



## Introduction to E5P

### 11<sup>th</sup> EaP Platform III on Energy Security, 23 June 2014, Brussels

This Partnership is Implemented by the following Implementing Agencies



This Partnership is Implemented with Contribution to the Fund from



# Energy Security a top priority

## ■ Joint Declaration at the Vilnius Summit, Nov. 2013

- Heads of State or Government representatives both from EaP and MS together with EU met to discuss the Eastern Partnership's future.
- In Declaration: Sector Cooperation - E5P is highlighted
- “the Participants welcomed the decision to expand the E5P to cover Armenia, Georgia, Moldova in addition to Ukraine”
- “and support the closest involvement in the Covenant of Mayors”

# E5P Objectives and characteristics

- Multi-Contributor Fund
- Pooling funding
  - Energy Efficiency projects
  - Environmental projects
  - Reduce CO<sub>2</sub> emissions and other GHG
- Investments Grants mainly, but also TA grant
- Region: initial focus was Ukraine...
- Dec 2012: Unanimous decision to expand to other countries within Eastern Partnership area: Armenia, Azerbaijan, Georgia, Moldova
- Pledging Conference for Armenia, Georgia and Moldova Oct. 2013: pledges of appr. EUR 20M per country received
- New recipient country contributes with EUR 1M each
- EU is the main Contributor to E5P



