



EU4ENERGY PROGRAMME

COMPONENT 3 - LEGISLATIVE AND REGULATORY ENVIRONMENT AND KEY ENERGY INFRASTRUCTURE

WORK PROGRAMME
MAY 2019 – JUNE 2020

REPUBLIC OF ARMENIA



INTRODUCTION AND OVERALL OBJECTIVE

During the third year (May 2019 - June 2020) country work programme will follow up on 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 two years 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. Concrete 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 (EIRA) with recommendations on ways to mitigate risks identified.

In the course of 2018 the project facilitated broad stakeholders consultations on the development of eco-labelling requirements for different types of buildings (not covered by the technical regulation for energy efficiency) and Introduction of NZEB requirements for

buildings. Following on the recommendations from the EIRA, EU4Energy undertook in-depth analysis of existing procedures for inter-ministerial coordination and stakeholders communication and consultation as well as developed Code of good practice for public consultation and inter-ministerial coordination.

In total 10 country missions were organised, 6 events and 2 training sessions, total of 160+ participants and 7 technical reports/publications.

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.

THIRD YEAR COUNTRY WORK PROGRAMME, APPROXIMATE TIMETABLE OF ACTIVITIES

For the proposed period, EU4Energy will continue supporting the strengthening of the legislative framework on energy efficiency in building, namely by:

-) Developing draft Regulation, introducing Eco-labeling requirements for buildings, allocation of responsibilities, development of a long-term program for gradual introduction for more demanding design requirements,
-) Developing a Roadmap for introducing nearly-zero requirements for buildings,
-) Developing uniform energy performance of buildings calculation methodology;
-) Monitor and assess the implementation of EIRA 2017 policy recommendations.

The Third Year Country Work Programme comprises the following list of activities, including individual measurable results expected in the priority area (see Table 1 and 3) and approximate timetable of activities for the period May 2019- June 2020 to support the planning (see Table 2).

Table 1 Third 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		
AM 1.3.1	Support to introducing EU best practices on eco labelling and NZEB requirements for buildings (shifted from previous period)	<p>SO1: Operationalization of the agreed policy proposals from Component 2</p> <p>SO2: More efficient and effective procedures including cross-ministerial cooperation and public consultation process</p> <p>SO3: Greater Technical, institutional and Administrative capacity in key energy ministries and agencies</p>	<p>Organise stakeholders consultations on prospects to introducing eco-labelling and NZEB requirements for buildings</p> <p>Develop draft regulation on eco-labelling requirements for buildings</p> <p>Develop draft concept and roadmap for introducing NZEB</p> <p>Organise High-level EE Conference</p>
AM 1.4	Support to developing a uniform energy performance of buildings calculation methodology		
AM 1.4.1	Review and gap analysis of existing standards for missing elements, needs assessment and recommendations for improvement in line with best EU practices		<p>Working group established and 2-3 meetings organised</p> <p>Detailed review of existing standards for missing elements, need for improvements, gaps and consistency</p>
AM4.1.2	Roadmap to developing building energy performance calculation methodology in line with best EU practices		<p>Roadmap report to developing calculation methodology, based on EU best practices discussed with working group members</p>
AM4.1.3	Support to developing Simple calculation tool based on draft methodology		<p>Simple calculation tool developed</p> <p>Training workshop organised for the use of calculation methodology and tool</p>

	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 SO3: Greater Technical, institutional and Administrative capacity in key energy ministries and agencies	
AM 4.1.1	Monitoring and assessment of implementation of EIRA 2017 recommendations		Monitoring of the implementation of recommendations from EIRA 2017 Revised extended EIRA profile High-level policy talks on investment climate in the energy sector

Table 2 Approximate Timetable of Activities May 2019-June 2020

	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	May-20	Jun-20
	Area 1 Energy Efficiency														
AM 1.3	Support to introducing eco-labelling (and NZEB) for buildings														
AM 1.3.1	Support to introducing EU best practices on eco labelling and NZEB requirements for buildings (shifted from previous period)														
AM 1.4	Support to developing a uniform energy performance of buildings calculation methodology														
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AM4.1.3	Support to developing Simple calculation tool based on draft methodology														
	Area 4 Investment climate														
AM 4.1	Improved predictability of the investment climate in the energy and electricity sectors														
AM 4.1.1	Monitoring and assessment of implementation of EIRA 2017 recommendations														

Table 3 Intervention log frame

SO1: Operationalization of the agreed policy proposals the component 2 or from other country policy analyses (e.g. from the Energy Charter

