

ENERGY EFFICIENCY ACTION PLANS OF THE CONTRACTING PARTIES

Assessment by the Energy Community Secretariat¹

I. INTRODUCTION

In its meeting of 18 December 2009, the Ministerial Council adopted the Decision 2009/05/MC-EnC² on the implementation of certain directives on end-use energy efficiency, namely Directive 2006/32/EC on energy end-use efficiency and energy services (ESD), Directive 2002/91/EC on the energy performance of buildings and Directive 92/75/EEC (as well as the Implementing Directives) on the indication by labeling and standard product information of the consumption of energy and other resources by household appliances. In May 2010, a recast of Directives 92/75/EEC and 2002/91/EC was adopted within the European Union, and consequently, the MC Decision was amended in September 2010 to reflect the update of the *Acquis*.

The overall deadline for the transposition of Directive 2006/32/EC is 31 December 2011, except for the National Energy Efficiency Action Plans (NEEAPs), in which case a first NEEAP had to be prepared no later than 30 June 2010; a second NEEAP no later than 30 June 2013 and a third NEEAP no later than 30 June 2016.

With this report, the Energy Community Secretariat provides a synthesis of its assessment of the strategies and measures presented in the first NEEAPs, prepared by six out of nine Contracting Parties. The synthesis report concludes the Secretariat's assessment process and reporting on the first NEEAPs in response to its obligation under the Ministerial Council Decision D/2009/05/MC-EnC of 18 December 2009. The structure of the assessment report is similar to that used by the Commission's services for the assessment of the first NEEAP of the Member States.

This synthesis report complements the Secretariat's individual NEEAP pre-assessments communicated to the Contracting Parties in the period March to June 2010.

The deadline for submitting the final NEEAP was 30 June 2010. By this deadline the Energy Community Secretariat had received draft NEEAPs from 4 Contracting Parties, and final NEEAPs from only 2 Contracting Parties. At the date of finalisation of this report (15 February 2011³), the Secretariat received NEEAPs approved by the Government from Croatia, Montenegro, and Serbia, as well as final versions (in the process of approval) from Former Yugoslav Republic of Macedonia, Albania and UNMIK. Bosnia and Herzegovina and Moldova haven't sent yet NEEAPs, these are reported to be under preparation, and planned to be finalised in the first half of 2011. Ukraine joined the Energy Community recently and was not involved in the past work on NEEAP preparation, covered by the report.

¹ This assessment is required by the Energy Community Ministerial Council Decision D/2009/05/MC-EnC of 18 December 2009 on the implementation of certain Directives on Energy Efficiency, with respect to Directive 2006/32/EC on energy end-use efficiency and energy services.

² <http://www.energy-community.org/pls/portal/docs/488184.PDF>

³ Secretariat finalized NEEAPs assessment process in January 2011 as required by Decision 2009/05/MC-EnC and Directive 2006/32/EC. However, this report is updated and finalized on 15 February 2011 in order to reflect recent developments in the Contracting Parties.

1. NEEAPs: purpose and scope

NEEAPs are intended to set energy savings targets and propose concrete measures and actions at the level of each Contracting Party that would contribute to meeting the targets. Moreover, the NEEAPs provide practical demonstration of the commitments of Contracting Parties and should be viewed as a monitoring tool of the Party's energy efficiency policy. The strategy proposed in the NEEAP is expected to create the market conditions necessary to make energy efficient technologies and solutions available and affordable. Subsequent implementation, monitoring and evaluation of the strategies and measures identified, complemented by benchmarking process by the Secretariat at the Energy Community level, should help the Contracting Parties to learn from the successes and mistakes of others and facilitate the diffusion of good practices throughout the Energy Community. The Secretariat will play an active role in widely disseminating these good practices in and between Contracting Parties.

For the purpose of the first NEEAP, each Contracting Party should have adopted an overall national indicative savings target of 9% or higher, to be achieved and measured in 2018, and an intermediate national indicative savings target to be achieved in 2012⁴. According to Annex 1 of the Directive, the national indicative savings target should be calculated using the annual final inland energy consumption of all energy users within the scope of the Directive.

Consumption data for the most recent five-year period previous to the implementation of the Directive for which official data are available should be used to calculate an annual average amount of consumption. On the basis of this annual average amount of consumption, the national indicative energy savings target should be calculated and expressed as an absolute amount of energy. Hereafter the savings target, or the ESD target, if not otherwise stated is always relative to final inland energy consumption.

The Energy Services Directive also requires Contracting Parties to put in place institutional and legal frameworks and measures needed to remove barriers to efficient end-use of energy.

NEEAPs are expected, when implemented, to create the necessary conditions for the development and promotion of a market for energy services and the delivery of energy efficiency to end-users – the two main objectives of the Directive.

NEEAPs are also intended to set out the national strategies of Contracting Parties towards the overall and intermediate national indicative targets as well as to enforce the exemplary role of the public sector, and the provision of information and advice on energy efficiency to end-users.⁵

2. NEEAPs: the assessment process

After the adoption of Ministerial Council Decision in December 2009, six out of eight Contracting Parties sent draft NEEAPs to the Secretariat for comments. The work of the Energy Efficiency Task Force, as well as donors' technical assistance, have significantly contributed in the whole process of NEEAPs preparation.

ECS made pre-assessment of the drafts including recommendations on how to improve these in order to be in compliance with the Directive. These are also discussed at the Energy Efficiency Task Force meetings in June and November 2010, as well as with the respective Contracting Parties during country missions.

As already mentioned, by the deadline for submitting the final NEEAPs (30 June 2010), the Energy Community Secretariat had received final NEEAPs from only 2 Contracting Parties, and at the date of finalisation of this report (15 February 2011), the Secretariat received NEEAPs approved by the Government from Croatia, Montenegro, and Serbia, as well as final versions (in the process of approval) from the Former Yugoslav Republic of Macedonia, Albania and UNMIK.

⁴ According to Ministerial Council Decision 2009/05/MC-EnC and paragraph 2 of Article 4 of the ESD, the national energy savings in relation to the national indicative energy savings target shall be measured as from 1 January 2010.

⁵ Art 5(1) and Art 7 of Directive 2006/32/EC.

To ensure fair and equal treatment of all Contracting Parties, it should be noted that the assessment has been limited only to what is presented and put forward in the NEEAPs themselves. In particular the assessment focuses on identifying measures that appear to be examples of good practice with particular emphasis on the exemplary role of the public sector and the provision of information to end-users, which the Contracting Parties were required by the Directive to report on in their first NEEAP.

The assessments were carried out between June and December 2010. A common evaluation framework has been used, and it is the same used by the European Commission when assessing the EU Member States' NEEAPs. It addresses the minimum reporting requirements set out in the ESD and covers six key areas: the targets; the measures and their estimated impacts in terms of savings; the public sector coverage; the provision of information; other observations of interest; and conclusions.

