Creating the Environment for Energy Efficiency Financing

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Barriers to Financing

- “. . .poor pricing policies, and an incomplete legal and regulatory reform agenda” are the primary problems
- Consequently, “More country specific energy sector work and policy analysis” is needed
- “well designed and enforced efficiency standards and emissions levels” are also key
- But infusion of some public funds may be required to address “market barriers like information gaps”

Source: WB, Clean Energy and and Development: Towards an Investment Framework
Central Asia Energy Efficiency Support Program (CAEESP)

Program Goal:

To assist in reducing GHG emissions by stimulating investment in energy efficiency technologies and projects.

Program Objectives:

* Raise stakeholder awareness of the importance of and opportunities for EE
* Build private sector capacity to develop and implement EE projects
* Increase private sector investment in EE
* Stimulate interest within the commercial banking sector to develop lending projects targeted at EE investments
Energy Consumption Sector in Kazakhstan [2009]

- Industrial: 69%
- Residential: 12%
- Agriculture: 3%
- Transport: 7%
- Other: 9%

Source: IEA
Kazakhstan’s New EE Legislation

• The Law ‘Concerning Energy Saving and Energy Efficiency Improvement. Administered under MINT; Passed in January 2012

• Secondary legislation under development to support implementation of Law

• Key elements include:
  – Implementation of balanced tariff policy and pricing for energy resource production and consumption
  – Restriction on trading of low energy efficiency products
  – Introduction of energy efficiency requirements to buildings, structures, facilities, domestic power-consuming equipment
CAEESP Activities

Policy
‘Awareness’ - product labelling
ISO50001 - feeds into enhanced regulation
Energy audit - feeds into enhanced sector policy
Housing - municipalities and microfinance

Practical methods
ISO50001 - Public sector: regulations and standards on energy management systems (EnMS)
- Private sector: EnMS and investment into EE projects deep process analysis; (close cooperation with IFIs)
Housing - Municipal actions (and policy) to enhance strategic energy planning
- ACF (microfinance): increase investment; then extrapolate to create a strong policy case

Utilities - Actions/ policy on demand management
Central Asia - EE Assessment and needs analysis
Coordination and Leveraging Opportunities

- Asian Development Bank
- Department of Energy (DOE) Collaboration
- European Bank on Reconstruction and Development (EBRD)
- European Commission
- UNDP
- Strengthen partnership with Asia Credit Fund (rural microfinance)
- Partnership with the Central Asia Regional Environmental Center (CAREC) for regional information dissemination