



United Nations

UNECE Weekly

Economic Commission for Europe

Issue N° 377 – 14-18 June 2010

UNECE PROJECT ON ENERGY EFFICIENCY MOVES CLOSER TO ESTABLISHING INVESTMENT FUND

A UNECE-sponsored private-public partnership (PPP) investment fund for energy efficiency and renewable energy projects in Central and Eastern Europe and Central Asia is expected to be established before the end of this year. This was one of the main conclusions of the fifteenth session of UNECE Group of Experts on Energy Efficiency Investments for Climate Change Mitigation, which met in Geneva on 9 June 2010.

Recent changes in the economic climate and better understanding of the benefits of energy efficiency investments from potential investors have created significant interest in such funds, according to Conning Asset Management Limited, which is designing the investment fund on behalf of UNECE and the 12 countries participating in its project Financing Energy Efficiency Investments for Climate Change Mitigation (FEEI). The 12 participating countries include: Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Kazakhstan, Republic of Moldova, Romania, Russian Federation, Serbia, the former Yugoslav Republic of Macedonia, and Ukraine.

Participating countries are now prepared to start submitting project proposals. According to preliminary analysis by Conning, several projects already have the potential to be financed by the investment fund. This investment fund will function on commercial terms, thus fostering market formation and demonstrating that energy efficiency projects can become business-as-usual for the financial sector. This will also open the door for the replication of this or similar funds in other countries of the UNECE region and other regions of the world. Conning is currently at a stage of identifying the lead investor and other investors for the fund, proposing an investment fund manager and exploring the potential for bankable energy efficiency and renewable energy project proposals in the participating countries.

In its preliminary assessment, Conning makes use of the results of a recently completed study on *Regional Analysis of Policy Reforms to Promote Energy Efficiency and Renewable Energy Investments* available at: http://www.unece.org/energy/se/pdfs/eneff/eneff_pu_b/EE21_FEEI_RegAnl_Final_Report.pdf. This regional analysis identifies the barriers that the countries of the region face in the implementation of energy efficiency and renewable energy projects and provides policy recommendations on how to overcome them.

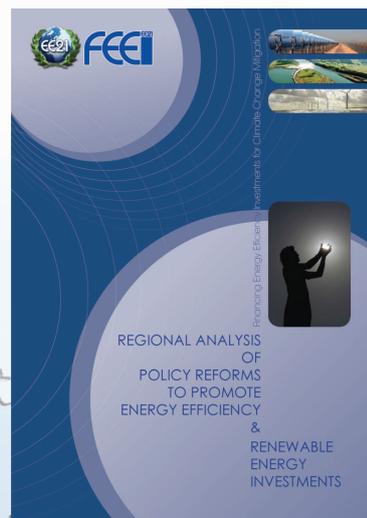
The Executive Summary of the report is available in English at: http://www.unece.org/energy/se/pdfs/eneff/eneff_pu_b/EE21_FEEI_RegAnal_ExecSum_e.pdf and Russian at: http://www.unece.org/energy/se/pdfs/eneff/eneff_pu_b/EE21_FEEI_RegAnal_ExecSum_r.pdf.

National experts in the 12 participating countries, who have been closely associated to the project, will be involved in preparing an indicative project pipeline – i.e. project proposals that will be evaluated on their compliance with criteria set by the new investment fund and have the potential to be financed from the fund.

UNECE has been implementing the FEEI project since January 2008. The project is intended to assist participating countries to enhance their energy efficiency and reduce air pollution and greenhouse gas emissions in order to meet international obligations under the United Nations Framework Convention on Climate Change (UNFCCC) and UNECE environmental conventions. This four-year project is supported by contributions from the following institutions: United Nations Foundation (UNF) and the United Nations Fund for International Partnerships (UNFIP); Fonds Français pour l'Environnement Mondial (FFEM); United Nations Environment Programme/Global Environment Facility (UNEP/GEF); and European Business Congress e.V. (EBC).

The report *Regional Analysis of Policy Reforms to Promote Energy Efficiency and Renewable Energy Investments* was prepared by Pöyry Energy Consulting AG. The study presents a comprehensive regional assessment conducted in close cooperation with the National

Participating Institutions and National Coordinators in the project countries, who provided information on the current status of the energy sector and energy efficiency market and on the policy and institutional framework. The main goal of the analysis is to provide recommendations addressed to the policymakers of the participating countries in order to develop and implement policy reforms that will support market formation and foster a favorable climate for investments in the sectors of energy efficiency and renewable energy sources.



