



Regional Energy Markets & Energy Efficiency

An Eastern partnership Flagship initiative

E. Canciani



EUROPEAN COMMISSION
External Relations



*DG RELEX D1
ENP – General Coordination
European Commission*

Rationale

- EaP and EU share common interest in increasing energy efficiency and the use of renewable resources. Scope exists for substantial improvements in these fields.
- The Integration of Energy Markets and Interconnection of the grids are key tools to increase energy efficiency, improve security of supply and contribute to climate change objectives. Efforts must also be made to achieve better energy efficiency use downstream (Buildings, Industrial sector) and expand the use of renewable sources.
- Progress is hampered by the lack of proper regulatory framework and policy, including harmonization at regional level, and the need of mobilize the necessary investments.

Objectives

- Support the extension of Interconnections. This requires substantial investments from IFIs, MS donors, private sector.
- Improve Energy Efficiency and expand use of Renewable Resources. EaP partners need support in pursuing studies and activities to improve or establish appropriate regulatory and policy frameworks and adopt best practices in line with EU standards. Support to build up Institutional capacity will be stepped up where needed. Pilot projects in the field of energy efficiency and renewable energy can be financed.

Four main elements

- TA for studies/expertises in matters of regulatory and policy framework, **capacity building** + occasional (small scale) pilot project financing.
- Feasibility studies and other activities to improve access to available financing sources for investment in the energy sector.
- Support the establishment and implementation of « *sustainable energy action plans* » by cities having signed up for the « Covenant of Mayors ». *This will further promote the Covenant of Mayors towards cities in the EaP as a way to take sustainable energy actions and improve quality of life with a bottom-up approach.*
- Promote the participation of EAP countries in the Intelligent Energy Europe Programme

An approach building on existing experiences

The initiative will:

- build on existing “*acquis*” in the area of energy within the wider circle of EaP countries. The Energy Community should be seen a core component of the EaP.
- complement / **increase** support provided through INOGATE and NIF **and complement** initiatives launched by Member States (i.e.: Swedish Energy Efficiency Initiative).
- focus on maximising synergies with existing national and regional level programmes and notably the Baku Initiative for the countries concerned.
- Aim at enhancing leverage between EaP grants and IFI loans (or bilateral FI loans/grants) to maximise the impact of resources.

Multilateral aspects

- Multilateral Cooperation at senior officials level (EaP + MS) will take place in the framework of EaP thematic Platform N. 3 – Energy.
- Cooperation will build on existing “acquis” in the field of Energy and, notably, the Energy Community framework.
- Initiative is launched in close cooperation with EIB, EBRD, KFW and other Donors/FI active in the region.

Timing and budget

- Start: beginning of 2010 – launching event to be organised.
- Duration: to be determined
- Budget: from the Regional Programme East – to be determined.
- Open to co-financing from other donors.

Link with the work of the platform

- The platform will be informed of the activities of the initiative.