



# Overcoming Barriers to Investing in Energy Efficiency

Oleg Dzioubinski  
UNECE Sustainable Energy Division

Energy Efficiency Global Forum 2018

Intensive Learning Session. Overcoming Barriers to Investing in Energy Efficiency  
Copenhagen, 21 May 2018





## Joint research project by UNECE and C2E2

### Main topics addressed:

- Identifying barriers that prevent energy efficiency investments from occurring such as political, regulatory, economic and social ones
- Defining successful policies and actions that help overcome barriers to financing energy efficiency in the context of achieving sustainable development and climate goals
- Recommending ways to increase the financial flows for energy efficiency
- Mapping the roles of stakeholders such as governments, financial institutions, businesses and project developers in promoting and implementing energy efficiency investments

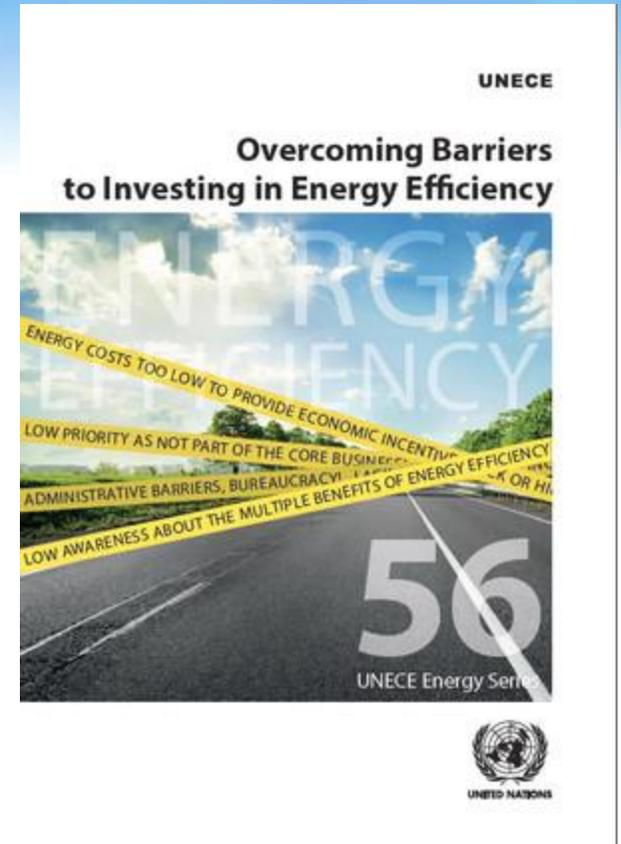
Survey conducted in January-February 2017





# Publication website

<https://www.unece.org/index.php?id=47698>





# Overall scope

## Number of responses

- GLOBAL 339 from 85 countries
- UNECE 230 from 47 countries
- EU W 129 from 23 countries
- EE C CA RF 64 from 12 countries
- SEE 23 from 5 countries





# List of countries with 8 or more responses

- **North America:** Canada, United States
- **Western Europe:** Croatia, Germany, Switzerland, United Kingdom
- **Eastern Europe:** Belarus, Ukraine
- **The Caucasus:** Armenia, Azerbaijan
- **Central Asia:** Kazakhstan
- **South-East Europe:** Albania, the former Yugoslav Republic of Macedonia
- **Countries outside UNECE region:** Brazil, Colombia, India, Mexico, South Africa





# Investment opportunities and actual investments

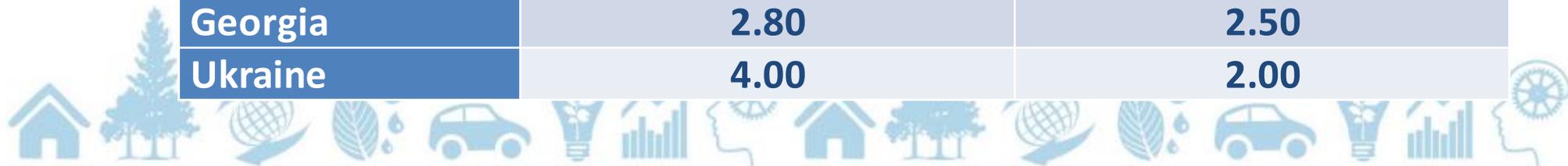
	Are there investment opportunities for energy efficiency in your country? On a scale from 1 (very few) to 5 (very many)	What level of investment in energy efficiency does your country receive? On a scale from 1 (no/very little investments) to 5 (high level of investments)
<b>GLOBAL</b>	<b>3.99</b>	<b>2.74</b>
<b>Brazil</b>	<b>3.90</b>	<b>2.50</b>
<b>India</b>	<b>4.00</b>	<b>2.67</b>
<b>South Africa</b>	<b>4.75</b>	<b>2.63</b>
<b>United States</b>	<b>4.62</b>	<b>3.38</b>
<b>Germany</b>	<b>4.54</b>	<b>3.60</b>
<b>The former Yugoslav Republic of Macedonia</b>	<b>2.88</b>	<b>2.00</b>





