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## Alliance to Save Energy Regional Urban Heating Policy Review

### ***The Alliance to Save Energy Endorses the Regional Review of Urban Heating Policies, Reform and Restructuring Experiences and Recommendations for Europe and Eurasia***

The transition from planned to market-based economies has saddled countries in the region with failing, oversized district heating systems, making the provision of heat a huge financial burden on society. The heating sector is the largest single user of fossil fuels in Europe and Eurasia, consuming as much as 45 percent of the total energy used in some countries, along with billions of dollars each year in emergency repairs to poorly-maintained systems. Despite the challenges that remain in this sector, many countries have managed to improve urban heating over the past two decades, thanks to investment projects and reforms introduced in collaboration with international development agencies and financiers.

The Alliance with USAID support and selected experts tried to define, analyze and present an integrated, comprehensive assessment of urban heating sector condition, policies and programs in the Europe & Eurasia (E&E) region. The assessment was developed with an expert advisory panel consisting of the region's most prominent experts in heat policy reform. The assessment is meant to help donors and policymakers understand the key issues related to urban heating – now and into the future, and to factor those issues as appropriate into their respective policies, programs and strategies. The expanded audience for this assessment includes local governments, energy experts and project developers, non-governmental organizations (NGOs) and others who influence the development of the E&E region. Part I of the present document provides the regional, cross-country assessment of urban heating sector issues, policies, experiences and recommendations for reform and restructuring. Part II of this assessment presents a compendium of country papers providing an in-depth review of the above issues on a country level (available on [www.munee.org](http://www.munee.org)).

The findings of this research were presented in a policy workshop on “Urban Heating Reform in Europe and Eurasia: Experiences and Future Agenda” in being held in Kiev, Ukraine on March 27-28, 2007. The opinions, comments and suggestions expressed at this workshop were also reflected in the final version of the assessment.

The assessment documents the latest, most up-to-date analysis of heating policies and trends in the urban heat arena, and offers recommendations for the region's policymakers and their development partners. It draws extensively from local experiences, documenting and analyzing the relevant policy reforms and their influence on heat supply and end-use, and on consumers. It explores how urban heating has evolved in terms of heat price regulation, supplier-consumer relations, affordability and long-term market viability. The report further suggests ways for eliminating the barriers for continued reform, commercialization and development of the urban heating sector through improved energy planning and competition, pricing and regulations, market rules and legal framework, technical performance, finance and investment, training, capacity building and awareness, technical assistance, social safety nets, environmental regulations, service quality and customer orientation

***The Russian and English versions of the Executive summary of the report can be found on [www.munee.org](http://www.munee.org). The full Regional Urban Heating Policy Review is available for download on [www.ase.org](http://www.ase.org). The assessment was based on in-depth country reviews on this topic, which are available in the library section of the [munee.org](http://munee.org) website.***