

CASE STUDY OF A SUCCESSFUL NATIONAL ENERGY PROGRAMME/STRATEGY

1. The problem or issue addressed:

The issue addressed is, most widely, the level of greenhouse-gas emissions associated with the generation and use of energy in Hungary, which is exacerbated by the low level of energy efficiency in the economy, and more specifically the low level of energy efficiency in municipalities. The UNDP/GEF Energy Efficiency programme helps Hungary to improve the energy efficiency of its public sector thus mitigating the emissions of greenhouse gases, mainly CO₂. The project seeks to remove the barriers for a sustained market of energy efficiency services and promote the implementation of energy efficiency projects in municipalities, hospitals and other public institutions.

2. Name of the programme:

Hungary: Public Sector Energy Efficiency Programme

3. **Timeframe:** 6 years Year started: 2001

4. **Status:** Ongoing Completed in year _____

5. Main objectives:

- 1. Improve the development of energy efficiency policy, increase awareness, and improve coordination of energy efficiency programmes
- 2. The identification, development, and financing of energy efficiency projects in Hungarian municipalities/ municipal district heating systems
- 3. Improve the knowledge base of municipal decision makers and municipal energy users concerning energy management and energy efficiency technologies

6. Lead institution:

GEF Implementing Agency: United Nations Development Programme

National Executing Agency: Government of Hungary/ Ministry for Economic Affairs

Implementing Agency of the project: Energy Centre Hungary

7. Other implementation arrangements and stakeholders involved (public, private, NGOs, CBOs, international support, etc.):

Public and private partners

- Ministries: Ministry of Economy and Transport, Ministry of Interior, Ministry of Environment and Water Management)
- UNDP RBEC Bratislava as GEF implementing agency, the project is funded by GEF and UNDP
- Regarding to the established network of Regional Energy Advice Centres (RACs), 14 representatives (NGOs and for-profit companies) are involved into the programme through co-operation agreements.
- Co-operation with national and international municipal associations (e.g. Hungarian National Association of Local Authorities, Energie-Cités, the association of European local authorities for promotion of local sustainable energy policies.)
- Continuous contact with Hungarian municipalities, energy service companies, other NGOs related to energy efficiency (Energy Club)

8. The results achieved (if possible, please address the social, economic and environmental impacts of the programme):

The UNDP/GEF project pursues the development of energy efficiency in the Hungarian municipalities. Next to the training and education activities the major tool developed for the introduction of energy conscious municipal decision-making is the Audit Fund which was launched in 2002. By end 2004 the Audit Fund has supported more than 130 municipal applications of energy audits and feasibility studies of more than 700 municipal institutions, which is one of the main successes of the project. The supported energy audits show a clear picture of the tendencies of municipal energy consumption. Based on the findings of the report the municipal decision-makers have a crucial tool to implement municipal energy rationalisation strategy and start investment projects.

Letters of requests are being sent out to all municipalities, which already received UNDP Audit Fund support, gathering main details related to planned future investments. The survey and data collection is continuous. By now, 7 EE investments have been implemented, and 15 EE investments are planned to be started/realised in 2005 with the amount of ~1 billion HUF.

The UNDP/GEF project provides municipalities with information on available applications, technical and financing issues related to the energy efficiency through training events, One-Stop-Shop, web-site and continuous personal contacts.

Training events have been held for more hundred representatives of municipalities, focusing on energy resources and assortments, energy management at municipalities, facility management, lighting, monitoring of energy consumption at municipalities, case studies on energy audit, feasibility study, and ESCO financing possibilities.

To further increase the efficiency of the project, a national network of 14 Regional Energy Advice Centres (consisted mainly of NGOs) has been developed providing this way a very good coverage of Hungary.

The monitoring and evaluation activity of the project is supporting the co-ordination of energy efficiency programmes at national level, preparing surveys and evaluations of the existing energy efficiency programmes and policies in Hungary and EU. National energy efficiency programmes are regularly monitored in order to provide feedback and make suggestions on necessary corrections.

9. The relationship of the programme to internationally agreed goals and targets:

- Hungarian Government Resolution No. 1107/ 1999 on the strategy to increase energy saving and energy efficiency until 2010
- 2002/91 EC: Directive on the Energy Performance of Buildings
- Synergy and co-operation with energy investment related EU or national funds (e.g. Structural Funds Environmental and Infrastructure Operative Programme -KIOP)