



# Economic Commission for Europe

Working Party on Gas  
**Energy Efficiency 21**

Gianluca Sambucini  
Geneva, 22 January 2008

# Energy Efficiency 21

- Launched in 1991
- Enhance East-West Trade and Co-operation
- Improve Capacities and Regional Networking
- Promote Policy Reforms
- Financing Energy Efficiency Investments
- 6 sub-regional projects

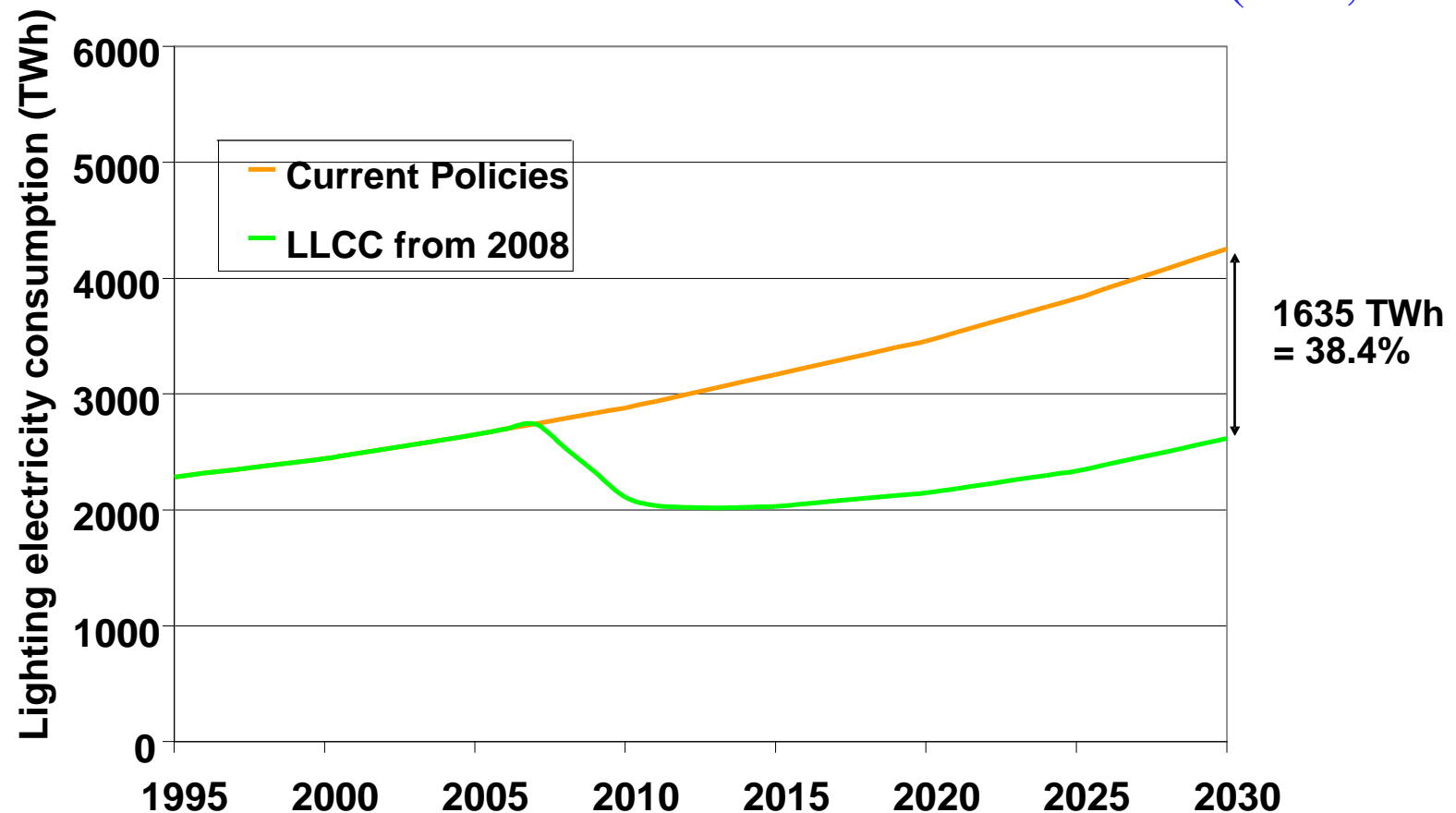
# Energy Efficiency market potential Eastern Europe and Central Asia

