



Economic Commission for Europe



Energy Efficiency in the UNECE region and the Global Energy Efficiency (GEE21) Project

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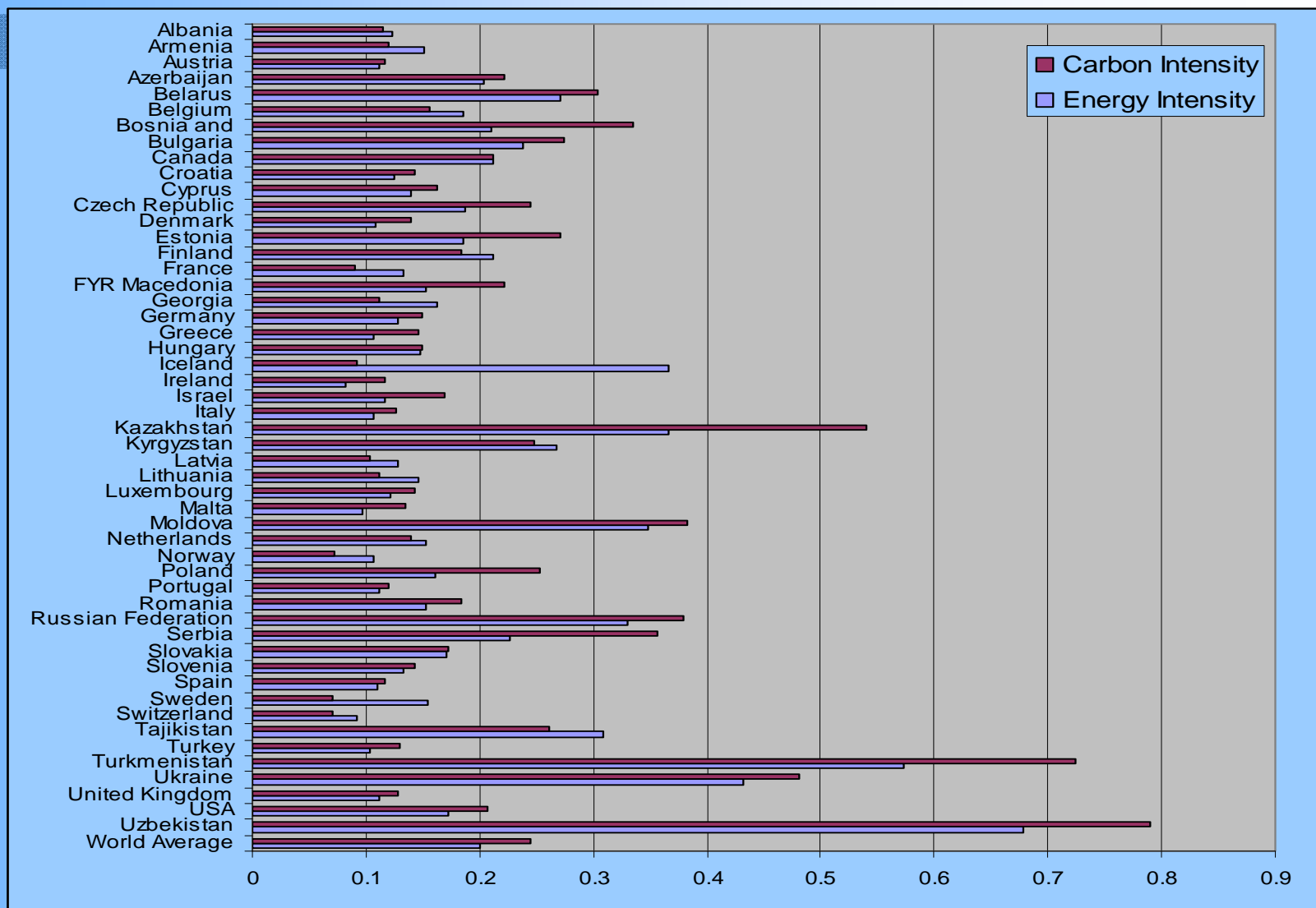


Energy Efficiency in UNECE Region

- Energy efficiency represents win-win solution to:
 - Mitigate climate change
 - Enhance energy security in both producing and importing countries
 - Guarantee sustainable models of growth for future generations
- UNECE Region has a widely differentiated situation: both world's best and worst performers in the region
- Differences due to economic transition, lack of investments, unavailability of best technology, unawareness, pricing and other policy barriers
- Integration may help overcome some of the barriers
- Various UNECE projects are addressing all of these issues since early 90s



Energy and Carbon Intensity in UNECE countries & world average





Pro-efficiency policies

- European Union is spreading good practices (through extended membership, accession negotiations, Stabilisation and Association Agreements (SAA), Neighbourhood Policy)
- Most countries have now passed some sort of EE dedicated legislation. Some of them also established EE Fund

Dedicated EE legislation	Countries
Dedicated legislation (primary and secondary)	EU-27, Canada, Iceland, Israel, Kyrgyzstan, Norway, Switzerland, USA
Dedicated regulation but partial implementation or lack of secondary legislation	Albania, Moldova, Russian Federation, Turkey
Regulatory provisions from other frameworks but no dedicated legislation	Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, FYR Macedonia, Montenegro, Serbia, Uzbekistan
Regulation currently under development	Georgia, Kazakhstan, Tajikistan, Turkmenistan, Ukraine



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Energy Efficiency 21 Programme (EE21)

- Region-wide programme, launched in 1991 (initially called EE2000 project, then extended)
- It aims at:
 - Developing and implementing energy efficiency strategies
 - Reducing GHG emissions
 - Enhancing East-West Trade and Cooperation
 - Meeting international treaty obligations (UNECE Conventions, UNFCCC Kyoto Protocol)
- Umbrella programme under which 10 regional, sub-regional, country-oriented and interregional projects are developed
- Main achievement was €354 million equity and mezzanine investment fund for EE & RE



