



## **Summary of the workshop “Overcoming Barriers to Improving Energy Efficiency and Renewable Energy”**

(15 November, 2018, Kyiv)

The workshop was held on 15 November and was attended by over 60 participants. It focused on identifying policies and measures in the UNECE and ESCWA regions that reduce the existing legislative, policy, economic, and financial barriers to increasing investment and financing flows to energy efficiency (EE) and renewable energy (RE) projects.

The Workshop has started with introduction by Mr. Aleksandar Dukovski, Chair of the Group of Experts on Energy Efficiency, and Mr. Nazir Ramazanov, Chair of the Group of Experts on Renewable Energy. The first panel discussion was moderated by Mr. Kostiantyn Gura, State Agency on Energy Efficiency and Energy Savings of Ukraine. The first panel focused on identifying the main drivers for improving EE and RE, ongoing developments in the policy area and the best practices introduced to increase investments in EE and RE.

Ms. Nadejda Khamrakulova, Consultant, UNECE, presented the findings of the study on progress in EE and RE in selected countries of South-Eastern Europe, Eastern Europe, and Central Asia, and in the Russian Federation. The study identified and analyzed policy, regulatory and institutional reforms; capacity of stakeholders in the countries; best practices; and awareness raising activities. It also looked at the processes in the area of EE and RE at the international level, which are particularly beneficial for countries and which can be recommended for replication and scaling up. The study highlighted existing gaps in the countries and provided recommendations related to improving EE and RE in the areas of policy, regulatory and institutional frameworks, financial environment, education and awareness.

Mr. Sergiy Maslichenko, Associate Director, EBRD, shared the EBRD experience in policy dialogue and financing for improving EE and RE in Ukraine, including establishment of green economy financing facility, financing of 100 projects from the EE credit line, providing 32000 loans of total 1 billion Ukrainian hryvnas in 2 years from the residential EE financing facility, and supporting ESCOs.

Mr. Mongi Bida, First Economic Affairs Officer, Sustainable Development Policies Division, ESCWA, presented the specific region conditions and focused on the role of Super ESCOs in overcoming barriers to investments in EE and small-scale RE systems in the Arab region showing how such a set-up can stimulate the ESCO market and investments in EE in one of the countries in the region. Mr. Hussein Mogaibel, Global Lead Energy Specialist, Islamic Development Bank (IsDB), shared the existing challenges of EE in the IsDB member countries, including access to financing, and presented the Bank’s energy sector policy framework in the countries.

Mr. Matija Vajdic, Interreg CENTRAL EUROPE Joint Secretariat, presented the existing EE challenges in Central Europe and possible ways to tackle them, including strengthening energy governance in cities, promoting nearly zero energy buildings and finding funds for energy saving. Ms. Serena Vento, Head of Partnerships and Commercial Relationships, Climate Bonds Initiative, focused her presentation on the role of green standards and guidelines to help move capital towards EE solutions in the region.



Ms. Svitlana Karpyshyna, Deputy Head of Unit/Renewables and Energy Efficiency Expert, Energy Community Secretariat, spoke about legal framework on energy performance of buildings in Georgia, Moldova and Ukraine, including adoption of the EPBD standards, energy performance requirements, establishment of energy performance certificate system and introduction of penalties.

Mr. Vahram Jalalyan, Manager, UNDP-GCF Project, Armenia, presented the Green Climate project “De-Risking and Scaling Up Energy Efficiency Retrofits in Armenia” to be implemented over six years (2017-2023) with expected results of 211 GWh/year energy savings and 1104 kt of GHG savings.

Ms. Ima Khrenova-Shymkina, Deputy Project Director, GIZ, focused her presentation on EE reform in Ukraine, including changes in legislative and institutional frameworks and implementation framework for market development. She also presented the interactive informational digital platform on EE and database of EE experts in Ukraine.

Mr. Paata Janelidze, Energy and Environment Portfolio Manager, UNDP, shared experience with innovative financing mechanisms on EE in buildings in Central Asia, including the existing challenges and opportunities for financing, implementation of the UNDP/GEF projects on EE in buildings in Kyrgyzstan, Uzbekistan and Turkmenistan.

The second panel of the Workshop was moderated by Mr. Aleksandar Dukovski, Chair of the Group of Experts on Energy Efficiency. The panel discussed the key challenges and barriers that countries face in improving EE and RE as well as lessons learned and next steps for increasing investments into EE and RE.

The panellists looked at perspectives for improving EE and RE in the Countries of South-Eastern Europe. Mr. Dimitar Dukov shared the accomplishments in EE and RE in Bulgaria and pointed out the remaining challenges, including the balancing challenges of RES and requirement for paying two prices: feed in tariff and payments for generation reserve. Ms. Svetlana Ristić shared the recent changes in legislation in Serbia based on the EU directive on EE as well as results of the projects implemented by GIZ. Ms. Branka Knezevi focused on legislative framework in Bosnia and Herzegovina, which included adoption of EE and RE action plans till 2035 and indicated the remaining barriers, such as cumbersome administrative procedures and lack of human resources. Mr. Zlatko Pavicic pointed out that Croatia, as the EU member, adopted the required legislation, however, the current situation shows that EE and RE areas are overregulated but underinvested. Tax initiatives could be a solution for attracting investments into EE and RE in Croatia.

Another panel discussion looked at perspectives for improving EE and RE in the countries of Eastern Europe, the Caucasus, the Central Asia, and in Russian Federation. Mr. Vitaly Bekker indicated that situation in the Russian Federation Russia is constantly improving, for example, the online education massive programs, streamline way and online distribution of knowledge were recently introduced. Mr. Andrei Miniankou also pointed out that Belarus decreased its energy intensity 3,5 times over the last 30 years thanks to technical assistance and other international projects in support of EE developments. The challenges in existence of subsidies to EE and RE in the countries were discussed on the examples of Kazakhstan and the Russian Federation. Ms. Tea Avazashvili shared the concerns on subsidies for RE, however indicated that Georgia heavily relies on hydropower and won't be able to substitute it with alternative sources of energy in the next ten years.



At the end of discussions, the Workshop participants stated that the adoption of policies, the implementation of support measures, the introduction of incentives and support schemes help to reduce the barriers and lead to increasing investment and financing flows EE and RE projects. Countries require policies and measures that support the creation of a favorable environment for RE and EE investments, in particular, private financing, as well as public-private partnership arrangements. Energy service companies can play an important role in improving EE. The transferability of successful measures and best practices between countries has a key role to play in scaling up progress.