It is to be noted that a uniform reporting template and common guidelines on the level of detail and type of data required in the NEEAPs are not provided for by the Directive. Nevertheless, at the recommendation of the Energy Efficiency Task Force, all the Contracting Parties agreed to use a common template for the preparation of the 1st NEEAP. This was prepared under the Task Force work programme 2008-2009 and was based on the proposed EMEES project's template for the structure of the 2007 NEEAP for the Member States. The template was meant to meet the minimum requirements for reporting set out in the ESD and was meant to serve much as a check list.

The use of a common template made the comparison of the NEEAPs easier in the evaluation process. Nevertheless, one needs to note that the NEEAPs are still quite different in terms of level of detailed information provided on measures and instruments. But, at the same time, there are many similarities in their weaknesses, mainly in the area of sources of financing for the measures proposed, or the limited indication of saving estimates.

II. LEVEL OF AMBITION: A CROSS-COUNTRY COMPARISON

The Directive/Decision requires the Contracting Parties to adopt and aim to achieve the ESD-target for the ninth year of application of the Directive and establish, in the first NEEAP, an intermediate national indicative savings target for the third year of application of the Directive. The target calculation methodology is set in Annex I of the Directive.

1. Setting Targets

Almost all Contracting Parties have introduced an ESD-target of 9% for 2018, with an intermediary target in 2012, and calculated it in line with the methodology outlined in Annex I. Former Yugoslav Republic of Macedonia is expecting to meet a national indicative target that exceeds the 9% in 2018 (12.2%)⁶.

As Croatia has prepared the NEEAP before the adoption of the Ministerial Council Decision, as part of the EU accession process, it has set the target until 2016 and the intermediary target in 2010.

All Contracting Parties set intermediate national indicative energy saving targets for 2012 with targets ranging between 1.5% and 4%.

2. Challenges with savings targets and periods covered

The large majority of Contracting Parties have had difficulties with the availability of statistics in the Eurostat format for calculating the baseline consumption per sectors and hence with setting national indicative savings targets and distribute these per sector.

⁶ Total savings of 199.8 ktoe or 12.2 % exceeded by the measures included in the NEEAP, but without clear commitment to a target higher than 9%.

For example, the Former Yugoslav Republic of Macedonia and Montenegro reports the consumption of commercial sector and services, including the public sector together. In the case of Serbia, the reported energy consumption of buildings includes both public and residential buildings, which makes it difficult to report measures savings for separate categories.

Table 1 below provides an overview of Contracting Parties with regard to the savings targets and period to be covered by the NEEAP.

Table 1. National energy savings targets and period covered by NEEAPs

Contracting party	National energy savings target in 2018	Intermediate energy savings target in 2012	Target calculation in line with Annex I	Period covered by NEEAP*	Other comments on targets
Albania	9 %	1.5 %	Yes	2010 – 2018	Industries included in emission trading scheme (ETS) haven't been excluded (Annex I ESD), since Albania haven't established ETS.
Croatia	9 % (in 2016)	3 % (in 2010)	Yes	2008 – 2016	As Croatia has prepared the NEEAP before the adoption of the Ministerial Council Decision, as part of the EU accession process, it has set the target until 2016 and the intermediary target in 2010.
The Former Yugoslav Republic of Macedonia	12.2 %	4 %	Yes	2010 – 2018	The ETS installations haven't been excluded since ETS is not applicable.
Montenegro	9 %	2 %	Yes	2010 – 2018	For savings in kWh of electricity, a default coefficient of 2.5 is applied, as per Annex II ESD.
Serbia	9 %	1.5 %	N (Not fully)	2010 – 2018	Target calculated based on the consumption in 2008, and not based on the annual average amount of consumption for the most recent five-year period (due to absence of solid statistical data)

UNMIK	9 %	3 %	Yes	2010 – 2018	Target calculated in line with Annex I, but only textual explanation of target calculation on page 17 seems too general.
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3. Comparison of NEEAP measures

The following section provides an overview of the sectoral coverage of measures included in the NEEAPs, pointing at good practices, and identifying the share of various types of measures in each sector. It also addresses the availability of implementing provisions and identifies areas where Contracting Parties appear to be lagging behind in terms of policies and measures to realise potentials.

It should be emphasized that the complete absence or sporadic indication of savings estimates in general or per measure in some Action Plans, combined with the limited degree of detail in most Plans about the assumptions underlying the savings estimates for the various measures, have been a major hurdle in the process of assessing the NEEAPs.

4. Sectoral coverage in NEEAPs

Energy savings and measures in residential buildings stand out in the majority of the NEEAPs. With varying degrees of detail, almost all NEEAPs also include measures aimed at the tertiary sector, transport and industry. Only a few NEEAPs have measures that address energy efficiency in agriculture (e.g. Albania and UNMIK).

Albania has energy saving measures as follows: 5 measures in Residential sector, 5 measures in Services, 5 measures in Industry, 8 measures in Transport, and 3 measures in Agriculture (under consideration).

Croatia proposed 5 measures in Residential sector, 8 measures in Services, 5 measures in Industry, 4 measures in Transport, and 5 cross – sectoral measures.

Former Yugoslav Republic of Macedonia introduced measures as follows: 8 measures in Residential sector, 9 measures in Commercial sector and services (including public sector): 12 measures in Industry sector, 5 measures in Transport sector and 9 Horizontal and Cross sectoral measures.

Montenegro introduced measures as follows: 5 measures in Residential sector, 12 measures in Public and Commercial services, 3 measures in Industry sector, 5 measures in Transport sector and 9 Horizontal and Cross sectoral measures.

Serbia has measures as follows: 8 measures in Residential sector, 10 measures in Public and Commercial sectors (bundled together), 6 measures in Industry sector, 5 measures in Transport sector and 4 Horizontal and Cross sectoral measures.

UNMIK has introduced 14 measures in Households sector, 18 measures in Services sector, 2 measures in Industry sector, 2 measures in Transport sector and 1 measure in Agriculture sector.

The majority of Contracting Parties have put a particular emphasis on measures in residential buildings. Most of them indicated with priority measures like building certification, stricter building codes for new public buildings, energy management, energy labelling and minimum standards for electric appliances etc.

A balanced coverage of both the thermal envelope and building equipment has been noted, for example in the NEEAPs of Albania, the former Yugoslav Republic of Macedonia and Serbia. In their NEEAPs, Albania, Montenegro and the former Yugoslav Republic of Macedonia included solar collectors for water heating through promotional campaigns and dedicated incentives like soft loans.

