



United Nations

UNECE Weekly

Economic Commission for Europe

Issue N° 298 — 8-12 December 2008

ENERGY EFFICIENCY EVENTS AT COP 14 IN POZNAŃ

United Nations Climate Change Conference, 14th session

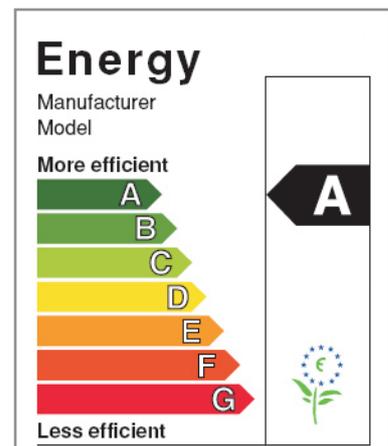
UN-Energy Side Event to bring energy efficiency onto the map of future global action on climate

A major step towards the post-2012 climate change framework is represented by the fourteenth session of the United Nations Climate Change Conference (COP 14) which will be held in conjunction with the fourth Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 4), in Poznań, Poland, on 1-12 December 2008.

The Poznań meetings will also include, on 10 December, a UN-Energy Side Event on *Energy efficiency in the post-2012 framework: key issues and challenges*.

As is commonly recognized, energy efficiency has been extensively addressed and promoted as one of the most cost-effective and readily-available sources of emission reductions, and a win-win solution that improves economic efficiency across sectors and results in multiple developmental benefits, including job creation, improved access to energy and energy security.

This High-Level Roundtable discussion will challenge experts, representative research institutions, business and industry, United Nations energy agencies and others to openly discuss the pros and cons of a focus on energy efficiency in the Bali Action Plan mitigation negotiations – in terms of implications for both a successful outcome to COP 15 (Copenhagen, 2009) as well as for avoiding the worst impacts of climate change. The intention is to make sure that energy efficiency is firmly on the map of future global action on climate.



In order to introduce energy efficiency improvements in transition economies, the EU Energy Labelling and methods used in the analysis of the energy efficiency of major domestic end-uses was described in the E-GRIDS project implemented under the EU Research and Technological Development Framework Programme, in cooperation with the EE21 Project

The discussion will be moderated by the President of the United Nations Foundation, Timothy Wirth, and the UN-Energy Vice-Chair, Olav Kjørven, Director of the Bureau for Development Policy of UNDP. *

UNECE launches global energy efficiency 21 Project “Financing Energy Efficiency Investments for Climate Change Mitigation”

Investments in energy efficiency continue to lag behind the opportunities that exist for its realization. The UNECE Energy Efficiency 21 (EE21) Project promotes the formation of an energy efficiency market in Eastern Europe so that cost-effective investments can provide a self-financing method of reducing global greenhouse gas emissions.

The Project promotes regional cooperation to enhance countries' energy efficiency in the region and meet their international treaty obligations under the United Nations Framework Convention on Climate Change and UNECE conventions. Energy efficiency is achieved by focusing on more efficient production, conservation and use of all energy sources in order to minimize GHG emissions.

Within the overall EE21, UNECE manages the project on *Financing energy efficiency investments for climate change mitigation*, with a budget of approximately \$7.5 million, financed by the United Nations Foundation, the Global Environment Facility, the Fonds français pour l'environnement mondial and the Ministry of Foreign Affairs of France, and the European Business Congress.



Signature of the grant from France on 27 April 2007 during the Sixtieth Anniversary Session of UNECE. From left to right, Marc-Antoine Martin, Secretary-General of the Fonds français pour l'environnement mondial, and Jean-Maurice Ripert and Marek Belka, then respectively Ambassador of France and UNECE Executive Secretary.

Not an official record - For information only

Equity fund

This project is in the process of establishing a privately-managed equity fund which will target energy efficiency and renewable investment projects in 12 countries in Eastern Europe, Central Asia and South-Eastern Europe. The Eastern European Energy Efficiency Fund will be a Euro denominated public-private partnership fund with capital commitments from both the public sector and the private sector for approximately 250 million euros.

The UNECE energy efficiency market formation activities involve capacity building of local experts to develop investment projects, work with local authorities on government policy reforms, and facilitation of opportunities for project finance through externally managed public-private partnership investment funds.