- Reducing the energy efficiency gap by half would save 600 million tonnes of oil equivalent (Mtoe)
- The saving potential of the Russian Federation is 360-400 million tonnes of oil equivalent

# Energy Efficiency: Lighting

## Example of Cost-Effective Savings

(IEA, 2007)



# Sub-regional Projects of EE21 1/2

- Financing Energy Efficiency and Renewable Energy Investments for Climate Change Mitigation
- The Regional Network for Efficient Use of Energy and Water Resources in Southeast Europe (RENEUER)
- Removing Barriers to Energy Efficiency Improvements in the State Sector in Belarus

## Sub-regional Projects of EE21 2/2

- Biomass Energy for Heating and Hot Water Supply in Belarus
- Green Labels Purchase
- Development of Coal Mine Methane Projects in Central and Eastern Europe and CIS

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

## Co-financing Partners

- United Nations Foundation:  
**US\$ 2 million**
- Fonds Français pour l'Environnement Mondial:  
**US\$ 2.5 million**
- UNEP - Global Environment Facility:  
**US\$ 3 million**
- European business Congress  
**US\$ 250,000**

# Work Plan Objectives

- Bankable Project Development Skills
- Institutional & Policy Reforms
- Public Private Partnership Fund



# Objective One Outputs

## Bankable Project Development Skills

- Network of Energy Efficiency Managers
- Trained Business Development Experts
- Investment Project Pipeline

# Objective Two Outputs

## Institutional & Policy Reforms

- Broad Analysis Policy Reforms & Case Studies
- Senior Decision Maker Seminars
- Policy Advisory Services

# Objective Three Outputs

## Public Private Partnership Fund

- Investment Fund
- Investment Project Development Standards
- Investment Project Pipeline Inventory

# European Clean Energy Fund ECEF

- **Officially launched in April 2007**
  - Under the EE21 Programme mandate with an initial investment capital of € 354 million
  - Mezzanine and Equity Capital with target return of 15-20 % per annum
  - Eligible countries : 27 European Union member states
- **ECEF targets clean energy projects**
  - Electricity supply: power plants modernisation, use of cogeneration and combined-cycle
  - Renewable energy, biomass

# ECEF Seminar – 21 February 2008

Special session of the EE21 Ad Hoc Group of Experts:

- Fund Structure Operating Procedures
- Project Selection Criteria
- Investment project proposals
- Participation of experts from 12 Project countries
- Presentations EU Countries

# ECEF Seminar – 21 February 2008

- Assess Work Methods with ECEF Fund
- Develop Work Methods for the New Fund
- Review the level of Skills of the national teams
- Determine training needs
- Discussions at AHGE Meeting 22 February

# New Investment Fund

*Making “business as usual” through market formation in the ECE region*

## Terms of transaction:

- **Targeted capital: € 250 million**
  - Public (30 %) – Private partnership (70 %)
  - Equity and mezzanine financing
- **Targeted countries:**
  - EU: Bulgaria, Romania
  - South-Eastern Europe: Albania, Bosnia and Herzegovina, Croatia, FYR of Macedonia, Serbia
  - CIS: Belarus, Kazakhstan, Moldova, Russia, Ukraine
- **Example of targeted projects:**
  - SPV and ESCOs
  - District heating, power plants modernisation, clean technologies
  - Use of renewable energies

# Environment for Europe Process: Final declaration

Belgrade, 12 octobre 2007

Environment for Europe

Ministers “*welcome the project on Financing Energy Efficiency Investments for Climate Change Mitigation and will consider participating as public-sector investors in the energy efficiency investment fund, which is being created through the Energy Efficiency 21 Project*”.



# UN Procurement Process

Ongoing evaluation of Expressions of interest  
Contracts to be concluded by August 2008

- Regional Analysis Policy Reforms
- Website & Internet Communications
- Investment Fund Designer

## Next Steps

- 21 February 2008 - ECEF Seminar
- 22 February 2008 - AHGE Meeting
- 28 May 2008 - International Conference on EE
- 29-30 May 2008 - EE21 SC
- 25-26 September 2008 - AHGE Meeting