

Report

on the results of the Fourth CTI Capacity Building Seminar for CEE/FSU Countries: Climate Technology and Energy Efficiency – Challenges and Chances for Climate Technology organised by the Federal Ministry for the Environment, the Environmental Federal Agency, the Environmental Policy Research Centre of the Free University of Berlin and ITUT e. V. the Association for the Promotion of International Environmental Technology Transfer, September 20 – 24

1 This year again, 58 Experts from Albania, Armenia, Azerbaijan, Belarus, Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Latvia, Lithuania, Macedonia, Moldavia, Poland, Romania, Russian Federation, Slovakia, Slovenia, Ukraine and Uzbekistan and from several OECD/IEA countries met in the castle of Tutzing to discuss the problems of

- climate protection and flexible mechanisms
- energy efficiency
- policy instrumentation of climate protection targets
- energy conservation technologies,
- building retrofits.

2 The seminar continued to support networking among existing energy saving agencies, energy efficiency centres and other institutions actively promoting the rational use of energy. The diffusion of best practice experiences into policies and measures is a very substantial additional target. As in 2002, representatives of energy efficiency centres, administrations and other relevant institutions from transition countries participated with great interest and expressed their opinions and experiences.

3 The seminar was focused on the exchange of best practice experience with both energy efficiency projects and policies and measures with regard to climate protection in CEE and FSU countries.

4 During the seminar, the following issues were discussed in particular:

- **Emissions trading**
- **Joint implementation and Clean Development Mechanism**
- **Incentive schemes for Renewables**
- **Combined heat and power generation**
- **Building renovation and employment effects**

5 Conclusions

- Emissions trading was rated as a very appropriate tool to do business between countries in transition and OECD countries. These instruments should be developed very fast to use them in the year 2005 already.

- The EU directive for Emissions Trading is very helpful. To apply it in Germany as fast as possible causes a couple of problems due to the large number of enterprises.
- The CEE countries have a lot of potentials for Emissions trading. But they need further support to be able to act.
- The World Bank experiences of creating joint implementation projects are of high value for the participants. The relatively low prices per reduced ton of green house gas emissions is considered as a problem for many countries.
- The high transaction costs cause activities in the CEE countries to find cheaper solutions.
- In general, replacement of fossil and nuclear energy by renewable sources is the main stream in the CEE countries.
- Concerning incentive schemes for renewables, the German Renewable Energy Sources Act has influenced many CEE countries. Some countries like the Czech Republic have developed their own system to include electricity and heat in a support scheme.
- The activities in eastern and western countries are focussed on higher efficiency of energy use. Hereby, co-generation plays an important role. The experiences of highly developed countries like Denmark are very helpful for CEE countries.
- The starting process of building renovation and thermal insulation in the CEE countries shows an increasing awareness of the fact that they are very important not only for a reduced energy consumption, but offer large opportunities for the promotion of employment and income. That was shown especially for Poland and Lithuania. Some CEE countries use already the system of certificates for buildings as the are planned to be used in Germany.

6 General recommendations

- The application of the Kyoto mechanism is of high importance for the CEE and FSU countries. Depending on the application of Emissions trading, CDM or JI, only further qualification of the potential partners is a guarantee for successful co-operation.
- Defining bankable projects plays a key role for the usage of the Kyoto mechanism.
- Co-generations projects should be developed with high priority. They secure high levels of energy efficiency and sustainability of energy use. The existing and emerging CHP centres in the CEE countries should be supported.
- Building renovation is decisive for declines in green house gas emissions in all European countries. The job effects and the environmental impacts determine them as very effective. New investment schemes have to be developed and already existing ones should be used for the CEE countries. In this context, third-party-financing plays an important role. For most of the CEE and FSU countries it is recommended that they should adopt the legal framework corresponding to that instrument.