



Sustainable Energy in EU Programmes for Eastern Partnership countries

Vassilis Maragos

Head of Unit DG NEAR C2

Armenia, Azerbaijan, Belarus & Eastern Partnership

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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** → mobility, contacts between people, civil society
 - **reforms** → sector cooperation

A Comprehensive Political Agenda

***1. Economic
development and
market opportunities***

***2. Strengthening
institutions and good
governance***

**4 Riga Priorities –
20 deliverables**

***3. Connectivity, energy
efficiency, environment
and climate***

***4. Mobility and people
to people contacts***

Riga Priority 3 architecture

Deliverable 13: Transport connectivity

Extension of TEN-T
core networks

Governance of
transport and logistics
systems

Common Aviation Area
Agreements

National road safety
action plans

Deliverable 14: Energy supply

EU4Energy - efficiency
and transparency of
energy markets

Update and review of
key priority projects

Moldova-Romania gas
interconnection

Southern Gas Corridor
operational

Deliverable 15: Energy efficiency, renewables and climate change mitigation

E5P investment grants
for energy efficiency

Sustainable Energy
and Climate Action
Plans

SME support for
sustainable efficiency

Climate policies,
financing, and
emissions MRV

Deliverable 16: Environment and climate change adaptation

River basin
management: EU
Water Initiative Plus

Green economy
promotion

Better environmental
governance with a
focus on information

Climate adaptation
planning



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 managed 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

- 143 modern low-floor CNG buses
- Construction of a new maintenance depot with CNG fuelling capacity

EBRD Loan € 27M

E5P Grant € 7M

Local Financing € 11M



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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