

List of the Prosperity Fund projects in Russia 2012/13, 2013/14

Prosperity Fund

The Prosperity Fund started in 2011/12 and succeeded the Low Carbon High Growth Strategic Programme Fund. The FCO's Prosperity objective is to "Build Britain's prosperity by increasing exports and investment, opening markets, ensuring access to resources, and promoting sustainable global growth". Of these elements, the Prosperity Fund focuses on opening markets, promoting sustainable global growth and ensuring access to energy resources. In 2013/14 it will operate in 13 priority countries and regions and most of the fund will be consistent with the UK's international development agenda.

An **open global economy** is the most effective way to support development and increased prosperity. We want to encourage openness to trade and investment, and to strengthen the multilateral trading system. We want transparent and stable regulatory regimes and economic policies that underpin sustainable global growth. We want to discourage protectionism, bribery and corruption.

If we are to avoid dangerous **climate change**, which will undermine the conditions necessary for sustainable global economic growth, we need urgently to transform the global economy to a low carbon one. This will depend to a large extent on an ambitious, comprehensive and equitable global framework agreement in the UN Framework Convention on Climate Change. The fund aims to create the conditions necessary to deliver this political commitment and the shift in investment to low carbon.

Low carbon policies will enhance **energy security** globally. But hydrocarbons will play a role in the energy mix for the foreseeable future and the oil price will continue to be a key driver in the global economy. We want to deepen engagement with energy producers and encourage conditions that enable the necessary investment in transitional oil and gas, promote transparency, reduce price volatility and improve the reliability of energy supplies. We want open and effective international energy markets, reduced fossil fuel subsidies, alternative energy sources and more efficient consumption of energy.

Prosperity Fund projects – 2012/13 financial year

1. "Monitoring and Reducing Carbon Footprint of Russian Vodokanals"

Project implementer: NGO "Ecoline"

Project purpose: By April 2013, a robust methodology for the assessment and reduction of carbon footprint is operational at largest Vodokanals of Russia

2. "Russian Energy-Related GHG Emission Breakdown Analysis"

Project implementer: Centre for Energy Efficiency

Project purpose: Energy-related GHG emission breakdown by sectors and factors both for historical data and for projections to improve the knowledge of factors driving emissions and to fit the approach applied in the IPCC Working Group III Fifth Assessment Report; to improve the quality of National communication to UNFCCC on emission inventories and drivers

3. "Climate Change Impacts on Power Generation and Consumption in Russia"

Project implementer: Main Geophysical Observatory named after Voeikov

Project purpose: Policymakers and stakeholders are provided with recommendations on climate change adaptation measures to be implemented in the Energy Strategy

4. "Russia and the WTO: Making the Most of Accession"

Project implementer: St. Petersburg State University

Project purpose: To ensure that government, customs and business community in North West Russia are well prepared for the regulatory and operational changes required by WTO accession

5. "Russian Export Carbon Intensity and Risks Associated with Lack of Reporting Capacity"

Project implementer: UNDP

Project purpose: Promote efficient state and corporate carbon standards and reporting in Russia through a set of policy and institutional recommendations based on UK experience

6. "Developing Mechanisms to Improve Russia Operators' Capacity to Meet its Legal Obligations under the EU ETS or Develop Equivalent Measures in the EU ETS as a Global Instrument for Combatting Climate Change"

Project implementer: Baker & McKenzie

Project purpose: To help Russian aircraft operators build capacity and competency to meet their legal obligations under the EU ETS or to develop equivalent measures

7. "Impacts of Climate Change on Russia's Aspiration to Become a Leading Global Food Producer"

Project implementer: Oxfam

Project purpose: Project recommendations on climate change adaptation and food security policy are adopted by the relevant Ministries by April 2013

8. "Awareness Raising and Involvement of Russia in Use of New Carbon Market Tools"

Project implementer: WWF

Project purpose: Russia has good awareness in new carbon tools emerging in 2011 – 2012 as potential elements of carbon market and started participation in global voluntary carbon market

9. "Driving Industrial Energy in Russia"

Project implementer: Centre for Energy Efficiency

Project purpose: To reduce the energy intensity of Russian industry through strategic policy advice and technological innovation

10. "Regional Energy Planning: Training Local Governments and Public Utilities of the Urals"

Project implementer: NGO Ecoline

Project purpose: By April 2013, modern energy planning approaches are started to be applied to enhance energy efficiency in the Urals

Prosperity Fund projects – 2013/14 financial year

1. "Energy use and energy efficiency in Russia's housing sector. How to make it low-carbon?"

Project implementer: Centre for Energy Efficiency

Project purpose: To better understand the energy use structure, efficiency trends and behavioural patterns in Russia's housing sector and to better tailor policies to promote energy efficiency and renewables in this sector at the federal, regional and municipal levels, including those aimed at multifamily buildings rehabilitation

2. "Costs and benefits of low-carbon economy and society transformation in Russia. 2050 Perspective"

Project implementer: Centre for Energy Efficiency

Project purpose: Identification of costs and benefits associated with low-carbon development strategies in Russia to the mid-21 century and beyond and exploring if transition to a low-carbon economy is a brake or life buoy for the Russian economy

3. "Russian climate diplomacy during G8 chairmanship and UNFCCC global deal development"

Project implementer: WWF

Project purpose: Climate is properly addressed in G8 Russian chairmanship of 2014, with sound domestic decisions on emission reduction goals and CO2 regulation as well as Russian position in the UNFCCC global deal development

4. "Developing responsible financial markets and the Financial Ombudsman Consumer Protection Service: UK experience and Rospotrebnadzor practices"

Project implementer: Leontief Centre for Social and Economic Development

Project purpose: Build capacity of federal and regional authorities to implement Financial Ombudsman Service using the best practice from the UK

5. "Private Public Dialogue on the Principle Pilot Model for Russian Carbon Market"

Project implementer: National Carbon Sequestration Foundation (NCSF)

Project purpose: Further development of awareness of the Russian business community and identification of different approaches toward regulating carbon emissions in Russia, of potential common positions through public private dialogue on prospects of carbon market in Russia, sketch the most practical approaches and pilot model to advance a Russian carbon ETS

6. "Russian In-Depth Energy Policy Review"

Project implementer: International Energy Agency

Project purpose: Support reform of Russia's energy sector to improve energy efficiency, reduce green house gas emissions and increase global energy security through in-depth analysis and policy recommendations

7. "Integrating energy efficiency into major repairs across Russia's existing multi-family housing"

Project implementer: "Verco Advisory Services Ltd." and "Lighthouse Russia BV"

Project purpose: To improve the energy performance of Russian multi-family buildings by providing homeowner association and housing cooperatives with independent advice and tools to facilitate the decision-making process.

8. "The human impact on carbon emissions in tundra environment: estimation and reduction (case study)"

Project implementer: Centre for Forest Ecology and Productivity

Project purpose: To obtain the new data for the current SBSTA UNFCCC process on human impact on carbon emission from tundra by providing the technique of carbon footprint estimation, and the plan of mitigation of and adaptation to environmental change for municipalities with degrading permafrost.