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Financing Energy Efficiency Investment for Climate Change Mitigation (FEEI)

- Main subregional Project
- Objectives:
 - Identify and develop investment projects
 - Strengthen energy efficiency and renewable energy policies
 - Promoting opportunities for banks and commercial companies to invest in energy efficiency projects
- Participant countries: Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, the former Yugoslav Republic of Macedonia, Kazakhstan, Republic of Moldova, Romania, Russian Federation, Serbia, and Ukraine



FEEL: Main objectives

- Objective 1:
 - Establishment of a network of experts
 - Training Programmes
 - Specialised website (www.ee-21.net)
- Objective 2:
 - Regional policy analysis
 - Senior decision-makers seminars
- Objective 3:
 - €250million equity and mezzanine investment fund (public private partnership, financing for ESCOs and SPVs)



Prospects for Private Sector Financing

- Private sector participation in climate change mitigation is necessary (FDIs are not enough)
- Experience of FEEI demonstrated that private actors can provide the necessary capital and financial expertise
- Key for success: enabling environment (local awareness and skills, sound business environment, etc.) and government support (economic, regulatory and institutional reforms)
- Technical assistance and capacity building by IOs still needed, especially in developing countries



Beyond Regionalism: GEE21 Project

- Given success of EE21 and FEEI, UN proposed its expansion on a global scale in September 2008
- GEE21 launched in December 2008 during a side-event at COP-14 in Poznan
- Implementing institutions - five UN Regional Commissions: ECE, ESCAP, ECLAC, ECA and ESCWA
- Its long-term objective is to develop a more systematic exchange of experience among countries through their UN Regional Commission on
 - capacity building
 - policy reforms
 - investment project financein order to promote efficient use of energy



GEE21 - Objectives

- **Objective One.** Strengthen the participation of the 12 countries in the FEEL project
- **Objective Two.** Disseminate and, if possible, extend the experience of the project in other countries
- **Objective Three.** Increase the capacity of the UN Regional Commissions to provide effective energy efficiency services that promote the reduction of greenhouse gas emissions to member states
- **Objective Four.** Improve capacity to develop, adjust and implement a global strategy to promote self-financing energy efficiency improvements for climate change mitigation



GEE21 - Short-term activities

- The Russian Federation has provided extra-budgetary funds for short-term activities related to **Objectives Three and Four**.
- **Activity 3.1.** Establishment of a network of elected officers of intergovernmental bodies working on energy efficiency and climate change and the respective secretariats of the five UN Regional Commission
- **Activity 3.2.** Appraisal of the energy efficiency and the climate change work programmes with respect to activities of capacity building, energy policy reform and investment project finance



Activity 3.2: Work Programmes of RCs



Technical Assistance Activities	ECE	ESCAP	ESCWA	ECA	ECLAC
Objective One: Capacity Building for the Development of Energy Efficiency Investment Projects					
a. Information campaigns, energy manager briefing sessions	●	●	●	●	●
a. Training courses financial engineering & business planning	●				
a. Business development workshops on project preparation	●	●	●		
Objective Two: Assistance to Participating Governments with the Introduction of Energy Policy Reforms					
a. Regional policy analysis of energy policy reforms	●	●	●	●	●
a. Case studies of energy efficiency policy reforms	●		●	●	
a. Senior policy maker seminars	●	●	●		
Objective Three: Financing Bankable Projects to Reduce CO2 Emissions					
a. Local commercial banks	●				
a. International Financial Institutions	●				
a. Public Private Partnership (PPP) Dedicated Funds	●				



Activity 3.2: Existing Financing Mechanisms

- « *Financing Global Climate Change Mitigation* » publication presented at a side event at COP 15 in Copenhagen; being translated in 6 UN languages
- Composed of :
 - Survey of 22 existing mechanisms and sources of financing for EE and RE investments (mostly in developing countries)
 - Review of sources of funding and technical assistance
 - Discussion on replicability of mechanisms and conditions for success
 - Contributions made by each UN Regional Commission on regional energy situation, economic conditions, business environment, regulatory frameworks and work programmes
- Focus on dedicated intermediate financing and small and medium scale projects (then suitable for efficiency in buildings)



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GEE21 – Group of Experts

First meeting in June 2010 approved:

- TOR
- Mandate (to 2012)
- Objectives
- Programme of Work



GEE21 Programme of Work: activities (1)

- Establish network of elected officers of intergovernmental bodies working on EE and climate change and secretariats of 5 Regional Commissions
- Review the EE and climate change work programmes with respect to capacity-building, energy policy reforms and investment project finance.



GEE21 Programme of Work: activities (2)

- Identify common priorities and synergies between the member states and work programmes among RCs
- Develop Global Strategy for the adoption of RC work programmes to promote self-financing EE improvements to raise economic productivity, diminish fuel poverty and reduce air pollution and GHG emissions
- Extended Bureau meeting on 18 – 19 October 2010 in Geneva



Conclusion

- Large room for EE improvements in every region of the world
- Several financing mechanisms readily available, but measures have to be taken to fully exploit their potential:
 - Enhancement communication, dissemination of awareness, knowledge and skills
 - Regulatory frameworks (Action Plans, dedicated laws, secondary legislation)
 - Creation of right incentive structures (restructuring of subsidies for traditional sources, encouragement of EE and RE)
- Spread of financing mechanisms ultimately relies on international climate regime accounting for negative environmental externalities and providing the means (knowledge, technology, financing) to comply



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THANK YOU!

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