Press Release

EU4ENERGY Organized a High-Level Conference on Unlocking Energy Efficiency Potential in Armenia

Date: 8 November 2017

Time: 9:30 – 16:30

Venue: Double Tree by Hilton Hotel, Yerevan, Armenia

Agenda: attached

The EU Delegation in Armenia in cooperation with the EU4Energy Program implemented by the Energy Charter Secretariat held a High-level Conference on Unlocking the Energy Efficiency Potential for Armenia’s residential and public buildings sector. The conference was meant to generate a high-level dialogue on this topic with the ministries, donors, international financial institutions, representatives of the private and public sectors, as well as technical experts from NGOs and academia.

Energy Efficiency is very high on Armenian Government’s list of priorities. The 2nd National Energy Efficiency Action Plan (NEEAP) adopted by the Government of Armenia in February 2017 targets to reduce Armenia’s baseline energy consumption by 20% (from 2010-2012 levels). 63% of energy efficiency improvement measures in the NEEAP contributing to this target are for the residential and public buildings. This will bring down the baseline energy consumption in the buildings sector by 30%.

Energy efficiency has also been ranked as high priority for cooperation with the Eastern Partnership Countries at the Eastern Partnership Ministerial Dialogue in June 2017 in Chisinau, with participation from the Ministry of Energy Infrastructures and Natural Resources of the Republic of Armenia.

The gathered experts discussed the challenges that are hampering the achievement of this impressive target. The three discussion sessions collected the views from investment institutions, technical experts and implementing agencies in residential buildings and public institutions. Speakers shared their success stories and lessons learnt from ongoing programs, and each of them summarized the key challenges faced, as well as what operational actions and reforms are necessary for the players in this market to take to unlock the full market potential energy efficiency investments in this sector.

The event was organized in close cooperation with the Ministry of Energy Infrastructures and Natural Resources and was attended by high-ranking officials including Mr. Lawrence Meredith, Director Neighbourhood East, Directorate-General of Neighbourhood and Enlargement Negotiations (DG-NEAR) of the European Commission, Dr. Urban Rusnák and the Secretary General of the Energy Charter Secretariat.

The Participants agreed that the key challenges that Armenia is facing in unlocking the larger market potential for energy efficiency investments are:

1. The remaining regulatory and enforcement gaps in energy efficiency, building and housing management legislation;
2. Lack of tailor-made financing instruments for serving the needs of mixed-income multi-apartment buildings and poorly maintained public buildings;
3. Lack of incentives and targeted grant assistance necessary to ensure the economic viability of investments in energy efficiency, coupled with enhanced resilience and accessibility of buildings;
4. Insufficient technical and institutional capacities for designing and implementing energy efficiency projects, policies, investments, adequate procurement processes, etc.; and
5. Low level of awareness among all players in the field of energy efficiency from disparate government stakeholders, designers, contractors, developers to all groups of end-users.

After discussing the challenges and sharing lessons learned and success stories, the participants concluded that the recommended key actions for mobilizing energy efficiency investments in Armenia are the following:

1. continued efforts in further strengthening the legal and regulatory framework for energy efficiency in buildings by transposing the international best-practices, while ensuring the proper implementation and enforcement of the already adopted energy efficiency legislation. These technical and institutional capacity building for enforcing building energy codes, standards, certification, building energy performance evaluation, monitoring and verification, energy management, design of near-zero energy buildings, etc.

2. applying strategic approach in designing and operationalization of IFI financing in the buildings sector to serve the interlinked objectives of (a) enhanced energy efficiency; (b) capital renovation; (c) enhanced seismic resilience or accessibility of buildings; (d) integration of renewable energy technologies; (e) adequate grant co-financing to improve the economic viability of marginal investment projects.

3. improved inter-institutional coordination between the Ministry of Energy Infrastructures and Natural Resources, the State Committee for Urban Development, Ministries of Finance; Nature Protection; Territorial Administration and Economic Development as well as stronger stakeholders involvement in the process of legislation/regulations/standards development and update in building energy efficiency, housing, municipal budgeting, public procurement and other related legislative fields.

4. unlocking the market potential for residential energy efficiency in sustainable manner through (a) creating credit guarantees for housing management bodies; (b) creating institutional capacities for offering technical assistance in development of high-quality projects’ pipeline and streamlining investments in building energy efficiency; (c) developing tailor-made solutions for energy efficiency financing in residential buildings to overcome the barriers related to joint decision-making complexities; vulnerable household groups; and need for grant incentives for accelerating energy efficiency borrowing in multi-apartment housing; (d) continued efforts in awareness and outreach to help achieve long-term behavioural change.

