



# Asia: Barrier Removal to the Cost-Effective Development and Implementation of Energy Efficiency Standards and Labeling Project (BRESL)



**ASIA: BRESL PROJECT**



## **UNDP & Sustainable Energy**

- ◆ Millennium Development Goals (MDGs), and individual specific country level demand for UNDP support.
- ◆ ENERGY and ENVIRONMENT for SUSTAINABLE DEVELOPMENT (Goal 3)
- ◆ ACCESS to SUSTAINABLE ENERGY SERVICES (Goal 3, Service Line 3.3)



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# Market Transformation Projects

### Typical Features:

- ◆ Capacity building and/or technical assistance focusing on a combination of market transformation activities into a holistic approach to sustainable and significant market expansion on a national scale
- ◆ EC&EE measures that catalyze both demand and supply sides, resulting in significant and lasting market penetration of energy efficient energy consuming products
- ◆ Approaches that permanently shift the market equilibrium to a higher level of product or technology application leading to sustained GHG reductions.
- ◆ ES&L programs that would be attractive to developing countries, which would like to replicate successful experiences in market transformation



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## Market Transformation Projects

Market transformation projects would typically consist of, but not limited to:

- ◆ Capacity building
- ◆ Marketing and awareness raising
- ◆ Energy standards and labeling programs
- ◆ Dealer incentives
- ◆ Manufacturer technology transfer and product design



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# Energy Standards & Labeling

## Lessons Learned from ES&L Programs

- ◆ ES&L programs are regarded as a cost effective way for countries to realize their energy efficiency goals
- ◆ ES&L programs bring about substantial electricity peak demand reduction and energy savings with attractive cost/benefit ratios
- ◆ ES&L programs have proven to be effective climate change mitigation measure in countries in which they are instituted, and implemented
- ◆ Because of limited capacity and support, there is only gradual improvement in the efficiency of new energy consuming appliances and equipment sold and used in the Asian countries.



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# Energy Standards & Labeling

## Lessons Learned from ES&L Programs

- ◆ While it is the prerogative of a country to determine the scope and coverage of its ES&L program, and the stringency of the standard applications, it is also practical for each country to “harmonize” or “align” or “make compatible” their standards, labels and test procedures with other countries.
- ◆ Harmonizing or aligning, or making compatible standards, labels and test procedures across countries results in expanded export markets for manufacturers, as well as improved choices and lower energy bills for consumers



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# Energy Standards & Labeling

## Lessons Learned from ES&L Programs

- ◆ Most of the ES&L initiatives in the region were supported by international organizations that have played a key role in the establishment of the ES&L programs in these countries through:
  - o capacity building
  - o strengthening of testing facilities
  - o support to market research and analysis
  - o evaluation of impacts on manufacturers and consumers;
- ◆ Average efficiency of products in the Asian market is significantly below that of the best products in other parts of the globe, mainly due to strong emphasis on first cost at the expense of running costs.



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# Energy Standards & Labeling

Barriers to widespread development and implementation of ES&L programs that constrain improvements in appliance/equipment energy efficiency:

- ◆ Absence of policies and/or poor policy implementation
- ◆ Absence of information on appliance saturation and end use consumption in different segments of society, and low level of awareness on ES&L
- ◆ Lack of institutional capacity on ES&L implementation
- ◆ Limited funds for program implementation (short-term and long-term)
- ◆ Lack of technical know-how on ES&L
- ◆ Poor planning of ES&L activities
- ◆ Difficulties in initiating collaboration among relevant stakeholders
- ◆ Absence of legal framework for ES&L program implementation
- ◆ Limited local energy performance testing facilities



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# Energy Standards & Labeling

## Desirable Outcomes in the Area of Energy Standards & Labeling

- ◆ ES&L programs are developed and implemented successfully.
- ◆ Regional collaboration on aligning (or making compatible), or harmonizing energy standards and labels
- ◆ Regional agreement on consistent test procedures to facilitate comparison of product test results and efficiency levels
- ◆ Increased economic efficiency of the equipment/appliance market resulting to foster regional economic growth
- ◆ Increased efficiency of new products sold in the equipment/appliance market.
- ◆ Faster rate of deployment of new energy efficient technology by equipment/appliance manufacturers
- ◆ Reduction of GHG emissions attributed to the reduced utilization of energy in energy consuming equipment/appliances



