Annexes

to the Fact Finding Study
for the preparation of Interregional Recommendations
to support sustainable urban energy and
the expansion of the Covenant of Mayors
in the EU Neighbourhood East and South

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Annex 1: The EU Energy Policy -
Portrayals of the seven main energy strategies

(1) Directive on energy efficiency: The directive contains following key contents - "A number of municipalities [...] have already put into place integrated approaches to energy saving and energy supply, for example via sustainable energy action plans, such as those developed under the Covenant of Mayors initiative [...]. Member States should encourage municipalities [...] to adopt integrated and sustainable energy efficiency plans [...] [...] Exchange of experience between cities [...] should be encouraged [...]." (p. 11). In three passages provisions for urban spatial planning are outlined.

(2) Energy Efficiency Plan 2011: The plan contains key contents in two of seven priority areas – Public sector: Leading by example and Paving the way towards low energy consuming buildings.

Under the priority Public sector: Leading by example the Covenant of Mayors is together with Smart Cities specified as own proposal: “More than two thousand cities have volunteered to implement sustainable energy measures through the EU-supported Covenant of Mayors. [...] The benefits go beyond energy saving [...]. The Commission will continue to support the local approach to energy efficiency through the Covenant of Mayors and will seek to encourage partnerships with more like-minded cities including those from countries outside the EU. In 2011 it will also launch a new Smart Cities and Smart Communities initiative to develop the European framework for excellence in innovative low-carbon and efficient energy solutions at the municipal level. [...]” (p. 5/6, Implementing energy efficiency on the ground)

Under Paving the way towards low energy consuming buildings the link energy efficiency-job creation is highlighted. The refurbishment sector is in need for an estimated 2.5 million qualified workers by 2015. In 2011 approximately 1.1 million workers were Europe-wide available. Two major initiatives tackle the shortage: BUILD UP Skills: Sustainable Building Workforce Initiative and the flagship initiative An Agenda for New Skills and Jobs.

(3) Renewable Energy: Progressing towards the 2020 target: The strategy contains the key content under the priority domain Achieving the 20% target - "Furthermore, [...] cities need to step up their efforts to strengthen skills, knowledge and capacities [...] (such as through the EU Covenant of Mayors), to ensure adequate governance for the efficient delivery of renewable energy investment programmes and projects." (p. 7)

(4) Action Plan on Urban Mobility: The action plan is focused exclusively on the urban sphere. It contains the Covenant in its first priority area Promoting integrated policies - "The Commission will also introduce an urban mobility dimension in the Covenant of Mayors in order to promote an integrated approach linking energy and climate change with transport. It will encourage the incorporation of transport and mobility issues in the Sustainable Energy Action Plans to be prepared by the cities participating in the Covenant." (p. 5).
Under **Sharing experience and knowledge** it is declared: “**Local and regional authorities across the world are confronted with similar mobility challenges. [...] [...] the Commission will facilitate dialogue, city-twinning, and information exchange on urban mobility with neighbouring regions [...]**. As a first step, the Commission will open the CIVITAS Forum network to cities from the Eastern neighbourhood, Mediterranean [...] regions. For the longer term, the Commission will include this dimension in the development of CIVITAS FUTURA [...].” (p. 9, 10)

(5) **Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system**: The roadmap contains e.g. key contents in the priority area **Innovative mobility patterns** “**In the urban context, a mixed strategy involving land-use planning, pricing schemes, efficient public transport services [...] is needed. Cities above a certain size should be encouraged to develop Urban Mobility Plans, bringing all those elements together.**” (p. 13) and it has one main action area of **Clean urban transport and commuting**. The urban is a major element throughout the roadmap.

(6) **A Roadmap for moving to a competitive low carbon economy in 2050**: The roadmap contains key contents in two priorities – **Investing in a low carbon future** and **The international dimension**.

The key contents materialise in two statements: “**Electrification of transport, and the expansion of public transport, could strikingly improve air quality in Europe’s cities**” (p. 13) and “**The EU should use this opportunity to strengthen its cooperation with its international partners [...] to implement low-emission development strategies, and ensure that all climate financing contributes to ”climate proof” development opportunities”**” (p. 13).

(7) **Roadmap to a Resource Efficient Europe**: The roadmap contains key contents in two priorities – **Natural capital and ecosystem services** and **Supporting resource efficiency internationally**.

Under **Natural capital and ecosystem services** it sets a milestone on the achievement of EU’s interim air quality standards by 2020 “**including in urban hot spots**” (p. 14). The priority **Supporting resource efficiency internationally** sets the milestone “**By 2020 resource efficiency will be a shared objective of the international community [...]”.** (p. 22)
Annex 2: EU Neighbourhood Policy -
Portrayals of the three predecessors of the new ENP


Connecting the neighbourhood accommodates energy, transport, environment among other sectors. One statement is of interest: "Action Plans will contain concrete steps to increase energy dialogue and co-operation, and to foster further gradual convergence of energy policies and the legal and regulatory environment. This will include policies to promote increased energy efficiency and energy savings, as well as the use of renewable energy [...]." (p. 17). The introductory passage of People-to-people, programs and agencies is of indirect relevance: "An effective means to achieve the ENP’s main objectives is to connect the peoples of the Union and its neighbours [...] and to eliminate distorted perceptions. Thus [...] the ENP will promote [...] more general societal links between the Union and its neighbourhood. Human resource development is an essential component [...]. The deficit in the knowledge society needs to be tackled urgently in order to address development challenges [...] especially in the Mediterranean area [...]." (p. 19)

(2) On Strengthening the European Neighbourhood Policy (2006): The communication contains key contents in two of five priority domains – Promoting people-to-people exchanges and Building a thematic dimension to the ENP.

Promoting people-to-people exchanges contains a strong introduction and a number of intentions which matter for the Covenant of Mayors: "[...] the ENP must have a “human face”, and citizens of the EU and of the neighbouring countries should have more opportunities to interact, and to learn more about each other’s societies and understand better each other’s cultures. The ENP cannot only be a matter for officials and politicians." (p. 6)

"More generally, civil society exchanges should also be strengthened, reaching beyond governmental contacts to build bridges in many areas – for example, contacts among [...] regional and local authorities (including city-twinning programmes) [...]." (p. 7)

"Employers’ organisations in the EU and in ENP countries, particularly those for small and medium-sized companies, should be actively encouraged to establish closer links and transfer experience." (p. 7)

"We must encourage partner governments to allow appropriate participation by civil society representatives as stakeholders in the reform process [...]." (p. 7)

"Visibility will also be important in strengthening the ENP, making it meaningful to the citizens of the EU and of the partner countries." (p. 7)
(3) A Strong European Neighbourhood Policy (2007): The communication contains only one statement of interest: "Closer cooperation on employment and social development will intensify exchanges on strategies regarding job creation, poverty reduction [...] to address common challenges in the context of globalisation and promoting decent work." (p. 9).
Annex 3: Example of a country fact sheet (prepared by the Covenant of Mayors Office EAST)

Republic of Armenia
(Armenian: Հայաստանի Հանրապետություն - Hayastani Hanrapetut’yun)

COUNTRY DATA

<table>
<thead>
<tr>
<th>Cities and villages</th>
<th>915 communities, of which 49 are considered urban and 866 are considered rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban population, %</td>
<td>63.9</td>
</tr>
<tr>
<td>Capital</td>
<td>Yerevan (Population – 1,121,900)</td>
</tr>
<tr>
<td></td>
<td>Mayor: Taron Margaryan (appointed in 2011 upon resignation of Karen Karapetyan -)</td>
</tr>
<tr>
<td>Area</td>
<td>29,800 km²</td>
</tr>
<tr>
<td>Population</td>
<td>3,262,200</td>
</tr>
<tr>
<td>Administrative division</td>
<td>Armenia is divided into 10 provinces (marzer), with the city of Yerevan having special administrative status as the country’s capital. Within each province are</td>
</tr>
</tbody>
</table>
communities. Each community is self governing and consists of one or more settlements. Settlements are classified as either towns or villages.

