



# United Nations Economic Commission for Europe



## Energy Efficiency 21 Project Financing Energy Efficiency and Renewable Energy Investments for Climate Change Mitigation



## Investor Interest and Capacity Building Needs

Draft Report on Assessment Missions to  
Participating Countries

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Investments for Climate Change Mitigation  
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# Assessment Missions: Objectives

- Initial assessment of public and private sector investor interest in the Investment Fund
- Preliminary analysis of the local financial environment
- Appraisal of the EE and RES investment project development capacities and capacity building needs
- Consultations with National Coordinators (NCs) and National Participating Institutions (NPIs)
- Preliminary review of national energy policy information



# Assessment Missions: Participants

## National Coordinators and National Participating Institutions

### UNECE/PMU

**Consulting Companies** (Econoler International (Canada), Energy Saving International (Norway), International Consulting on Energy (France), Renaissance Finance International (United Kingdom))

**Senior Energy Policy Adviser** (ADEME)

**Monitoring and Evaluation Adviser** (UNF)



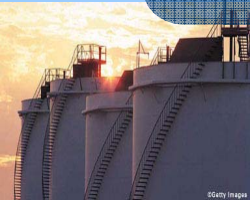
# Assessment Missions: Dates

- Albania: 29–31 October 2008
- Belarus: (14–17 October 2008)
- Bosnia and Herzegovina (21–24 October 2008)
- Bulgaria (21–23 October 2008)
- Croatia (27–28 October 2008)
- Kazakhstan (17–21 November 2008)
- Republic of Moldova (4–6 November 2008)
- Russian Federation (27–30 October 2008)
- Serbia (29 September–2 October 2008)
- The former Yugoslav Republic of Macedonia (27–28 October 2008)
- Ukraine (30 September–3 October 2008)





# Investor Interest and Capacity Building Needs Report: Structure



- Introduction
- Financial environment and major barriers
- EE and RES project development and finance capacities
- Public and private sector investor interest in the Investment Fund
- Energy Efficiency Business Development Course Programme
- Conclusions and Recommendations



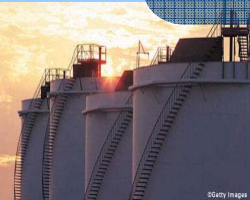
# Investor Interest and Capacity Building Needs Report: Conclusions and Recommendations



- **Financial environment** for implementation of energy efficiency (EE) and renewable energy projects
- Energy efficiency and renewable energy **investment project development capacities**
- Public and private sector **investor interest** in the Investment Fund
- **Capacity building needs** in the countries of the region



# Investor Interest and Capacity Building Needs Report: Conclusions and Recommendations



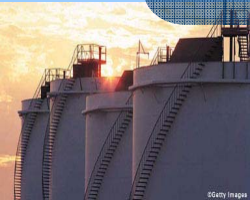
**Financial environment in energy efficiency and renewable energy**

## Legal, regulatory and policy framework

- **Legislation, policies and strategies** developed or being developed
- Problems with **implementation** (lack of secondary legislation, enforcement, practical tools, economic incentives, etc.)
- **Kyoto Protocol** ratified; JI and CDM projects are being developed
- **Energy Community Treaty for South-East Europe**



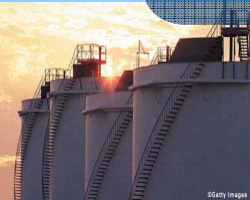
# Investor Interest and Capacity Building Needs Report: Conclusions and Recommendations



## Financial environment in energy efficiency and renewable energy

### Barriers to financing EE and RES projects

- Lack of political will
- Lack of awareness about economic benefits from EE and RES projects
- Energy tariffs
- Lack of stimulating conditions for use of RES
- Size of potential projects
- Lack of experience of bundling small and medium size projects
- Lack of available equity
- Lack of capacity for preparing bankable project proposals



# Investor Interest and Capacity Building Needs Report: Conclusions and Recommendations

## EE and RES project development and finance capacities

- **Energy audits**
- **Measurement and verification  
procedures**
- **Capacity building programme for  
preparing bankable project proposals**



# Investor Interest and Capacity Building Needs Report: Conclusions and Recommendations



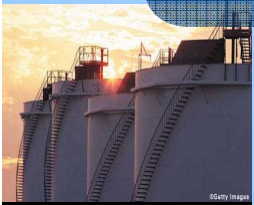
## Investor interest

### Public sector

- Confirmation of the Belgrade commitment
- Limited interest in participation
- Need more information about the Fund
- Limited available resources

### Private sector

- Limited interest from some banks
- Need more information about the Fund
- International banks and IFIs – coordination with headquarters



# Investor Interest and Capacity Building Needs Report: Conclusions and Recommendations

**Investor interest**

**Potential partners for project co-financing**

- **Local and international banks**
- **IFIs**
- **Governments (environmental and EE funds, investment funds)**



# Thank you for your attention !



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