

QUESTION 1

· Next year is the beginning of the International Decade for Sustainable Energy for all. What could be the possible contribution you will make to that Initiative, and what could be the possible impacts of that Initiative for your area of activity?

In the framework of the Sustainable Energy for All Decade initiative the UN Foundation has taken the lead to organize a public-private partnership to promote greater energy efficiency in the built environment. It is called the Global Partnership for Energy Efficient Buildings. The objective is to help the policy-makers to create the framework conditions for the further introduction of energy efficiency in the built environment. For that UN Foundation is partnering with public and private entities. The Energy Charter Secretariat is already a partner in this new initiative as the building sector is one of the most energy consuming sectors of the Energy Charter constituency and where more actions were already identified on the Secretariat's daily work.

The Energy Charter Secretariat's "In-depth reviews of national energy efficiency policies and programmes" provide recommendations to Governments on how to improve their national policies. The reviewed countries in recent years are mostly located in Central Asia, Caucasus and Eastern Europe. The main challenges addressed in reviewed countries are: energy markets, energy and energy efficiency policy, legislative and institutional framework, specific regulations and public awareness.

Recommendations from the reviews have been an important tool to set the framework for energy efficiency policy and to formulate concrete objectives and strategies to improvements in national energy efficiency institutions, policies and measures.

Examples of recommendations provided and targeting buildings sector for example were: to implement individual metering for electricity and heat supply, develop building codes and removal of legal and administrative barriers to the full implementation of energy efficiency in buildings.

The Energy Charter Secretariat and the PEEREA Working Group is willing to take a step further and develop a follow up of these reviews and help member states to implement the recommendations.

QUESTION 2

· What major challenges for financing energy efficiency (EE) and renewable energy (RE) projects and cleaner energy technologies still exist? Please name only one or two most important ones. Why do you think they are not going away? What is your recipe to overcome them?

The PEEREA Working Group, supported by the Energy Charter Secretariat has implemented in the last 4 years 8 In-depth energy efficiency reviews of Eastern European, Caucasus and Central Asian countries (CCA): Azerbaijan, Belarus, Bosnia & Herzegovina, Georgia, Mongolia, Tajikistan and Ukraine. Some of these countries have seen strong economic growth in the last decade, where oil and gas development and export have been central to their economic growth. Nevertheless, others rely almost entirely on imported natural gas and oil products and the competitiveness of their economy is particularly affected at times of high energy prices.

The main identified barriers to energy efficiency implementation in CCA are related to:

- lack of capacity to develop and monitor national energy efficiency action plans and legislation,
- lack of institutional, human and financial resources allocated to energy efficiency implementation,
- non liberalised energy markets,
- subsidised energy prices (non-cost reflective),
- lack of reliability of energy statistics and energy consumption databases.

In the last decade, energy efficiency of the supply side has been a priority for CCA. Most of the countries implemented measures towards rehabilitation of power plants and to the reduction of transmission and distribution electricity losses. However, activities on demand side were limited, if any.

Usually no specific energy efficiency policies and legislation had been developed. However, in recent years national authorities start to realise the multiple benefits of energy efficiency, but they find difficult to address the full range of the market and institutional failures, predominantly due to financial constraints.

Although efforts are being taken in this area, in CCA countries low competition at the supply side limited the implementation of energy efficiency measures in this sector in recent years. Moreover, the regulatory framework on Energy Efficiency is in many cases poor or not developed.

The increase in the collection rate of energy bills, introduction of individual energy metering, as well as the reduction on the number of cases of energy theft are important factors in supporting Energy Efficiency implementation in CCA.

The need for financing is very high, namely in rehabilitation of the main energy infrastructures (e.g. district heating, electricity grids and power plants) and not always international financial institutions are ready to act in this area given the absence of a stable and coherent legal and institutional framework.