# Investment opportunities and actual investments

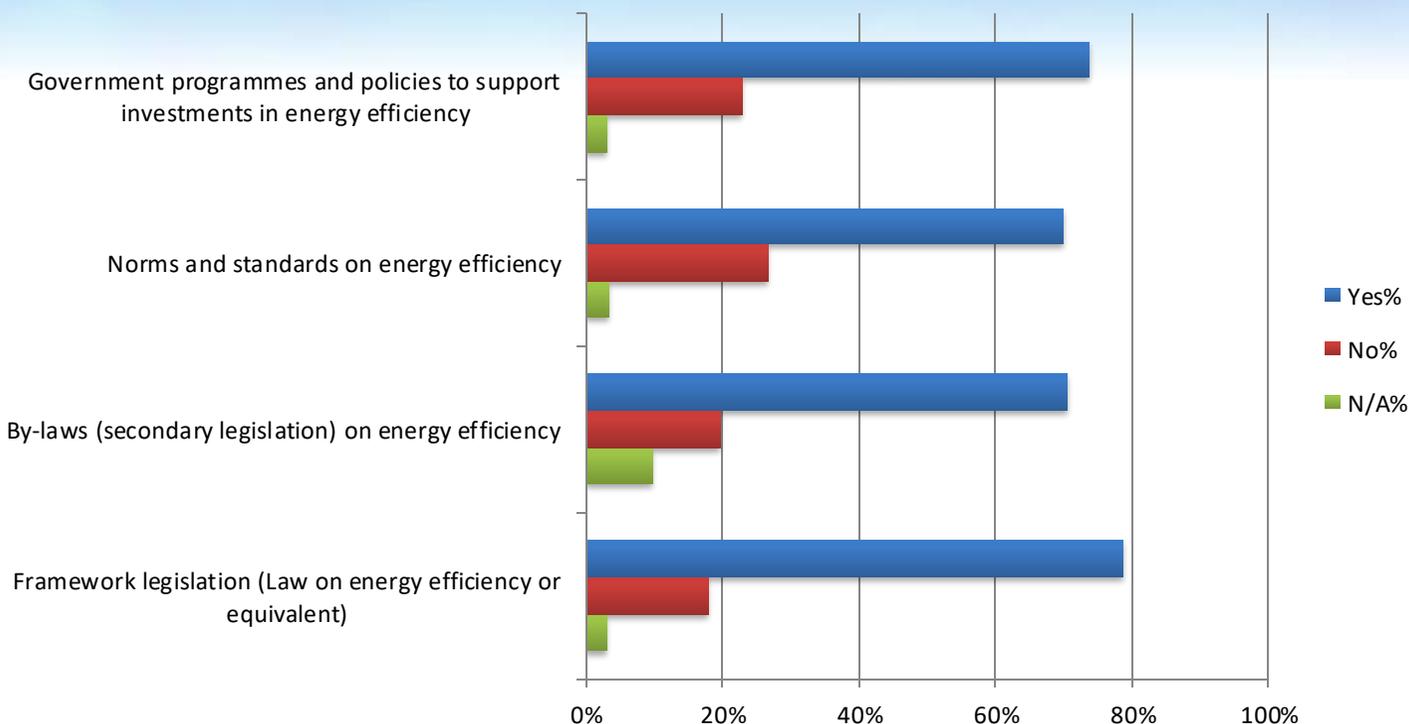
	Are there investment opportunities for energy efficiency in your country? On a scale from 1 (very few) to 5 (very many)	What level of investment in energy efficiency does your country receive? On a scale from 1 (no/very little investments) to 5 (high level of investments)
<b>UNECE region</b>	<b>3.99</b>	<b>2.83</b>
<b>EE C CA RF</b>	<b>3.75</b>	<b>2.50</b>
<b>EU W</b>	<b>4.30</b>	<b>3.15</b>
<b>Armenia</b>	<b>4.00</b>	<b>2.50</b>
<b>Azerbaijan</b>	<b>3.13</b>	<b>2.57</b>
<b>Belarus</b>	<b>3.38</b>	<b>2.63</b>
<b>Georgia</b>	<b>2.80</b>	<b>2.50</b>
<b>Ukraine</b>	<b>4.00</b>	<b>2.00</b>





