Session 1:
Policy pathways in support of EE&RE deployment: barriers, solutions and lessons learned

The imperative for investment-grade policy
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EBRD’s operational approach

Projects across SEI areas

Working with governments to support development of strong institutional and regulatory framework that incentivises sustainable energy

Technical assistance to overcome barriers: market analysis, energy audits, training, awareness raising, grant co-financing to provide appropriate incentives and address affordability constraints
Donor Funding

The Global Environment Facility (GEF) was established in 1991 as a pilot programme to promote environmental and sustainable development and to cover incremental costs associated with introducing global environmental benefits to local and regional projects. Since it was founded, the GEF has undergone five replenishments to its trust fund. It is now a partnership between 183 countries, international institutions, non-governmental organisations (NGOs) and the private sector.

The facility provides grants for projects in six focal areas: biodiversity, climate change, international waters, land degradation, the ozone layer, and persistent organic pollutants. The EBRD, as one of the GEF implementing agencies, has been receiving project-specific technical assistance, project preparation grants and grant co-financing through the facility since 2004 in two key areas: water and climate change mitigation and adaptation.
EBRD policy experience on the ground
Ukraine residential EE policy to finance
EBRD policy experience on the ground
Kazakhstan renewable energy
Lessons learned

- Linking energy efficiency and RES policy to investments is key:
  - Clear goal
  - Helps measure impact
  - Credibility

- Practical lessons for effective sustainable energy policy dialogue
  - Building trust => client defines needs
  - On-the-ground presence
  - Managing expectations
  - Donor co-ordination
  - Policy ‘absorption’ capacity
## Criteria for selecting FinTECC policy intervention

### PATHWAY TO INVESTMENTS
- **Business opportunity**: Does the approach lead to creating new investment opportunities for EBRD?
- **Economic cost-effectiveness**: Does the approach create incentives for investment and innovation toward technology deployment and transfer?
- **Environmental effectiveness**: Does the approach lead to the desired environmental improvements, such as reduced emission, reduction in waste generation, increased waste recycling?

### EBRD MANDATE
- **Transition**: Does the proposed approach is in compliance with the EBRD transition agenda? Does it address transition challenges identified in the country and/or sector?
- **Additionality**: Does the EBRD's presence helps to address the imperfections of markets?

### TRACKTABILITY
- **Applicability**: What type of interventions are locally practical and affordable?
- **Implementation**: Are the relative costs and benefits of the proposed approach relatively easy to assess and the legal requirements for introducing the new instrument reasonable?
- **Administrative cost-effectiveness**: Are special skills or resources required for successful implementation of the approach?

### POTENTIAL FOR IMPACT
- **Demonstration effect**: What will be the impact of the proposed approach on the market? Does the proposed approach have the potential to result in sufficient short-term improvement to motivate government/industry to undertake commitment to pursue the proposed policy intervention?
- **Replicability**: Will the proposed approach encourage greater private sector participation?
- **Economic impact**: Does the proposed approach encourages industrial development and employment generation?
Replicability

- The EBRD operational approach works and is replicable.
- Good policy is investment-grade policy