

## Energy Efficiency Task Force Meeting in Budva, 18-21 March 2009

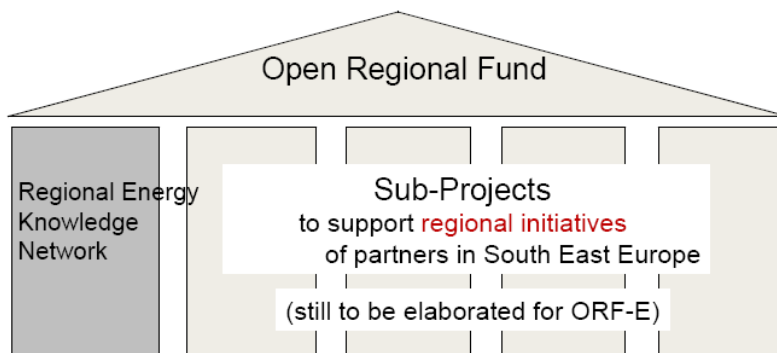
In March 2009, over 300 governmental representatives, academics, companies and energy experts gathered in Budva for the "Regional Energy Security and Energy Efficiency" conference. The conference was organized by the Ministry for Economic Development of Montenegro, together with the German Development Cooperation - GTZ and was focused on the energy challenges in South East Europe.



One of the keynote speakers at the conference was Joschka Fisher, who delivered an impressive speech connecting the global economic crisis with the emerging energy challenges, but also opportunities. He compared today's economic crisis with 1921: "How could it happen? We ignored reality and believed in miracles! Miracles don't work!"

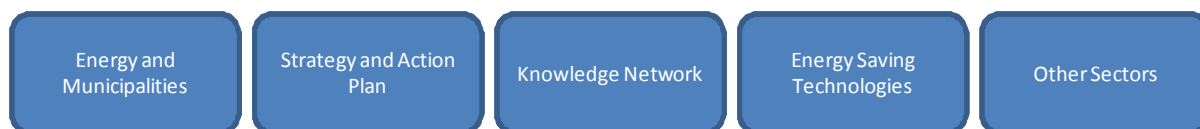
The members of the NALAS Task Force on Energy Efficiency composed a largely underrepresented, but extremely important group when it comes to energy efficiency: the local governments of South East Europe. The importance of the local level was especially emphasized by Mr Pedro Ballesteros Torres, Head of EE Unit at the European Commission. He spoke about the Covenant of Mayors<sup>1</sup>, an ambitious Commission initiative that seeks to bring together the mayors of Europe's most pioneering cities in a permanent network to exchange and apply good practices to improve their energy efficiency and promote low-carbon business and economic development.

The conference included a presentation and discussions of the new instrument for technical cooperation in SEE called Open Regional Fund on Energy Efficiency. One of the pillars that make up the Open Regional Fund on Energy Efficiency is the creation of a Regional Energy Knowledge Network – to a large extent complementing the efforts of NALAS focused on building a Knowledge Centre that would include energy efficiency at the local level.



*Pillars of the Open Regional Fund on Energy Efficiency*

The ORF-E is planned to be divided into sectors, as shown below.



<sup>1</sup>More information about the Covenant can be found at [http://ec.europa.eu/energy/sustainable/covenant\\_mayors\\_en.htm](http://ec.europa.eu/energy/sustainable/covenant_mayors_en.htm)

## Meeting of the NALAS Task Force on Energy Efficiency

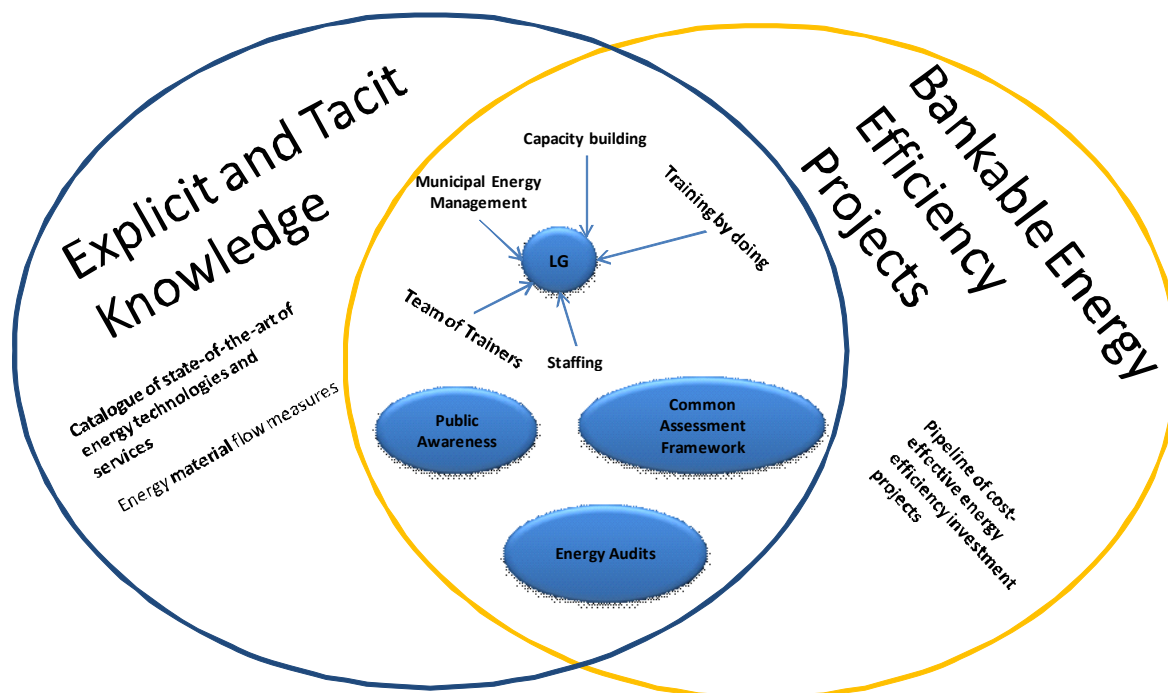
After the conference, the NALAS Task Force on Energy Efficiency held its scheduled meeting. This meeting was further enriched with the contributions from new task force members, as well as guests representing UNECE, USAID, RCC and GTZ. The participants focused mostly on two topics: the upcoming energy projects and the NALAS Knowledge Centre on Energy Efficiency.



