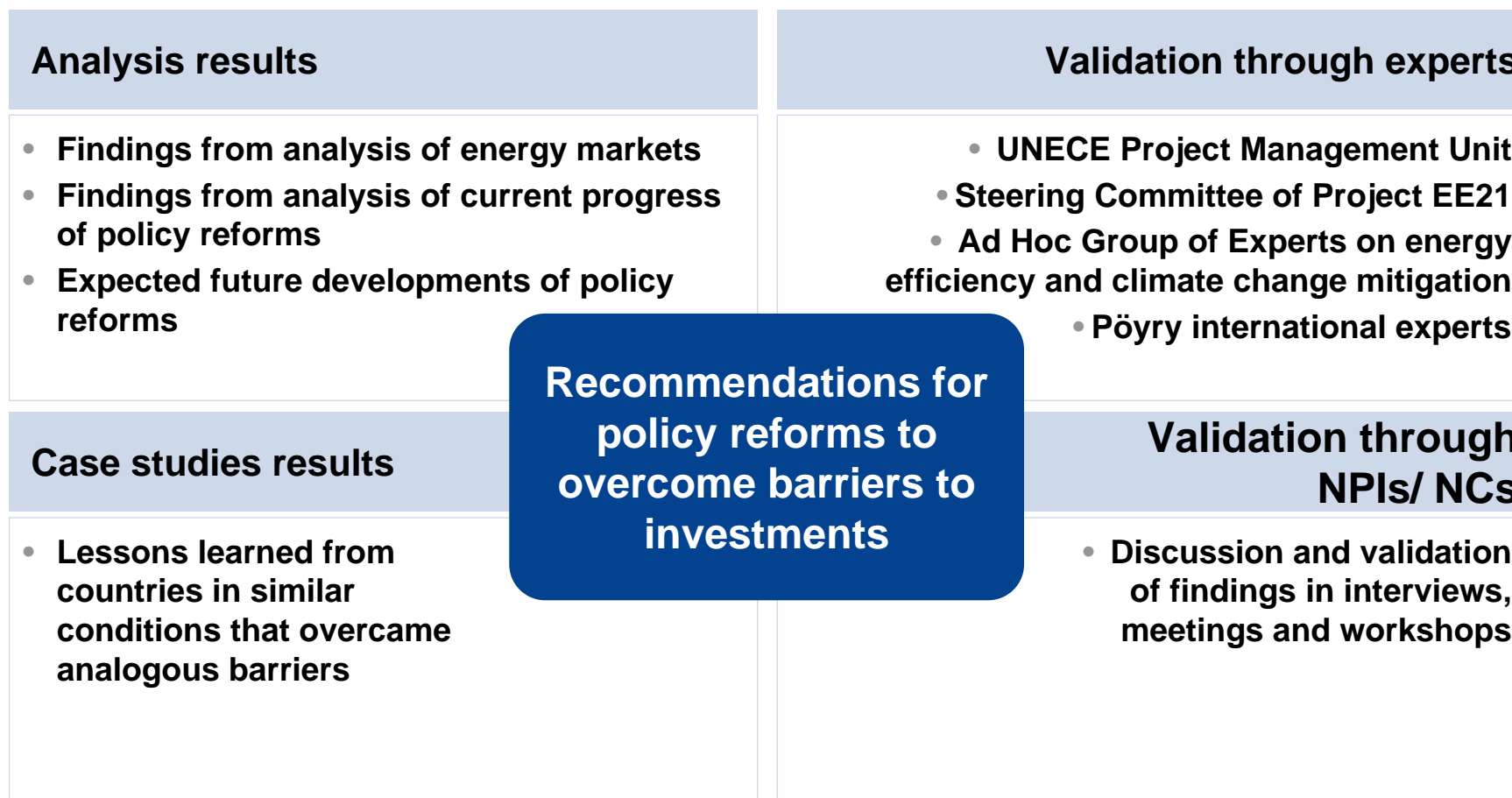
The case studies will be analyzed from different points of view in order to draw specific recommendations for implementation

General description	Barrier to be overcome, originating country, countries concerned
Business case	Solution applied, involved entities, business model where applicable
Benefits	Scaled-up impacts at national level: economic, financial, environmental and social benefits
Costs	Costs for implementation, cost bearers
Regulatory prerequisites	Regulatory preconditions for successful realization
Time necessary	Time necessary for implementation and for benefits to be achieved
Critical success factors / Risks	Lessons learned, Do's and don'ts, Risks and their management
Recommendations	Recommendations for implementation in the participating countries

Phase 3: Development of recommendations for policy reforms



The proposed policy reforms are developed through the consolidation of the results achieved during analysis and through the contribution of experts



Phase 3: Structure of final report



The structure of the final report for the Regional Analysis has been agreed upon with the UNECE PMU and is included in the Project Implementation Plan

INTRODUCTION	<ul style="list-style-type: none">• Goals and scope of the Regional Analysis and the UNECE framework activities• Overview of the energy sector in the project region
METHODOLOGY	<ul style="list-style-type: none">• Methodology for collection and consolidation of data• Synthesis of data and validation of results• Cooperation with National Participating Institutions
ANALYSIS OF POLICY FRAMEWORK	<ul style="list-style-type: none">• Country-specific analysis results• Regional summary from the analysis of the policy framework
CASE STUDIES	<ul style="list-style-type: none">• Criteria for the identification of case studies• analysis of the 12 selected case studies• Regional summary of the analysis of the case studies
CONCLUSIONS AND RECOMMENDATIONS	<ul style="list-style-type: none">• Country-specific conclusions and recommendations• Conclusions and recommendations for policy reforms at the regional and sub-regional level

