

# Climate change mitigation through energy efficiency

Strengthened competences and improved services supports Ukrainian companies to become more energy-efficient



## The challenge: lack of energy efficiency is taking a toll on the economy and the climate

In Ukraine, energy intensity, i.e. the ratio of energy used to economic output, is three times higher than in Germany or other member states of the European Union (EU). The production facilities of domestic companies are old and oversized, which leads to excessive energy consumption. The price of electricity and gas has been rising steadily since the energy market reforms were launched in 2015, placing a substantial burden on energy-intensive businesses in particular. As a consequence, many Ukrainian companies suffer from a lack of competitiveness.

Only very few of the over two million companies registered in Ukraine have the means to adopt suitable measures to deal with the rapidly increasing energy costs. Many companies possess little knowledge of innovative technologies, efficient machines or proven practices of modern energy management. Although experts and managers are beginning to look for solutions, the market for providing advisory services on the efficient use of energy is still in its infancy.

<b>Project title:</b>	Advisory Services for Energy Efficiency in Companies
<b>Commissioned by:</b>	German Federal Ministry for Economic Cooperation and Development (BMZ)
<b>Implemented by:</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
<b>Lead executing agency:</b>	Ministry of Economic Development and Trade of Ukraine
<b>National partner:</b>	State Agency on Energy Efficiency and Energy Saving of Ukraine
<b>Project area:</b>	Ukraine
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The aim is to change this situation, not least in order to lower greenhouse gas emissions and reduce the country's dependence on imported energy.

## Our approach: energy modernization and sound energy management

Be it in baking, dairy processing, manufacturing of construction materials or machinery: on behalf of the German Government, GIZ is working to improve the energy efficiency of companies in Ukraine. Together with associations, energy agencies and training institutions, GIZ is developing various opportunities for businesses. For example, company managers and professionals can take part in trainings to learn more about efficient energy use and, among other things, what is expected of them as certified energy managers working to European standards. Companies gain access to energy audits and energy efficient solutions, inter alia, through membership in energy efficiency networks.



Efficient use of energy in the baking industry

GIZ implements pilot projects to showcase economically and technically viable efficiency measures. Their goal is to lower energy consumption by at least 10% and serve as a model for rolling the initiatives out nationwide. GIZ provides such projects with comprehensive support, from the early stage of technical and commercial planning to the implementation of energy-management strategies and introducing managers and staff members to their new tasks. Together with partners from both public and private sectors, GIZ develops incentives and support programmes for companies which use energy more efficiently – thus enhancing the competitiveness of Ukrainian industries and curbing greenhouse gas emissions in the long term.



Checking the energy consumption with a thermograph

## Our results: competent service providers lower energy consumption and greenhouse gas emissions

Climate change mitigation and promotion of healthy businesses are the project's overarching objectives. To this end, the minimum of five service providers, such as consulting firms and energy agencies, will receive support to expand their portfolio of advisory services aimed at boosting energy efficiency, and learn how to market their offering. This also includes training, with roughly 150 managers and professionals improving their qualifications, e.g. by obtaining European Energy Manager (EUREM) certification.

With qualified experts and substantially improved services, Ukrainian forward-looking companies will be able to embark on energy efficiency measures. To make this happen, the project will support at least 70 selected companies, for example with energy audits.



Ukrainian companies learn to reduce their energy consumption



### Maksym Nefyodov: “Energy efficiency is a strategic focus”

Maksym Nefyodov, Ukraine's First Deputy Minister of Economic Development and Trade, is well acknowledged of the priorities of the Ministry and explains.

*„One of the main tasks of the Ministry is to foster industrial development and competitiveness in the country. Energy efficiency*

*is a strategic focus. We are confident that this project will provide the necessary stimulus for Ukrainian companies. It will consequently encourage other market players to carry out their own energy efficiency measures. Thus, we will not only strengthen our domestic market, but also improve the international image as a strong competitor.”*

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