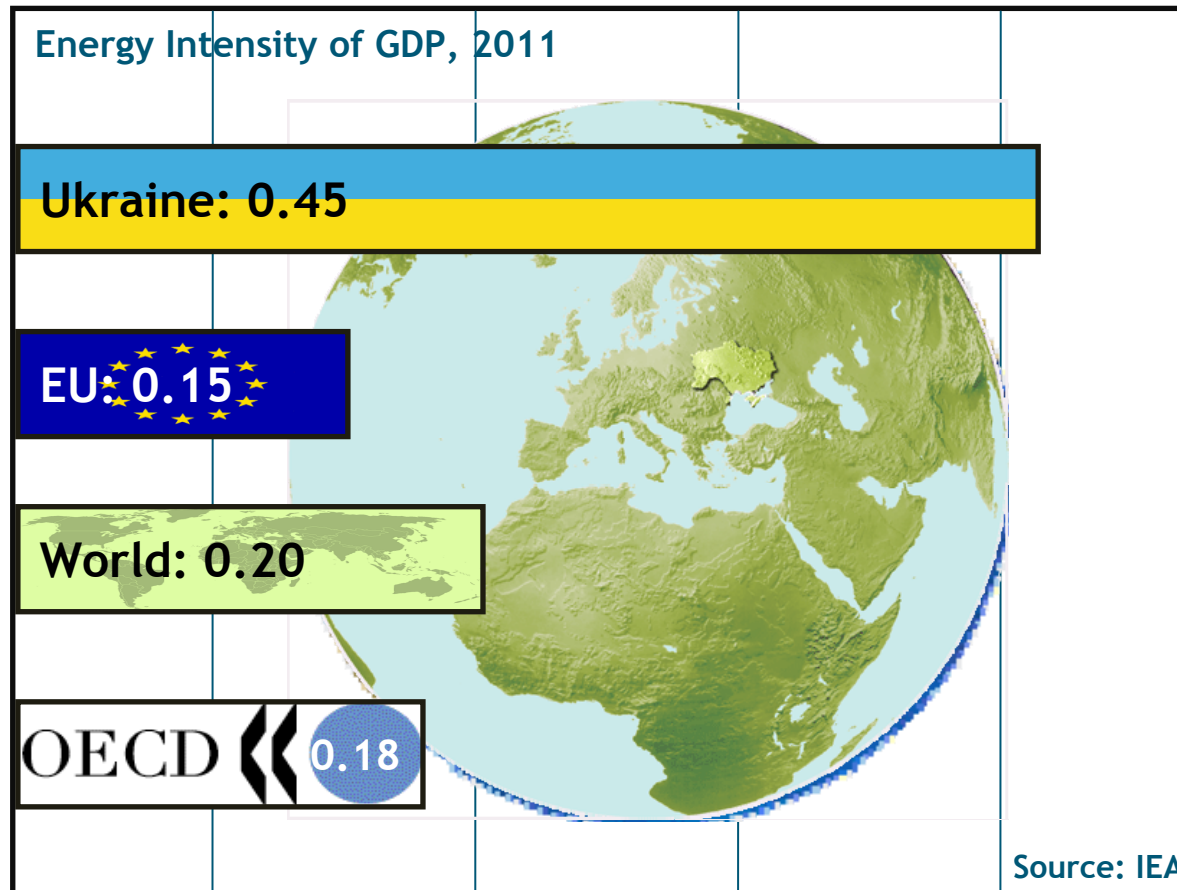
# E5P sectors and characteristics

- **Typical projects**

- District Heating
- Water and Wastewater
- Projects to improve EE in Public Buildings
- Solid Waste Management
- Street lightning
- Projects to improve sustainability in municipal and transportation infrastructure.