III. GOOD PRACTICES BY END-USE SECTOR

The first NEEAPs present many good practices in all end-use sectors and relate them to various policy tools. In the following sections, good practices as well as weaknesses and gaps are identified and discussed.

1. Good practices in buildings

Many NEEAPs include regulatory, financial and information tools and initiatives for refurbishment of existing buildings.

Albania proposed a “Package of promotional instruments for the installation of solar water heating in households for which a credit line of USD 4.5 mil. is already secured by EBRD and local banks for private owners”, as well as a subsidy scheme for comprehensive refurbishment of multi-family houses; the subsidies (grants) are expected to be given by the national Energy Efficiency Fund (to be set up); nevertheless, there are no details provided and therefore it is not clear to the ECS how this measure will be implemented. Similarly, public buildings rehabilitation programme is proposed using performance contracting; again, the lack of details raises concerns about the implementation of the measure.

In Croatia, a large, nation- wide information campaign and the set up of a network of energy efficiency centers was listed as measure for residential and public buildings; the campaign started in 2007 and was financed mainly through the Environmental protection and energy efficiency Fund, until 2010. Croatia has also introduced an Energy management in cities and counties programme (2007-2016) and a “House in order” project 2008-2012 for awareness raising, energy management, and education and training for public offices. These two projects are a joint initiative of the Croatian Ministry of Economy, Labour and Entrepreneurship and the local UNDP office. A programme for investment subsidies to install RES based heating systems in residential buildings is also foreseen, with related regulations to be adopted in 2010.

Former Yugoslav Republic of Macedonia has put a lot of emphasis on awareness rising through nation - wide campaigns for households, introduction of fire wood furnaces with high energy efficiency for space heating, cooking and hot water preparation, as well as introduction of solar collectors and geothermal heat pumps. The last two measures are foreseen to be developed with incentives (grants and/or subsidies) from the Energy Efficiency Fund, to be set up. The same comment as in the case of Albania, there is not enough information about the Fund to be able to assess the implementation of these methods. Rehabilitation of social housing is another interesting measure based on a pilot project being developed with USAID financial and technical support.

Montenegro placed an emphasis on the information campaigns to the general public and other end-users and the set up of Info Centers; this started in 2008 with small public funding and larger donors' contribution. Montenegro also plans financial incentives for use of solar thermal systems, energy saving lamps and other EEI measures, granted to citizens and public buildings (schools, hospitals, kindergartens).

Serbia proposed the reduction of electrical space heating and replacement with efficient biomass heating boilers and, or water heating with solar collectors, financed through dedicated credit lines and the Energy efficiency fund, proposed to be set up through the revised Energy Law in preparation.

UNMIK has the largest number of measures (14) in residential buildings with a good combination of regulatory measures, capacity building and training, awareness raising, promotion of solar collectors for sanitary hot water, etc. For the installation of solar collectors, a 3.4 million Euro lending scheme with KfW and Raiffeisen Bank is already in place.

All Contracting Parties introduced in their 1st NEEAP stricter building codes, building certification and energy metering and informative billing, appliance and equipment labeling and energy performance standards.

Unfortunately, in many cases, the details were missing and so did the estimation of savings, therefore, the Secretariat had difficulties in assessing the contribution of these measures to the targets.

2. Good practices in appliances and lighting

Good practices with regard to appliances and lighting are indicated by Albania, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and UNMIK.

Albania introduced mandatory labeling of appliances in 2009, but the enforcement needs strengthening through the adoption of minimum performance standards and market monitoring.

In Croatia, an appliance labeling scheme has already been put in place (in force since 2006). Its application must be strengthened, however, through regular inspections and reporting by the State Inspectorate. Energy performance standards must also be incorporated in the legislation – in particular, eco-design requirements and energy efficiency ballasts for fluorescent lighting. The impact of this measure needs to be boosted by combining it with other instruments (especially the information campaign) and by regular updates of the standards in compliance with EU requirements.

Former Yugoslav Republic of Macedonia implements “Skopje street lighting” project as good example of measure in public lighting, which can be easily replicated in other municipalities.

Montenegro plans financial incentives for use of solar thermal systems, energy saving lamps and other energy efficiency improvement measures, granted to citizens under public announcements. In the Western Balkan region where great solar potential exist is interesting that all Contracting Parties planning different incentives and financial support schemes for installation of solar heating systems.

Serbia plans to replace all conventional incandescent light bulbs in public buildings between 2011 and 2018; the measure is applicable to 1,438,222 offices, and is expected to save 350GWh by 2018. The same will be applicable to street lighting, by which approx. 99 GWh will be saved.

Also an interesting public campaign was launched in UNMIK, as a pilot project in the second half of 2009, to stimulate regular municipal pay of electricity bills and upgrade the public lighting by introducing fluorescent lamps.

3. Good practices in the transport sector

Many NEEAPs put a lot of emphasis on transport; for example in Albania, a levy on CO2 emissions from cars, together with energy labeling of new cars is proposed.

Former Yugoslav Republic of Macedonia proposed a number of measures that require intensive awareness raising, information and communication (promotion of sustainable urban transport systems, of greater use of bicycle, parking policy, car free days, etc.);

Croatia has also measures for information campaign on energy efficient behaviour in transport and promotion of sustainable transport systems and efficient use of fuel;

Montenegro has proposed a measure related to energy efficient public procurement for vehicles and services, as well as an information campaign for behaviour change with demonstration pilot actions.

Serbia has as measures: Introduction of European standards for energy efficiency in the transport sector;” Promotion of eco-driving and low cost energy efficient measures in transport; Introduction of incentive mechanisms for the replacement of existing fleet.

UNMIK opted for a measure related to bio-fuel promotion, which is a fuel switching measure. Fuel-switching in transport fall outside the scope of the Directive and savings from such measures cannot be credited toward the target.

The number of NEEAPs with a clear and consistent strategy for modal shifts towards more environmentally friendly and energy saving modes of transport is modest. Technological measures for improved vehicle efficiency and shift to public transport are common types of measures in transport.

Nevertheless, many NEEAPs measures in transport have not estimated the savings and or identified the sources of financing for the measures, which makes the Secretariat unable to assess the effectiveness of the measures to meeting the targets.

A number of Contracting Parties refer to infrastructure projects, which are expected to contribute to meeting the national saving targets. These include a number of urban public transport developments in Albania, the Former Yugoslav Republic of Macedonia, and Montenegro.

4. Good practices in industry

A number of NEEAPs introduce subsidised energy audit schemes in the industrial sector, including Croatia (the audits for smaller companies are supported by the Environmental and Energy Efficiency Fund), former Yugoslav Republic of Macedonia (audit financial aid for SMEs from a special Energy Efficiency Fund), Serbia (similar as in Croatia and the former Yugoslav Republic of Macedonia); Montenegro proposes training for energy auditors and energy managers and UNMIK has also a provision, but no clear details of implementation. Mandatory audits for large energy industrial consumers are proposed by most Contracting Parties.