# Does your country have the following legislation, programmes and policies to support investments in energy efficiency?

## EE C C A R F





# Effectiveness of the regulatory framework

Countries	Support for investments in energy efficiency by the regulatory framework in your country from 1 (very little support) to 5 (very strong support)	Existence of regulatory framework to support investments in energy efficiency (average of positive responses on four types of legislation), percent
Armenia	2.63	78.5
Azerbaijan	2.38	36
Belarus	3.13	97
Kazakhstan	3.00	84.5
Ukraine	2.55	91
Germany	4.00	94
India	2.78	77.8
The former Yugoslav Republic of Macedonia	2.00	50





# Selected conclusions on the status of EE financing and barriers to investing in EE

Globally and in the UNECE region, there is a high or reasonably **high potential for energy efficiency investments.**

Most countries in the UNECE region **have framework legislation for energy efficiency** and many have other supporting legislation, programmes and policies.





# Selected conclusions on the status of EE financing and barriers to investing in EE (cont.)

**Financial environment is not viewed as very favourable** for investments in energy efficiency.

Generally, the **price of energy** provides some but often insufficient **incentive** for improving energy efficiency.





# Selected conclusions on the status of EE financing and barriers to investing in EE (cont.)

**Low awareness about the multiple benefits of energy efficiency projects is viewed as the main barrier to increasing investment and financing flows to energy efficiency projects.**

**Tax incentives and low-interest loans for energy efficiency projects are viewed as the most important factors that can lead to increasing energy efficiency project investment viability in particular countries. They are followed by stricter energy efficiency standards; training and awareness programmes; improved legislation; and de-risking of investments through Government support programmes.**





# Selected recommendations for overcoming barriers to investing in EE

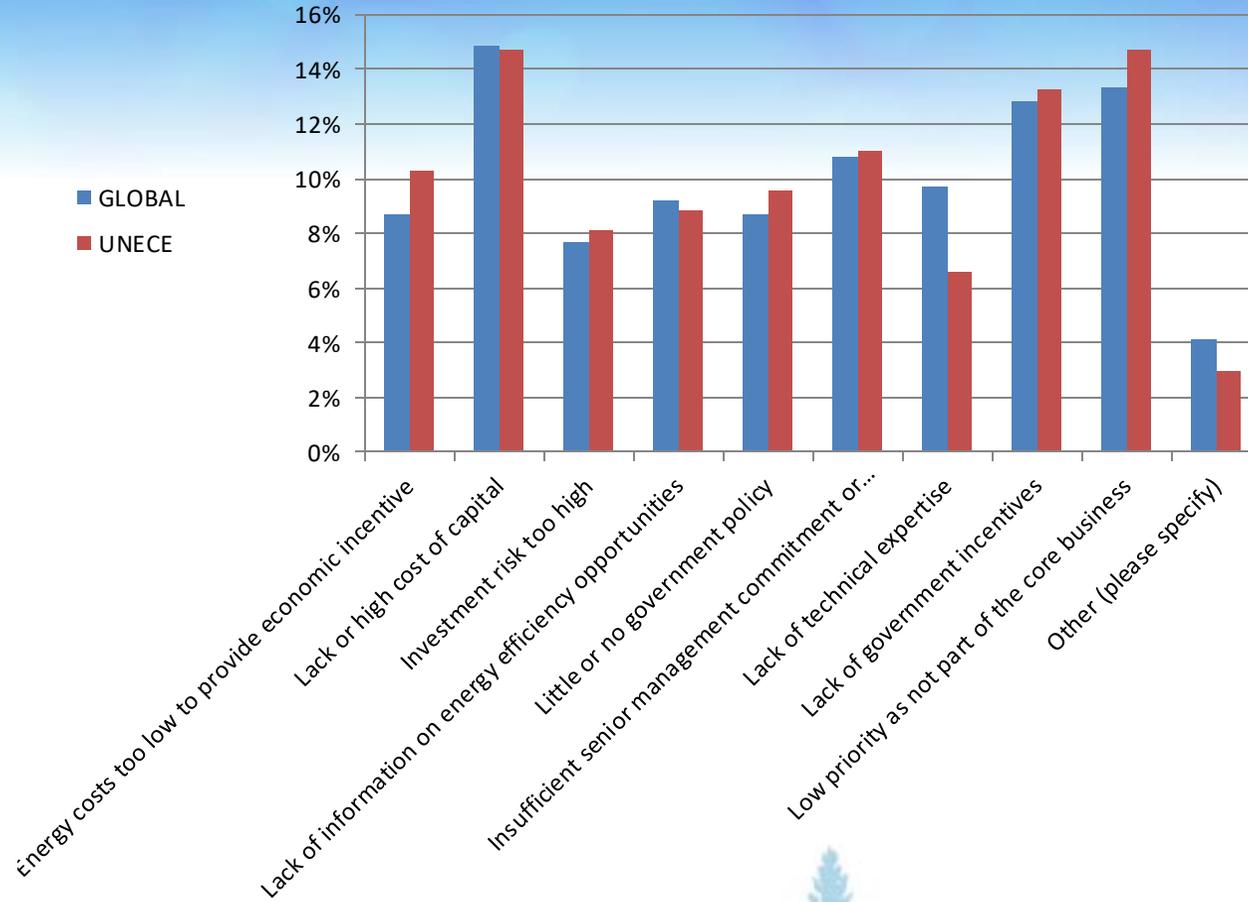
**Raising awareness about the multiple benefits of energy efficiency projects can be recommended as one of the most effective measures to increase investment and financing flows to energy efficiency projects.**