<table>
<thead>
<tr>
<th>Official language</th>
<th>Armenian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time BELT</td>
<td>GMT+4</td>
</tr>
<tr>
<td>Currency</td>
<td>Armenian dram (AMD) / 1,- EUR = 502,70 AMD (January 2012)</td>
</tr>
<tr>
<td>Exchange rate:</td>
<td><a href="http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm">Link</a></td>
</tr>
<tr>
<td>Public/reigious holidays</td>
<td>01.01 (New Year Day), 06.01 (Christmas Day), 28.01 (Army Day), 24.04 (Genocide Remembrance Day), 09.05 (Victory and Peace Day), 28.05 (Republic Day), 05.07 (Constitution Day), 21.09 (Independence Day), 07.12 (Spitak Remembrance Day)</td>
</tr>
<tr>
<td>System of power</td>
<td>Presidential representative democratic republic; President - Serzh Sargsyan (elected in 2008)</td>
</tr>
<tr>
<td>Poverty index</td>
<td>43.4</td>
</tr>
<tr>
<td>Transparency/Democracy index (BTI) 1-10</td>
<td>5.00</td>
</tr>
</tbody>
</table>
| Visa requirements | 1. EU citizens: (+)  
2. NIS: (-)  
3. Other: (+) |
| EU Delegation in the country | Delegation of the European Union to the Republic of Armenia  
Entrance for visitors: Proshyan Street  
Postal address: 21 Frik Street, Yerevan 0002 Armenia  
Telephone: + 374 (10) 54 64 94  
Fax: + 374 (10) 54 64 95  
E-mail: Delegation-Armenia@eeas.europa.eu |
| Other European and International institutions in the country | Council of Europe [Link](http://www.coe.am/?out_lang=eng)  
UNICEF [Link](http://www.unicef.org/armenia/)  
IMF / International Monetary Fund [Link](http://www.imf.org/external/country/ARM/index.htm)  
WHO [Link](http://www.who.int/countries/arm/en/)  
National Committee for UNESCO [Link](http://www.unesco.am/)  
UNAIDS Armenia [Link](http://www.unaids.org/en/regionscountries/countries/armenia/)  
IOM Armenia / Mission of International Organization for Migration to Armenia [Link](http://www.iom.int/armenia/about/iom_in_am.htm) |
## International donor/financial institutions in the country

- **European Bank for Reconstruction and Development**
  - Citadel Business Centre
  - 105/1 Teryan Street, 4th Floor, Suite #407, 0009 Yerevan, Armenia
  - Tel: +37410 51 48 05 /06/07/08/09
  - Fax: +37410 51 48 10

- **World Bank**

- **U.S. Agency for International Development**

- **Swedish International Development Cooperation Agency**
  - [http://www.sida.se/English/Tools/Search/?q=Armenia](http://www.sida.se/English/Tools/Search/?q=Armenia)

- **United Nations Development Program**
  - [http://www.undp.am/](http://www.undp.am/)

- **German Technical Cooperation Office (GTZ)**

## NATIONAL COVENANT DATA

**CoM-signatories**
- Tsakhkadzor

**Candidate cities**
- Vanadzor, Spitak, Dilijan

**Covenant Coordinator**
- -

**Potential Covenant Coordinator**
- Ministry of Energy and Natural Resources of RA

**Covenant Supporter**
- -

**Potential Covenant Supporter**
- Alliance To Save Energy – Armenia
  - Astghine Pasoyan
  - Phone: +37491-611619, Fax: +3741-0-562989
  - Apasoyan@ase.org; astghine@gmail.com
  - www.munee.org; www.ase.org

- Energy Saving Foundation
  - Karine Taslakyan
  - Phone: +37491-634042, Email: esfarmenia@gmail.com; karat_312@yahoo.com
  - www.esfarmenia.org

- Union of Communities of Armenia - [http://www.caa.am](http://www.caa.am)

**CoM national expert**
- Artem Kharazyan
  - Energy Saving Foundation
  - Phone: +37491 21-11-02, Email: artemduke@yandex.ru
# ENERGY DATA

**Energy balance and key indicators of the country**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total primary energy consumption (GWh)</td>
<td>63244.72 (2008)</td>
</tr>
<tr>
<td>Households, % (if available)</td>
<td></td>
</tr>
<tr>
<td>Economic, % (if available)</td>
<td></td>
</tr>
<tr>
<td>Municipality, % (if available)</td>
<td></td>
</tr>
<tr>
<td>Transport, % (if available)</td>
<td></td>
</tr>
<tr>
<td>Total primary energy consumption per capita (kWh per person)</td>
<td>21304.95 (2008)</td>
</tr>
</tbody>
</table>

**Total energy production**

<table>
<thead>
<tr>
<th>Source</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum / Total Oil Supply</td>
<td>0.00 (2010)</td>
</tr>
<tr>
<td>Coal / Total Primary Coal Production</td>
<td>0.00 (2010)</td>
</tr>
<tr>
<td>Gas / Gross Natural Gas Production (Billion Cubic meter)</td>
<td>0.00 (2010)</td>
</tr>
<tr>
<td>Electricity / Total Electricity Net Generation (Billion Kilowatthours)</td>
<td>5,457 (2009)</td>
</tr>
<tr>
<td>Renewables / Total Renewable Electricity Net Generation (Billion Kilowatthours)</td>
<td>2,028 (2009)</td>
</tr>
</tbody>
</table>

**CO2 Emission from consumption of energy (if available)**

<table>
<thead>
<tr>
<th>Source</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total (Total Carbon Dioxide Emissions from the Consumption of Energy / Million Metric Tons)</td>
<td>11,349 (2009)</td>
</tr>
<tr>
<td>Per Capita (Per Capita Carbon Dioxide Emissions from the Consumption of Energy / Metric Tons of Carbon Dioxide per Person )</td>
<td>3,825 (2009)</td>
</tr>
</tbody>
</table>

**Prices on basic energy sources of the country**

- Electricity price: 45 Euros per MWh
- Gas price for customer consuming less than 10 thousands nm3 of 20 Euros per MWh.

**TARIFFS FOR ELECTRICITY IN ARMENIA, EFFECTIVE DATE 1:TH OF APRIL 2009**

<table>
<thead>
<tr>
<th>Category</th>
<th>Tariff rate (incl. VAT)</th>
<th>AMD/kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumers using 35 kV and above connection (2009-№70N)</td>
<td></td>
<td>21.00</td>
</tr>
</tbody>
</table>

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SURE: Interregional Recommendations
### TARIFFS FOR GAS IN ARMENIA, EFFECTIVE DATE 1:TH OF APRIL 2009

**Tariff for ArmRusGas Ard CJSC sales to customers (2009-№65N)**

<table>
<thead>
<tr>
<th>Tariff Details</th>
<th>Rate (₦)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Night-time rate</td>
<td>17.00</td>
</tr>
<tr>
<td>Consumers using 0.38 kV networks (2009-№70N resolution)</td>
<td>30.00</td>
</tr>
<tr>
<td>Night-time rate</td>
<td>17.00</td>
</tr>
<tr>
<td>Consumers using 6(10) kV non-direct connection (2009-№70N resolution)</td>
<td>30.00</td>
</tr>
<tr>
<td>Night-time rate</td>
<td>17.00</td>
</tr>
<tr>
<td>Consumers using 6(10) kV direct connection (2009-№70N resolution)</td>
<td>25.00</td>
</tr>
<tr>
<td>Night-time rate</td>
<td>17.00</td>
</tr>
<tr>
<td>Residential customers (2009-№70N resolution)</td>
<td>30.00</td>
</tr>
<tr>
<td>Night-time rate (2009-№70N resolution)</td>
<td>20.00</td>
</tr>
</tbody>
</table>

Source: The Public Services Regulatory Commission of the Republic of Armenia

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**Expenses on energy sources**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Industry</th>
<th>State institutions</th>
<th>Municipalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments to sustainable energy development (EnEff+EnSaving)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**National policies / programs / projects on energy efficiency**

- To encourage energy efficiency, Armenia has so far taken several steps on the political and programmatic level:
  1. Created a legal framework for energy efficiency. In 2005, the Government passed a Law on Energy Savings and Renewable Energy, and has since passed draft building codes (for new buildings) which mandate energy efficiency.
  3. Has taken steps to improve the economic efficiency of energy use through improved regulation of energy utilities. Several barriers to economic efficiency
which also affect the efficiency of energy resource use—for example, highly subsidized energy tariffs, or the absence of electricity and gas metering—have been largely removed in Armenia.

4. Continued to work actively with development partners like the World Bank, the UN Development Programme, the EBRD, USAID and other donors on energy efficiency programs to improve the energy supply infrastructure (electricity and heat production facilities, transmission and distribution networks) and heat energy use in public and residential buildings.

Relevant projects and programs ongoing and of past were mostly financed with support of the above mentioned IFIs that contribute to the implementation of energy efficiency measures in Armenia:

**GEF Programme:**

Armenia – Improving the Energy Efficiency of the Urban Heating and Hot Water Supply (UNDP)

The project aims to reduce greenhouse gas (GHG) emissions resulting from current heat and hot water supply practices in Armenian cities. The project consists of four components: (1) Strengthening the role of condominiums in organizing and managing the heat and hot water supply services at the building level. (2) Supporting the restructuring process and building the capacity of the existing DH companies to improve the efficiency of their operations. (3) Supporting the emerging new service providers in offering their services to the condominiums and structuring financing for the investments needed. (4) Documenting and disseminating the results, experiences and lessons learned nationally and regionally. The project was approved in May 2003. Total project costs sum up to 12,030,121 US$ whereof GEF project grant amount to 2,950,000 US$.

**Armenia Energy Efficiency Project (IBRD)**

The Armenian Energy Efficiency Project will reduce energy intensity of the Armenian economy by funding public sector energy efficiency investments and removing existing information, existing information, knowledge, regulatory, and financial barriers that hamper the wide penetration of energy efficiency investments in public buildings and the commercial and residential sectors in the country. The project was approved in March 2010. Total project costs sum up to around 15,910,000 US$ whereof GEF project grant amount to 1,820,000 US$.

**LGGE Improving Energy Efficiency in Buildings (UNDP)**

The aim of this project is to reduce GHG emissions and energy consumption in the Armenian buildings sector.

The project was approved in June 2009. Total project costs sum up to around 3,440,450 US$ whereof GEF project grant amount to 1,045,000 US$.