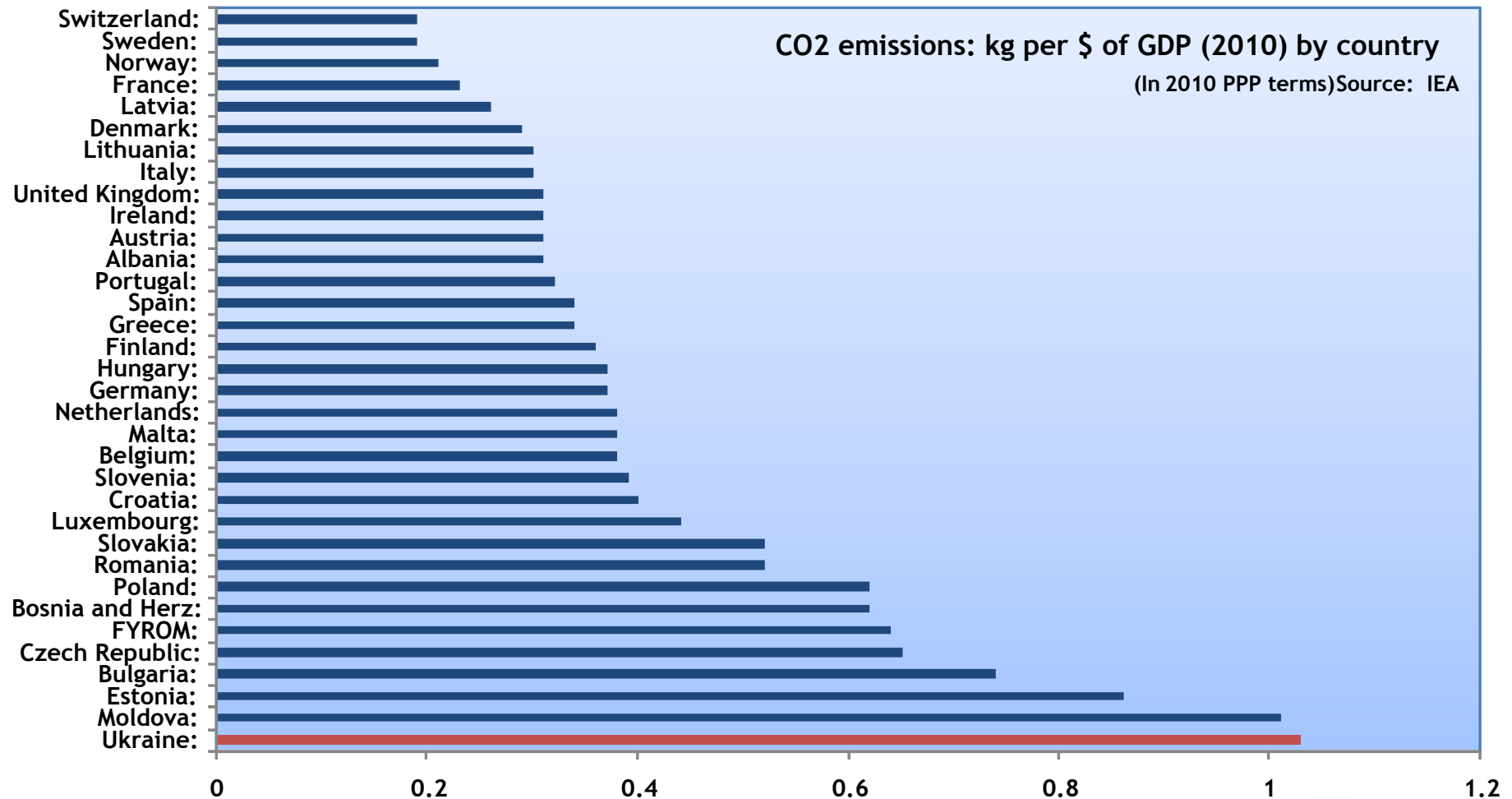
# Ukraine: High Energy Intensity

- Ukrainian energy use is currently 3 times higher than the EU average per unit of GDP