In the short and medium term, particularly in the countries with economies in transition, **tax incentives and low-interest loans for energy efficiency projects** should be considered as the most appropriate ways to increasing energy efficiency project investment viability.



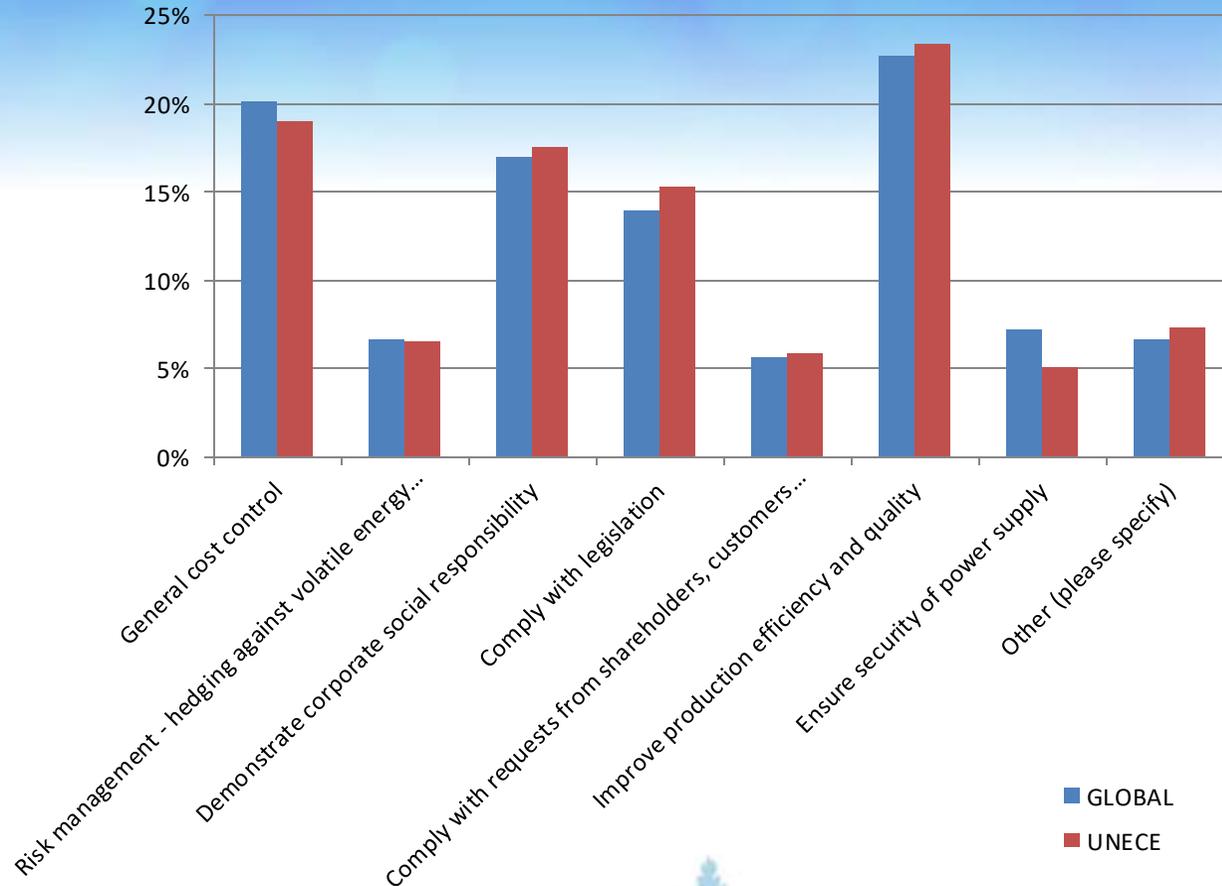


# What are the main barriers that your company faces when considering investment in industrial energy efficiency?





# What are the main business benefits to your company from implemented energy efficiency measures?





# Selected conclusions on the status of EE financing and barriers to investing in industrial EE

**Low priority of energy efficiency** as it is **not part of the core business** is one of the main **barriers** faced by a company when considering investment in industrial energy efficiency. The other two significant barriers are **lack or high cost of capital** and **lack of government incentives**.

