Overcoming barriers
to investing in energy efficiency

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Engaging Governments with Industry
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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
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
Conclusions on the status of EE financing and barriers to investing in EE

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

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

3. In general, there is a good correlation between the existence of the regulatory framework and how well it supports and enables investments in energy efficiency.
4. Institutions at the national level responsible for developing and implementing policies that support investments in energy efficiency projects exist in the countries of the UNECE region.

5. Among the various levels of government, national authorities are generally considered to be providing the highest level of support for developing and implementing energy efficiency projects compared to regional (provincial) and local (municipal).
6. International assistance is viewed as moderately effective in increasing the level of energy efficiency investments in most of the countries of South-East Europe, Eastern Europe, the Caucasus, and Central Asia.

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

8. Generally, the price of energy provides some but often insufficient incentive for improving energy efficiency.
Conclusions on the status of EE financing and barriers to investing in EE (cont.)

9. Both globally and in the UNECE region self-financing remains the most widely used type of financing of energy efficiency projects followed by direct financing from public budgets and debt financing.

10. 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.
Conclusions on the status of EE financing and barriers to investing in EE (cont.)

11. 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.
Recommendations for overcoming barriers to investing in EE

1. Countries should pursue higher effectiveness of the existing regulatory framework.

2. Countries should provide necessary resources to specialized institutions responsible for developing and implementing policies that support investments in energy efficiency projects.

3. International assistance and use of donor funds for energy efficiency should continue in close cooperation with recipient countries.
4. Significant efforts are required to make financial institutions more aware of energy efficiency financing and reduce perception of their high risk.

5. Countries should take into account their specific circumstances when implementing policies and measures to increase investment in energy efficiency.

6. Price of energy can become an important driver for energy efficiency investment.
7. 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.

8. 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?

![Bar chart showing various barriers to investment in industrial energy efficiency]
What are the main business benefits to your company from implemented energy efficiency measures?

- General cost control
- Demonstrate corporate social responsibility
- Comply with legislation
- Improve production efficiency and quality
- Ensure security of power supply
- Other (please specify)

GLOBAL
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Thank you for your attention!

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