World Bank: Urban Heating Project – Armenia

The objective of the Urban Heating Project for Armenia is to support the Borrower to increase the use of clean, efficient, safe and affordable heating technologies in urban schools and multi-apartment buildings. The changes are related to: (1) reallocation of credit proceeds from 'goods and works for others' and 'grants' categories both financing capital grants to the urban poor for gas and heating services to the 'goods and works for school heating systems' category financing rehabilitation of the heating system of urban schools; (2) extension of the project closing date by six months to allow rehabilitation of the heating system of additional schools; and (3) increase of the disbursement percentage for 'goods and works' category of expenses from 80 percent to 90 percent so as to maintain the cofinancing requirement by the Government of Armenia on the same level as before the reallocation. The project was approved in July 2005 and will be closed by the end of 2010. Total project costs sum up to around 21,950,000 US$ whereof IBRD and IDA commitment add up to 15,000,000 US$.

Electricity Supply Reliability and Energy Efficiency Project

The power sector in Armenia addresses four serious challenges: (1) emerging power supply gap, (2) jeopardized power supply reliability, (3) the affordability of energy tariffs, and (4) the financial viability of the sector is threatened; This project will enhance the reliability of the power supply by improving the power transmission network back-bone infrastructure and will reduce the power supply gap by improving the utilization of the country’s energy efficiency potential. The project is currently under preparation and estimated to be approved by the board in March 2011. Total project cost are 44,000,000 US$ whereof IBRD and IDA commitment sums up to 36,000,000 US$.

INOGATE Programme:

Harmonization of gas and oil technical standards and practices (E. Europe and Caucasus)

The project aims to support the countries' adoption of international standards, rules and practices for design, construction, manufacturing, testing, certification, accreditation, operation and maintenance applied for all main components of gas and oil production / transmission / storage. The project started in December 2007.
Capacity-building for Energy Regulators in Eastern Europe and Central Asia

The project is to promote and advocate good and sound energy regulatory practices in the Partner Countries of the INOGATE Programme and to harmonize energy regulatory practices among them. The project will allow the transfer of EU best practices and the strengthening of cooperation among the countries involved. Furthermore, the project will aim to educate relevant ministerial level decision makers of these countries about the purposes and benefits of an independent energy regulatory organization. Beneficiary countries are: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine and Uzbekistan; The project started in January 2009 and will last till July 2010. The total project budget is 330,000 €.

Capacity building for Sustainable Energy Regulation in Eastern Europe and Central Asia

This is the “successor-project” of the before mentioned one. It started in March 2010 and is planned to last till October 2011. The calculated budget sums up to 505,856 €.

Harmonization of electricity standards:

The project’s objective is to assist the INOGATE Partner Countries in adopting international standards, rules and practices in the electricity sector. It is anticipated that cooperation on standardization within the framework of the INOGATE Programme will lead to market integration and convergence. The Project seeks to increase infrastructure efficiency, enhance quality and reliability of equipment, ensure safety in electricity transmission and distribution and facilitate trade and investments in modern technologies. Partner countries are: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. The project started in September 2009 and will last till March 2011. The total project budget is 1,482,500 €.
EBRD:

**Armenian Sustainable Energy Financing Facility (ArmSEFF):**

The EBRD’s Sustainable Energy Initiative (SEI) was launched in 2006 to address the twin challenges of energy efficiency and climate change. SEI market segments include, besides others, the segment for Sustainable Energy Financing Facilities (SEFFs) through financial intermediaries. One of the long-lasting benefits of this segment is the transfer of specific skills to the local market. In addition to the economic and environmental benefits of the investments themselves, local bank staff becomes familiar with the particulars of sustainable energy investments and in which business sectors to find them; prospective borrowers learn why sustainable energy projects make good business sense and how to finance them.

Moreover local engineers become aware of the best practice investment opportunities and where to identify them. As a result of regular exposure to international experts, this additional capacity builds up from both formal training and on-the-job learning by doing. The project development and implementation legacy that remains will facilitate the financing of future sustainable energy investment opportunities. This project will start in near future in Armenia.


USAID:

**Commercialization of Energy Efficiency Project (CEEP):**

This program is working with private sector energy service companies and the banking sector to increase the availability of bank financing for energy efficiency projects to encourage the development of viable energy efficiency market. CEEP was implemented by Advanced Engineering Associates International (AEAI). It started in June 2007 and will end in November 2010. The project budget sums up to 3,200,000 US.

International Finance Corporation:

**Armenia Energy Efficiency Survey Project:**

The main goal of the project is to assess the current market for energy efficiency financing in Armenia and to raise awareness among local financial institutions, small and medium enterprises (SMEs), and policy makers about existing opportunities for energy efficiency financing in the country. By identifying best practices in SME energy efficiency and finance, the survey will also provide benchmarks with other countries and might lead to a more comprehensive program to increase energy efficiency in Armenia and the region. The project started in 2008 and is still ongoing. It is supported with funds from the Austrian Technical Assistance Trust Fund and IFC.

Millennium Challenge Account–Armenia (MCA–Armenia):
**Irrigated Agriculture Project:**

In 2006, the Millennium Challenge Corporation signed a five-year Compact with the Government of Armenia aimed at reducing rural poverty through a sustainable increase in the economic performance of the agricultural sector. The Millennium Challenge Corporation is a U.S. Government agency designed to work with developing countries, based on the principle that aid is most effective when it reinforces sound political, economic, and social policies that promote poverty reduction through economic growth. MCA-Armenia, a State Non-Commercial Organization established by the Government of Armenia, is responsible for overseeing the transparent implementation of the Compact signed between the Millennium Challenge Corporation and the Government of Armenia. Presently MCA-Armenia has one major project – Irrigated Agriculture project (USD 120 million) which includes Irrigation Infrastructure Rehabilitation component and farmers’ assisting Water-To-Market activity (USD 32 million) along with its Institutional Strengthening Sub-Activity (around USD 4 million).


http://www.ifc.org/ifcext/eca.nsf/Content/Armenia_AdvisoryProjects#Armenia%20Energy%20Efficiency

**MEDIA DATA**

### Print Media

- According to the Armenian State Registry there are 747 newspapers and 328 magazines currently publishing. Unfortunately, no completely independent newspaper exists. All are either pro-government or in opposition to the government (and sponsored by a political party).
- Due to a lack of financial independence, newspapers continue to be controlled by political parties or wealthy individuals. Newspaper coverage typically reflects funder’s expectations. “Ordered articles,” also called indirect advertising, as well as strong criticism for the opposition, are clearly noticeable in Armenian print media. This has a negative impact on domestic journalism and is one of the main reasons why Armenians don’t concentrate on print media. Many Armenians find newspapers arrogant, aggressive and out of touch.
- Progress has been made among some newspapers, although the majority remains closely linked to the political elite. After the 2008 presidential election, opposition protests began in Yerevan’s Freedom Square. Protests reached a climax on 1 March when demonstrators were violently dispersed by police and military forces. A 20-day state of emergency was declared, during which tight control was imposed on those media considered “publications not controlled by the government.” Almost all newspapers in Armenia suspended publication during that time. Most other media outlets followed the stipulations of the state of emergency, broadcasting or printing only official news.
- The main popular daily newspapers include: Aravot (Morning), Haykakan zhamanak (Armenian Times), Hayastani Hanrapetutyun (Republic of Armenia), and Azg (Nation). Popular daily periodicals published in Russian are: Golos Armenii (Voice of Armenia), Novoe vremya (New Times) and Respublika Armenia (Republic of Armenia). Some are also available in English (Noyan Tapan, a weekly, and some European and American newspapers and magazines).
- A daily paper named Hayastani Hanrapetutyun is the government’s official newspaper. Aravot represents the opposition; its articles are rather “polite” compared to other opposition party newspapers, like Zhamanak
(Times) or Chorrord ishghanutyun (Forth authority), in which directed sarcasm and criticism seem to have no limits. The average daily circulation for most newspapers is between 1,500 and 3,000 copies.

Radio
There is one public radio channel (Public Radio of Armenia) broadcasting nationally. Dozens of private radio stations (Radio Ardzaganq, Radio Jazz, Radio Avrora, Radio Van, Nor (New) Radio, Radio Hay, City FM, Avtoradio, etc.) cover only the central region, or specific localised regions.

Radio is a popular form of entertainment in Armenia. It has the least politicised atmosphere. Most stations broadcast a wide range of music: traditional (Radio Hay FM 104.1 MHz), European, American and Russian pop music (Radio Van FM 103.0 MHz, Radio Ardzaganq FM 103.5 MHz, Radio Avrora FM 100.6 MHz, etc.), classical (Vem Radio FM 101.6 MHz). There is one station in French, (FM-102.4 French programme) which provides news, analysis, music, and also broadcasts some programmes in Russian and German.

Generally, news and information are provided daily in Armenian and Russian, but not in English. The Azatutyun (Freedom) radio channel broadcasts news and analysis three times a day using the Radio Yerevan FM 102.0 MHz station; it is highly rated.

Television
Television was and still is the most popular mass media in Armenia. It is viewed by 85 to 90 percent of the population and considered to be a primary source of news. Ten years ago TV programming was rife with pirated films, low quality programmes and lack of professionalism. Although much improvement is noticeable, more still needs to be done.