Voluntary agreements (VAs) with industries are proposed by Croatia, Montenegro and Serbia. Nevertheless, this is a new policy instrument to all Contracting Parties, with only Croatia having some experience, in relation to the fee on CO₂ emissions since 2007. The savings in Croatia are estimated at approx. 2% of the average sector's consumption. The industry actors that would commit to improve their energy efficiency would have a reduced fee, the respective percentage been granted by the Environmental Fund. In Montenegro, the national IPA project will assist in the preparation of the framework for VAs by April 2011.

Some Contracting Parties make use of energy management measures, energy management standards and energy reporting and benchmarking in industry (e.g. Former Yugoslav Republic of Macedonia, Montenegro, Serbia). UNMIK has a Euro 10 million (soft) credit line from KfW for energy efficiency measures in industrial SMEs (2009 - 2014).

5. Good practices in agriculture

Only two Contracting Parties (Albania and UNMIK) reported a few measures and packages in the agricultural sector.

In case of Albania, the measures are not clearly described, but in principle refer to use of solar collectors to dry grains, use of energy efficient irrigation systems and production of biogas from agricultural waste. The last measure is not an energy efficient measure, and therefore cannot count to the target.

In UNMIK, an awareness raising campaign is proposed, but without more details it is difficult to assess its effectiveness.

6. Good practices: horizontal measures

The NEEAPs present a large number of promising horizontal measures. Good practices include awareness raising and training, energy performance contracting and other innovative financing schemes, metering and billing provisions, and involvement of energy market actors in delivering energy efficiency. Other measures that can be implemented either on a sectoral or a cross-sectoral level – such as subsidies, fiscal measures, voluntary agreements and energy audits – have been discussed under the particular subsections above.

The NEEAPs of Albania, former Yugoslav Republic of Macedonia, Serbia and UNMIK foresee the set up and largely use of the national Energy Efficiency Fund. It appears that a lot of expectations are placed on the national Energy Efficiency Fund and the ESCO financing, only that the set up of both measures are not yet legislated and the implementation is already lagging behind for the 1st NEEAP. Croatia has already in place since 2007 an Environmental and Energy Efficiency Fund and also a fairly successful public ESCO.

Only Croatia, Montenegro and UNMIK specify advanced metering and/or informative billing initiatives. In Montenegro, a pilot project for smart metering was implemented by the incumbent power company. UNMIK refers to metering of individual energy consumption, mostly applied to electricity and district heating.

A number of Contracting Parties intend to introduce or have already introduced measures to foster energy performance contracting and energy service companies (ESCOs). Some specifically refer to the promotion of contracting in the public sector. Albania, former Yugoslav Republic of Macedonia (new articles are introduced in the Energy Law - update and Rulebook on energy performance contracting), Montenegro (prepares a Rulebook on energy performance contracting), Serbia (plans to introduce the provisions in the new Law on rational use of energy, and seems to have German technical assistance to prepare a model contract for energy performance in the public sector), UNMIK (plans to pass an Administrative Instruction on performance contracting in the public sector) all make reference to the use of ESCOs in the public sector, though with various degrees of detail and apparent levels of commitment.

The activities are nevertheless at a very early stage and with the exception of Croatia, that has set up a HEP- ESCO company with the funding from the Fund for Environment and Energy Efficiency and has successfully implemented a large number of projects in both industry and public sector, no other Contracting Party has much experience or success cases on ESCO financing.

Apart from these 'strong' measures supporting ESCOs, there are 'softer' ones such as support to preparation of projects, for the provision of energy services (Croatia and Serbia), determining the legal foundation for contracting energy services and improving the regulatory framework especially for the local authorities, along with promotion of the ESCO concept and advice to end-users (Albania, Former Yugoslav Republic of Macedonia, Montenegro, Serbia and UNMIK).

Different donors are assisting the Contracting Parties with the preparation of legal frame and financing ESCOs set up. Unfortunately many of the ESCO-related measures in the NEEAP contain little detail about the actions to be undertaken.

A number of promising financing tools have been identified across the NEEAPs. These include innovative schemes, such as revolving funds in a number of countries (Albania, Croatia, Serbia – in the draft Energy Law), UNMIK; nevertheless, these Funds are not yet set up, with the exception of Croatia, and, there are little details concerning the use of these and the way they will function.

'Traditional' financial tools range from grants and soft loans to tax rebates and other allowances. Most NEEAPs rely on either foreign banks credit lines (some already in place) or on public funds.

7. Further observations on the measures in the NEEAPs

The NEEAPs appear fairly well balanced when it comes to the share of efforts related to compliance with Energy Community legislation and of national measures. While many NEEAPs include more national measures than measures related to implementing Energy Community legislation, national measures often implicitly support the implementation of Energy Community legislation in the national contexts even if not explicitly called for in legislation.

The implementation of the Energy Service Directive may be seen as consolidating the implementation of existing Energy Community legislation at national level.

Measures related to the implementation of the EPBD for example play a prominent role in the majority of NEEAPs. Some NEEAPs take account of measures related to the car manufacturers' agreement and/or on minimum energy performance requirements for appliances and equipment provided for by the Ecodesign Directive (which is not mandatory for the Energy Community), while others do not. Almost no NEEAP also includes explanatory notes related to the transposition and implementation of other requirements of the ESD, for example related to energy distributors and individual metering.

Ongoing measures that qualify as 'early action' under the ESD are rarely clearly mentioned in the majority of NEEAPs (only Croatia, Montenegro and Former Yugoslav Republic of Macedonia - one measure). In contrast the NEEAPs of Albania, UNMIK, and Serbia (in spite of the de-facto existence of early measures) rely extensively on savings from new measures to reach their targets. The ability of these to deliver in accordance with their strategies could not be assessed given the rather general descriptions of measures and the relative absence of saving estimates.

Overall, NEEAPs introduce a balanced portfolio of policies, instruments and programmes: combining regulation, voluntary agreements, market-based instruments, financing and fiscal tools, and information measures.

Albania, Croatia, Former Yugoslav Republic of Macedonia, Montenegro, and Serbia identify the administrative body/bodies responsible for implementing either the entire NEEAPs or on a measure-by-measure basis. Although some of these Contracting Parties have initially foreseen to set up energy efficiency agencies that were expected to become the responsible body. UNMIK is planning to establish Energy Efficiency Agency soon.