Results chain	Indicators	Baseline	Targets	Sources and means of verification	Assumptions	Ref. to Work programme (2019-2020)
		Oct-16	End 2020			
<p>Result 1.1 Operationalization of Policy Proposal to ensure effective enforcement of recently adopted energy efficiency legislation in the building sector</p>	<p>At least 2 proposals for secondary legislative acts, regulations, enforcement procedures related to energy efficiency in buildings are drafted, adopted and implemented</p> <p>At least 2 reports provided on best EU and international practice in enforcing energy efficiency in buildings</p> <p>Develop proposals establishing clear institutional responsibilities for checking the compliance with buildings energy efficiency requirements are drafted, adopted and implemented</p>	<p>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>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>Report with necessary legal and regulatory amendments and division in institutional responsibilities</p> <p>Text of legislative and regulatory proposals/amendments</p>	<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>Develop draft regulation on eco-labelling requirements for buildings</p> <p>Develop draft concept and roadmap for introducing NZEB</p> <p>Working group on Energy performance of buildings calculation methodology established and 2-3 meetings organised</p> <p>Detailed review of existing building standards for missing elements, need for improvements, gaps and consistency.</p> <p>Roadmap to</p>

						developing calculation methodology, based on EU best practices
Result 1.2: Operationalization of policy proposal to further enhance the investment climate in the energy and electricity sectors by improving legislative frameworks ¹	<p>Set of indicators for Armenia analysing legal and regulatory investment risks in the energy sector (based on methodology developed at ECS)</p> <p>At least two extended country energy investment profiles</p> <p>Number of draft revised/amended legislative and regulatory acts and procedures developed</p> <p>At least 4 meetings and number of officials involved in identification of legal and regulatory investment risks and follow up on recommendations</p> <p>At least one high level policy events and level of attendance</p>	<p>Investment climate is gradually improving, however still some legal and regulatory risks exist, which impede the inward flow of investments in the energy sector</p> <p>Lack of knowledge and understanding among government stakeholders on how to overcome existing legal and regulatory investment risks in the energy sector</p>	<p>Concrete solutions proposed to reduce legal and regulatory investment risks and improve conditions for private investments in the energy sector are followed up</p> <p>At least a one of the main investment risk indicators² show improvement in 2019</p> <p>Increased knowledge and understanding among government officials and high-level decision makers on potential solutions to reduce risks</p>	<p>2 Sets of energy sector legal and regulatory investment risks indicators for Armenia (2017 and 2019)</p> <p>Report with concrete recommendations on improving investment climate in Armenia</p> <p>Minutes of meetings with government officials to follow up on recommendations</p> <p>Text of revised/amended legislative and regulatory acts</p> <p>Agendas, summaries and list of participants from High level policy events</p> <p>Official feedback from participants</p>	<p>Political willingness to reduce legal and regulatory investment risks</p> <p>Methodology is established and sufficient data is available to create indicators</p> <p>Involvement/commitment of state authorities to work programme activities</p>	<p>Monitoring report on the implementation of recommendations from EIRA 2017</p> <p>Revised extended EIRA profile</p> <p>High-level policy talks on investment climate in the energy sector</p>

¹ Some of the indicators, targets and activities are also relevant to SO3

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

Results chain	Indicators	Baseline	Targets	Sources and means of verification	Assumptions	Ref. to Work programme (2019-2020)
Improve stakeholders participation in energy efficiency (buildings and energy related products) policies development and implementation	<p>least one Stakeholder consultations meetings per legislative proposal organised</p> <p>At least one public consultations per legislative proposal</p> <p>At least 4 non-government/civil society stakeholders consulted</p> <p>At least 5 bilateral consultations in the process of legislative proposal organised</p>	<p>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</p> <p>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>Code of good practice for Public consultation (for energy/energy efficiency policies and legislations) is prepared, aligned to best EU practice and used in practice</p> <p>Public consultation for energy efficiency legislative proposals (buildings and energy related products) is organised at an early stage of the draft law.</p> <p>Civil and business society is consulted in the process of identification, development and necessary amendments of policies and legislation, related to buildings and energy related products energy efficiency</p> <p>Comments from public consultations are properly recorded, taken on board when possible and available for the public</p>	<p>Text of code of good practice for public consultation</p> <p>Agendas, list of participants and minutes from stakeholders consultations meetings</p> <p>Documented stakeholders positions and comments</p> <p>Minutes from individual stakeholders consultations</p>	<p>Political willingness to improve existing procedures for stakeholder involvement</p> <p>Willingness and availability of resources to engage non-government stakeholders in discussion of ongoing legislation development</p> <p>Willingness of key stakeholders to engage in consultation process</p>	<p>Organise stakeholders consultations on prospects to introducing eco-labelling and NZEB requirements for buildings</p> <p>Stakeholders consultation meeting on Building energy performance calculation methodology</p>

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

Results chain	Indicators	Baseline	Targets	Sources and means of verification	Assumptions	Ref. to Work programme (2019-2020)
Increased capacity to effectively enforce energy efficiency building requirements	10+ government officials trained to be able to enforce building requirements At least one training session	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	At least 10 relevant government officials prove ability to enforce compliance procedures for building energy efficiency requirements	Training materials, guidelines and manuals Test results before and after the training, evaluation forms following training sessions Agendas and list of participants in training sessions, signatures of participants	Relevant officials participating in project activities and training sessions Involvement/commitment of state authorities to work programme activities	Training workshop organised for the Building energy performance methodology and calculation tool
Increased knowledge and awareness on impact of energy related products standards and labels	5+ non government stakeholders consulted and informed 5+ bilateral stakeholders meetings At least 1 high level and or other events and level of attendance	Limited information is available on benefits and impact from energy efficiency standard and labels for energy related products Low awareness of non government stakeholders on main benefits and impact from energy efficiency policies to be adopted	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	High level policy events agendas, list of participants and summaries Feedback from participants	Relevant officials participating in project activities Involvement/commitment of state authorities to work programme activities Sufficient capacity of government officials to analyse and assess impact of new legislation	No activities planned