There are dozens of TV stations registered in Armenia. Nearly 30 cover the capital Yerevan; between three and eight local TV stations cover each of the other regions. Oft-viewed public television channels include National 1 (H1) and Ararat; private TV channels include Shant, Armenia, AR, Yerkir Media, Hayrenik, H2 and Dar21. There are four Russian channels, two of which (ORT and RTR) have full retransmission across the larger territory of Armenia. The other two are Kultura and Mir. CNN and Euronews are the only foreign broadcasters covering Yerevan. CNN airs completely in English, whereas Euronews is in Russian. Armnews is shown a few times a day in Armenian language using the Euronews transmitter. Ararat and the Russian-language Kultura are about culture. AR TV, Shoghakat and Yerkir Media have very good documentary films while H1 and Shant are appreciated for their news coverage. Hayrenik’s programmes are specifically for children.

Cable TV appeared in 1995 and almost disappeared with the launch of various terrestrial broadcasters. There are very few cable broadcasters, but Eurocable and Interactive TV are among them. Satellite is widely spread in Yerevan. Russian’s HTB (NTV) is the most preferable package. Three Armenian satellite channels —H1, Shant and Armenia — have coverage in Europe and/or the US. Recently, Shant has gained popularity among the Armenian diaspora.

As in the case of print media, TV has a lack of economic independence; station owners are influenced politically and/or economically. In most cases a political party sponsors a TV company, which then usually works for the benefit of that party. There are few truly independent broadcasters.
Regulation of broadcast media remains highly politicised because of the government agents serving on the National Commission on Television and Radio (NCTR). On 1 April, 2002, NCTR decided that A1+, one of the country’s most popular private channels, would lose its license because of its critical reports. This gave rise to poorer quality television for the Armenian audience. The incident also damaged the country’s reputation regarding freedom of speech.

The owners of A1+ appealed the decision on all three levels of the judicial system of Armenia, which reaffirmed the decision of the NCTR. Since then several applications have been rejected. In June, 2008, the European Court of Human Rights in Strasbourg, found that the NCTR’s repeated denials without explanation violated the European Convention of Human Rights. According to the Human Rights Watch World Report 2009, the government responded by accepting an amendment to the Law on Radio and Television that effectively froze television licensing until 2010. A1+ is now an Internet-based news agency.

Source: http://www.ejc.net/media_landscape/article/armenia/
Annex 4: Energy policy in Belarus


4. State complex program for modernization of main production facilities of Belarusian energy system, energy saving and increase in the share of usage of own fuel and energy resources till 2011 (Decree No. 575 of the President of the Republic of Belarus, dated 15 November 2007).


6. Resolution No. 1353 of the Council of Ministers of the Republic of Belarus ‘On approval of the Republican Program for the transformation of boiler houses into mini CHPs (heat and power plants)’, dated 19 October 2009


Legal acts on energy saving that were adopted in 2010 or are in development

1. Resolution No.92 of the Council of Ministers of the Republic of Belarus ‘On additional measures for rational and effective use of fuel and energy resources in 2010’, dated 25 January 2010

2. Resolution No. 1680 of the Council of Ministers of the Republic of Belarus ‘Target-oriented program for generation of minimum 25% of electric and heat power from local fuels and alternative energy sources until 2012’, dated 30 December 2004


Goals for the increase of energy efficiency and use of local and renewable energy sources in the Republic of Belarus:

1. To decrease GDP energy intensity in comparison with 2005:
   - by at least 31 percent in 2010;
   - by at least 50 percent in 2015;
   - by at least 60 percent in 2020.

2. To guarantee saving of energy sources (in comparable conditions):
   - at least 7.55 million tonnes of coal equivalent (TCE) in 2006-2010;
   - at least 7.0 million TCE in 2011-2015;
   - at least 5.2 million TCE in 2016-2020.

3. To guarantee the use of own energy resources in the energy resource balance for heat and electric power generation:
   - at least 20.5% in 2010;
   - at least 25.0% in 2012;
   - at least 26.6% in 2020.
Annex 5: The first experiences with the Covenant of Mayors in the East and South – the Survey South

WANTED: Your expectations and demands on a Covenant of Mayors SOUTH

The Covenant of Mayors (CoM; www.eumayors.eu) is the first initiative launched by the European Commission directly targeting local authorities and their citizens to take the lead in fighting climate change. All Covenant signatories make a voluntary commitment to exceed the EU objectives of a 20% reduction of CO₂ emissions until 2020. To reach this aim, local authorities agree to carry out the following strategic steps:

• to prepare a Baseline Emissions Inventory (BEI),
• to submit a Sustainable Energy Action Plan (SEAP) within the year following their official adhesion, and thereafter
• to implement the SEAP through the adaptation of administrative structures, capacity building of municipal staff, stakeholder and citizen mobilization and engagement,
• to publish biannual implementation reports.

In return, the local authorities are supported by the different European institutions, the Covenant of Mayors Office as well as Covenant Coordinators (regions, provinces) and Supporters (associations).

At present, 3,400 local authorities have joined the Covenant of Mayors. In the Eastern European Neighbourhood, 40 cities and towns have signed-up and their number is rising steadily. In the Southern European Neighbourhood, the city of Salé in Morocco is the first and only signatory until today. For cities from outside the EU, joining the Covenant is an opportunity to share a joint vision for a sustainable energy future, to reduce dependency from fossil fuels, to boost local economy and to find partner cities from Europe for an intensified co-operation. Even Buenos Aires and Christchurch were inspired to join.

With this survey we address you as key staff of local authorities in the Southern neighbourhood countries of the European Union. The aim is to evaluate administrative and technical capacities of the local level to plan and implement sustainable energy policies as well as the concrete interests and needs to participate in the Covenant of Mayors initiative.

Your answers will help to elaborate recommendations to the European Commission for the future design of technical support and funding mechanisms.

We thank you very much in advance for your time and effort!

The Executive Director

[Signature]
Country:   Local authority:
Name:    Division:   Position:

(1) Which competencies to plan and implement sustainable energy policies are mandated to your local authority?

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(8) Which organizations/structures/institutions (networks, NGOs, schools, universities, etc.) to approach the public, to approach business stakeholders, for financial support and technical assistance are existent in your municipality or can otherwise be accessed which have sustainable energy on their agenda or can be expected to be open towards it?

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(9) Are climate change and its impacts on your region an issue in the public, political or expert debate in your city/town?

( ) Yes    ( ) No

(10) Does your country have a policy/strategy of climate change mitigation?

( ) Yes    ( ) No

Does that embrace the urban sector as key sector?

( ) Yes    ( ) No

(11) Have you heard about the Covenant of Mayors before?

( ) Yes    ( ) No

(12) Has the Covenant of Mayors been discussed in your local authority?

( ) Yes    ( ) No

(13) How high do you estimate the interest of your local authority to participate in the Covenant of Mayors?

( ) Very low    ( ) Low    ( ) Medium    ( ) High    ( ) Very high

(14) Which are the concrete needs and demands of your local authority with respect to the participation in the Covenant of Mayors initiative?

…………………………………………………………………………………………………………………………………………………………
…………………………………………………………………………………………………………………………………………………………
Survey South: Contacts

The cities and respondents: Aathrine, Ainbal, Ain Ouzain, Baakline, Gharifeh, Jdaideh, Kahlouniyeh, Mazraa, Semqaniyeh (Lebanon, 33,000 inhabitants in total): Mrs. Nouha Ghosseini, Mayor of Baakline and President of the Federation of Municipalities of Chouf Souayjani composed of the nine municipalities • Shefa Amr (Israel, 53,300 inhabitants): Mr. Naim Daoud, Director of Green Cities Project - Strengthening the Capacity of Local Authorities for Ecological Modernisation (CIUDAD Programme) • Jericho (Occupied Palestinian Territory, 20,400 inhabitants): Mr. Jalal Bsharat, Head of the Water Department (WADI - Urban Water Management, CIUDAD Programme) • Salfeet (Occupied Palestinian Territory, 8,796 inhabitants): Mr. Alaa Sulaiman, Manager at Electricity & Energy Department (Arco Latino) • Wadi El Natrun City (Egypt, 21,540 inhabitants): Mr. Mohammed Abd Elwahab Makram, Head of Wadi El Natrun City of Bahiera Governorate (Arco Latino) • Djerba Houmt Souk (Tunisia, capital of Djerba with 64.892 inhabitants): Mr. Abdelhamid Zammouri, President of ADD-Medenine (Sustainable Development Agency) as well as of REMADEL Coordination Committee (Reunion de Associations Tunisiennes) • Medenine (Tunisia, 61.705 inhabitants): Mr. Ben Abdallah Mongi, Director of the Local Department of Environment (GODEM - Optimised Management of Waste in the Mediterranean, CIUDAD Programme) • Gueliz-Marrakech (Morocco): Mrs. Zakia Mrini, President of Gueliz Quarter of Marrakech (Arco Latino)
## Annex 6: Example of a Donor Fiche
*(prepared by the Covenant of Mayors Office EAST)*

### Ukraine

#### About the country
- **Capital:** Kiev
- **Population:** 45.250 million.
- **Language:** Ukrainian, Russian, Tatar
- **GDP (PPP) total/per capita:** $319.376 bln./$7,057
- **GDP (nominal) total/per capita:** $135.474 bln./$2,993
- **Currency:** Ukrainian Hrivna (UAH)

*Source: IMF (estimate 2011)*

#### Energy strategy of Ukraine to 2030

The energy strategy of Ukraine to 2030 focuses on: increasing production and consumption of electricity generated from alternative sources to decrease Ukraine’s dependence on the import of traditional energy sources; reducing negative impact on the environment by consuming electricity generated from alternative sources of energy; attracting domestic and foreign investments and supporting entrepreneurship in the sphere of alternative sources of energy, in the development and implementation of the national and local programmes promoting of alternative energy. The strategy specifies that Ukraine will increase the use of renewable and non-traditional sources of energy from 10.9 mtce in 2005 to 40.4 mtce (18.3% from total energy consumption, incl. 9.2% from biomass) in 2030. This will require investments in this sector in the amount of approximately 60.4 billion UAH. The largest increase is expected in the use of solar energy, methane gas from coal mines and heat pumps operating on low potential heat. The strategy envisages that the electricity production from renewable energy will increase up to 1.6 billion kWh in 2020 and 2.1 billion kWh in 2030.