Most NEEAPs specify legislative acts, on which the measures are based. However, occasionally there is only an indication of the legal act, without any clarification as to the content of the relevant provisions (e.g. the NEEAPs of the Albania, Montenegro, former Yugoslav Republic of Macedonia, Serbia and UNMIK). A few NEEAPs contain detailed indications of budgetary and other financial requirements needed to implement the adopted measures. Albania indicates budgetary requirements by measure, without breaking these down into state budget, municipal budget, and other resources.

Former Yugoslav Republic of Macedonia has made a very detailed estimation of costs and financial savings of each measure and plotted these on graphs for the entire period of the NEEAPs (2010-2018).

Montenegro has undertaken cost benefit analysis per sectors and calculated the investments required for most of the measures. Sources of financing, including the public budget requirements have been also identified for most of the measures. In Serbia's NEEAP, the financial analysis for whole NEEAP implementation, as well as elaboration of available sources of financing is missing. UNMIK has estimated the costs of the most measures, but the indication of available sources of financing is lacking.

The majority of Contracting Parties included a good background analysis on sectoral energy consumption and some also include analysis of barriers to energy efficiency.

IV. THE EXEMPLARY ROLE OF THE PUBLIC SECTOR

The large majority of NEEAPs have introduced a range of measures to fulfil the Directive's provisions on the exemplary role of the public sector. The NEEAPs of Albania, Croatia, former Yugoslav Republic of Macedonia, Montenegro, Serbia and UNMIK all present public sector measures in an attempt to comply with the exemplary role provisions.

Public procurement is a key element in harnessing the power of the public purse to achieve cost effective energy savings. The large majority of NEEAPs contain public procurement measures for energy

efficient procurement in its governmental institutions. The public procurement measures require in most cases the adaptation of the national procurement law, and training for public servants and support in tendering; technical guidelines may be used when a government is making procurement decisions. Most of the Contracting Parties foresaw explicitly in the NEEAP the adaptation of procurement legislation; these include: Croatia, former Yugoslav Republic of Macedonia, Montenegro, Serbia and UNMIK.

None of the NEEAPs has set a target for energy efficient procurement in the overall public procurement. On the positive side, for example, NEEAP of the former Yugoslav Republic of Macedonia has calculated the savings incurred by new energy efficient electrical appliances procurement.

A number of NEEAPs contain provisions related to the purchase, replacement and retrofitting of equipment and vehicles.

With regard to new and existing public buildings, various measures are introduced, ranging from building certification at regular intervals to reconstruction programmes and investment subsidies.

Other measures from Annex VI of the ESD, largely chosen were audits and introduction of small, cogeneration units or utilization of small scale RES. However, few specify requirements to implement the cost-effective recommendations identified in the audit.

Few NEEAPs introduce financial instruments for energy savings in the public sector.

Serbia uses the German technical assistance to prepare a model contract for the ESCO services, and to implement two pilot projects for these services on the basis of public procurement for public sector facilities. In the former Yugoslav Republic of Macedonia, Skopje District Heating company Toplifikacia intends to start offering ESCO services to their clients, but before that the legislation needs to be adapted.

1. Best practices and innovative measures in the public sector

It was impossible for the Contracting Parties to introduce concrete quantitative targets covering different aspects of the performance of their public sectors, as the statistics report the consumption for tertiary sector/services which include both public and private services. Nevertheless, the energy saving measures in the public sector represent the large majority of the sector. And it includes building codes enforcement, energy management of cities and counties, green public procurement in Croatia; labelling of office equipment, minimum standards for electric appliances (also to be used in public buildings) in Albania; refurbishment of public education buildings, energy efficient street lighting, public information campaign and incentives for health sector buildings, etc. in former Yugoslav Republic of Macedonia; in Montenegro the NEEAP includes stricter building codes, training for auditors, information campaign and audits in the public buildings (promotion of the exemplary role of the public sector), incentives for investments in public buildings, energy efficiency criteria for procurement of public goods and services, etc.

Serbia NEEAP indicates a very comprehensive set of measures for schools, hospitals and public welfare buildings which are being implemented in two phases; phase 1 was implemented though a credit from the International Development Association amounting to US\$ 21 million with the Republic of Serbia's own contribution amounting to US\$ 4 million. For the purpose of implementing the Project Phase II, the Republic of Serbia has obtained yet another credit from the International Development Association amounting to US\$ 10 million and a loan from the International Bank for Reconstruction and Development (IBRD 7466 YF) amounting to US\$ 18 million with the Republic of Serbia contribution amounting to US\$ 2 million.

UNMIK's Plan indicates different energy efficient measures for thermal rehabilitation of 40 schools, kindergarten and office buildings, co-financed by GTZ and local municipalities implemented between 2006 and 2008.

Former Yugoslav Republic of Macedonia has implemented a school renovation programme (mainly replacement of windows with high efficient ones, in a programme funded by USAID) which is planned to be extended to 449 schools.

Montenegro NEEAP indicates the implementation of EEI measures in 14 educational and 6 health institutions; the financing is provided from a World Bank loan of EUR 6.5 million (including project development and monitoring costs). A loan of EUR 11 million is under negotiation with KfW for EEI investments in public buildings.

A number of Contracting Parties introduced mandatory energy audits in the public sector. Montenegro Plan includes a "Programme for carrying out energy audits in public sector buildings" and the obligation to carry out regular audits for public buildings over 1000 sqm is foreseen in the Energy Efficiency Law; The Project "Promotion and Implementation of Energy Audits in Public Buildings", with financial and expert support from GTZ and the Government of Norway started an auditing campaign in public buildings in early 2009. Up to date about 40 audits have been completed under the training and WB projects. Audits ordered by public institutions, local authorities etc. are expected after adoption of the regulations i.e. in 2012 and onwards.

V. INFORMATION TO END-USERS

The Energy Services Directive's provisions with regard to the availability of information for energy end-users are three-fold: i) Contracting Parties shall ensure that information on energy efficiency mechanisms and financial and legal frameworks adopted to achieve energy savings are transparent and widely disseminated to relevant actors; ii) Contracting Parties shall also ensure that greater efforts are made to promote energy end-use efficiency and iii) The Secretariat shall ensure that information on best energy-saving practices in EU Member States/Contracting Parties is exchanged and widely disseminated. The availability of information provisions are included as part of the minimum reporting requirements for the first NEEAP.

Contracting Parties have introduced an impressive array of information measures. These range from measures aimed at raising awareness and altering behavior among the general public, such as advertising campaigns, educational material and initiatives, advice on how to save energy and web-based energy savings tools and information materials, to measures that target businesses, such as sector-focused information campaigns, trainings for professionals, energy audits and management schemes to energy efficiency publications for professional stakeholders. Another important group of information measures involve tools that support purchasing decisions, such as energy and environmental labelling and benchmarking to identify the 'best' or most cost-effective solutions.