As the **main business benefits** from implemented energy efficiency measures, companies consider **improved production efficiency and quality**, followed by **general cost control**, **demonstration of corporate social responsibility**, and **compliance with legislation**.





# Selected recommendations for overcoming barriers to investing in industrial EE

**Governments** should consider creating incentives for companies for improving energy efficiency through appropriate policies.

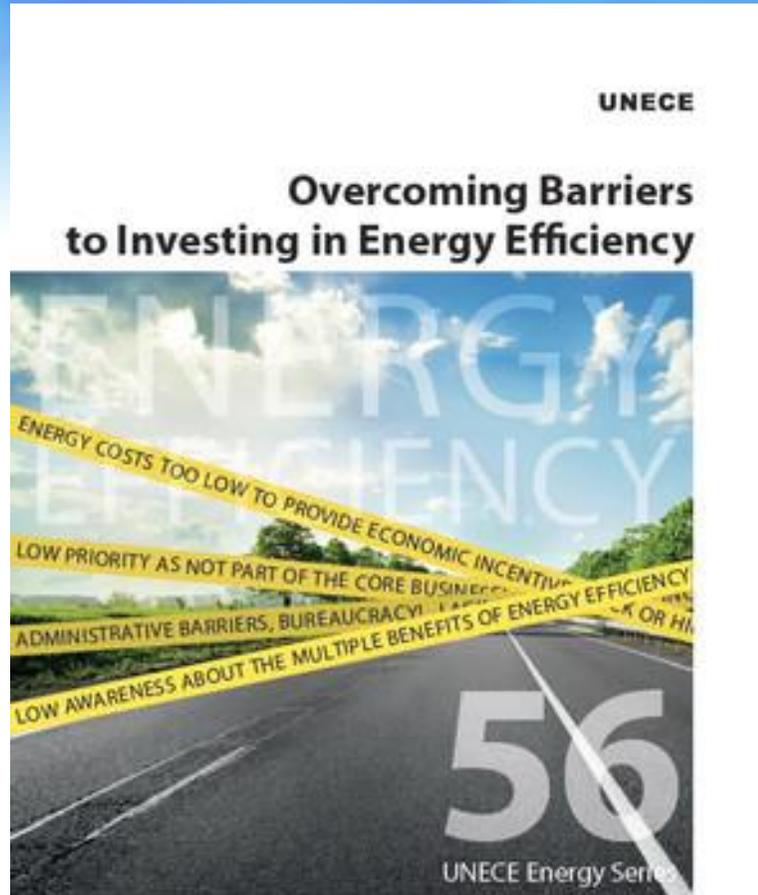
**Companies** should consider implementation of energy efficiency measures as those that improve production efficiency and quality, lower cost of production, help demonstrate corporate social responsibility and comply with legislation, and thus ultimately have a positive impact on the core business.





Publication website:

<https://www.unece.org/index.php?id=47698>





# Thank you for your attention!

**Oleg Dzioubinski**

Economic Affairs Officer

UNECE Sustainable Energy Division

+41 22 917 2360

+41 79 277 5671

[oleg.dzioubinski@un.org](mailto:oleg.dzioubinski@un.org)

