



INVESTMENTS IN DEVELOPING ENERGY ASSETS (INVESTMENT IN ENERGY)

BACKGROUND

The long term energy security of Europe and Eurasia hinges on attracting investment to upgrade and build new infrastructure, which will enable a glidepath towards a clean energy transition. In the past, the financial risk involved has deterred investors. **Attracting private investment will require the identification, development and marketing of bankable investment-ready projects.**

PROGRAM DESCRIPTION

Investment in Energy will identify and assess investment opportunities, support the development of the most viable investment projects, and assist with bringing the projects to potential investors and financial institutions. The team of experts will work closely with International Financial Institutions (IFIs), the banking industry, investors and beneficiaries to advance the selected technically, economically and environmentally viable projects towards the commercial closure. The activity will focus on improving the investment potential of environmentally friendly heat and power generation, transmission and distribution, on centralized heating systems, water supply and sanitation, and upgrading the energy efficiency of residential and commercial buildings, which constitute 30 to 60 percent of all national energy consumption.



GOALS

Improve regional energy supply security, reliability and efficiency by advancing private sector-led investments in all segments of energy sector

Develop investment ready bankable projects, reducing the front-end risks for the investors, thus increasing the projects chances being financed

COUNTRIES

Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Georgia, Greenland, Kosovo, Moldova, Montenegro, North Macedonia, Serbia

LIFE OF ACTIVITY

09/2022 - 09/2027

USAID FUNDING

\$20 Million

IMPLEMENTING PARTNER

Black & Veatch
Special Project Corp.

CONTACT

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OBJECTIVES

Improving Operation and Management of Energy and Water Utilities: The quality of utility management is a signal of potential investment risk level and is often the first area investors seek to boost performance/financial improvement. Investment in Energy will improve utility management practices, ensure sustainable physical conditions and compliance with environmental regulations.

Heat and Power Generation: Heat and Power generation facilities in the region are in many cases well beyond their design life, complying with the minimum environmental protection requirements to avoid costly penalties or even forced shutdown. Investment in Energy will evaluate investment potential into environmentally clean technologies for power and heating projects via detailed technical, social and environmental assessments.

Transmission and Distribution (T&D) Networks: The electricity and natural gas transmission and distribution (T&D) sectors in the region need substantial investments to diversify supply routes and/or ease the transition to variable renewable energy. Investment in Energy will assist T&D operators with identifying and assessing investments into system upgrades to facilitate source diversification as well as integration of renewable energy sources.

Heat Supply: Much of the urban population in the region receives heat via centralized District Heating (DH) systems that were built during the 1950s through 1980s. The majority of these systems are beyond their design life and have limited metering. Investment in Energy is positioned to evaluate and find financing for upgrades that improve heating efficiency and quality of service, which based on similar work in the region, could result in over 20% annual cost savings for the utility.

Demand Side: The demand side of the energy sector offers a substantial potential for investment in energy use reduction, resulting in reduced cost, lower CO₂ production, and reduced reliance on energy imports. The residential and public building sector constitutes 30% to 60% of all national energy consumption. Aging multi-apartment buildings, which have great potential for energy efficiency upgrades, remain underserved by the commercial market. Investment in Energy will support residents, banks and local businesses in developing bankable investment projects in energy efficiency.

Water Supply and Sanitation: Similar to district heating systems, water supply and sanitation utilities are typically owned and operated by respective municipalities, with regulated tariffs which do not recoup the cost of operation, resulting in underfunded maintenance. Investment in Energy will work with water utilities to evaluate their operation and locate financing for upgrades that improve water supply efficiency and quality of service.