There are two energy efficiency projects developed by, or together with NALAS. Both are very much connected to each other and are in line with the comprehensive energy efficiency idea developed by the NALAS Task Force on Energy Efficiency in Geneva during September 2008<sup>2</sup>. Both projects focus on same targets – the local governments of South East Europe and go into a number of related areas, such as public awareness, assessment frameworks, energy audits etc.

In the diagram below, the left group represents the NALAS Appraisal Energy Project, with emphasis on gathering and organizing energy-related knowledge important for the local authorities in South East Europe. This knowledge, however, is of little use without actual hands-on experience, which is to be provided by the previous, current and future energy activities in the region. In addition, this knowledge is also crucial for the union on the right, which represent the Energy Market Formation project. The union in yellow focuses more on increasing the capacity of the local authorities for better energy management, improving their skills for project development and creating actual well formed and justifiable energy projects.

The two projects are consecutive and should take up to 3 years to complete.



<sup>2</sup> A report from the meeting is available at <http://www.nalas.eu/events/2008-09-21-TFEE/>

## Energy Efficiency Market Formation in South Eastern Europe

One of the projects was submitted for review by UNECE<sup>3</sup> and involves a number of stakeholders, including NALAS, working together towards creation of bankable energy efficiency projects which will contribute towards the formation of an energy efficiency market in South East Europe. Among the stakeholders involved are the UNECE Energy Efficiency 21 Project<sup>4</sup>, Regional Cooperation Council (RCC)<sup>5</sup>, NALAS, the Regional Network for the Efficient Use of Energy and Water Resources (RENEUER)<sup>6</sup>, the European Foundation for Sustainable Development of the Regions (FEDRE)<sup>7</sup> and the Centre for energy Efficiency (EnEffect)<sup>8</sup>.

*The United Nations Economic Commission for Europe (UNECE or ECE) was established in 1947 to encourage economic cooperation among its member States. It is one of five regional commissions under the administrative direction of United Nations headquarters. It has 56 member States, and reports to the UN Economic and Social Council (ECOSOC). As well as countries in Europe, it includes the United States of America, Canada, Israel and the Central Asian republics. The UNECE secretariat headquarters is in Geneva, Switzerland and has a budget in the region of \$50 million.*

The project is designed to promote the formation of an energy efficiency market in participating countries in which cost-effective investment projects can be identified, developed, financed and implemented by local teams in municipalities and energy utilities that reduce greenhouse gas emissions. A special emphasis is put on encouraging the bottom up approach.

There are several specific objectives:

- *Establish Knowledge Centre* on Energy Efficiency Issues. Collect existing knowledge available in the region, assess needs, define future actions;
- *Develop skills and capacities of the public sector* at the local level to identify, develop and implement energy efficiency and renewable investment projects;
- *Provide assistance to municipal authorities and national administrations* to introduce legislative, institutional and regulatory reforms needed to support these investments;
- *Support regional networking* between the local institutions for value added information transfers on financing energy efficiency projects and training, contributing to regional cooperation on energy efficiency development.

The project is expected to produce a *pipeline of cost-effective energy efficiency investment projects* that can leverage commercial sector financing and additional resources from public and private sector co-financing partners.

It is envisioned that this project would raise funds from many sources, including multi-beneficiary IPA and the Open Regional Fund - Energy Efficiency.

