

# Sustainable Energy in EU Programmes for Eastern Partnership countries

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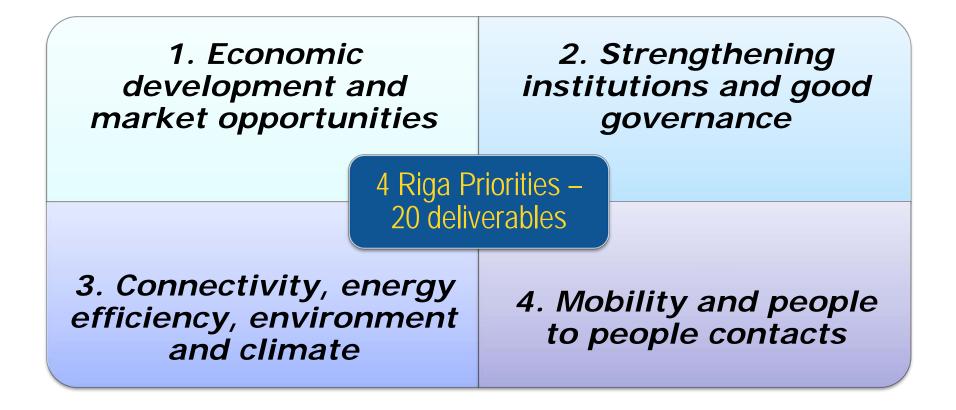


### **Policy framework**: Eastern partnership (EaP)

- Launched in 2009 to bring Eastern neighbours closer to the EU and to each other
- 6 countries: Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine
- Bilateral and multilateral strands
- Main goals:
  - **closer relations** → political association
  - more trade, business, jobs → economic integration
  - **people**  $\rightarrow$  mobility, contacts between people, civil society
  - reforms → sector cooperation

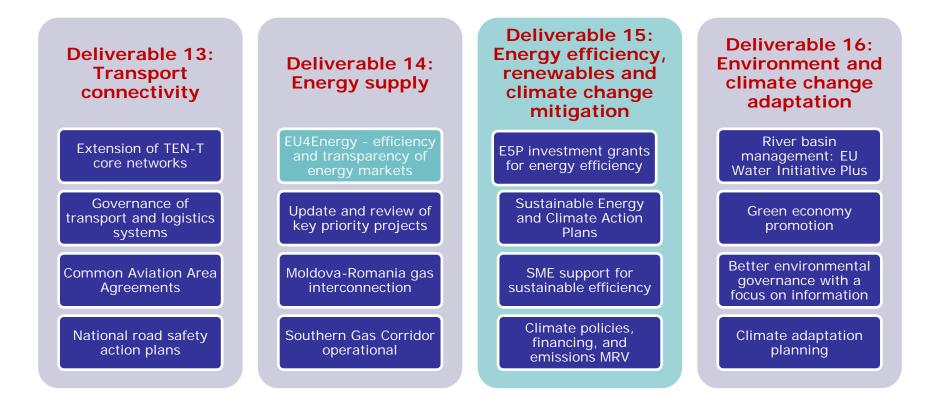


### **A Comprehensive Political Agenda**





### **Riga Priority 3 architecture**





# Deliverable 15: EU support to energy efficiency

- 1. High-level **EU-IFIs energy efficiency initiative** to scale up reforms and investments in EaP countries through enhanced EU-IFIs cooperation.
- 2. Support to the next stage of the **Covenant of Mayors (CoM**) and implementation of their Sustainable Energy Action Plans (SEAPs).
- **3. E5P multi-donor trust fund** (Eastern Europe Environment and Energy Efficiency Fund) to leverage municipal investments for implementation of SEAPs.
- 4. EU blending instruments for SMEs and households via **credit lines and the Green for Growth Fund**, which provides energy efficiency and renewable loans.

\*\*\* **EU4Energy Programme** to support evidence-based policy making, governance, market development and investment prioritization.



### **1. EU-IFIs energy efficiency initiative**

- Aims to unlock energy efficiency potential through enhanced EU-IFIs cooperation;
- Implementation ongoing in pilot countries Ukraine and Georgia, roll-out to other EaP countries under consideration;
- Blending as key instrument, including the Neighbourhood Investment Platform and the External Investment Plan.



### 2. EU support to Covenant of Mayors

#### **300 cities**

20 million people

20% or 20m t/CO2 reduction by 2020

500 million trees



### 2. EU Support to Covenant of Mayors

#### **CoM East Secretariat**

Helpdesk Awareness raising Capacity building Networking Links with IFIs

#### **CoM Demonstration Projects**

Grants for SEAP implementation projects Support Team

#### **Joint Research Centre**

Scientific support Monitoring and evaluation E5P Fund

Investment grants for energy efficiency



### 3. Eastern Europe Energy Efficiency and Environment Partnership (E5P)

- Multi-donor fund manged by the EBRD
- The EU is the largest contributor with EUR 78m
- Set up during the Swedish Presidency of the EU in 2009
- The purpose is to incentivise projects in the municipal sector to boost energy efficiency savings and to improve the environment
- Investment grants are used together with IFI loans to make the projects bankable
- So far 23 countries have contributed funds to E5P.
- The total pool of E5P funds is over EUR 180 million.



### 3. E5P grants for municipal investments

Country	Project type	Total cost, mEUR	Loan, mEUR	E5P grant, mEUR	EU contribution, mEUR
Armenia	Yerevan street lighting (EBRD, 6.6m), Yerevan solid waste (EIB, 14.6m), Kotayk solid waste (EBRD, 4m)	44.6	30.2	5.9	10m for Armenia
Georgia	Tbilisi schools renovation (CEB, 22m); Tbilisi Buses (EBRD, 40m), Batumi buses (EBRD, 5.8m)	67.8	43.3	20.5	10m for Georgia
Moldova	Balti District Heating (EBRD, 3m), Chisinau Energy Efficiency (EIB/EBRD, 5m)	35.5	27	8	18,75m for Moldova
Ukraine	Total: 20 projects in district heating, buildings, urban transport	498	336.04	93.55	40m for Ukraine
Total	28 projects in 4 countries	645.9	436.5	127.95	78.75



### 3. Tbilisi Bus project

	EBRD Loan	€ 27M
	E5P Grant	€ 7M
<ul> <li>143 modern low-floor CNG buses</li> </ul>	S Local Financing	€IIM

o Construction of a new maintenance depot with CNG fuelling capacity





# 4. Green for Growth Fund for SMEs and households

### Sub-loans via LFIs

Lending to SMEs and households Energy efficiency (2/3) and renewables (1/3)

### **Direct financing**

Large scale projects (wind farm in GEO)

**Technical Assistance Facility** 

Capacity for LFIs Research & analysis

Awareness raising



## Summing up:

- \* focus on deliverables
- \* policy dialogue
- \* comprehensive technical assistance
- \* unlocking investment
- \* need for better alignment with IFIs

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