

ENERGY EFFICIENCY EXPERTS COLLABORATION: A VIEW FROM UKRAINE

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Ukraine is one of the most energy inefficient countries in the world. Energy intensive branches of heavy industry prevail in the economy of the country, and its technical basis is obsolete.

Since mid-90es the government of Ukraine has been applying legal and regulatory efforts for energy efficiency improvement. In 1994 the Law of Ukraine “On Energy Conservation” was adopted, and in 1996 the Comprehensive State Energy Conservation Program till 2010 was approved.

However since 2005 Ukraine has faced the problem of sharp growth of fossil fuel prices. That’s why the government started development of the legal environment to stimulate energy efficiency. This year the appropriate amendments to the Law of Ukraine “On Energy Conservation” were adopted.

On the one hand, they include increased administrative and financial pressure on enterprises which improvidently consume energy. On the other hand, the approved amendments include financial incentives for energy conservation. In particular, income tax can be reduced up to 50%. In 2008 the reconstituted budget Fund of Energy Conservation will provide costs for privileged financing of energy efficiency projects in all branches of economy and utilities.

There is a gap between the necessity of energy conservation strengthening, the potential of its development, from one hand, and the available projects portfolio from the other hand. This picture may seem strange, but in reality, there is a lack of properly prepared projects. There are many reasons for such a situation. It is impossible to consider all of them in a short speech. I would like to point the one which is closely related to the main topic of our discussion.

There is the projects shortage. This is mainly because the companies can not develop bankable projects on their own. Besides, the services of the investment project development and implementation don’t meet market demands. In this context it’s very important to develop consulting centers’ and energy service companies’ infrastructure, to conduct training programs, etc. based on the international experience and knowledge.

As of today, non-governmental, public and private organizations in Ukraine have established their relations with the similar organizations in the developed economies and the economies in transition for cooperation in energy conservation and energy efficiency areas. For example, the Agency for Rational Energy Use and Ecology which I am representing has the experience of fruitful cooperation with the similar companies abroad. These are the Polish Foundation

for Energy Efficiency, SEVEN in Czech Republic, EnEffect (Bulgaria), CENef (Russia), etc.

Through its Municipal Networks for Energy Efficiency (MUNEE) program, USAID and United Nations Economic Commission for Europe (UNECE) are seeking a relatively low-cost way to disseminate positive energy efficiency experiences in the countries of Central and Eastern Europe, and the former Soviet Union. Our Agency participated in the program together with centers for energy efficiency from 10 countries, such as Bulgaria, Czech Republic, Poland, Russia, Romania and others.

The cooperation and collaboration were much closer in the late 90es. In this period the energy efficiency centers were established in economies in transition. At that time activities of these organizations were supported by the international technical assistance programs and were partially coordinated by the foreign organizations.

In our view, the degree of such collaboration should be strengthened. At present the cooperation between organizations for energy efficiency can be more fruitful since these organizations gained necessary experience and expert potential. Many countries have accumulated useful achievements as well as mistakes in the area of the national energy efficiency and GHG emissions reduction policies.

To make this experience and potential available worldwide, we suggest establishing the program of improving cooperation between the consulting firms and analytical centers in the energy efficiency and climate change areas under auspices of UN DESA. We would advise establishment of the working group providing activities coordination on permanent basis. For example in the following:

- Study and exchange of the experience, review of the successful national policies through periodical workshops;
- Preparation of the guidelines on the best practices of the energy efficiency technologies application and providing relevant training;
- Creation of the information exchange mechanism.