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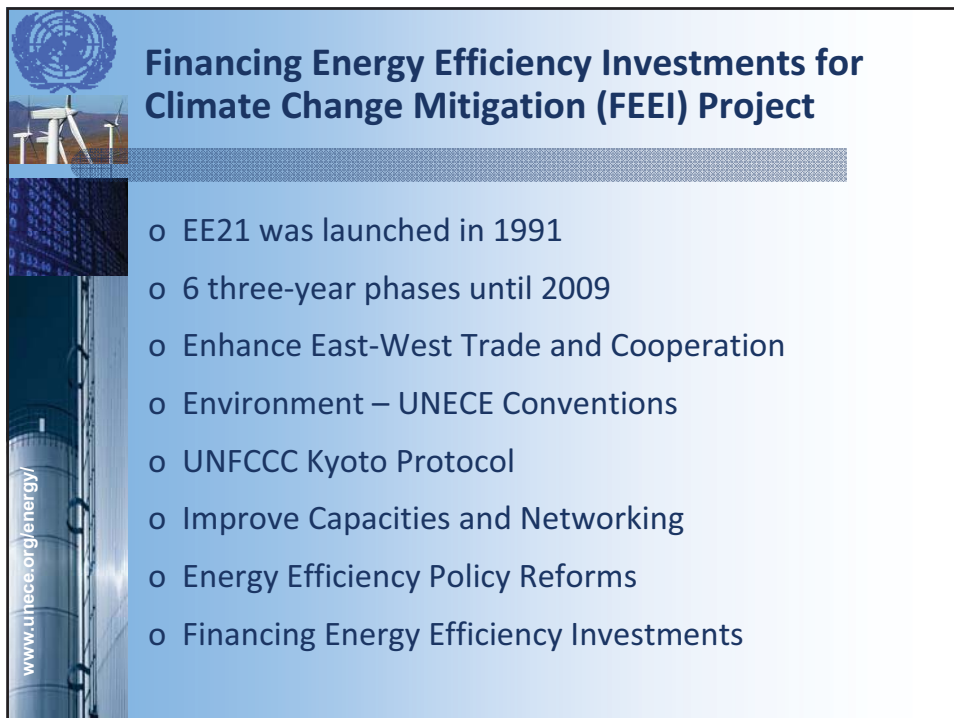
Energy Efficiency 21 Programme & Global Energy Efficiency 21

Recent developments

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Financing Energy Efficiency Investments for Climate Change Mitigation (FEEI) Project

- o EE21 was launched in 1991
- o 6 three-year phases until 2009
- o Enhance East-West Trade and Cooperation
- o Environment – UNECE Conventions
- o UNFCCC Kyoto Protocol
- o Improve Capacities and Networking
- o Energy Efficiency Policy Reforms
- o Financing Energy Efficiency Investments

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FEEI Project: Three operational objectives

- Identify and develop investment projects in the private and public sectors at the local level
- Strengthen energy efficiency and renewable energy policies in the participating countries
- Promote opportunities for banks and commercial companies



A PPP investment fund for EE

- FEEI activities are expected to lead to the establishment of a **public-private partnership (PPP)** investment fund for energy efficiency and renewable energy projects in South-Eastern Europe, Eastern Europe and Central Asia





Financing Energy Efficiency Investments for Climate Change Mitigation (FEEI) Project



- **Co-funding**

- United Nations Foundation
US\$ 2 million
- Fonds Français pour l'Environnement Mondial
US\$ 2.5 million
- UNEP/Global Environment Facility
US\$ 3 million

- **12 participating countries**

- 2 European Union countries: Bulgaria, Romania
- 5 South-Eastern European countries: Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Serbia
- 5 countries of Eastern Europe and Central Asia: Belarus, Republic of Moldova, Kazakhstan, Russian Federation, Ukraine



Regional Analysis of Policy Reforms to Promote Energy Efficiency and Renewable Energy Investments



- Full electronic version (in English) is available at UNECE and FEEI project websites:
http://unece.org/energy/se/pdfs/eneff/eneff_pub/E21_FEEI_RegAnl_Final_Report.pdf
- http://feei.info/assets/cms/File/Regional%20Analysis_Final%20Report.pdf
- Executive Summary published in English and Russian
- Second Seminar on Policy Reforms, Geneva, 20-22 October 2010



Recent developments in the Investment Fund Design

- **Conning Asset Management Limited**
- Draft Financing Coordination Agreement prepared
- Lead Investor and Investment Fund Manager identified
- Missions to countries conducted (Project Developers, Banks, Government Officials, Local Experts)



Global Energy Efficiency 21 Project: Existing synergies and beyond: Programme of Work 2010-2011

- **Establish a network of elected officers of intergovernmental bodies**
- **Review the energy efficiency and climate change work programmes**
- **Determine common priorities and synergies of the member states**
- **Develop a Global Strategy** to promote self-financing energy efficiency improvements that raise economic productivity, diminish fuel poverty and reduce environmental air pollution and greenhouse gas emissions





GEE21 and UN-Energy

- o GEE21 frames its activities in the context of **UN-Energy**, the United Nations' interagency mechanism on energy
- o The **multi-agency and system-wide approach** of GEE21 makes the project a natural partner of UN-Energy



Towards a Global Strategy for EE market formation

- o In April 2011, the Task Force will present a draft **“Global Strategy for Energy Efficiency Market Formation”**
- o The draft will be further developed into a **Global Strategy** that will then guide the work of UNECE and the other GEE21 implementing agencies.
- o The **Global Strategy** for Energy Efficiency Market Formation **will favour the emergence of self-sustained markets driven by demand and supply**





Barriers to self-sustained EE markets

- o All constituencies of GEE21 agree that there are several barriers to overcome in order to establish such markets in all Regions:

1) Supply of energy efficiency services

2) Demand for energy efficiency services

3) Enabling environment



1) Supply of energy efficiency services



Nature of the barrier	Measures to overcome it
Unavailability of capital to kick off programme or set up ESCOs	Dedicated equity or quasi-equity funds, partial loan guarantees, new funding institutions or funding windows
Lack of adequate technology	Technical assistance, technology transfer
Lack of engineering & project management skills	Technical assistance, training
Lack of banking skills	Technical assistance, training, partial loan guarantees, bypass of local banks



2) Demand for energy efficiency services



Nature of the barrier	Measures to overcome it
Lack of awareness of EE benefits	Campaigning, enhanced communication (especially on-line), free energy audits
Unavailability of capital to pay for EE improvements	State or DFI-funded credit lines to local banks, micro-finance, partial loan-guarantees
Lack of measurability of EE gains	Introduction of standards, (free) energy audits



3) Enabling environment



Nature of the barrier	Measures to overcome it
Absence of pricing policies reflecting true costs of energy and rewarding energy savings	Tariff reform. If not possible, investment subsidies or concessional funding
High transaction costs for project preparation and management	Technical assistance, creation of specialized ESCOs, investment subsidies



An holistic approach to overcome barriers to EE

- o GEE21 aims at the formulation of a **holistic approach to overcome barriers to energy efficiency market formation**
- o In light of this, the Global Strategy will take action in the following directions:
 - 1) Compile a detailed inventory
 - 2) Identify global, regional and country-specific m barriers to EE market formation
 - 3) Identify prospective projects
 - 4) Finance concrete projects



GEE21: Recent developments

- o List of investment project proposals given to the other Regional Commissions (RCs)
- o Background paper for the UN-Energy side event for the COP-16
- o Development of a global strategy on investment in EE and a joint work-plan among the RCs
- o UN Development Account project to increase capacities of other UN RCs





Thank You !

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