The FEEI project website: <http://feeinfo> contains information on the investment fund, energy efficiency policy frameworks and policy reforms, capacity building activities, network of energy efficiency managers, and various materials submitted by project countries. The website has been developed and launched in April 2010 by EnEffect, the third major contractor for the FEEI

project. EnEffect is responsible for development of the Website and Internet Communications Network of Energy Efficiency Managers in Eastern Europe. The project website will also serve as a hub to submit project proposals for the investment fund. □

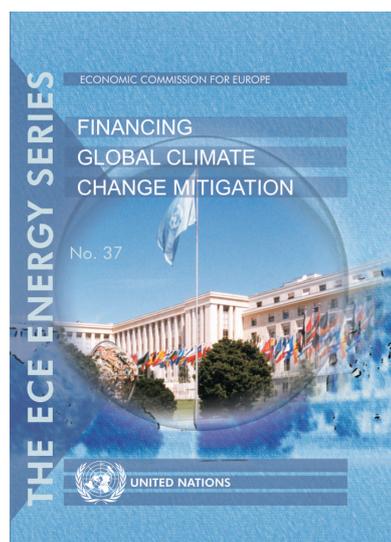
For further information, please visit:
<http://www.unece.org/energy/se/eneffic.html>
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LAUNCH OF GROUP OF EXPERTS ON GLOBAL ENERGY EFFICIENCY 21

Experts from around the world met in Geneva last week to discuss a global approach toward energy efficiency market formation to mitigate climate change. An international consensus is emerging that energy efficiency is the most effective method of mitigating climate change due to the vast potential for energy efficiency improvements to reduce CO₂ emissions.

The first meeting of the Group of Experts on the Global Energy Efficiency 21 (GEE21) Project was held on 10 June 2010 in the framework of the Energy Efficiency 21 (EE21) Programme in Geneva.

Drawing on the long history of energy efficiency activities at UNECE through EE21, a global forum was set up in 2009 to transfer the valuable experience of UNECE in capacity building, policy reforms and investment project finance to other regions of the world through the UN Regional Commissions in order to promote self-financing energy efficiency improvements that raise economic productivity, diminish fuel poverty and reduce environmental pollution and greenhouse gas emissions.



GEE21 was introduced at a side event at the 14th Conference of Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) in Poznan in December 2008. At the COP15 in Copenhagen in December 2009, the UNECE Executive Secretary Ján Kubiš, together with the Executive Secretaries of the other UN Regional Commissions, presented the first GEE21 publication entitled

**Financing Global Climate Change Mitigation:
Sources of Financing Energy Efficiency and Renewable
Energy Investments**
<http://www.unece.org/energy/se/eneffic.html> .

A meeting held on 28 April 2010 in New York on Energy for Development “Towards A Sustainable Global Energy Future” organized jointly by UN-Energy and the Secretary-General’s Advisory Group on Energy and

Climate Change highlighted the importance of tapping the expertise of the UN Regional Commissions as regional hubs to share best practice on energy efficiency and renewable energy.

A newly-released UN-Energy Report *Looking to the Future* describes several scenarios of how sustainable energy issues may be treated within the UN system as a whole in the years ahead.

The Secretary-General aims to address energy issues in a holistic manner – including its links with achievement of the Millennium Development Goals (MDGs), addressing climate change, advancing sustainable development, and promoting global security.

The first meeting of the Group of Experts of GEE21 included representatives from each of the five regions of the UN Regional Commissions (UNECE, ECA, ECLAC, ESCAP and ESCWA), intergovernmental representatives from non-UNECE countries including Equatorial Guinea, Gabon, Jamaica, Syria, Thailand and Togo, as well as other experts active in the fields of energy efficiency and renewable energy, such as solar power, wind energy, hydropower and biomass.

The Group considered its programme of work and mapped out future activities including the development of regional concepts on energy efficiency and elements for a Global Strategy for Energy Efficiency Market Formation to Mitigate Climate Change. The strategy will reflect the experiences and lessons learned in financing investment in energy efficiency and renewable energy in Africa, Asia, Europe, Latin America and the Middle East, through the work of the UN Regional Commissions, the financial community and other energy sector stakeholders.

The meeting of the Group of Experts on GEE21 was preceded by the fifteenth session of the Ad Hoc Group of Experts on Energy Efficiency Investments for Climate Change Mitigation on 9 June. The session considered the outcome of the Regional Analysis of Policy Reforms for Energy Efficiency Investments and discussed preparations for establishing an investment fund for energy efficiency and renewable energy projects. The 21st session of the Steering Committee of the Energy Efficiency 21 (EE21) Programme was held on 11 June 2010, and reviewed the recent developments in more than ten projects under the EE21 Programme. □

For further information:
<http://www.unece.org/energy/se/eneffic.html>
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