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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 Ad Hoc 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).

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. The FEEI project website http://feei.info will serve as a hub to submit project proposals for 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.

In its preliminary assessment, Conning makes use of the results of a recently completed study on *Policy Reforms for Energy Efficiency Investments* (available at: http://www.unece.org/energy/se/pdfs/eneff/eneff_pub/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.

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.

The meeting of the Ad Hoc Group of Experts gathered representatives from the 12 countries participating in FEEI, as well as from other UNECE member states, international organizations, the business community and non-governmental organizations.

For further information, please visit: *http://www.unece.org/energy/se/eneffic.html*

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**Note to editors**
The countries participating in UNECE **Financing Energy Efficiency Investments for Climate**

**Change Mitigation (FEEI)** project include: Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Kazakhstan, Republic of Moldova, Romania, Russian Federation, Serbia, the former Yugoslav Republic of Macedonia, and Ukraine.

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).

Within the project, Conning Asset Management Limited won the tender to design a private-public partnership (PPP) investment fund with target capitalization of EUR 250 million for energy efficiency and renewable energy projects in participating countries. In November 2008, Conning was awarded a contract offer in the amount of US$ 1,250,000. Conning provides investment advisory, portfolio management and investment accounting and reporting services. It is one of the Principals of the European Clean Energy Fund, established in 2007 under the auspices of UNECE, to provide capital for clean energy projects in the European Union member states. 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.

The report *Regional Analysis of Policy Reforms to Promote Energy Efficiency and Renewable Energy Investments* was prepared by Pöyry Energy Consulting AG, which was awarded a contract offer in the amount of US$ 988,300 in November 2008. The study was conducted in close cooperation with the National Participating Institutions and National Coordinators in the project countries, which provided information on the current status of the energy sector and energy efficiency market and on the policy and institutional framework, as well as developed national case studies.

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

The project website: http://feei.info 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 the third major contractor for the FEEI project, EnEffect, which was awarded contract offer in the amount of US$ 497,230 in November 2008. EnEffect is responsible for development of the Website and Internet Communications Network of Energy Efficiency Managers in Eastern Europe. This activity is also undertaken in close cooperation with national experts in the countries.

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