Some Contracting Parties placed their main focus on information measures on national level that target the general public (e.g. Croatia, Montenegro, Serbia), while others introduce more targeted information measures aimed at various commercial sectors (e.g. Albania, Former Yugoslav Republic of Macedonia, UNMIK). Apart from mandatory appliance energy labeling, the most common information measure indicated in the NEEAPs are public awareness campaigns that target the society as a whole, and general information sources, such as printed materials, networks of energy agencies, information centers, websites, seminars and exhibitions. Such measures are present to various degrees in all NEEAPs. The majority of Contracting Parties has introduced or is planning to introduce information measures that target businesses, specialised energy efficiency information materials for professional actors and building owners, and energy audits for private premises.

Mandatory energy efficiency trainings for professional stakeholders, such as energy managers, architects and building sector professionals, and tailored advice on energy use for the general public are mentioned in about half the NEEAPs. Very few NEEAPs include measures related to the mandatory provision of trainings for the general public (such as eco-driving) and/or integrating energy efficiency related issues in school and university curricula. On the other hand, as indicated in the previous section, many NEEAPs indicate that the development of energy efficiency criteria and/or guidelines for green

public procurement is underway or planned. These are tools to support the purchasing decisions of public authorities.

Very few Contracting Parties mentioned the requirement for establishing conditions and incentives for market operators to provide more information and advice to final consumers on energy end use efficiency.

1. Best practices and innovative measures in information provision

A number of NEEAPs provide good examples with a strong set of diverse information measures that target both the general public and the business and industry sectors. The NEEAPs of Albania includes the “Energy Advice Network” to provide advice post campaign; it also includes further education and training for professionals and also training for managers of public buildings; Croatia’s campaign “House in Order” is targeting state facilities and offices; former Yugoslav Republic of Macedonia’s NEEAP indicates a nationwide awareness campaign and trainings for the commercial sector and public buildings and facilities.

Montenegro’s NEEAP includes a capacity building plan (training modules) for public sector, local authorities, large energy users as well as the private sector at large; the set up of info –centers for residential and services providers is also foreseen.

Serbia has a comprehensive programme of information, guidance and training for law makers, local authorities, their representatives and advisors, but not for the general public.

UNMIK has already implemented a capacity building for energy managers and energy auditors in local administrations in 2008, as well as a training course for energy auditors. But also a public campaign for street lighting with a stimulus for good payers of electricity bills was implemented.

2. Weaknesses in information provision

A few general weaknesses have been identified during the review of information measures.

While some NEEAPs describe information measures that are ongoing or at an advanced planning stage and how they are/will be implemented, other NEEAPs give only vague ideas or general declarations about these measures and how they will contribute toward the achievement of the overall savings target.

Second, and related to the previous point, there is a general lack of indications of performance indicators that will enable the assessment of effectiveness and impact of information measures. It is difficult to evaluate the potential effectiveness and impact of information measures in the absence of a clearly specified target audience, target channels, content of promotional materials and other important details, including contextual. In some cases these deficiencies make information measures appear rather unfocussed and out of context.

VI. STRENGTHS AND WEAKNESSES AND LESSONS LEARNT

One of the main strengths of the NEEAPs prepared by the Contracting Parties is the homogenous and balanced approach. This is mainly due to the use of a common reporting template, prepared in the Energy Efficiency Task Force and based on the EMEES project’s template for the EU Member States. Moreover, for the preparation of NEEAPs the Contracting Parties have benefitted from the expertise of international and national experts under the technical assistance programmes of GIZ Open Regional Fund – Energy, the Synergy Programme (USAID and Hellenic Aid), EU/IPA etc.

The following section summarises the strengths and weaknesses by sector and highlights some of the lessons that can be learnt from the NEEAPs.

1. Lessons learnt: sectoral issues

The NEEAPs have introduced a good diversity of policy packages and measures targeting all end-use sectors, although the relatively weak focus on the industry and transport sectors in the majority of the NEEAPs is worth mentioning, given their continued growth, their relative contribution to emissions of greenhouse gas and the considerable potential for savings that exists in these sectors.

Some Contracting Parties have devoted extra efforts to preparing high quality NEEAPs, linked to the energy and energy efficiency strategies, backed by institutional and financial provisions. They sometime introduce comprehensive packages of such measures applied across many end-use sectors, adopting a portfolio approach combining a mix of instruments and delivery mechanisms to achieve targets and bring about market transformation.

Measures aimed at saving energy in the residential sector, including buildings, equipment and behavior, have been a key feature at the heart of most NEEAPs. Early action that is ongoing is presented in few NEEAPs, with many of the measures introduced over the last 2-3 years. While many NEEAPs include more national measures and/or expect a larger share of savings to come from national measures than from measures related to the implementation of the Energy Community legislation, national measures often implicitly support the implementation of Energy Community legislation in the national contexts. On the one hand this trend can be interpreted as consolidating the implementation of existing national and Energy Community legislation. On the other hand the majority of Contracting Parties do not demonstrate a real ambition to introduce additional measures above and beyond what is required to transpose and implement existing Energy Community legislation.

Very few Contracting Parties undertake concrete measures on refurbishment of existing residential panel buildings with various degrees of ambition. Given the overall low efficiency of such buildings, this is a negative trend. On the other hand, many NEEAPs include measures that target building equipment. Measures related to household appliances and lighting technologies are quite common. A small subset of NEEAPs includes no measures aimed at improving the energy performance of new buildings.

Measures in agriculture have received little attention. All the NEEAPs introduced improvement measures in industry; occasionally some reported in the NEEAPs have been found to be outside the scope of the Directive.

Many Contracting Parties introduced and strengthened measures that target refurbishment of existing public buildings. These include various 'traditional' financial tools, such as grants, soft loans, tax breaks and other allowances for owners and landlords or operators, as well as more innovative ones such as performance contracting, and third party financing. Some Contracting Parties integrate horizontal measures in actions in existing buildings, such as information campaigns and advisory networks and services.

Many Contracting Parties present measures and even strategies in transport. The increasing importance of energy use in the transport sector calls for a more comprehensive and strategic approach that captures technological, infrastructural, financial, behavioral and spatial planning measures. However, it is acknowledged that this is a complex sector, with many interconnected issues (technology, infrastructure and spatial planning, behavior, etc.), which at national level are often decided at different levels of government (central, regional and local) and fall within the competence of a number of departments and ministries. In transport the majority of the NEEAPs focus on technology and fiscal measures. A couple of Contracting Parties also included large ongoing infrastructure projects, while some support and promote public transport or introduce e.g. bicycle lanes and bicycle infrastructure to reduce the carbon intensity in this sector. While transport infrastructure can be a powerful driver towards achieving energy saving transport modes, it appears that some projects of this type – such as railway refurbishment – will be concluded as part of general infrastructure upgrade packages and it is sometimes very unclear how they in themselves will contribute to energy savings.

