



Economic Commission for Europe

The Energy Efficiency 21 Project – EE21

www.unece.org/ie/

Financing Energy Efficiency Investments for
Climate Change Mitigation

Geneva, 8 October 2007

Energy Efficiency 21

- Launched in 1991 - 5 three-year phases
- Enhance East-West Trade and Co-operation
- Improve Capacities and Networking
- Policy Reforms
- Financing Energy Efficiency Investments

New Phase of EE21 (2007-11): “Financing Energy Efficiency Investments for Climate Change Mitigation”

Objectives of the Technical Assistance:

- Bankable Project Development Skills
- Institutional & Policy Reforms
- Public Private Partnership Fund

Donor Institutions for an operations budget of USD 7.5 million

Co-financing

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

Activities of the project

- **Source of financing with dedicated investment funds**
 - European Clean Energy Fund (ECEP) for the European Union: size equals €329 million
 - New Investment fund to be created for 12 selected countries of the project: size equals €250 million
- **Training to help establish bankable project proposals**
- **Institutional and policy reforms**

European Clean Energy Fund – Swiss Re

- **Officially launched in April 2007**
 - Under the EE21 Programme mandate with an initial investment capital of €329 million
 - Mezzanine and Equity Capital with target return of 15-20 % per annum
 - Eligible countries : 25 European Union member states
- **ECEF targets clean energy projects**
 - Electricity supply: power plants modernisation, use of cogeneration and combined-cycle
 - Renewable energy, biomass

Structure of the new Investment Fund

Making “business as usual” through market formation in the ECE region

Terms of transaction:

- **Targeted capital: €250 million**
- **Targeted countries:**
 - EU: Bulgaria, Romania
 - South-Eastern Europe: Albania, Bosnia and Herzegovina, Croatia, FYR of Macedonia, Serbia
 - CIS: Belarus, Kazakhstan, Moldova, Russia, Ukraine
- **Targeted projects:**
 - Special purpose vehicles or ESCOs
 - Energy efficient equipment manufacturing, assembling, distributing and installing (boilers, heat pumps, PV cells, lighting)
 - Renewable energy projects (wind farms, biomass power plants, micro and mini hydro projects, geothermal power plants, etc)

The project will achieve:

- Reduction of GHG emissions of 10 million tonnes a year
- Considerable energy savings
- Creation of necessary standards and reforms to make energy efficiency a usual and privately financed business

Cooperation between the Timber Committee and the Sustainable Energy Division on EE21

- Conclusions and recommendations, EE21 Steering Committee Meeting, 30-31 May 2007:
 - requesting the secretariat to explore how the current cooperation with the Timber Committee on wood energy and bio-fuels, notably in the western Balkans, could be enhanced and formulated as a sub-regional project of Energy Efficiency 21;
 - 2 options:
 - (i) Swiss Re Investment Fund (Romania, Bulgaria);
 - (ii) New EE21 Investment Fund in Eastern Europe

Committee on Sustainable Energy
16th Annual Session: Geneva, 28-30 November 2007

Special Focus: "Investing in Energy Security"

- *Tuesday 27 November*

Forum on Fostering Investment in Cleaner Electricity Production from Fossil Fuels

- *Wednesday 28 November*

Special session on Investing and Financing in the Hydrocarbon Sector to Enhance Global Energy Security

- *Thursday 29 November*

Special panel session on the theme Biofuels – A Reality Check

Special panel session, Geneva, 29 November 2007

Biofuels – A Reality Check

- Objective: discuss status and development perspective of Biofuels/ Bionergy
- Speakers will represent:
 - UNECE/FAO Timber Section (Christopher Prins, Chief)
 - UNCTAD Biofuels Initiative
 - European Commission
 - Private sector
 - Others