*Source: http://www.enercee.net/ukraine/energy-policy.html*

#### Covenant signatories: 25
- Artemivsk; Bolgrad; Brody; Cherkasy; Chernihiv; Dolyna; Ivano-Frankivsk; Kamyanets-Podilsky; Kherson; Konotop; Korosten; Kovel (Volyn Oblast); Kryvyi Rih; Kyiv; Lutsk; Lviv; Mogyliv-Podilsky; Novohrad-Volynskyi; Pervomaisk; Pryluky; Slavuta; Slavutych; Vinnytsya; Voznesensk; Zhmerynka.

### Summary of possible financial institutions in Ukraine

1. European Bank for Reconstruction and Development (EBRD)
2. European Investment Bank (EIB)
3. Global Environment Facility (GEF) (including EBRD, UNDP, UNEP, UNIDO, IBRD)
4. Nordic Environment Finance Corporation (NEFCO)
5. Nordic Investment Bank (NIB)
6. Global Climate Partnership Fund (GCPF)
7. Dutch International Guarantee for Housing (DIGH)
8. World Bank - IFC Subnational Finance
9. U.S. Agency for International Development (USAID)
10. World Bank
11. DemoUkrainaDH (Eastern Europe Energy Efficiency and Environmental Partnership Program, ESP)
12. KfW

13. Useful links and National Funds

**Supported technologies:**

**Energy efficiency:** district heating; heat sub-central renovation; installation of thermostatic valves; insulation of windows and doors; renovation of boiler houses; street lightning control; insulation of the outside walls; installation of energy metres; electric boilers; hot water and central heating boilers; and renovation of inside plumbing pipes; modernization of industrial plants and energy utilities. **Renewable energy:** biofuels; bio-/landfill gas; geothermal; hydroelectric; solar energy; solid biomass; wind energy. **Transport:** urban public transport; sustainable transport. **Cleaner production:** wastewater collection and treatment; solid waste management; solid waste collection and treatment; purification of waste water; fuel switching; waste to energy.

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1. **European Bank for Reconstruction and Development (EBRD)**

**Donor description**

The EBRD is an international financial institution that supports projects in 29 countries from Central Europe to Central Asia and is the largest single investor in this region. The principal forms of direct financing that may be provided by the EBRD are loans, equity and guarantees. EBRD operations in the Eastern Neighbours are carried out in close cooperation with the European Investment Bank (EIB) and cooperates with the European Commission. Total amount of EBRD investments in Ukraine is around 750 MEUR, of which up to 20-30% in energy efficiency projects. EBRD operates the Ukraine Sustainable Energy Lending Facility (USELF) and implements the Ukraine Energy Efficiency Programme 2 (UKEEP-2).

**Eligible sectors**

Agribusiness; energy efficiency; municipal and environmental infrastructure; natural resources; power and energy. Both public and private sector are eligible for financing.

**Technologies supported**

Water supply, wastewater collection and treatment; solid waste management; district heating; natural gas distribution; urban public transport; biofuels; bio-/landfill gas; geothermal; hydroelectric; solar; solid biomass; waste to energy; wind energy; district heating

**Funding info**

| Minimum loan amount | € 5 million, although this can be less in some cases |
| Maximum loan amount | € 250 million |
| Maximum share percentage | 35% for private, 70% of total capital for public sector projects |
| Interest rate | Based on current market rates, such as EURIBOR. A margin above the base rate is added to reflect country risk and project-specific risks. |
| Maturity period | Up to 15 years |
| Loan repayment | Normally in equal, semi-annual instalments. |
The ERBD requires project companies to obtain insurance against normally insurable risks. The Bank does not require insurance against political risk or non-convertibility of the local currency. The EBRD usually requires the companies it finances to secure the loan with project assets (e.g. mortgage on fixed or movable assets).

**Information required for application**

To assess the eligibility of a project, the EBRD requires the following information: 1. a brief description of the project, detailing how the Bank's financing will be used; 2. a brief description on the sponsor; 3. details of the product; 4. a review of the market; 5. an accurate breakdown of the costs; 6. identification of additional sources; 7. an overview of the project's anticipated financial performance; 8. a summary of any environmental issues; 9. details of government licences or permits required, subsidies available and import/export restrictions.


**Example Project**

In 2009 the EBRD provided a €11.7 million loan to the city's municipal utility of Ivano-Frankivsk, to support its programme to cut energy losses and reduce the consumption of gas and electricity. The modernisation of the heating network will involve replacing old boilers, installing biomass-fired boilers and introducing gas-fired cogeneration units. An important element in the overall programme is the promotion of a new tariff system recently introduced in the city. Energy efficiency measures are expected to reduce CO2 emissions by up to 90,000 tonnes between 2008 and 2012.

**Application procedure**

If you are interested in obtaining EBRD finance, complete the online form at http://www.ebrd.com/pages/workingwithus/projects/apply/form.shtml

**Contact information**

Contact person: Terry McCallion (director Energy Efficiency and Climate Change)

Tel: +44 20 7338 7478
Fax: +44 20 7338 6942
Website: www.ebrd.com

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**2. European Investment Bank (EIB)**

**Donor description**

The European Investment Bank (EIB) is the European Union’s financing institution. Its shareholders are the 27 Member States of the European Union. The Bank invested over a billion euro in Ukraine in the last 5 years. EIB operations in the Eastern Neighbours are carried out in close cooperation with the European Bank for Reconstruction and Development (EBRD) and cooperates with the European Commission. Investments in Ukraine will go through the Eastern Partners Facility and others (http://www.eib.org/projects/regions/eastern-neighbours/instruments/index.htm).

**Eligible sectors**

Most sectors are eligible for financing. Both the public and private sector projects are eligible for support.

**Technologies**

Energy efficiency (e.g. district heating, renovation of energy utilities); renewable energy (e.g. solar energy; wind energy; biomass); water supply and sewerage wastewater collection and treatment; solid waste collection and treatment; industrial pollution abatement facilities; urban public transport.

**Funding info**
**SURE: Interregional Recommendations**

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum loan amount</td>
<td>€ 5-15 million, depending on project packaging</td>
</tr>
<tr>
<td>Maximum loan amount</td>
<td>€ 200 million</td>
</tr>
<tr>
<td>Maximum share percentage</td>
<td>Up to 50% of the project costs</td>
</tr>
<tr>
<td>Interest rate</td>
<td>EIB variable rate loans are usually available at a spread below LIBOR, fixed for the full maturity of the loan at the time of each draw down.</td>
</tr>
<tr>
<td>Maturity period</td>
<td>Up to 25 years, depending on the project type</td>
</tr>
<tr>
<td>Loan repayment</td>
<td>Repayment is normally on a semi-annual or annual basis</td>
</tr>
</tbody>
</table>

The EIB gives either direct loans, or global loans through financial intermediaries (banks). The EIB works in Ukraine through the Eastern Partners Facility.

The Bank will review the promoter’s own comprehensive feasibility studies, and make a preliminary assessment of certain aspects of the project including: 1. technical; 2. Environmental; 3. Economic; 4. Financial; 5. Legal.

**Example project**

In 2010 the EIB approved a €200 million loan to a project that will refurbish and upgrade 21 conventional and pumped storage hydro power plant units at six power stations along River Dnieper in central Ukraine, which will improve their reliability and operating costs. The project is co-financed by the World Bank and the EBRD.

**Application criteria**

Project promoters are required simply to provide the Bank’s Operations Directorate with a detailed description of their capital investment together with the prospective financial arrangements.

For a more detailed description, please visit: [http://www.eib.org/attachments/application_documents_en.pdf](http://www.eib.org/attachments/application_documents_en.pdf)

**Application procedure**

Individual loans for projects over €25 million may be requested directly from the EIB. Given the range and diversity of potential projects there is no standardised documentation requirement. The layout and content of documents to be submitted to the EIB are the responsibility of the project promoter. For further details on how to apply please contact the service desk (see contact information).