NEEAPs often refer to public procurement action plans, energy efficiency criteria for various products and services and guidelines on how to use them, but it is unclear if these would introduce obligations on

energy efficiency as a procurement criterion or require the application of lifecycle cost analysis. Few NEEAPs demonstrate good strategies for communicating the exemplary role of the public sector.

Contracting Parties introduced a large range of information measures in their NEEAPs, targeting both the general public and businesses. However, it has often been difficult to establish the exact degree of commitment to information measures and their possible effectiveness and impact due to the scarcity of detail on measures and their implementation.

2. Lessons learnt: horizontal issues

One of the key strengths of the NEEAPs prepared by the Contracting Parties is the homogenous and balanced approach. However, degree of details in describing separate measures varies between NEEAPs.

The absence or sporadic indication of saving estimates in some NEEAPs, along with the mostly limited degree of detail about assumptions made in estimating savings from different measures, have impeded the assessment of the NEEAPs and of how realistic they are.

In some cases even the qualitative description of the scope and concrete actions involved in measures has been very vague. All these reporting deficiencies have made it hard to assess if some Contracting Parties can deliver in accordance with their strategy and targets. Some measures of horizontal nature were not included under this chapter, but as sectoral measures (the case of Albania and UNMIK), or very briefly listed, but not well described (the case of former Yugoslav Republic of Macedonia).

NEEAPs demonstrated at certain level the Contracting Parties' experience with designing, introducing and monitoring energy efficiency policies, but due to the new approach imposed by ESD, Contracting Parties introduced some rather fragmented measures that do not amount to a strategy capable of realising the potentials and achieving the savings target. Many Contracting Parties seem to have introduced mostly so called soft measures. While this, in principle, should be considered a laudable effort, the vague manner in which these efforts are described indicate that they may not be very well thought out, or indeed an integral part of a national strategy designed to improve efficiency and save energy over time. There also seem to be confusion about the role of savings from early actions in achieving the 2018 savings target. For example, not all NEEAPs appear to be based on the understanding that only savings from early actions that can be measured and verified in 2018 are eligible toward the target. In the absence of detailed savings estimates, including the assumptions and methodological explanations for the large majority of NEEAPs, it has been virtually impossible to conclude whether NEEAPs (a) only include early action that will still continue to generate savings in 2018 and (b) only account for those savings from early action that will accrue in the period 2010-2018.

Some NEEAPs, misinterpret what a 'measure' constitutes and list legal acts and/or strategic or programme documents as measures with little detail as to the exact policy actions that these are to trigger.

Local and regional authorities are key players promoting end-use energy efficiency, including through public procurement and provision of public services. Depending on their competencies local and regional authorities may be responsible for local regulations, spatial planning, approval of planning applications and provision of grants. This role is nevertheless not well recognized in the largest majority of NEEAPs.

Many Contracting Parties place a very strong focus on state subsidies or grants: while for some sectors and technologies these may be justified, extensive reliance on subsidies may alter market signals and discourage the formation of a market for energy services. However, little action has been identified to create innovative market-based financing vehicles for end-use energy efficiency, even less so with the involvement of financial institutions.

NEEAPs refer to a wide range of national regulations to be adopted and implemented. It is noted that while many expectations for savings are linked to the adoption of legislation, without having a proper set up of institutional frame or the financing mechanisms in place. Moreover in quite a few occasions, savings overestimates have been inferred, primarily concerning transport measures, information

measures and savings expected from the implementation of the Labelling Directive. Implementing measures setting minimum energy efficiency performance requirements in buildings are expected to bring limited amount of savings towards the intermediate target.

VII. SUMMARY ON NEEAP ASSESSMENTS AND LESSONS FOR THE FUTURE

The first NEEAPs propose a wide diversity of policy packages and measures targeting different end-use sectors.

A number of NEEAPs clearly identify their priority end-use sectors or policy tools. The absence or sporadic indication of savings estimates, or overestimates in some NEEAPs, along with the mostly limited degree of detail about assumptions made in estimating savings from different measures, have impeded the quantitative assessment of the NEEAPs and how realistic they are.

1. Summary on NEEAP assessments

All Contracting Parties have introduced a 9% national indicative energy savings target for 2018 calculated in line with Annex I of the Directive (with exception of Serbia). So far (Bosnia and Herzegovina, Moldova, and Ukraine are not included in the assessment) only Former Yugoslav Republic of Macedonia indicated a target that exceeds 9%, without clearly committing to or formally adopting a higher target.

Very few Contracting Parties explicitly indicated the share of savings from early action. In contrast, the NEEAPs of most rely extensively on new measures. Thus it is difficult to assess whether certain Contracting Parties will be able to deliver in accordance with their strategies and targets given the somewhat brief descriptions of measures and the relative absence or over estimates of saving estimates.

Measures in the buildings sector, especially public buildings, have been at the heart of most NEEAPs. Numerous measures target refurbishment of existing public buildings. Some Contracting Parties declared ambitious strengthening of building codes and use of solar heating for sanitary hot water. With varying degrees of detail, almost all NEEAPs also include measures in the tertiary, transport and industrial sectors. However, as regards agriculture, the only NEEAPs to include measures specific to this sector are those of Albania and UNMIK. Some NEEAPs have included measures that fall outside the scope of the Directive.

Most commonly these include fuel switching and power generation, including large Combined Heat and Power installations, biomass district heating, network loss reductions, biofuels, etc.

In addition, many of the NEEAPs include a number of promising horizontal measures. The majority of the NEEAPs propose a range of measures to fulfil the provisions regarding the exemplary role to be played by the public sector, but some Plans contain little or no information on how this is going to be implemented. However, few NEEAPs demonstrate good strategies for communicating the exemplary role of the public sector. Public procurement is a key element in capturing the power of the public purse for energy efficiency and the majority of NEEAPs contain public procurement measures. However, it is not always clear if these measures contain concrete requirements, as called for in Annex VI of the Directive, and exactly how these would be met.

Most Contracting Parties have introduced a variety of information measures. This range from measures aimed at altering general public behavior, such as public awareness raising campaigns, public training and education, advice on energy use and general information sources like web tools and publications, to measures that target business entities. The latter comprise sector-focused information campaigns, trainings for professionals, energy audits and energy efficiency publications for professional stakeholders.

