Country: Azerbaijan

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ITS Combined Event on the Benefits and Requirements of the EU Directive on Energy Performance in Buildings RWP.08
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General information on EE in buildings in the country (1)

1. **The Ministry of Energy**, as charged, it ensures the development and implementation of measures associated with the irrational use of energy resources and the protection of the public interest in the field of EE.

2. **Energy consumption in the buildings sector** (residential, public and commercial) in 2014 amounted to 3.9 million toe, i.e. about 47% of total final energy consumption in the country, while the residential buildings sector consumed 3.2 million toe, and the public and commercial sector 0.7 million toe. The structure of the final energy consumption is shown on the next slide.
General information on EE in buildings in the country (2)

Structure of the final energy consumption by sector (%)

- Households - 39,1%
- Industry - 16,1%
- Transport - 31,1%
- Public and Commercial Services - 8,1%
- Other - 5,6%
General information on EE in buildings in the country (3)

1. **Draft State Programme for the rational use of energy and energy efficiency to end users 2016-2020** has been developed. The Programme's section in relation to buildings envisages implementation of measures aimed at:

- Development of standards for on energy consumption in buildings
- Encouraging construction of buildings with minimum energy consumption and maximum use of renewable energy
- Energy certification of buildings
- Encourage the use of efficient lighting and high-grade EE equipment
- Prohibition on imports of low-grade equipment EE
- Development of the district heating system

4. **There are no minimal** EE requirements for new buildings.
Progress in the implementation of Energy Performance in Buildings Directive (EPBD)

1. **In 2012** Urban Planning and Construction Code was adopted establishing that: A construction facility shall be designed and erected in accordance with energy saving and energy efficiency requirements (i.57.2.6)

2. **In 2014** 2 Resolutions of the Cabinet of Ministers were adopted: (i) Rules for improving energy efficiency and energy saving at construction sites and (ii) Rules of designing heating, ventilation, natural and artificial lighting on construction sites. Said normative acts introduced the concept and the form of building's energy performance certificate, introduced mandatory special section in the design and estimate documentation for the energy efficiency of buildings.

3. **In 2013 with the support of INOGATE-ESIB project** (Energy saving in buildings) the process of creating condominiums in multi-family housing sector started
Key barriers and challenges

- **No standards** on energy performance of buildings (existing and under construction)
- **Inadequate** legislative and regulatory framework
- **Rigid tariff system** for electricity, gas and heat that does not stimulate economical use of energy and their lower level:
  - (i) does not create the economic prerequisites for the implementation of measures to improve energy efficiency of buildings
  - (ii) reduces the interest for private sector investments in energy-efficient buildings
- **In the sector of apartment buildings** the system of condominiums (homeowners associations) is insufficiently developed - although the Housing Code of Azerbaijan identifies condominiums as one of the three forms of management of multifamily residential building (Art. 119)
- **Low** awareness among the public and business
- **Lack of incentives** for the development of the sector of energy efficient buildings
Next steps

1. **Approval of 2016-2020 State Programme for rational use of energy and energy efficiency of end users** that contains a section on energy efficiency in residential, public and commercial buildings. **Ways and means** of solving most of the problems and barriers shown in the previous slide, are specified in this section of the State Programme.

2. Additionally, it is necessary:
   - **Implementation of market relations** in the energy sector and reform of the tariff system aimed at energy efficiency and energy saving
   - **Development of the condominiums system** in the sector of apartment buildings, as defined in the Housing Code
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