



United Nations  
Economic Commission for Europe



# Investments in energy efficiency and renewable energy: making them business-as-usual

**Nadejda Khamrakulova**  
**Associate Programme Officer**  
**UNECE/Sustainable Energy Division**

Business Planning of Energy Efficiency and Renewable Energy Projects  
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## Energy Efficiency 21 (EE21) Programme



- Launched in 1991
- General Objective: To enhance regional cooperation on energy efficiency market formation and investment project development to reduce greenhouse gas emissions in economies in transition
- Ten regional, sub-regional, country-oriented and interregional projects



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



## Long-Term Objective

*Promote an investment environment for self-sustaining energy efficiency and renewable energy projects to be developed and financed to reduce greenhouse gas emissions*

## Activities

- Source of financing with dedicated investment funds
- Training to help establish bankable project proposals
- Institutional and policy reforms
- Establishing network of energy efficiency managers

## Duration and Funding

- 4 years (2008-2011); US\$ 7.5 million



# 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



- A wide-ranging regional assessment, including analysis of policy framework, existing barriers and case studies to overcome the barriers
- Provides recommendations to develop & implement policy reforms to support market formation and foster a favorable climate for investments in EE and RE
- Interactive approach with involvement of NCs/NPIs and other experts



## 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://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](http://feei.info/assets/cms/File/Regional%20Analysis_Final%20Report.pdf)

- Executive Summary published in English and Russian



# Energy Efficiency and Renewable Energy Policy Frameworks



- Seminars on Policy Reforms in EE and RE, October 2009/2010/2011, Geneva
- Workshop on Case Studies on Overcoming Barriers to Investments into EE and RE Projects through Policy Reforms, 10-11 November 2009, Kiev
- International Energy Efficiency Forum, 28-30 September 2010, Astana:
  - Parallel event to the Ministerial Conference on Environment and Development
  - Workshop on Investments in EE and RE Projects
  - Green Buildings Workshop
- Second International Energy Efficiency Forum, 12-14 September 2011, Dushanbe



## Structure of the new Investment Fund

***Bringing a “business as usual” fund by further market formation in the UNECE region***

**Terms of transaction:**

- **Targeted capital: € 250 million**
  - Public–Private Partnership
  - Equity and mezzanine financing
- **Targeted countries:**
  - EU: Bulgaria, Romania
  - South-Eastern Europe: Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Serbia
  - Eastern Europe and Central Asia: Belarus, Kazakhstan, Republic of Moldova, Russian Federation, Ukraine
- **Investment terms:**
  - Market standard terms for projects
  - Market standard terms for investors







## Financing modalities of the new Investment Fund

- **Examples of projects**
  - Cogeneration, fuel switching, boilers refurbishment, district heating rehabilitation, street lighting renovation
  - Renewable energy: wind, solar, biofuels, biomass
  - Energy efficient technologies
- **Bundling schemes for smaller projects**
  - e.g. ESCOs, local partners or other SPVs (Special Purpose Vehicles)
- **Create a mechanism for active interaction also with development and commercial lenders**
- **Implement a project support framework for the generation of market standard project documents**





## Identification and development of investment projects



- **Establishment of a network of energy efficiency managers:**
  - Identification of local teams
  - Information transfer and distance learning
  - Development of a regional website
  - Creation of a software on project identification
  - Online trainings
- **Training of experts in project development, finance, business planning:**
  - Preparation of a project development curriculum
  - Organization of training courses (Tomsk, Kiev, Skopje)
  - Link training course materials and filmed instruction to Internet dissemination



## The project aims to achieve:

- Reduction of 10 million tons of GHG emissions a year
- Considerable energy savings
- Reduction of transaction costs by the use of the necessary standards and reforms to make energy efficiency projects business-as-usual
- Replication and scalability of such investment funds
- Extension of the EE21 Programme to the other UN Regional Commissions





**Thank you for your attention!**



**Nadejda Khamrakulova**

Associate Programme Officer

**Sustainable Energy Division**

**+41 22 917 5773**

**[nadejda.khamrakulova@unece.org](mailto:nadejda.khamrakulova@unece.org)**

**<http://www.unece.org/energy/se/eneffic.html>**

**<http://feei.info/eng/background>**