



EU4Energy



EU4ENERGY PROGRAMME

COMPONENT 3 - LEGISLATIVE AND REGULATORY ENVIRONMENT AND KEY ENERGY INFRASTRUCTURE

WORK PROGRAMME
MAY 2018 – APRIL 2019

REPUBLIC OF ARMENIA



INTRODUCTION AND OVERALL OBJECTIVE

The overall purpose of the second year (May 2018 - April 2019) country work programme is to follow up on EU4Energy Governance activities carried out during the first year of implementation and in particular to support the implementation of specific EU4Energy Governance recommendations in the areas of energy efficiency and investment climate.

The overall objectives for EU4Energy Governance activities for Armenia are:

- Provide support to the operationalization of the agreed policy proposals from Component 2 or from other EU4Energy reports/studies
- Support to introducing more efficient and effective procedures including cross-ministerial cooperation and public consultation process
- Strengthen the technical, institutional and administrative capacity in Ministry of energy and other key ministries and agencies

These objectives were identified following a comprehensive assessment regarding the status of the legislative, regulatory and institutional environment in the energy sector of the Republic of Armenia, consultations with national authorities, EU Delegation to the Republic of Armenia and other stakeholders.

During the first year of implementation, EU4Energy supported the Government of the Armenia in strengthening the national regulatory framework on Energy Efficiency in buildings, particularly providing guidelines for enforcing the minimum energy performance requirements for buildings. To fulfil this task, the EU4Energy project undertook a review of national policy and regulatory framework with regards to all political, technical, institutional pre-requisites for effective enforcement of the draft Technical Regulation on Energy Efficiency in newly constructing residential buildings as well as state-funded construction. At the same time, the international best practices in enforcement of the role-model policy document – the EU Energy Performance in Buildings Directive (EPBD) and the EPBD – Recast in EU Member States with lessons learnt were summarized, and cross-referenced for application in Armenia. Numerous steps were proposed for further strengthening of the enforcement of energy efficiency provisions for buildings, starting with the adoption of the draft Technical Regulation on Building energy efficiency (Note: Following the submission of the final EU4Energy Guideline and Roadmap in March 2018, the Government of Armenia adopted the Technical regulation was adopted on 12 April 2018).

Furthermore, EU4Energy developed a Roadmap and recommendations for the necessary changes in the legal, regulatory and institutional framework for the introduction of minimum energy performance and labelling requirements for selected priority product groups as well as Energy Investment Risk Assessment Profile with recommendations on ways to mitigate risks identified.

In total five country missions and three events were organized, three technical reports/publications submitted, 190 participants and more than 45 articles/news items/TV and radio appearances.

The activities presented here take into account ongoing activities of other donors in the country. This country work programme has been drafted by the Energy Charter Secretariat (ECS) in consultation with the Partner Country and the EU. Assistance will be provided in line with EU principles.

SECOND YEAR COUNTRY WORK PROGRAMME, APPROXIMATE TIMETABLE OF ACTIVITIES

For the proposed period, activities in the area of energy efficiency EU4Energy will follow up on the MEPR enforcement guidelines and Roadmap (Steps 1-4) and timeline, and support the implementation of the NEEAP for 2017-2018. Activities proposed would facilitate:

-) Development of eco-labeling provisions for buildings, allocation of responsibilities, development of a long-term program for gradual introduction for more demanding design requirements,
-) Capacity building and institutional strengthening in fields of energy auditing, calculation methodologies, development of baselines and benchmarking assessments for energy performance of buildings

Activities in the area of investment were identified based on recommendations, stemming from the Energy investment Risk assessment profile of Armenia, namely to improve the current inter-ministerial coordination on investment in energy sector in order to guarantee coordination throughout the entire policy-making process (policy initiation, formulation, implementation, evaluation and monitoring) and to ensure better stakeholders engagement is an essential pre-condition for securing an investment-friendly climate.