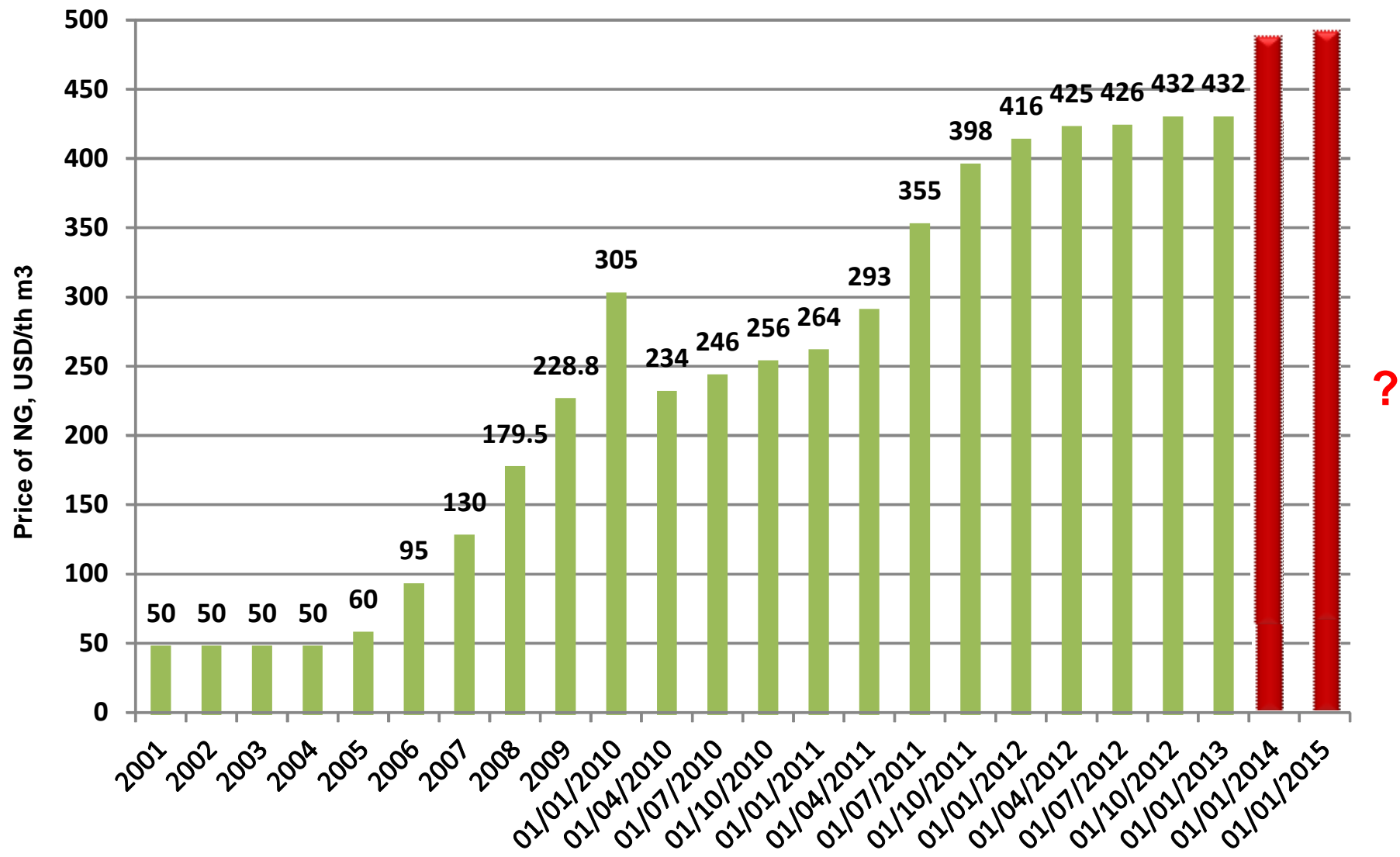


# Ukraine: High CO<sub>2</sub> emissions

- Ukrainian CO<sub>2</sub> emissions per unit of GDP are the highest in Europe



## Natural Gas Price development, Ukraine Domestic Market



# Structure of Projects within the E5P Partnership

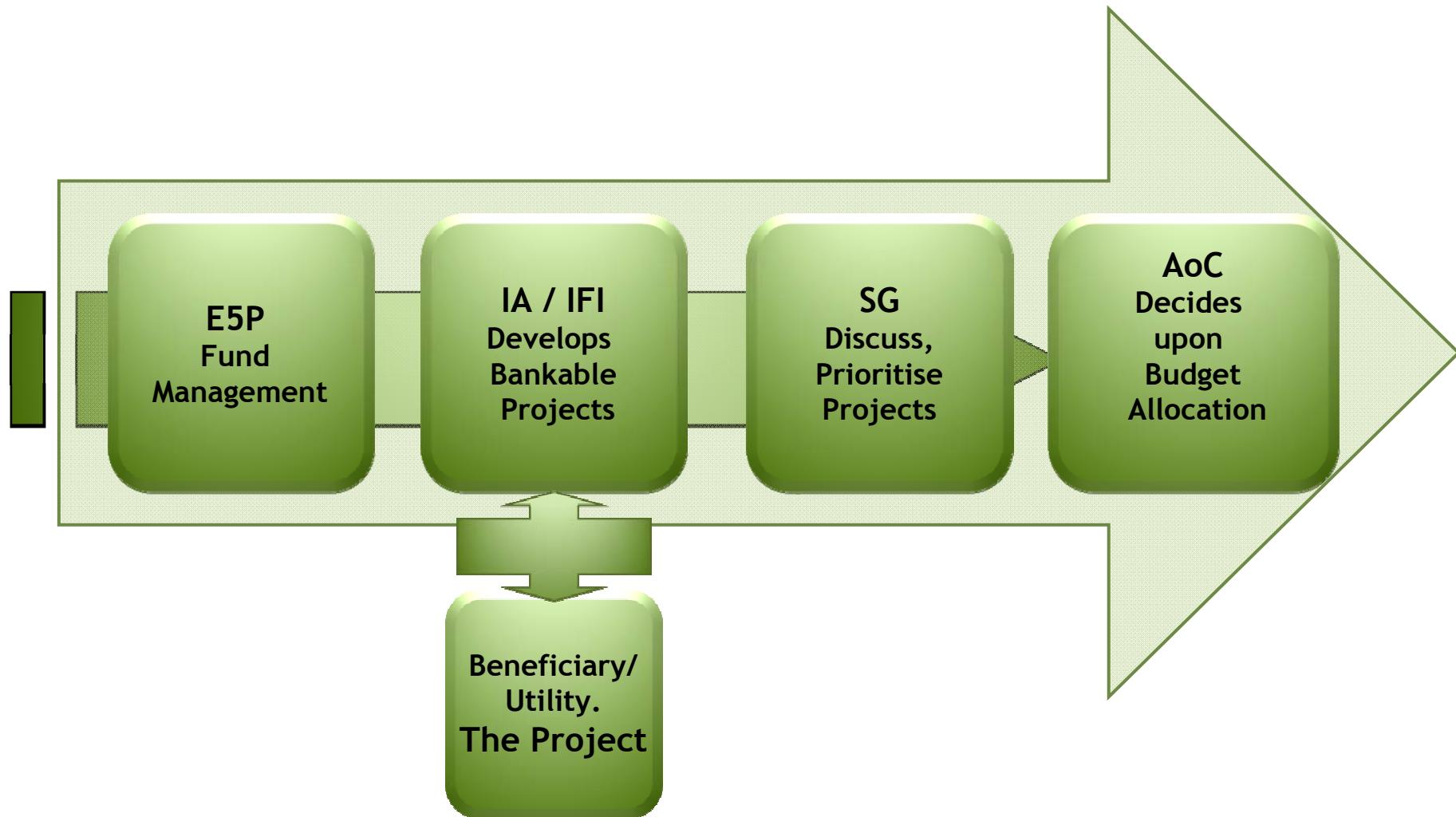
E5P will only participate as Co-Financier of Grants together with any of the Implementing Agency's



