

Financing energy efficiency

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Ruslan Zhechkov



THE REGIONAL ENVIRONMENTAL CENTER
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Relevant policies

- Europe 2020 strategy for smart, sustainable and inclusive growth - Resource-efficient Flagship Initiative
- European Neighbourhood Policy, Flagship Initiative on Energy
- Roadmap to a Resource Efficient Europe (COM(2011) 571 final)
- Low-carbon economy roadmap 2050
- Energy Efficiency Directive 2012/27/EU
- Energy Performance in Buildings Directive (EPBD) and its 2010 recast (Directive 2010/31/EU).
- Eco-design directive 2009/125/EC
- The Energy Labelling Directive 2010/30/EU



Green economy potential in energy efficiency

- Resource conservation;
- Job creation;
- Intermediaries;
- Market of consulting companies
- Cross-sectoral issue:
 - Building and construction
 - Urban planning
 - Manufacturing
 - Consulting sector
 - Tourism – energy efficiency of hotels



Cities as important actors

- More ambitious targets (Covenant of Mayors)
- Tariffs
- Demonstration projects
- Awareness for citizens
- Funding mechanisms (i.e. municipal bonds and funds)



Drivers for investing in energy efficiency

Financial and fiscal

- Business case for energy efficiency investment – both on a macro level (national energy bill) and micro level (household savings)
- Price of electricity
- Value of the property goes up
- Taxation regime can stimulate investments in EE

Policy-led approaches

- Public procurement for public buildings
- PPP for energy efficiency
- Standardisation of certificates for energy performance in buildings
- National Buildings Renovation Roadmaps

Institutional

- Agencies
- Link with academia
- Clusters and networks



Barriers to investing in energy efficiency

- **Financial**
 - Lack of financing in general
 - Limited capacity for public funding
 - Fragmentation of projects
 - High initial costs
 - High payback expectations
 - Competing purchase decisions
 - Price signals
 - Cost of feasibility studies
- **Regulatory obstacles** – energy permissible levels; regulation of energy performance certificates; calculation methods; definition of energy consultants;
- **Institutional and administrative barriers** – lack of reliable consumption data;
- **Information and awareness** – lack of reliable consumption data; info on payback periods; risk perception



Overview of funding for Energy Efficiency in Ukraine

- **European Neighbourhood Instrument (ENI)**
- **The Neighbourhood Investment Facility (NIF)** - Support to capital intensive-infrastructure development projects
- **E5P - Eastern Europe Energy Efficiency and Environmental Partnership** - Unites EC, bilateral donors, and IFIs active in the region to coordinate and accelerate the implementation of energy efficiency projects.
- **Horizon2020** - Grants to research, demonstration and market up-take of energy efficient technologies.
- **Eastern Partnership SME Finance Facility** - EBRD, EIB and KfW loans combined with EU grants to support SME lending
- **INOATE** - Technical assistance programme for regional energy cooperation



Guidance on financing EE in CEE and Ukraine

- To be published shortly;
- Focus on EE in all kinds of buildings;
- Full inventory of available funding mechanisms;



Online Gateway to Green Financing in CEE and Ukraine

- Aims to raise awareness and stimulate exchange of information
- Target group: public institutions, authorities that design and implement measures on resource efficiency, private financing institutions.
- Focus sectors: energy, transport, adaptation to climate change, ecosystems protection and eco-innovation
- Content:
 - Country studies on green funding,
 - Good practices and case studies
 - Tools, methodologies, guidance
 - Links to relevant information platforms
- Launch by REC expected soon, autumn 2015!



Thank you!

rzhechkov@rec.org