The Second Year Country Work Programme comprises of the list of activities to support implementation of selected priority measures, including individual measurable results expected in the area and assumptions (see Table 1 and 3), approximate timetable of activities for the second year (May 2018-April 2019) to support the planning (see Table 2).

Table 1 Second year Work Programme

	Activities/months	Specific objective	Indicators/Sources of verification
	Area 1 Energy Efficiency		
AM 1.3	Support to introducing eco-labelling (and NZEB) for buildings		
AM1.3.1	Comprehensive review of EU and international best practices on eco-labelling requirements for buildings	SO1: Operationalization of the agreed policy proposals from Component 2 SO2: More efficient and effective procedures including cross-ministerial cooperation and public consultation process SO3: Greater Technical, institutional and Administrative capacity in key energy ministries and agencies	Report providing review of EU and international best practices on eco-labelling (and NZEB) requirements for buildings (office, residential, public and industrial) Organise best practice exchange workshop on eco-labeling of buildings
AM 1.3.2	Support to introducing EU best practices on eco labelling (and NZEB) requirements for buildings		Organise stakeholders consultation on prospects to introducing eco-labelling and NZEB requirements for buildings Provide recommendations on next steps in introducing eco-labelling requirements with timeline and allocation of responsibilities

AM1.4	Support to development of simple calculation tool on energy auditing		Support to development of simple calculation tool for energy auditing to be also used for building energy passportization) in relation to the Energy Audit Procedures adopted in 2006, following the EU best practices
Area 4 Investment climate			
AM 4.1.	Improved predictability of the investment climate in the energy and electricity sectors	SO1: Operationalization of the agreed policy proposals from Component 2 SO2: More efficient and effective procedures including cross-ministerial cooperation and public consultation process	
AM 4.1.1	Follow up on recommendation to improve stakeholders consultation and inter-ministerial coordination		Gap analysis of existing procedure for inter-ministerial and stakeholders consultation in comparison with EU best practice Code of good practice for public consultation and inter-ministerial coordination (based on EU best practice) developed, presented at a workshop and agreed with Ministry of energy.

Table 2 Approximate Timetable of Activities for the second year Work Programme (May 2018-April 2019)

	Activities/months	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
	Area 1 Energy Efficiency												
AM 1.3	Support to introducing eco-labelling (and NZEB) for buildings												
AM1.3.1	Comprehensive review of EU and international best practices on eco-labelling requirements for buildings												
AM 1.3.2	Support to introducing EU best practices on eco labelling (and NZEB) requirements for buildings												
AM1.4	Support to development of simple calculation tool on energy auditing												
	Area 4 Investment climate												
AM 4.1.	Improved predictability of the investment climate in the energy and electricity sectors												
AM 4.1.1	Follow up on recommendation to improve stakeholders consultation and inter-ministerial coordination												