**Contact information**

EIB Info desk  
Tel: (+352) 437922000  
Fax: (+352) 437962000  
E-mail: info@eib.org  
Website: www.eib.org

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3. **Global Environment Facility (GEF)**

**Donor description**

The Global Environment Facility (GEF) unites 182 member governments — in partnership with international institutions, and the private sector — to address global environmental issues. The GEF is today the largest funder of projects to improve the global environment. The GEF partnership consists of 10 agencies, including the EBRD, UNDP, UNEP, UNIDO the ADB and the World Bank.
Eligible project types

Project concepts may be developed by governments, communities, the private sector, or other civil society entities. The following types of activities are eligible for funding: Biodiversity; Climate Change (Mitigation and Adaptation); Chemicals; International Waters; Land Degradation; and Sustainable Forest Management.

Eligible technologies

Those reducing or avoiding greenhouse gas emissions in the areas of renewable energy; energy efficiency; sustainable transport; and management of land use, land-use change, and forestry.

Funding info

GEF provides grants to various types of projects ranging from several thousand to several million dollars.

<table>
<thead>
<tr>
<th>Minimum loan amount</th>
<th>No specific minimum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum loan amount</td>
<td>No specific maximum, largest grant amount disbursed by GEF to a project in Ukraine so far $23 million. Largest financing amount including co financing in Ukraine so far $ 115 million</td>
</tr>
<tr>
<td>Maximum share percentage</td>
<td>Not specified</td>
</tr>
<tr>
<td>Interest rate</td>
<td>Not specified</td>
</tr>
<tr>
<td>Maturity period</td>
<td>Not specified</td>
</tr>
</tbody>
</table>

Application criteria

To be taken into consideration, a project proposal has to fulfill the following criteria: 1. it should address one or more of the GEF Focal Areas, improving the global environment; 2. it is consistent with the GEF operational strategy; 3. it seeks GEF financing only for the agreed-on incremental costs on measures to achieve global environmental benefits; 4. it involves the public in project design and implementation; 5. it is endorsed by the government(s) of the country/-ies in which it will be implemented. For more specific information about financing, please contact the Ukrainian Focal Point (see contact information).

Example project

Until now, a large number of climate change and biodiversity projects have been implemented in Ukraine through the GEF, for example a $ 2 million project reducing greenhouse gas emissions through large-scale improvements in energy efficiency in Ukraine's communal heat supply sector in Rivne.

Application procedure

Before drafting a project proposal, the applicant should contact the Country Operational Focal Point (see contact information) and verify that the proposal complies with the criteria mentioned above. If the project is eligible, the proponent should develop the Project Identification Form (PIF), in close coordination with the GEF Agency and following the internal project cycle procedures. Prioritization of PIF proposals for submission to the GEF for funding and utilization of resource envelopes is managed at the country level – ultimately by the GEF Operational Focal Point. Projects will normally be processed on a first-come, first-served basis.

The PIF can be found on: http://www.thegef.org/gef/guidelines

GEF Country Focal Point Ukraine

Contact person: Mr. Vadim Pozharskyi
Tel: + 380 44 206 3110, Fax: + 38 044 206 31 11
E-mail: pozhar@menr.gov.ua
Website: www.thegef.org

Annexes to the Fact Finding Study
4. Nordic Environment Finance Corporation (NEFCO)

Donor description

The Nordic Environment Finance Corporation (NEFCO) is an international finance institution established in 1990 by the five Nordic countries: Denmark, Finland, Iceland, Norway and Sweden. To date, NEFCO has financed a wide range of environmental projects in Central and Eastern European countries, including Ukraine, focusing on projects that achieve cost-effective environmental benefits across the region. NEFCO finances projects through a range of different funds for a variety of purposes. Through the The Nordic Environmental Development Fund (NMF), it also offers Energy Saving Credits (ESC) and Cleaner Production Credits (CPC).

Eligible sectors

The ESC programme offers small scale energy saving measures to hospitals, sport facilities and government buildings in Ukrainian municipalities. For the CPC programme both municipal and private enterprises are eligible. The eligible types of investment projects are: water and sewerage; industry/cleaner technology; EE/RE; environmental services; energy and consultancy.

Eligible technologies

Heat sub-central renovation; installation of thermostatic valves; insulation of windows and doors; renovation of boiler houses; district heating; street lightning control; purification of waste water; modernization of industrial plants and energy utilities. For the Carbon Financing: Renewable energy; fuel switching; supply side energy efficiency and cogeneration and demand side efficiency and energy conservation.

Funding info

<table>
<thead>
<tr>
<th>Minimum loan amount</th>
<th>There is no specific minimum amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum loan amount</td>
<td>Up to €5 million, depending on project. For CPC projects the maximum amount is €350 thousand</td>
</tr>
<tr>
<td>Maximum share percentage</td>
<td>49%, for CPC projects this can be up to 90% of the project costs</td>
</tr>
<tr>
<td>Interest rate</td>
<td>According to market terms, for ESC loans to social projects soft loans</td>
</tr>
<tr>
<td>Loan repayment</td>
<td>Up to 7 years. For the ESC and the CPC programmes the repayment of the loan is directly ties to savings of the investment</td>
</tr>
</tbody>
</table>

NEFCO requires a security of 125% of the loan amount. Property, equipment, bank or municipal guarantees are accepted. Projects that reduce releases of climate gases or mitigate release of toxic pollutants are prioritized.

See also following brochures:


Example project

In Lviv, Ukraine, NEFCO has financed a project to switch from a low to high voltage network in order to reduce the loss of electricity and decrease the consumption of coal at Iskra’s factory. As a result of the 240 MWh reduction in voltage losses and lower coal consumption, annual carbon dioxide emissions have fallen by 106 tonnes. This has allowed the company to make savings worth EUR 190,000 per year.

Application criteria

To assess the eligibility of a project, NEFCO requires an initial clarification on certain aspects for the initial screening of the project, including: 1. Project background and purpose; 2. Expected environmental benefits
and/or improvements resulting from the project; 3. Approximate investment costs; 4. Approximate financing plan; 5. Calculation of profitability and payback time. These requirements can be found on the following web adress: http://www.nefco.org/how_to_work

Application procedure

NEFCO recommends that you contact them by telephone or through the contact form to enquire if your project is eligible for NEFCO funding. NEFCO does not bare application forms but requires a project description. A presentation of the general application procedure can be found here: http://www.nefco.org/how_to_work

Contact information (NEFCO Ukraine office)

Tel: +380 44 287 0106
E-mail: you can leave a message using the contact form on: http://www.nefco.org/contact
Website: www.nefco.org

5. Nordic Investment Bank (NIB)

Donor description

The Nordic Investment Bank (NIB) is an international financial institution owned by Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden. The Bank has lending operations both in its member countries and in emerging markets like Ukraine. Environmental loans are provided through, i.a., special lending facilities: ‘Climate Change, Energy Efficiency and Renewable Energy Facility (CLEERE)’ and the ‘Environmental Lending Facility’, targeting eastern Europe.

NIB is closely cooperating with other financing institutions, like the EBRD and the EIB.

Eligible sectors

NIB’s four focus sectors are: energy; environment; transport, logistics and communications; and innovation. This are activities concerning: renewable energy; energy efficiency; using cleaner production technologies that reduce greenhouse gas emissions in industries; dealing with the adaptation of power. Loans and guarantees can be provided to private and public companies, governments, municipalities and financial institutions.

Eligible technologies

Cleaner production and resource management; environmental technology; emission reductions; and renewable energy.

Funding info/characteristics

Loans to municipalities are granted either against a municipal guarantee or as a direct loan to a municipal entity. Environmental loans are provided through, i.a., special lending facilities: ‘Climate Change, Energy Efficiency and Renewable Energy Facility (CLEERE)’ and the ‘Environmental Lending Facility’, targeted on the member countries' neighbouring area in Eastern Europe.

<table>
<thead>
<tr>
<th>Minimum loan amount</th>
<th>Normally more than €50 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum loan amount</td>
<td>There is no specific maximum amount</td>
</tr>
<tr>
<td>Maximum share percentage</td>
<td>Normally not more than 50% of the project costs</td>
</tr>
<tr>
<td>Interest rate</td>
<td>Based current market terms</td>
</tr>
<tr>
<td>Maturity period</td>
<td>Long-term</td>
</tr>
</tbody>
</table>

NIB loans are provided to projects that strengthen competitiveness and enhance the environment. NIB requires adequate security for loans granted. There are no specific requirements regarding the types of security that NIB may accept.
**Information required for application**

To be eligible for financing, the project must meet the following criteria: It must reach great net environmental benefits; it must fit into NIB’s environmental focus areas (cleaner production; environmental technology; emission reductions; and renewable energy); it must include research and development that leads to environmental benefits; it must raise industry standards by applying an innovative solution.

**Example project**

In the year 2008, the NIB provided a €28 million loan to Ukraine’s Alchevsk steelworks to become self-sufficient in electricity supply and cut its greenhouse gas emissions by an amount comparable to those of a large European city.

**Application procedure**

Applications for loan should be directed to NIB’s Lending Department (see contact details). There are no standard forms for a loan application.

**Contact information**

NIB Lending Department  
Harro Pitkänen, acting head of lending  
Tel: +358 10 618 0246  
E-mail: harro.pitkanen@nib.int  
Website: www.nib.int

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### 6. Global Climate Partnership Fund

**Donor description**

The Global Climate Partnership Fund (GCPF) is a Luxembourg based investment fund which provides financing for sustainable energy projects in emerging and developing markets. It can provide commercial funding to local financial institutions or (co)-invest directly into energy efficiency or renewable energy projects in the public and private sector.