**M€15**



# Partnership and Cooperation



## E5P Contributions as per May 31, 2014

Contributor	Pledged	Paid in
Denmark	5,000,000	5,328,428
Estonia	160,000	128,000
EU	40,000,000	40,000,000
Finland	2,000,000	2,000,000
Iceland	56,842	56,842
Latvia	50,000	30,000
Lithuania	28,962	28,962
Norway	5,000,000	5,897,917
Poland	915,106	915,106
Sweden*)	24,000,000	25,466.750
Ukraine	10,000,000	6,000,000
USA	5,325,000	3,431,707
<b>Total, Euro</b>	<b>92,535,910</b>	<b>89,193,712</b>

\*) Whereof 1,150,700 Euro allocated for Expansion countries

# Future steps with Approved and signed projects

May 31, 2014

Project	IA	Investm MEur	Loan MEur	E5P Grant	Status
Mykolaiev Vodokanal Project	EIB	40	15.54	5.1	Ongoing
Zhytomyr District Heating Project	EBRD	16	10	5	Implement
DemoUkraina	Nefco	14.5	4	0.5	Implement
Ternopil District Heating Project	EBRD	16.1	10	5	Mun Guarantee to be signed
Zaporizhzhya Energy Efficiency Project	EBRD	9	6	2	Est Signing Q4 2013
Lviv District Heating Project	EBRD	31	21	10	Implement
Pilot project in Public Buildings, ESCO type	EBRD	22.5	20	2.5	Implement
TA to The Regulator Tariff Commission	<u>WB</u> /EBRD			1.65	Est Signing Q4 2013
DemoUkraina II	Nefco	10	4	0.4	Signed
EPC in Public Buildings, Kiev	Nefco	9.3	5	1.5	Signed
EE in Public Buildings, Zhytomyr	Nefco	4.7	3	1.35	Signed
<b>Total Approved &amp; Signed Meur</b>		<b>173.1</b>	<b>98.54</b>	<b>35</b>	

Appr 1:5



# Future steps with Approved NOT signed projects Indicative Figures Only

Project	IA	Investment MEur	Loan MEur	E5P Grant	Presented
Donetsk City District Heating	EBRD	20	15	5	March 30, 2012
Donetsk City District Heating II	Nefco	6.5	4	2.5	March 30, 2012
Luhansk TKE	EBRD/NEFCO	30	24	6	March 30, 2012
Kryvyi Rih Teplomerezha Project	EIB	40	20	9.5	March 30, 2012
Severodonetsk District Heating	Nefco	6	4	2	March 30, 2012
<b>Total Approved NOT Signed</b>		<b>102.5</b>	<b>67</b>	<b>25</b>	

<b>Total Approved</b>		<b>275.6</b>	<b>165.54</b>	<b>60</b>	
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# Pipeline, Projects Presented for Information