2. Lessons for the future

In order to become an effective and key policy tool that will support the development, planning, implementation and follow up of energy efficiency policy and measures to save energy at each Contracting Party level, the NEEAPs should provide enough information to demonstrate whether and how Contracting Parties can reach the savings target. To address then deficiencies identified during the assessment of the first NEEAP harmonisation of the following is recommended by the Energy Community Secretariat: (a) the level of detail required when describing measures and estimated or measured savings; (b) reporting of energy savings according to harmonised measurement principles. ECS will in turn assess the second and third NEEAPs using the refined harmonised measurement principles, energy efficiency indicators, and benchmarks foreseen by Article 15(2) and 15(4) of the Directive. Common guidelines that outline the typical information to be supplied for the various elements of the plan and for certain types of measures are also recommended. A proposal for a Commission Decision on harmonized savings measurement principles is currently being drafted by Commission services, assisted by the Regulatory Committee as required by Article 15(2). Furthermore, Commission services has also drafted a template and common guidelines for reporting, which will be discussed with Contracting Parties in the Energy Efficiency Task Force meetings in 2011.

A move away from NEEAPs characterised by fragmented, stand-alone measures towards coherent packages of policies and measures aimed at the various end-use sectors is needed.

Numerous good practices have been identified in the first NEEAPs. Contracting Parties should take advantage of the strong learning potential inherent in the first NEEAPs and exchanged practices. Contracting Parties should adopt a more strategic approach to achieve integration of energy efficiency and transport policies. Regional and local administrations have an important role to play. Contracting Parties should scale up their efforts to capture the energy saving potential at local level in their NEEAPs by involving authorities and market actors at local level in dialogue and practical elaboration and implementation of measures.

Integration with other reporting obligations, especially those related to specific energy efficiency policy measures such as the EPBD recast and measures to reduce green house gas emissions, e.g. alignment of reporting periods, streamlined methodologies on calculation of energy savings and reduction of green house gas emissions, would reduce the current reporting burden already imposed upon Contracting Parties.

The Secretariat is committed to facilitating further development and improvement of the NEEAPs, and has provided bilateral feedback on each NEEAP and will continue to do so in the future. As mentioned above, the Commission services are currently drafting proposals for a harmonised template and reporting guidelines for the second and third NEEAPs, as well as harmonised principles for measuring and verifying energy savings, energy efficiency indicators and benchmarks for the use in the subsequent monitoring, assessment and follow-up of NEEAP implementation. The Contracting Parties will be recommended by the Secretariat to make use of these in their second and third NEEAPs.

VIII. CONCLUSIONS

The NEEAPs could play a more important role in the future. The Action Plans essentially represent a practical demonstration of the commitment of Contracting Parties to energy efficiency. However, they will only be effective if they are translated into real action on the ground. The analysis of the NEEAPs has shown that some Contracting Parties have already recognised that with a holistic and integrated approach these national plans can become a key policy tool that go well beyond the implementation of the Energy Services Directive.

The Secretariat recognises the great potential that NEEAPs could play in improving the focus on energy efficiency and in streamlining Contracting Parties' efforts supporting citizens, by empowering them as consumers to make well-informed energy choices, and in encouraging market actors, including those at

local level, in saving energy in a cost-effective manner, thus reducing emissions of greenhouse gases, increasing the competitiveness of businesses, creating jobs and retaining jobs and improving the energy security of the Energy Community. Equally important, the NEEAPs provide a means for sharing of best practices among Contracting Parties, and the various players in energy efficiency, as well as for developing synergies among the strategies and measures adopted.

A successful Action Plan would place energy efficiency policy firmly within the broader policy context, it would prioritise resource allocation across the entire energy efficiency portfolio, it would ensure that synergies between policies are captured and duplication avoided, and that clear responsibilities for implementation is allocated. A successful Action Plan would raise consumers' awareness of the benefits of energy efficiency and are empowered to make informed choices. Considering its great potential for stimulating market uptake and development of more energy efficient products and services, the exemplary role of public procurement should also be considerably strengthened in the NEEAPs.

Generally, good package of energy efficiency improvement measures is presented in most of the Contracting Parties' first NEEAPs. Given the growing importance of energy savings to energy security and sustainable development of the Energy Community, the Secretariat urges Contracting Parties to act quickly – especially given the recent economic downturn and notably concerning investments in energy efficiency which is set to retain and create jobs in a local context.

Following priority steps should be implemented in 2011 and beyond:

- The Secretariat will push forward for finalisation of the NEEAPs in Bosnia and Herzegovina and Moldova in the first half of 2011, as well as finalisation of the adoption process in Albania, Former Yugoslav Republic of Macedonia and UNMIK. As regards to Ukraine, involvement in the whole process of harmonisation of national legislation with energy efficiency *acquis*, including preparation of NEEAP will start as soon as possible, and next step should be full involvement in the work of the Energy Efficiency Task Force.
- Establishment of the basic legislative framework for energy efficiency (i.e. separate Energy Efficiency Law or part in the Energy Law) is underway or finalised in all Contracting Parties. This should strengthen implementation of the planned measures under NEEAP. Secretariat will continue to extensively support all Contracting Parties in the process of development of primary and secondary legislation in 2011 in order to follow deadlines defined by the Ministerial Council Decisions on energy efficiency (esp. for transposition of the Energy Service Directive by the end of 2011).
- Institutional framework for successful NEEAP implementation is partially in place and needs to be strengthened in all Contracting Parties, as well as adequate human resources assured. More public officials with know how of energy efficiency should be taken on. Establishment of special Departments for energy efficiency in Ministries and even creation of specialised implementing Agencies will provide the necessary national resources for NEEAP implementation process. Besides that, Contracting Parties should pay from the start due attention to adequate involvement and coordination of all institutions responsible for NEEAP implementation, including local authorities.
- Exemplary role of the Public sector is well elaborated in most NEEAPs. Contracting Parties should strongly support energy efficiency measures in this sector, including the exemplary role of public procurement.
- Public funding and favourable financing conditions conducive to the NEEAPs implementation should be ensured. Strengthening the utilisation of already existing sources of financing, including IFI regional financial mechanisms, as well as analysis of the new models for NEEAP financing will be a priority in 2011 and beyond. Planned establishment of the National Energy Efficiency Funds by some Contracting Parties will significantly contribute to the implementation of the NEEAPs. If not, the absence of sufficient energy efficiency funding can be a significant barrier for the successful implementation of the NEEAP.

- Energy statistics and production of the energy efficiency indicators should be improved. The Secretariat will work with Contracting Parties on this issue extensively in 2011, supported by the Energy Efficiency Task Force and donors' technical assistance, including also creation of an adequate system for monitoring and verification of the energy savings.
- Contracting Parties should in parallel ensure that greater efforts are made to promote energy end-use efficiency and that information on energy efficiency mechanisms and financial and legal frameworks adopted to achieve energy savings are transparent and widely disseminated to relevant actors. For its part, the Secretariat will ensure that information on best energy-saving practices in Contracting Parties is exchanged and widely disseminated.