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<sup>3</sup> [www.unece.org](http://www.unece.org)

<sup>4</sup> The Energy Efficiency 21 project is a region-wide project to enhance trade and co-operation in energy efficient, environmentally-sound techniques and management practices in order to help close the energy efficiency gap between actual practice and best technologies. More information is available at <http://www.ee-21.net/>

<sup>5</sup> [www.rcc.int](http://www.rcc.int)

<sup>6</sup> [www.reneuer.com](http://www.reneuer.com)

<sup>7</sup> [www.fedre.org](http://www.fedre.org)

<sup>8</sup> [www.eneffect.bg](http://www.eneffect.bg)

## NALAS Appraisal Energy Efficiency Project

In order to secure and justify the complex and intense project described above, the NALAS Task Force on Energy Efficiency proposed to start with a small-scale project that would complete some initial steps and create a good environment for proceeding with the energy market project. This small scale project would set up a knowledge centre on energy efficiency and would conduct some initial field activities.

The NALAS Knowledge Centre on Energy Efficiency aims to collect national laws important for the energy sector, collect ongoing activities and upcoming proposals of international organizations, institutions and donors on energy efficiency, identify specific needs and priorities for LGs, compile model municipal policies and present best practices in the region. This knowledge would facilitate future coordination of activities in order to maximize benefit and avoid overlapping.

A Policy Overview is planned to be developed presenting country reports on energy efficiency with existing data and synthetic information. The tasks toward completing the overview are shown on the diagram below.



The field activities are focused towards identification of one pilot municipality in each country, assessing the actual situation and conducting preparatory steps like energy studies and feasibility studies. Formally, the activities would include:

- Selection of pilot municipalities
- Analysis of energy potentials and energy sources in the pilot municipalities
- Prioritization, selection of energy efficiency project activities in the pilot municipalities
- Energy audits
- Feasibility studies for each proposed energy activity

*The criteria for selection of pilot municipality will include municipalities with:*

- *Schools with over 500 pupils*
- *Medium size, 40.000 – 100.000 inhabitants*
- *Good motivation*
- *Existing experience and commitment for innovation*

## Meeting Participants

Title	Name	Organization	E-mail
Mr	Adam Sek	UN Economic Commission for Europe	<a href="mailto:Adam.Sek@unece.org">Adam.Sek@unece.org</a>
Mr	Aleksandar Arsovski	Association of the Units of Local Self-government of Republic of Macedonia	<a href="mailto:aleksandar.arsovski@zels.org.mk">aleksandar.arsovski@zels.org.mk</a>
Mr	Avni Sfishta	Association of Kosovo Municipalities	<a href="mailto:avni.sfishta@gtz.de">avni.sfishta@gtz.de</a>
Mr	Bostjan Krajnc	Association of Municipalities and Towns of Slovenia - Energy Agency of Savinjska, Saleska and Koroska Region	<a href="mailto:bostjan.krajnc@kssena.velenje.eu">bostjan.krajnc@kssena.velenje.eu</a>
Mr	Cretu Ovidiu Teodor	Romanian Federation of Local Authorities	<a href="mailto:ovcretu@gmail.com">ovcretu@gmail.com</a>
Ms	Elena Anastasova	National Association of Municipalities in the Republic of Bulgaria - Dobrich Municipality	<a href="mailto:e_anastasova@dobrich.bg">e_anastasova@dobrich.bg</a>
Mr	Francois Saint-Ouen	European Foundation for Sustainable Development of the Regions	<a href="mailto:fsaint-ouen@fedre.org">fsaint-ouen@fedre.org</a>
Mr	Kelmend Zajazi	NALAS	<a href="mailto:zajazi@nalas.eu">zajazi@nalas.eu</a>
Mr	Miroslav Kukobat	Regional Cooperation Council	<a href="mailto:miroslav.kukobat@rcc.int">miroslav.kukobat@rcc.int</a>
Mr	Osman Kiliç	Union of Municipalities of the Marmara Region - Marmara University	<a href="mailto:osman.kilic@gmail.com">osman.kilic@gmail.com</a>
Mr	Petar Gvero	Association of Towns and Municipalities of Republic of Srpska - University of Banja Luka	<a href="mailto:pero@urc.bl.ac.yu">pero@urc.bl.ac.yu</a>
Mr	Victor Parlicov	National League of Associations of Mayors from Moldova - Institute for Development And Social Initiatives (IDIS) "Viitorul", Republic of Moldova	<a href="mailto:parlicov@yahoo.com">parlicov@yahoo.com</a>
Mr	Zoran Gligorov	NALAS	<a href="mailto:gligorov@nalas.eu">gligorov@nalas.eu</a>
Ms	Dzenana Dupovac	Centre for Energy Efficiency	<a href="mailto:dzenana@rerc.net">dzenana@rerc.net</a>
Mr	Ira Birnbaum	USAID	<a href="mailto:ibirnbaum@usaid.gov">ibirnbaum@usaid.gov</a>
Ms	Lena Bratic	Centre for Energy Efficiency	<a href="mailto:lena@rerc.net">lena@rerc.net</a>
Mr	Siegfried Brenke	GTZ	<a href="mailto:siegfried.brenke@gtz.de">siegfried.brenke@gtz.de</a>
Mr	Strahil Panev	GTZ Skopje	<a href="mailto:strahil.panev@gtz.de">strahil.panev@gtz.de</a>