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Swiss Cooperation Office Kyiv




## The role of the Swiss technical assistance to Ukraine in promoting innovations towards a sustainable energy management

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 **Swiss Cooperation Programme**

- Switzerland's technical assistance to Ukraine started in mid-1990s; Framework Agreement on technical and financial cooperation between Switzerland and Ukraine signed in 1997; Swiss Cooperation Office opened in 1999
- **Four priority domains of intervention during 2011 - 2014:**
  - Local Governance and Public Services
  - Reproductive Health
  - Financial and Economic Sustainability
  - **Sustainable Energy Management**
- **Goal of Sustainable Energy Management Domain:** to contribute to better living conditions, sustainable economic development, and reduced greenhouse gas emissions in Ukraine
- **Specific Swiss Contribution:** energy efficient and environmentally friendly technologies and financial mechanisms are introduced in the residential, communal and business sectors of Ukraine



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## Energy Efficiency Project in Vinnitsa

■ **Project Objective:**

Improvement of the municipal infrastructure in the town of Vinnitsya, incl. increasing energy efficiency of the district heating system, building capacity, and raising awareness about energy efficiency and renewable energies



■ **Project Components:**

- Rehabilitation of municipal heating system in 2 districts
- Capacity building of the municipal heating utility
- Support of the municipality in the implementation of the "European Energy Award" approach

■ **Project Funding:** 16.08 million Swiss Francs

■ **Innovative institutional mechanism towards a sustainable communal energy management: introduction of the "energy city" approach as a quality management system for communal energy-related services**

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## Residential Energy Efficiency Project

■ **Project Objective:**

Creation of financing mechanisms in the residential sector of Ukraine by enabling homeowners' associations and housing management companies to access financing for energy efficiency



■ **Project Components:**

- Develop legislation to enable homeowners' associations and management companies to access finance for the purpose of improving energy efficiency in multifamily buildings
- Work with Ukrainian banks to develop and market financially-viable energy efficient housing loan products targeted at homeowners' associations and housing management companies
- Raise awareness on residential energy efficiency among key market actors

■ **Project Funding:** 3 million Swiss Francs

■ **Innovative financial mechanism towards sustainable energy management: development and introduction by commercial banks of a specific loan product for homeowners' associations**

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## Cleaner Production Centre Project



- **Project Objective:**  
Introduction of Resource Efficient and Cleaner Production (RECP) to increase resource efficiency and competitiveness of SMEs and minimize risks from chemicals, waste and pollution in different sectors (chemicals, agro-processing, metallurgy, metal processing)
- **Project Components:**
  - Policy advice and awareness raising on RECP
  - Training on methods, practices and technologies for RECP implementation
  - Technical assistance and in-plant assessments to businesses for identification, assessment and implementation of RECP
  - Facilitation of the creation of financial mechanisms for RECP investments
- **Project Funding:** 3.4 million Euro
- **Innovative *technological processes* towards sustainable energy management: *introduction of environmental friendly technical solutions, which improve the productive use of natural resources, minimize the generation of waste, foster safe production and lead to more competitive enterprises***

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## Success factors

- Committed partners' management (public administration, municipal companies, businesses, banks)
- Culture that fosters innovation
- Consistent policy and long-term commitment for supporting innovations
- Contribution to improvement of regulatory framework in view of scaling-up and sustainable results
- Coordination among donors / stakeholders and complementary use of funding



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## Challenges

- Legal barriers – e.g. existing legislation doesn't provide a favourable ground for new financial mechanisms in view of promoting energy efficiency in the residential sector
- Lack of experience in energy efficiency finance within commercial banks
- Lack of awareness on new, efficient technologies and related benefits; lack of readiness to make necessary initial investments
- Low energy tariffs hampers sustainability of investments

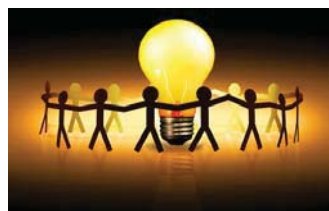


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## Recommendations

- Use a comprehensive approach that addresses regulatory framework, technologies and financing to foster innovations
- Promote access to and exchanges on best practices (Europe, neighbouring countries)
- Broadly disseminate evidence that investments in energy efficiency are economically viable
- Create incentives for energy saving



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**Thank you!**