**Eligible sectors**

Energy efficiency (minimum savings of 20%), renewable energy.

**Eligible technologies**

The Fund will only consider commercially proven technologies (e.g. solar, wind), other technologies require approval on bankability by a qualified third party.

**Funding info**

<table>
<thead>
<tr>
<th>Minimum loan amount</th>
<th>$ 5 million in most cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum loan amount</td>
<td>$ 30 million</td>
</tr>
<tr>
<td>Maximum share percentage</td>
<td>n/a</td>
</tr>
<tr>
<td>Interest rate</td>
<td>Not specified</td>
</tr>
<tr>
<td>Maturity period</td>
<td>Up to 15 years</td>
</tr>
</tbody>
</table>

**Information required for application**

Depends on individual project; typically required project information include description of involved parties / sponsors, current development status, contracts in place (e.g. offtake, EPC, O&M, land rights...), anticipated
energy savings / energy production, project economics, compliance with applicable social and environmental standards.

For more specific information please contact the GCPF (see contact details).

Application procedure

If you are interested in obtaining GCPF finance, please contact the Fund by e-mail.

Contact information

E-mail info@gcpf.lu
Website www.gcpf.lu

7. Dutch International Guarantees for Housing (DIGH)

Donor description

DIGH is a Dutch organization that makes affordable housing possible for people with low incomes in developing countries and countries in economic transition, such as Ukraine. In Ukraine, DIGH also funds the construction of- and renovation into energy efficient buildings.

Eligible sectors

The housing sector

Eligible technologies

Construction of energy efficient buildings and energy efficient renovation: insulation of the outside walls, installation of energy metres, electric boilers, hot water and central heating boilers and renovation of inside plumbing pipes.

Funding info

DIGH can act as an intermediary between your organization, a bank and a Dutch guarantee provider willing to guarantee your loan.

<table>
<thead>
<tr>
<th>Minimum loan amount</th>
<th>There is no specific minimum amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum loan amount</td>
<td>Over €2 million</td>
</tr>
<tr>
<td>Maximum share percentage</td>
<td>75% of the project costs</td>
</tr>
<tr>
<td>Interest rate</td>
<td>Equal to the interest from the necessary bank loan plus a surcharge for DIGH’s services</td>
</tr>
<tr>
<td>Maturity period</td>
<td>Up to 30 years</td>
</tr>
</tbody>
</table>

Depending on the amount of the loan, DIGH charges a commission, ranging from 3% to 5% of the loan amount. For more specific information visit the website: http://www.digh.nl/content/provisie.

DIGH assesses the application using its own mathematical model and data provided by the applicant. DIGH assesses whether the organisation has sufficient experience in the area of real estate management, and examines the results achieved.

Information required for application

To be eligible for financing, the project must meet the following criteria: 1. the loan must be used to develop new real estate or improve existing real estate for the purpose of public housing; 2. the project must be aimed
at a specific income group. As a guideline, at the start, the monthly rent may not exceed 1/3 of the monthly income of the intended residents; 3. The project must show a positive net cash value over the entire term of the loan. For more specific info visit the DIGH website.

**Example project**

DIGH co-funded a project in Nizhyn, Ukraine, concerning the renovation of two high-rises with a total of 294 flats with an emphasis on energy saving measures.

**Application procedure**

To apply for a loan, please fill in the application form by visiting the following web page:

http://www.digh.nl/content/aanmeldingsformulier_financiering

**Contact information**

Tel: +31 (0)35 - 6268383  
E-mail: info@digh.nl  
Website: www.digh.nl

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**8. World Bank – IFC Subnational Finance**

**Donor description**

The Subnational Finance Department is a combined initiative of the World Bank and the International Finance Corporation (IFC). It provides states, provinces, municipalities, and their enterprises with financing and access to capital markets, without sovereign guarantees.

**Eligible sectors**

Energy Efficiency; power; gas distribution; district heating; water and wastewater management; transport; solid waste; other essential public services. Municipal, provincial, regional or local governments and their entities are eligible for financing.

**Eligible technologies**

Not specified

**Funding info**

<table>
<thead>
<tr>
<th>Minimum loan amount</th>
<th>Not specified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum loan amount</td>
<td>Not specified</td>
</tr>
<tr>
<td>Maximum share percentage</td>
<td>Not specified</td>
</tr>
<tr>
<td>Interest rate</td>
<td>Not specified</td>
</tr>
<tr>
<td>Maturity period</td>
<td>Not specified</td>
</tr>
</tbody>
</table>

The Subnational Finance Department appraises risk according to a set of criteria that feed into its own scoring model. They include: 1. financial (predictability of cash flows to service debt without sovereign guarantee, debt capacity; 2. socio-economic (robust economic base) 3; Institutional (operational efficiency); 4. regulatory (market sophistication, degree of decentralization); 4. development Impact: (essentiality of investment, strong economic and poverty reduction benefits)

**Information required for application**

When submitting a request for financing, Please be sure to include the following basic information on the project: 1. name and location of the entity involved; 2. confirmation that the entity is authorized to borrow at
commercial terms, without sovereign guarantee; 3. a description of the proposed use of funds/investments; 4. the total costs of the investments; 5. the amount of financing requested; 6. timing of when the project is estimated to be initiated and completed; 7. names of any other parties already involved, such as financial institutions or construction firms

### Application procedure

If you are interested in financing a subnational project, you can submit your inquiries through e-mail or fax. Please make sure to include the words “Request for Financing” in the subject line of your e-mail, or at the top of the fax, and include your contact information.

### Contact information

| Fax: | (202) 974-4310 |
| E-mail: | subnationalfinance@ifc.org |
| Website: | http://www.ifc.org/subnationalfinance |

### 9. U.S. Agency for International Development (USAID)

#### Donor description

The U.S. Agency for International Development (USAID) is an independent agency that provides economic, development and humanitarian assistance around the world in support of the foreign policy goals of the United States.

#### Eligible sectors

Beneficiaries are municipalities and NGO’s

#### Eligible technologies

Technologies concerning: energy efficiency, CO2 reduction, municipal heating

#### Funding info

USAID no longer posts solicitations for contract opportunities on the USAID website. Instead, these notices will appear on ‘www.grants.gov’. Please visit the Grants.gov website and sign up for email notifications.

#### Example project

Currently USAID supports a three-year Municipal Heating Reform Project (MHRP) in Ukraine. This $16 million USAID project aims to create a viable municipal heating sector that delivers reliable and efficient services to residents, public institutions and local industries. The project promotes creation of a financially viable and stable district heating sector that delivers reliable, quality services to the population, public institutions and local industries.

#### Application procedure

In order to apply for USAID funding, please review available announcements. These can be found on www.grants.gov

#### Contact information USAID/Ukraine

Development Outreach & communications

| Tel: | (38 044) 537-4600 |
| Ukraine website: | http://ukraine.usaid.gov |
| Global website: | www.usaid.gov |
10. World Bank

Donor description

The World Bank is a vital source of financial and technical assistance to developing countries around the world. The Bank consists of two development institutions owned by 187 member countries: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). The IBRD aims to reduce poverty in middle-income and creditworthy poorer countries, while IDA focuses on the world’s poorest countries.

The loan through Ukreximbank to other banks and financial institutions will finance investments in energy saving measures in industry, municipalities and public owned enterprises as well as ESCO’s

Eligible sectors

Almost all sectors are eligible for support

Funding info

The International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) provide average annual lending commitments for investment projects. These funds are used by recipient countries to purchase goods and equipment, construct civil works, and obtain the consulting services needed to implement these projects. Each project may involve many separate contracts and business opportunities for suppliers, contractors, and consultants worldwide. When pursuing business opportunities in projects financed by the World Bank, it is essential to understand that the implementing agency in the recipient country is responsible for procurement. All contracts are between the borrower (usually the government department that is its implementing agency) and the supplier, contractor or consultant. The Bank’s role is to make sure that the borrower’s work is done properly, that the agreed procurement procedures are observed, and that the entire process is conducted with efficiency, fairness, transparency and impartiality.

Example project

In May 2011 the World Bank approved the funding of a $200 million Energy Efficiency program contributing to improved energy efficiency by industrial and commercial companies, municipalities, municipal sector enterprises and energy service companies by facilitating sustainable financial intermediation for the financing of energy efficiency investments.