Table 3 Intervention log frame

SO1: Operationalization of the agreed policy proposals from Component 2

Outcomes/results and indicators	Work Plan activities	Assumptions
<p>Result 1.1: Result 1.1 Operationalization of Policy Proposal to ensure effective enforcement of recently adopted energy efficiency legislation in the building sector</p> <p>Baseline: A number of laws, regulations, construction norms and standards were adopted in Armenia recently that introduced some energy performance requirements to newly constructed residential buildings as well as for renovation of public buildings.</p> <p>However, there is no clear procedure and institutional responsibilities defined for the enforcement of these requirements and issuing the energy performance certificates as a part of control system.</p> <p>Target: Enforcement and compliance procedure for energy efficiency requirements in buildings is in place and clear institutional responsibilities are defined</p> <p>Proposals for the necessary legal and regulatory amendments (including for establishing system for issuing energy performance certificates, inspection procedures, reports, etc.) are prepared and followed up</p> <p>Indicator: Number of secondary legislative acts, regulations and standards related to energy efficiency in buildings are drafted, adopted and implemented. Number of proposals establishing clear institutional responsibilities for checking the compliance with buildings energy efficiency requirements are drafted, adopted and implemented</p>	<p>2017-2018</p> <ul style="list-style-type: none"> - Comprehensive review and analysis of the existing energy efficiency requirements for building and the enforcement and compliance practice (in comparison with EU best practices) - Provide recommendations for the necessary legal and regulatory amendments and division in institutional responsibilities - Develop step by step guidelines for setting up effective enforcement and compliance procedure and establishing a system for issuing energy <p>2018-2019</p> <ul style="list-style-type: none"> - No activities foreseen. (Note: The Technical Regulation for energy performance of buildings was just approved on 12 April 2018. It is considered that the adoption and the Enforcement Guideline developed create the necessary requirements and framework for the State Committee on Urban Development, Ministry of Economic Development and other state agencies to pursue and promote building energy efficiency. 	<p>Political willingness to undertake proposed legislative amendments, including introduction of building certificate</p> <p>Willingness to introduce necessary institutional changes</p> <p>Sufficient resources (human and financial) allocated and capacity available for compliance checking</p>

<p>Result 1.2: Operationalization of policy proposal to further enhance the investment climate in the energy and electricity sectors by improving legislative frameworks</p> <p>Baseline: Investment climate is gradually improving, however still some legal and regulatory risks exist, which impede the inward flow of investments in the energy sector. Lack of knowledge and understanding among government stakeholders on how to overcome existing legal and regulatory investment risks in the energy sector</p> <p>Target: At least a one of the main investment risk indicators¹ show improvement in 2019; Increased knowledge and understanding among government officials and high-level decision makers on potential solutions to minimise risks</p> <p>Indicator: Set of indicators for Armenia analysing legal and regulatory investment risks in the energy sector (prepared based on methodology developed at ECS). Number of draft revised/amended legislative and regulatory acts. Number of meetings and number of officials involved in identification of legal and regulatory investment risks. Number of high level policy events and level of attendance</p>	<p>2017-2018</p> <ul style="list-style-type: none"> - Prepare report with recommendations on improving the investment climate (based on analysis of indicators) - Bilateral meetings are organised with government and non government stakeholders to present and discuss investment risk indicators identified and improvement strategy - High level policy event is organised to present set of indicators prepared <p>2018-2019</p> <p>Follow up on recommendation to improve stakeholders consultation and inter-ministerial coordination - to be covered by SO2 activities</p>	<p>Political willingness to remove legal and regulatory investment risks</p> <p>Sufficient data available to create indicators</p> <p>Involvement/commitment of state authorities to work programme activities</p>
<p>NEW: Result 1.3: Operationalization of policy proposal to introducing eco-labelling (and NZEB) for buildings</p> <p>Baseline: Technical Regulation on Building Energy Efficiency adopted in April creates the necessary requirements and framework for the State Committee on Urban Development, and other state agencies to pursue and promote building energy efficiency. This regulations covers only new constructions and renovations of buildings with state budget, therefore the second NEEAP recommends further introduction of eco-labelling (and nZEB) requirements.</p> <p>Target: Proposed roadmap for introduction of eco-labelling (and/or NZEB) requirements for buildings is implemented/under implementation</p>	<p>2017-2018</p> <ul style="list-style-type: none"> - N.a. <p>2018-2019</p> <ul style="list-style-type: none"> - Report providing comprehensive review of EU and international best practices on eco-labelling (and NZEB) requirements for buildings (office, residential, public and industrial) - Provide recommendations on next steps in introducing eco-labelling (and/or NZEB) requirements with timeline and allocation of responsibilities 	<p>Political willingness to undertake proposed legislative amendments</p> <p>Involvement/commitment of state authorities to NEEAP activities implementation</p> <p>Sufficient resources (human and financial) allocated</p>

¹ The standard country profile contains 4 main investment risk indicators and 9 sub-indicators.

