

DACO Project

*DACO Yes (Da) to the Covenant ('DACO') – Covenant of Mayors Going East –
Supporting the Participation of the Eastern Partnership and Central Asian Cities in the
Covenant of Mayors*

Project Launch Meeting
15 February 2012, Chieti, Italy

Opening Remarks by ECS Secretary General Amb. Urban Rusnák

Mr. President of the *Provincia di Chieti*, Ladies and Gentlemen, dear colleagues,

On behalf of the Secretariat and the Energy Charter as a whole, I thank you for joining us today to mark this very important milestone in the DACO project. It is a pleasure and an honour to see you all here.

Over the last thirteen years the Energy Charter Secretariat has been promoting energy efficiency policies consistent with sustainable development on the legal basis of the Protocol on Energy Efficiency and Related Environmental Aspects. The Protocol is signed by 51 states plus the European Union. It has been ratified by 46 states and entered into force in April 1998.

Over recent years the Secretariat has been gathering detailed knowledge and know-how on the energy reality and policies of the countries of Eastern Europe, Balkans, Central Asia and the Caucasus, while giving due attention to other countries of our constituency. As part of our work, we produce recommendations to these nations on specific energy efficiency policies, energy-related institutional framework, markets and funding.

Among other reports, the Energy Charter Secretariat has prepared Reviews on Azerbaijan (2001), Belarus (2004), Italy (2008) and Kazakhstan (2006). This year we are developing two In-depth Reviews on Energy Efficiency Policies and Programmes of Belarus and Azerbaijan and planning to do the same for Kazakhstan and Tajikistan in 2013.

The in-depth country reviews show that problems often occur in implementing energy efficiency measures because of a loop in decision making. This loop exists between the central and local authorities. It has been most evident in those countries where the local administrative authorities are appointed by the central power and not elected locally. While the local authorities are awaiting a national action plan for energy efficiency to enable them to act at local level, the central administration waits for local suggestions on energy efficiency measures. The result is that decision making is trapped in this vicious cycle and no progress is made. Implementation of energy efficiency is much enhanced if local authorities have the capacity to analyse the needs for energy efficiency. These needs can then be presented in terms of project priorities to the central authorities, and to international financial donors. In the last year the Secretariat has begun to reflect on how to enhance the implementation of energy efficiency activities at local level. The DACO project is the first attempt to answer this question in a proactive manner. It brings together international cooperation and implementation of energy efficiency at local level.

I would like to thank the Chieti province and ALESA (Local Energy Agency of the Province of Chieti) for giving the Energy Charter Secretariat this opportunity. Likewise, I would like to thank the representatives of Taraz city and Zhambyl district (Kazakhstan), Somoniyon city

and Rudaki district (Tajikistan), Sumgayit city (Azerbaijan) and, last but not least, Novogrudok city and region (Belarus), who have each agreed to participate in this project.

We in the Energy Charter Secretariat believe that now is the moment to start implementing concrete actions at local level and to benefit from the extensive knowledge of our respective organisations. For that we have designed a project which we believe is capable of bringing together local communities, local experts, energy managers and auditors, energy-efficient equipment manufacturers and suppliers, international financial organisations and local and central administration.

We are well aware that although the motivation of the different DACO participants is very high and that promising scenarios of high economic growth in this geographic region are in place, the practical difficulties may be hard to overcome. We realise that we will most likely face situations of fuel poverty, poor living conditions, lack of sustainability-lead initiatives and plans as well as strong administrative inertia. The consequence of this is a mindset that regards energy difficulties as inevitable and linked to consumption and to price.

Apart from the ultimate target of curbing CO₂ emissions, the purpose of the DACO project is to pave the way for new investments in energy efficiency, renewable energy and the implementation of strategies for energy conservation, rational use of energy and energy management in the most consuming local-level economic activities.

I would also like to mention that the Energy Charter Secretariat has taken the opportunity to get involved in the DACO project for several reasons:

- Firstly, to assist the needs of the local communities of our constituency;
- Secondly, because we believe we can be of help in listing cost-effective priorities in energy efficiency;
- Thirdly, the cost of energy efficiency is very often heavy on upfront capital. Consequently, we believe we can provide assistance in finding financial resources.

The context within which the DACO project is being developed is the extension of the successful Covenant of Mayors initiative of the European Commission into the international arena, particularly to the Caucasus and Central Asia. The Energy Charter Secretariat would like to assist in the achievement this objective. Ultimately, we wish to provide a means for knowledge transfer and training of local experts, as well as facilitating financing of real sustainable energy investments locally.

I would also take this opportunity to thank the European Commission for the trust and the co-funding of this project. We believe that we share a great responsibility, however, we believe we have the necessary means to successfully meet this major challenge.

I thank you for your attention.