Phase 4: Presentation and publication of final report

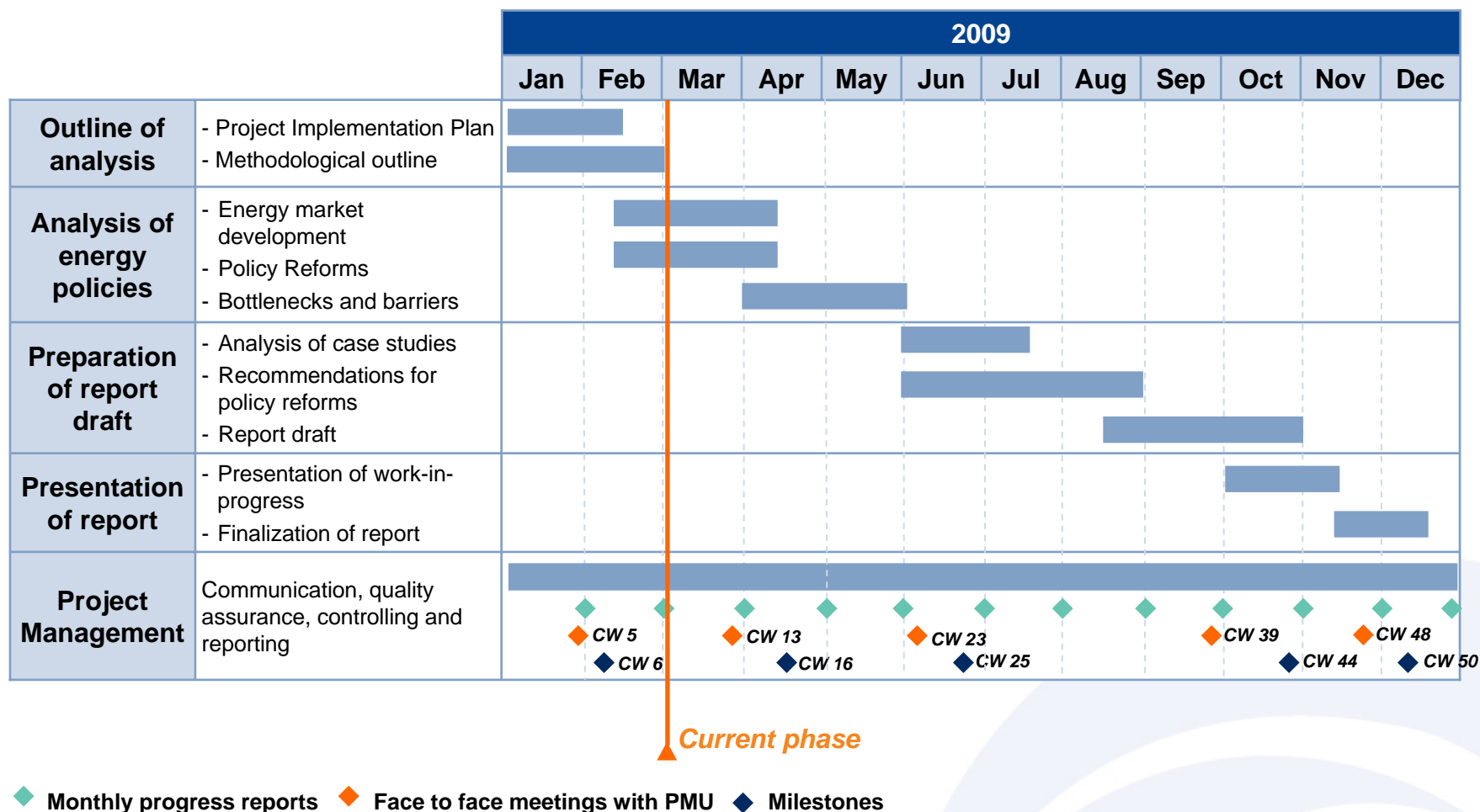


In the fourth phase of the project, the draft report is finalized for publication as a UNECE report and presented at an international workshop

Activities (Pöyry)	<ul style="list-style-type: none">• Final validation of data and findings• Presentation of work-in-progress at international workshops• Finalization of report
Activities (NPI)	<ul style="list-style-type: none">• Final validation of data and findings
Activities (NC)	<ul style="list-style-type: none">• Final validation of data and findings
Results	<ul style="list-style-type: none">• Finalized version of the Regional Analysis for publication as a UN report (approved by UNECE PMU)

The timeline of the project activities

The Regional Analysis will be concluded at the end of 2009



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The background of the slide features a close-up, artistic photograph of a sailboat's rigging. A small, glowing globe of the Earth is positioned where a rope or cable meets a metal fitting. The overall color palette is dark green and blue. At the bottom of the slide, the word "PÖYRY" is written in a large, bold, light-colored sans-serif font, with a double slash symbol above the 'Y'.

PÖYRY