SO2: More efficient and effective procedures including cross-ministerial cooperation and public consultation process

Outcomes/results and indicators	Work Plan activities	Assumptions
<p>Result: Improve stakeholders participation in energy/energy efficiency policies development and implementation</p> <p>Baseline: Formal procedure for public consultation of legislative proposals exists, but it takes place only at the final stage of draft law, when there is almost no scope to influence the policy outcome; No participation of civil and business society in the process of identification, development and amendments of energy/energy efficiency related policies, legislation and respective institutional framework.</p> <p>Target: Code of good practice for Public consultation (for energy/energy efficiency policies taking into account Armenian context and legislation) is prepared and aligned to best EU practice and is used in practice; Public consultation for energy related legislative proposals is organised at early stage of draft law; Civil and business society is consulted in the process of identification, development and necessary amendments of energy/energy efficiency related policies, legislation; Comments from public consultations are properly recorded and available for the public</p> <p>Indicator: Number of stakeholders meetings; Number of non-government/civil society stakeholders consulted and comments taken on board; Number of bilateral consultations and comments taken on board; Number of civil society stakeholders consulted and comments taken on board</p>	<p>2017-2018</p> <ul style="list-style-type: none"> - Organise stakeholders consultation meeting to discuss necessary regulatory amendments to ensure compliance with building MENR - Organise stakeholder consultation at an early stage of energy related products legislation development to discuss impact and benefits of policies to be introduced <p>2018-2019</p> <p>Follow up on Results 1.2 recommendations</p> <ul style="list-style-type: none"> - Gap analysis of existing procedure for inter-ministerial and stakeholders consultation in comparison with EU best practice - Code of good practice for public consultation and inter-ministerial coordination (based on EU best practice) developed, presented at a workshop and agreed with Ministry of energy - Organise stakeholders consultation on prospects to introducing eco-labelling and NZEB requirements for buildings 	<p>Political willingness to improve existing procedures for stakeholder involvement</p> <p>Willingness to engage non-government stakeholders in discussion of ongoing energy sector reform and legislation development</p> <p>Willingness of key stakeholders to engage in consultation process</p>

SO3: Greater Technical, institutional and Administrative capacity in key energy ministries and agencies

Outcomes/results and indicators	Work Plan activities	Assumptions
<p>Result: Increased capacity to effectively enforce energy efficiency requirements and implement the NEEAP proposed measures. Increased knowledge and awareness on impact of energy related products standards and labels.</p> <p>Baseline: Lack of capacity to effectively implement/enforce recently adopted energy efficiency requirements for buildings. Low knowledge and awareness of High level decision makers in Government and Parliament on benefits and impact of energy efficiency policies/legislation to be adopted</p> <p>Target: At least 10 relevant government officials prove ability to enforce compliance procedures for building energy efficiency requirements and NEEAP implementation. Information on potential impact and benefits (based on EU experience) from effective enforcement of MEPR is available and considered during policy making process. Information on impact and benefits from introducing labelling and standards requirements for priority product groups is available and considered during policy making process</p> <p>Indicator: Number of non government stakeholders consulted and informed. Number of bilateral stakeholders meetings. Number of high level policy events and level of attendance</p>	<p>2017-2018</p> <ul style="list-style-type: none"> - Develop step by step guideline for the enforcement of the current MEPR, establishing system for issuing energy performance certificates - Analyse impact and benefits from introduction of compliance procedure for buildings energy efficiency requirements - Organise high level event to present guideline and benefits/impact from building requirements enforcement procedure - Analyse benefits and impact from introducing labelling and minimum energy performance requirements for priority product groups <p>2018-2019</p> <p>Follow up on Results 1.3 activities –support to Implementation of NEEAP</p> <ul style="list-style-type: none"> - Organise Best practices seminar on eco-labelling and NZEB requirements 	<p>Relevant officials participating in project activities and training sessions</p> <p>Involvement/commitment of state authorities to work programme activities</p> <p>Project access to decision makers</p>