During the last few years, the UNECE and other international programmes have demonstrated that it is possible to identify, develop and finance energy efficiency investment projects that reduce greenhouse gas emissions in Eastern Europe. But it has also shown that this is a time consuming and labour intensive process that needs to become much more fluid or business-as-usual in order to succeed on any meaningful scale.

The market for energy efficiency projects with a payback period of less than five years is estimated to be between 5 and 10 billion euros. But the capital investment requirements needed to tap this potential are so large that only commercial sector finance on a significant scale can actually deliver meaningful results. This market will need to provide opportunities for the commercial sector to make large investments with low transaction costs that make adequate returns at acceptable risk within a reasonable period of time. This is at the basis of the project's targets.

One investment fund has already been established under EE21

The SwissRe European Clean Energy Fund is one of the largest funds for financing environmentally sound energy technology in Europe. It was successfully raised by SwissRe and Conning Asset Management under an EE21 Project mandate. The 354 million euro fund provides capital for clean energy projects that reduce greenhouse gas emissions in Central, Eastern and Western Europe. It is now financing energy efficiency and renewable energy investment projects that reduce CO₂ emissions and generate carbon credits or tradable certificates.

The SwissRe European Clean Energy Fund offers attractive returns to institutional investors in Europe, Canada and the United States for financing energy efficiency, wind, solar, hydroelectric and geothermal projects while providing carbon market services. *

Global Energy Efficiency 21 Project

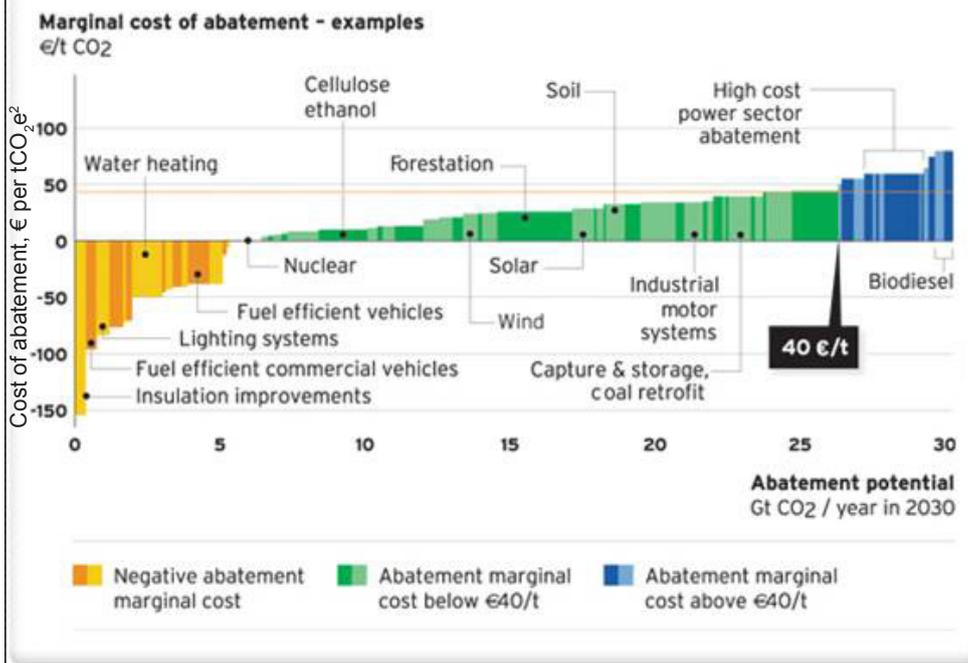
In Poznań UNECE will launch the Project "Global Energy Efficiency 21: Cooperation between the United Nations regional commissions on energy efficiency for climate change mitigation". It is designed to explore how the valuable experience of the UNECE energy efficiency projects can be applied with UNECE assistance to the other United Nations regional commissions especially to ESCAP which shares common member States with UNECE.

The energy and climate change mitigation activities of the other regional commissions will need to be appraised to determine how they could fully respond to the transfer, adoption and local adaptation of activities such as those under the UNECE energy efficiency work programme. An initial phase of three years will be financed by the Russian Federation.

The objective ...

is to develop a more systematic exchange of experience on capacity building, policy reforms and investment project finance among countries of the other regions of the world through the regional commissions in order to promote self-financing energy efficiency improvements that raise economic productivity, diminish fuel poverty and reduce environment air pollution such as greenhouse gas emissions. *

Global cost curve for greenhouse gas reduction



Source: Vattenfall