

XPRESS CASE STUDIES ON BARRIERS TO INVESTMENTS IN RENEWABLE ENERGY SOURCES

– SLOVAKIA –

This case is based on an interview with a SME in Slovakia.

The interview partner was the director of a non-governmental company Slo-SME-1. The company was set up by the department of Energy Center in one of the city in Slovakia. It was formerly financed by the UNDP program (United Nations Development program) to implement the program “Removing the barriers of public lighting restoration in Slovakia”.

At present the company helps municipalities to successfully implement street lightning modernization projects, the project documentation of the modernization, and the preparation of feasibility studies for the EBC contract and so on. The company also provides the physical construction and the maintenance of lighting systems like exchanging the lamps.

Analysis of the current situation:

a. Sustainability strategies, energy-related strategies:

Saving energy is the focus. In the last two years they included some smart city components in their projects but the concept is still new to them: “So we take care that our projects are prepared for the municipalities or for the customers in a way that in the near or later future they can anytime connect without any additional investment any luminaires into the smart city concept and then using the luminaires for connecting with the sensors and to monitor the quality of their air and the traffic intensity of all the other things for which the street lightning system infrastructure can be used.”

The share of innovation activities (such as R&D, training, or product development) is in “the project business 100 percent. All our projects are energy efficiency projects with a minimum fifty or sixty percent energy savings from the former state to the state after reconstruction.” The share is unknown for the construction part of their business.

b. Involvement in PP

The company actively participates in tenders and is successful there. As stated by the interviewee, “every contract is important for us”. The interview partner describes one example in more detail: “One very successful project was in the city of XX. There, we won twice. The first stage was about 200 Luminaires. The second stage was about 700 luminaires in this municipality. Our main clients take 1000 to 2000 luminaires. It was a standard procurement for the construction services, for the investment. In every procurement there were usually two to four competitors fighting over the price.”



Financial support and external support to find new markets would be very much welcomed.

Drivers and Barriers

Main constraints/barriers

- Hard competition: “Slovak market with street lightning reconstruction business is quite saturated.”
- Frequent cancellation of tenders
- Badly prepared procurement documents
- Non-sufficient understanding of banks “it would be helpful to have some more education for the banks, for example how energy efficiency projects are working.”
- Price is the only criteria that counts (Municipalities care about energy savings though): “In the project documentation there are some saving [requirements]. The CO2 savings are also calculated. But in the public procurement there is usually no care about that.” The interview partner is not concerned with LCA considerations.
- Size of the tender can be a problem for SMEs

Drivers for SMEs to participate in PP

- Pre-tender dialogue is very much welcome but still very new for municipalities. The company has not taken part yet.
- Slovak municipalities have started to prefer smaller local companies when tendering services.
- Consortia building of several SMEs is considered beneficial.

Sharing international experiences on public procurement in the RES area and visits to other municipalities is considered beneficial: “...to show the Slovak municipalities the best examples from other markets on how ... to implement the green procurement”