5. Catalysing on the role of Local Governments and public institutions by leading by example by featuring model energy efficiency in public buildings. It is however also recognized that public institutions will need substantial financial and technical assistance support to endeavour for sub-sovereign borrowing.

The event conclusions and recommendations will be further circulated to all participants after the even. They will also be endorsed to the all major players in the energy efficiency field as joint guidance from partners and experts in the field for joint course of action to unlock Armenia’s market potential for greater energy efficiency investments.

For additional information, please contact:

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EU4ENERGY HIGH-LEVEL CONFERENCE
UNLOCKING ENERGY EFFICIENCY POTENTIAL IN ARMENIA

8 November 2017

FINAL VERSION

Double Tree by Hilton Hotel
Yerevan, Armenia

9:00 – 09:30 Registration and coffee

9:30 – 10:00 Opening remarks

- Mr Hayk Harutyunyan, Deputy Minister of Energy, Infrastructure and Natural Resources of Armenia
- Mr Lawrence Meredith, Director Neighbourhood East, DG NEAR, European Commission
- Dr Urban Rusnák, Secretary General, Energy Charter Secretariat
- Ms Thea Khitarishvili, Senior Manager, IEA for EU4Energy Programme, Global Energy Relations, International Energy Agency

10:00 – 11:30 Session 1: Mobilizing energy efficiency investments in Armenia – challenges, opportunities and key priorities

Moderator: Mr Lawrence Meredith, Director Neighbourhood East, DG NEAR, European Commission

Panellists:

- Mr Hayk Harutyunyan, Deputy Minister of Energy, Infrastructure and Natural Resources of Armenia – The National EE Policy Priorities
- Dr. Urban Rusnák, Secretary General, Energy Charter Secretariat – EU4Energy Program for Armenia
- Ms Thea Khitarishvili, Senior Manager, IEA for EU4Energy Programme, Global Energy Relations, International Energy Agency
- Mr Emil Zalinyan, Energy Specialist, World Bank – The WB investment programs in Armenia’s buildings sector: Social Investment Fund, Educational Programs, Health Sector Assistance
- Mr. Dmitry Mariyasin, Deputy Resident Representative, UNDP Armenia – Scaling up energy efficiency investments in Armenia: innovative models and lessons learnt
- Mr Armen Melikyan, Director, Renewable Resources and Energy Efficiency Fund (R2E2) – Current Bottlenecks in Energy Efficiency and Sustainable Energy Financing in Armenia
11:30 – 12:00  Coffee break

12:00 – 13:30  Session 2: Residential sector: Lessons learned and financing opportunities for investments in buildings

Moderator: Ms Astghine Pasoyan, EU4Energy Project Expert

Panellists:

- Mr Armen Martirosyan, Programme Analyst, UNDP in Armenia Sustainable Growth and Resilience Portfolio – the UNDP/GCF Program for De-Risking Investments in EE Buildings
- Ms Luiza Vardanyan, Executive Director, Habitat for Humanity Armenia – Current challenges and opportunities in Residential Energy Efficiency Investments (EC/AREEM, REELIH/USAID, Condo Projects)
- Solomiia Petryna, Principal Officer from GEFF, on behalf of European Bank for Reconstruction and Development – Current Residential EE lending Market
- Mr Sargs Sargsyan, Deputy Director General, Risk Management, ACBA Leasing – Banking view on Residential EE lending Risks and How to Manage them

13:30-14:30  Buffet lunch

14:30-16:00  Session 3: Public sector: Lessons learned and financing opportunities for investments in buildings

Moderator: Mr Armen Melkikyan, Director, R2E2

Panellists:

- Mr Tigran Sargsyan, Head of Department for Development and Investment Programs, Municipality of Yerevan – Yerevan SEAP and Building EE Priorities
- Ms Violaine Silvestro, European Investment Bank – EIB/E5P Program for EE Thermal Rehabilitation of Yerevan Public Buildings
- Mr Hrant Ter-Gabrielyan, R2E2 – WB Municipal Energy Saving Program in 200+ Buildings
- Mr Artem Kharazyan, National Expert in Armenia, EC "Covenant of Mayors East” Project - Public Building EE as a Priority in COM Signatory communities and their SEAPs
- Mr Hayk Galstyan, Armenian Territorial Development Fund, ADB Program for EE-integrated Seismic Reinforcement of Schools

16:00-16:30  Conclusions and way forward

Mr Hayk Harutyunyan, Deputy Minister of Energy, Infrastructure and Natural Resources of Armenia

Mr Laurence Meredith, Director Neighbourhood East, DG NEAR, European Commission