Indicative Figures Only

Project	IA	Investment MEur	Loan MEur	E5P Grant	Presented
Donetsk Oblast DH Project	EBRD	32.2	21	10	Apr 21, 2011
Lviv Digester Project	NIB	19	11	2.5	Apr 21, 2011
Cherkassy TKE	EBRD	17.5	13	4.5	March 30, 2012
Kharkiv VK Project	TBC	10			March 30, 2012
Poltava	EBRD	16	10	5	April 30, 2013
Multi-Family Residential (CONCEPT)	IFC				Oct 21, 2013
<b>Total</b>		<b>217.2</b>	<b>137</b>	<b>52</b>	

		Investment MEur	Loan MEur	E5P Grant	
<b>Total Approved</b>		275.6	165.54	60	
<b>Pipeline</b>		94.7	55	22	
<b>Grand Total</b>		<b>370.3</b>	<b>220.54</b>	<b>82</b>	

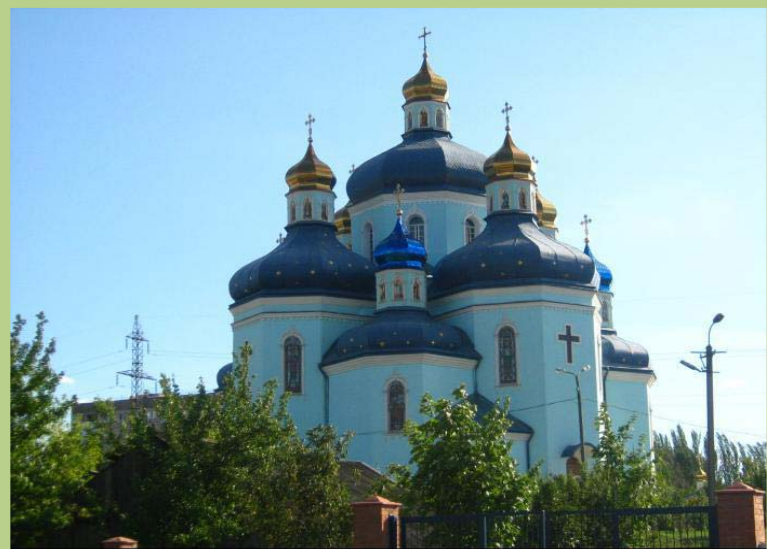
# E5P Benefits

- Enhance Economic Competitiveness for
  - Utility
  - Municipality
  - State
- Change of consumers consumption behaviour by Demand Side Investments
- Improved affordability and willingness to pay for services
- Climate Change Mitigation
- In total Positive
  - Financial
  - Economical
  - Operational
  - Environmental effects
- In line with EU - Eastern Partnership Objectives

# E5P Results and Savings so far, as calculated 15 projects

## Energy

- **Energy savings: ~306,753 MWh per year**  
= annual household electricity consumption of more than **225,000 average EU households**
- = city the size of 565,000 people (e.g. Rotterdam or Kryvyi Rih)



# E5P Results and Savings so far

..CO<sub>2</sub>



E5P



- **CO<sub>2</sub> savings: ~381,000 tonnes per year**  
= average annual CO<sub>2</sub> emissions from >220,000 passenger cars
- **Total CO<sub>2</sub> savings during project lifecycle: 5.7 million tonnes**  
= emissions from 1,000,000 passenger cars driving one lap each around the earth equator!



## Expansion, Way Forward

- Pledging conference with the potential Expansion countries arranged
  - Armenia
  - Azerbaijan
  - Georgia
  - Moldova
- Received a commitment of interest to participate from the countries
- Commitment that the countries also will participate as a Contributor to the Fund
- Signing of Contribution Agreements

## E5P - Summary

- Thematic initiative within the EU Eastern Partnership
- Proven to be a successful Multilateral Partnership within EE and Environmental municipal sectors
- Well coordinated IFI loans and E5P grants to the benefit of recipient countries and Contributors
- Proven Partnership amongst IFIs as well as amongst Contributors
- Ukraine: 16 projects have been approved within first 25 months
- Committed EUR 50M as investment and TA grant based on total projects size of EUR 220M
- Established a solid pipeline indicating an E5P need of EUR 52M
- Impressive Economical, Operational and Environmental impacts

## For further information on E5P, Contact

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# THANK YOU!

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