



REPUBLIC OF NORTH MACEDONIA

Catalyzing market transformation
for industrial energy efficiency
in Macedonia

Outlook

UNIDO is working to accelerate the transformation of the market for industrial energy efficiency towards increased use and provision of best-available practices and technologies and related consultancy and investment services. The ultimate aim is to generate energy savings and reduce greenhouse gas (GHG) emissions of Macedonian industries, while advancing the overall economic and environmental performance of the country's manufacturing and energy sector.

Context

The industrial sector is Macedonia's largest energy consumer, and mostly relies on electricity and petroleum products. In 2014, industry accounted for 30% of final energy use, while generating around 28% of national GDP and engaging over 30% of total labour force. Industry is also the sector with the largest estimated potential for energy savings: 91.1 ktoe cumulated over the period 2010- 2020, equal to 38% of the total industry consumption.

Despite of the noticeable progress made in this field by the Macedonian Government and industrial sector in recent years, substantial technical and economic potential for energy efficiency gains remains untapped.

Strategy

UNIDO is working with decision-makers to ensure that specific policies and programs are put in place to promote and support industrial energy efficiency and energy management systems, and to build the necessary knowledge and expertise.

The project also works to accelerate dissemination of energy management systems, ISO 50001 and best available practices in the local industrial energy efficiency market. It combines of knowledge dissemination between industry decision-makers, skills and expertise upgrade of national EE service providers, and hands-on experience for enterprises on implementing energy management systems and industrial energy systems optimization projects.

By enhancing the use of existing financing facilities for investments in industrial EE and helping mobilize additional financing from the Macedonian banking sector, the project aims to boost of investments in energy efficiency projects and low-carbon technologies for industry.

Impact

Training, workshops and consultations with policy-makers are leading towards the establishment of a national Energy Management Policy Programme and its integration into the transposition of the EU Energy Efficiency Directive in Macedonia. Financial incentives for EnMS/ISO 50001 implementation and certification were established by the Ministry of Economy in 2016.

Training on energy management systems and energy systems optimization was delivered to over 80 and 30 enterprises respectively, and a cadre of National Experts was qualified. 21 industrial enterprises implemented an energy management system under the UNIDO EnMS Capacity Building and Implementation Programme, resulting in overall 49,600 ton CO2 emission avoided and over 4,520,000 USD saved. The programme has already been replicated by a local electricity distribution and supply company.

The project is also expected to support the establishment of a technical assistance facility for IEE investment proposals appraisal and the development of performance-based cash-premium for IEE investments.

At a glance

Project title: Catalyzing market transformation for industrial energy efficiency and accelerate investments in best available practices and technologies in the Republic of North Macedonia

Goal: Accelerate the transformation of the market for industrial energy efficiency in the country

Thematic areas: Industrial Energy Efficiency

Donor: Global Environment Facility (GEF)

Project counterpart: Ministry of Environment and Physical Planning, the Ministry of Economy and the Energy Agency of the Republic of Macedonia, Macedonia Bank for Development and Promotion, Regional Environmental Centre (REC) Country Office Macedonia, Macedonian industries, Faculty of Technology and Metallurgy, USAID/Timel Proekt and others.

Budget: \$1,400,000 (plus \$5,900,000 co-financing from UNIDO and Executing Partners)

Duration: 2015 –2021