Application procedure

Contact the local office for more information

Contact information

The World Bank Office in Kiev
Tel: (380 44) 490-6671
Fax: (380 44) 490-6670
Email: ukraine@worldbank.org

11. Demo UkrainaDH (Eastern Europe Energy Efficiency and Environmental Partnership Program, ESP)

Donor description

The facility has been established by NEFCO and Sida, in cooperation with the Ministry of Regional Development, Construction and Municipal Economy. The Facility is supported by the Eastern Europe Energy

| Eligible sectors |
| --- | |
| The project owner should be a public organization, owned by the state, region or municipality and has to operate in a city with as a minimum 100 000 inhabitants. |
| The funding support to investments can only be given to the project owners, publicly owned Ukrainian District Heating entities. Funds from ESP will be used to address long term problems, such as market failures, regulation and behavioural and motivation barriers. Efforts will target demand side factors, like tariff structure and instalment of metering and control systems. Grants can also be directed to municipal infrastructure investments, if they address market failure and allow utilities to meet high energy or environmental standards, while respecting affordability constraints. |

| Funding info |
| --- | |
| The objective of the funding facility DemoUkrainaDH is to support the development and funding of environmental sustainable and energy efficient demonstration projects in Ukraine’s district heating sector. The facility can provide the following support: |
| - Capital expenditure grant funding up to a maximum of 50% of the total external funding but not exceeding MEUR 0.3 per intervention |
| - Credit funding to a maximum of MEUR 0.4 per intervention, against e.g. municipal guarantee with an interest rate of 6% and a payback period of 4 years. Additional conditions will be applied. |
| - Technical Assistance (TA) as an important tool to enable projects. |
| The demonstration projects should be build on well known and proven technology and should be cost efficient. The project should lead to an increase in energy efficiency with minimum 30% reduction of energy consumption and needs to be environmentally sustainable. The project needs to be replicable and should involve consumers in planning and preparation. |

| Example project |
| --- | |
| Typical demo projects address to demonstrate how to solve the most serious problems of the district heating sector in Ukraine (technical inefficiency and insufficient financial viability of the district heating supply) in a small or medium-sized scale replicable scale in larger scale. Typical projects can demonstrate improvements of the efficiency of egneration, transmission and distribution of district heating and can demonstrate demand side energy savings potential. |
| Following typical investment in district heating systems could be appropriate for funding: |
| - installation of individual substations with heat meters and control equipment |
| - replacement of 4 pipe systems |
| - introduction of renewable fuels |
| - replacement of district heating pipe lines |
| - small scale CHP to replace the heat only boilers. |

| Application procedure |
| --- | |
| Publicly owned district heating companies in Ukraine can submit Indications of Interest to the Ukrainian Coordinator in the Ukraine Ministry of Regional Development, Construction and Municipal Economy. Contact for further information [http://demo-dh.org.ua](http://demo-dh.org.ua) |

| Contact information |
12. KfW

Donor description

KfW is Germany’s leading development bank and is an integral part of KfW Bankengruppe. Our main client are German Ministries but the European Commission and the governments of other countries also commission us to implement their development cooperation programmes and projects. KfW Entwicklungsbank has been active in Ukraine since 1992, within the framework of the TRANSFORM-programme. Since 2003, KfW Entwicklungsbank has been implementing financial cooperation (FC) projects in the finance and energy sectors as well as in social and public infrastructure. By the end of 2010, the German Federal Ministry for Economic Cooperation and Development (BMZ) had committed over 120 million euros for these investment projects. KfW Entwicklungsbank also works on behalf of the Federal Environment Ministry (BMU) in the areas of energy efficiency and environmental protection.

Eligible sectors

Today KfW Entwicklungsbank is mainly financing investments in the area of power transmission with regional relevance as well as investments in public infrastructure facilities in Ukraine.

Funding info

The bank is a one-stop financing source for your project. In some cases a KfW loan can cover only part of your financing needs.

Example project

Public infrastructure facilities in Ukraine, particularly water supply, sewage disposal and district heating systems, are in an extremely precarious state. Since gaining independence just 20 years ago, virtually no investment has been made in facilities renewal. On behalf of the German government, KfW Entwicklungsbank is providing 23 million euros for investments in public infrastructure.

Application procedure

The application always has to be submitted before the start of a project (for example before the first binding contract/order or the conclusion of a purchase agreement) because debt restructurings and ex-post financings are not possible. Contact the e-mail address mentioned below.

Contact information

Email: info@kfw-entwicklungsbank.de
Website: http://www.kfw-entwicklungsbank.de/ebank/EN_Home/Countries_and_Programmes/Europe/Ukraine

13. Useful links and National Funds
1. **INOGATE**

The INOGATE Programme is an international energy co-operation programme between the European Union and the Partner Countries, including Ukraine. They have agreed to work together toward achieving the following four major objectives: 1. Converging energy markets on the basis of the principles of the EU internal energy market taking into account the particularities of the involved countries; Enhancing energy security by addressing the issues of energy exports/imports, supply diversification, energy transit and energy demand; 3. Supporting sustainable energy development, including the development of energy efficiency, renewable energy and demand side management; 4. Attracting investment towards energy projects of common and regional interest.

Website: www.inogate.org

2. **ENPI**

The European Neighbourhood and Partnership Instrument (ENPI) is the financial instrument which supports the ENP (European Neighbourhood Policy) through concrete assistance actions. The ENP is a broad political strategy which has as the objective of strengthening the prosperity, stability and security of Europe's neighbourhood in order to avoid any dividing lines between the enlarged EU and its direct neighbours.

Website: http://ec.europa.eu/world/enp/index_en.htm

3. **GTZ - GIZ**

GTZ - GIZ, acting on behalf of the German Federal Government and other clients, supports partner countries in implementing the Framework Convention on Climate Change, which aims to reduce emissions of greenhouse gases and to adapt to the consequences of climate change. In addition, GTZ implements climate policy guidelines through a wide range of practical measures in partner countries.

Website: www.giz.de

4. **EUEA**

EUEA is an NGO in a form of Association, combining it’s members expertise on a number of issues related to Energy Efficiency and renewable energy sectors. The Members of EUEA include the representatives from business (equipment manufacturers, consultants, technical experts etc), as well as Honorary Members who consist of representatives of Ukrainian governmental authorities, scientific and research institutions. Their wide network allows them to access information within the market in an efficient way, and establish the needed contacts. In General, the purpose of EUEA is to become a platform for the dialogue of governmental authorities and business community both within Ukraine and on the Ukraine-EU level.

Website: www.euea-energyagency.org

5. **NAER**

National Agency of Ukraine on Ensuring of Efficient Use of Energy Resources (NAER) is a central authority of executive power with special status which activity is directed and coordinated by Cabinet of Ministers of Ukraine. It’s main tasks are: carrying out of unified state policy in the sphere of efficient utilization of energy recourses and energy-saving; providing share increase of alternative types of fuel in the demand and supply balance of energy carriers; creation of state system monitoring production, consumption, export and import of energy carriers, improvement of system of calculation and control of energy carriers consumption; providing of functioning of unified system for regulation of considerable expenditures of energy recourses in social production.

Website: http://naer.gov.ua/en/

6. **EECU**

EECU is a voluntary NGO, created to facilitate the promotion of energy efficient principles among member municipalities. Their focus is transforming existing local economies into sustainable communities with an
emphasis on information, exchange of useful ideas and experience, new technologies and managerial know-how in resource allocation. They work with key stakeholders on a local level to help communities achieve energy security, preserve the environment, improve local quality of life and continue along the path of sustainable development.

Website: [http://www.enefcities.org.ua/](http://www.enefcities.org.ua/)

**7. Sida**

Sida is a government organization under the Swedish Foreign Ministry. Swedish development aid follows three thematic priorities; democracy and human rights, environment and climate change and gender equality and women's role.

Website: [http://www.sida.se/English](http://www.sida.se/English)

**8. State Fund for Assistance to Local Self-Governance in Ukraine**

This is the contest of projects and programs developed and submitted by local authorities annually from 1 February to 15 June. The contest is funded from the state budget and from other sources not prohibited by Ukrainian legislation. It is oriented on resolving the pressing problems of local government and spreading best practices gained during their implementation.

The contest was launched in 2002 by the Decree of the President of Ukraine as of October 28, 2002 № 952/2002 "On the Ukrainian contest of local government's projects and programs" and the Decree of the Cabinet of Ministers of Ukraine of January 18, 2003 № 64 "On approval of the Ukraine projects and programs development of local self-government. " The reason for the announcement of competitive selection in 2012 is the decision of the Content Pannel as of January 17, 2012.

Prospective participants are local authorities, who are duly registered design or application of administrative and territorial unit.

Local government - candidates to participate in the contest - submit to the Contest Directorate (State Fund for Local Self-Government in Ukraine, 01133 Kyiv, Lesya Ukrainian, 26, block "A" room 709):
- application for participation;
- the original project (program), two hard copies and electronic version of the project (program)
- a copy of the decision of the local authority to approve the project (program).

Registration of projects and programs are conducted on daily basis from 09 -00 to 18-00.

Telephone Direction: (044) 285-77-58, e-mail: fond713@ukr.net

Website: [http://municipal.gov.ua/](http://municipal.gov.ua/)

**9. Ministry of Regional Development, Construction and Housing and Municipal Economy of Ukraine**

**Working Group on Coordination of International Technical Assistance Projects and Programs**

On 9 February 2012, a statutory meeting of the Working Group on Coordination of International Technical Assistance Projects and Programs was held at the Ministry of Regional Development, Construction and Housing and Municipal Economy of Ukraine. The meeting, chaired by Minister Anatoliy Blyzniuk, was attended by about 40 representatives from international organizations and projects. The ways in which the Ministry and donor organizations can work together in the areas related to energy, water and other utilities were discussed. As a result of the meeting - Ministry issued an order about establishment of permanent working group to coordinate international technical assistance projects and programs related to housing and communal services in municipalities.