



United Nations Economic Commission for Europe



**Energy Efficiency 21 (EE21) Programme
Financing Energy Efficiency and Renewable Energy
Investments for Climate Change Mitigation (FEEI) Project**

Outcome of the Regional Analysis of Policy Reforms to Promote Energy Efficiency and Renewable Energy Investments

**Oleg Dzioubinski
EE21 Programme Manager
FEEI Project Manager
Sustainable Energy Division**

International Energy Efficiency Forum
28-30 September 2010, Astana



Energy Efficiency 21 (EE21) Programme



- Launched in 1991
- Seventh 3-year phase of the Project (2009-2012)
- General Objective: To enhance regional cooperation on energy efficiency market formation and investment project development to reduce greenhouse gas emissions in economies in transition
- Ten regional, sub-regional, country-oriented and interregional projects



Financing Energy Efficiency Investments for Climate Change Mitigation Project



Long-Term Objective

Promote an investment environment for self-sustaining energy efficiency and renewable energy projects to be developed and financed to reduce greenhouse gas emissions

Activities

- Source of financing with dedicated investment funds
- Training to help establish bankable project proposals
- Institutional and policy reforms
- Establishing network of energy efficiency managers

Duration and Funding

- 4 years (2008-2011); US\$ 7.5 million



Financing Energy Efficiency Investments for Climate Change Mitigation Project



- **Co-funding**

- United Nations Foundation
US\$ 2 million
- Fonds Français pour l'Environnement Mondial
US\$ 2.5 million
- UNEP/Global Environment Facility
US\$ 3 million

- **12 participating countries**

- 2 European Union countries: Bulgaria, Romania
- 5 South-Eastern European countries: Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Serbia
- 5 EECCA countries: Belarus, Republic of Moldova, Kazakhstan, Russian Federation, Ukraine



Regional Analysis of Policy Reforms



- Contract awarded to Pöyry Energy Consulting AG in November 2008
- Implementation started in January 2009
- Missions to project countries in May-July 2009
- Information exchange with NPIs, National Coordinators, Regional Policy Adviser, Monitoring and Evaluation Adviser, other contractors (Conning and EnEffect), supporting institutions and Project Management Unit (PMU)
- Presentations by Pöyry at AHGE sessions (March and October 2009), EE21 SC session (June 2009), Policy Seminar (October 2009, Geneva) and Workshop on Case Studies (November 2009, Kiev)



Regional Analysis of Policy Reforms



- Final Report (hard copies and electronic version) delivered in April 2010
- Full electronic version is available at UNECE and project websites:
http://unece.org/energy/se/pdfs/eneff/eneff_pub/E21_FEEI_RegAnl_Final_Report.pdf
http://feei.info/assets/cms/File/Regional%20Analysis_Final%20Report.pdf



Regional Analysis of Policy Reforms



- Executive Summary published in English and Russian (design and printing by EnEffect)
- To be issued:
 - CD-ROM with full Report
 - UNECE publication (in two languages) based on the Report
 - Publication on case studies (including **national** case studies)



Structure of Regional Analysis



- Executive Summary
- Introduction
- Methodology
- Analysis of Policy Framework and Existing Barriers (with country analysis)
- Case Studies
- Conclusions and Recommendations (country-specific and at regional and sub-regional level)



Barriers for investments in energy efficiency and renewable energy sources



Main legal, institutional and administrative barriers

- Complexity of the regulatory framework
- Lack of secondary legislation and operational instructions, tools and procedures
- Complex and cumbersome authorization procedures
- Inefficiency and limited use of public tendering processes



Barriers for investments in energy efficiency and renewable energy sources



Main economic and financial barriers

- State intervention in price formation
- Energy tariffs not covering full costs
- Limited availability of public funds for financing initiatives and projects
- Relatively small size of EE and RES projects



Barriers for investments in energy efficiency and renewable energy sources



Main barriers in the level of awareness, human capacity and professional skills

- Overall low level of awareness of the need in energy efficiency improvements
- Commercial banks lack experience in financing schemes
- Lack of training and education possibilities for improving professional skills



Recommendations for Policy Reforms at the Regional Level



- **Further development of policy frameworks**
- **Monitoring of policy implementation**
- **Transparent procedures for tendering, authorizations, grid connections**
- **Spatial planning for renewable energy projects**
- **Metering and consumption-based billing**
- **Establishment or strengthening of institutional structures**



Recommendations for Policy Reforms at the Regional Level



- **Energy tariff reforms**
- **Provision of financial incentives for energy efficiency and renewable energy sources**
- **Advanced feed-in tariffs**
- **Increasing public awareness and dissemination of information**
- **Capacity building**



Priorities in Implementation of Reforms



Three clusters of measures:

- “Quick Wins”
- “Essentials”
- “High Cost, High Return”



Thank you for your attention!



Oleg Dzioubinski
EE21 Programme Manager
FEEI Project Manager
Economic Affairs Officer
Sustainable Energy Section
Sustainable Energy Division
UNECE
+41 22 917 2360
oleg.dzioubinski@unece.org
www.unece.org/energy