

Energy Efficiency for Reducing Greenhouse Gas Emissions in Central and Eastern Europe

Activities of the United Nations Economic Commission for Europe
and the Energy Efficiency 2000 Project

Presentation to the
Conference of Parties to the United Nations Framework Convention on Climate Change
Berlin, 28 March to 7 April 1995

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Mr. Chairman,
Ladies and Gentlemen,

It is my pleasure to say a few words to you this morning about the UN ECE programmes for reducing greenhouse gas emissions and analysing national policies and projections of ECE member states. I would like to offer the best wishes of Mr. Yves Berthelot, Executive Secretary of ECE for the success of our work during this meeting who is unable to attend this session due to commitments.

In our **analytical work** we have appraised the energy and CO₂ emissions policies and projections in ten countries to the year 2010: Canada, the Czech Republic, Denmark, Germany, Netherlands, Norway, Sweden, Switzerland, United Kingdom and United States. This study (ENERGY/R.111/Add.1) compares and contrasts the policies and anticipated results of national programmes which will be discussed at the Committee on Energy in Geneva on 7-9 November this year. Energy efficiency is also covered in the context of the Convention on Long Range Trans-Boundary Air Pollution.

Our **operational activities** concentrate on enhancing co-operation between member states with Central and Eastern European economies which use twice as much energy per unit of economic output as the market economies. Our studies show that this 'energy efficiency gap' is widening because of the imperatives of economic transition. Reducing this gap by half could lower CO₂ emissions by 20-25 per cent by the year 2010. This would amount to a 5 to 6 per cent reduction in global CO₂ levels.

This concept has been behind the implementation of the UN ECE Energy Efficiency 2000 Project. During its first three year phase, the priority of EE2000 was on increased contacts between businessmen, trade officials, bankers, engineers and energy managers. The project held 46 meetings and events. Sixteen trade fair events with 4500 participants, one third of whom were from central, eastern and southern Europe, 730 of who were supported by Project Trust Fund resources, with participants from 42 ECE member states taking part in 29 eastern and western European locations with 132,000m² of exhibition space devoted to energy efficient technology. In addition, Ad Hoc Meetings were held on Energy Efficiency Standards (in Geneva) and on Energy Efficiency Demonstration Zones (in Moscow, Rome and Newcastle-upon Tyne) and Symposia in Beld, Paris, Moscow and Kiev. The participants in the Project have been provided

with a range of information services published as East West Energy Efficiency. Some 10,000 copies of the have been disseminated in English, French and Russian. During the second three year phase beginning on 1 June 1994, the EE2000 will concentrate on financial engineering for energy efficiency projects in economies in transition and energy efficiency labels and standards.

This has led to the development of a project with the Global Environment Facility on energy efficiency demonstration zones in central and eastern Europe. The main objective of the project is to reduce GHG emissions in the Central and Eastern European countries by actively demonstrating, within carefully selected 'demonstration zones', the technical commercial, economic and institutional viability of energy efficiency strategies. The **immediate objective** is to implement viable energy efficiency strategies in three demonstration zones.

An **energy efficiency demonstration enterprise zone** is a city-scale project, a town, district, or limited area, in which favourable conditions in every sphere are established to stimulate enterprise and initiative in market approaches to energy efficiency, in the same way as urban or regional economic development zones have been successfully established in western countries. It demonstrates, on a city-wide scale, the combined effect of energy-efficient technology; energy pricing policy; favourable tariff structures; advisory services; information campaigns; metering, monitoring and controls; energy audits; tax incentives, grants and government-guaranteed loan schemes; international technical assistance and trade development programmes. The intention is to replicate successful measures nationally once proven on a limited scale.

A preparatory assistance phase of the Project has been launched with submission to the GEF Executive Council foreseen for October this year. All Central and Eastern European countries proposing to participate in the Project are also parties to the Framework Convention on Climate Change which has already been ratified by Albania, Armenia, Czech Republic, Estonia, Georgia, Hungary, Poland, Romania, Russian Federation, Slovak Republic and Uzbekistan. The proposed project will assist a selected number of parties to implement this convention and design strategies, policies, and policy instruments to do so. In addition the project will assist countries to develop their institutions and industry to meet the challenges of an energy efficiency policy based on international agreements. The same countries have signed the European Energy Charter and the Energy Efficiency Protocol on 16 December 1994 in Lisbon. The Charter and Protocol represent a new European Framework for International Co-operation in Energy Trade. However, if the countries in Central and Eastern Europe are to benefit fully from the possibilities offered by the Charter, they will need additional support in the area of promoting energy efficiency.

While 10 central and eastern European countries have expressed their intention to develop energy efficiency demonstration zones only six of these countries have ratified the Framework Convention on Climate Change. Detailed proposals have been received from the Czech Republic, Hungary, Poland, Romania and the Russian Federation. The preparatory assistance phase will concentrate on developing proposals for demonstration zones in three countries initially: the Czech Republic, Hungary and the Russian Federation since greenhouse gas emission projects have already been launched in Poland and Romania recently. The full Project will provide for these and other Central and Eastern European countries join with new demonstration zones once the concepts, work methods and operating procedures have been developed initially in three locations.

Thank you for your attention.