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# Possible Interventions in a Regional ES&L Initiative

- ◆ Capacity building and technical assistance for countries:
  - ◆ Without ES&L programs (*to facilitate mobilization of domestic stakeholders, establishment of appropriate legal/regulatory frameworks, and launching national ES&L programs*).
  - ◆ With ES&L programs (*to expand coverage of appliances and to revise the stringency of existing standards*).
- ◆ Removal of major barriers to the widespread and cost-effective adoption and implementation of ES&L programs
- ◆ Activities for the promotion of energy efficient equipment/appliances, and reduction of GHG emissions.
- ◆ Development, promotion and institutionalization of a regional harmonized ES&L scheme or mutual recognition agreements



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# Possible Outcomes of a Regional ES&L Initiative

- ◆ Regional framework for providing technical assistance for development of national ES&L technical infrastructure
- ◆ Clear understanding of the ES&L programs of countries
- ◆ Capacity building on ES&L programs for countries w/ & w/o ES&L programs
- ◆ Dissemination of information on the various aspects and features of ES&L programs of countries, including lessons learned and best practices.
- ◆ Region-wide network for sharing information on ES&L issues
- ◆ Dissemination of information on equipment/appliance standards and labels
- ◆ National, regional and international comparisons that benchmark energy savings achieved and prospects for future energy standards program
- ◆ Specific initiatives for international alignment of energy performance test regimes for commonly used appliances and equipment
- ◆ Clear bases for setting up mutual recognition agreements between countries



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# Project Objectives & Outcomes

- ◆ **OBJECTIVE:** Widespread utilization, and increased market share, of energy efficient appliances and equipment in the Asia Region.
- ◆ **OUTCOMES:**
  - ◆ Increased capacity of Asian countries to develop and implement ES&L programs;
  - ◆ Enhanced awareness on ES&L programs and in the use of EE products in the countries in the region;
  - ◆ Facilitation of the development and implementation of ES&L programs;
  - ◆ Increased financing and access to financing for ES&L initiatives;
  - ◆ Established regional network of standards and labeling activities that facilitate harmonization of test protocols and standards; and,
  - ◆ Successful demonstration of the design, development, financing, institutionalization, implementation of ES&L programs.



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### Project Impacts

- ◆ Increased market share of EE equipment/appliances in the different countries and in the region as a result of the ES&L programs
- ◆ Improved local manufacturing industry performance (productivity and competitiveness)
- ◆ Energy savings from the utilization of energy efficient appliances/equipment in the end use sectors in each participating country
- ◆ Reduction in GHG emissions from the energy consuming sectors in each participating country



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# Project Strategy

- ◆ Consolidation and integration of ongoing and planned national and ES&L programs in the region into a comprehensive regional project for promoting and rapidly accelerating the adoption and implementation of energy standards and labels throughout Asia.
- ◆ Removal of barriers to the widespread development and implementation of ES&L programs and harmonization of test procedures, standards and labels among developing countries throughout Asia
- ◆ Accessing GEF assistance in the financing of barrier removal activities. GEF-assisted barrier removal activities bring about global environmental benefits in terms of GHG emissions avoided from the widespread utilization of energy efficient appliances/equipment.



## ASIA: BRESL PROJECT



# BRESL Project Development

Asia: BRESL Project will be designed and developed by accessing GEF project development and implementation assistance under the OP-5 funding window, addressing Strategic Priority No. 1 (Market Transformation)

- ◆ Project Idea submission for UNDP-GEF Pipeline Entry – *Approved (Jan 2005)*
- ◆ Concept Paper submission for GEF Pipeline Entry – *Approved (May 2005)*
- ◆ Project Development using GEF PDF Funds and other available funds
- ◆ Submission of BRESL Project Brief and Executive Summary for GEF Work Program Entry and GEF CEO Approval.



## ASIA: BRESL PROJECT



### Project Activities

Asia: BRESL Project will involve regional and national activities that will ensure:

- ◆ Stimulation of ES&L program development and implementation throughout the region;
- ◆ Harmonization of cooperation on key elements of standard setting, labeling, and the testing that underlies them both;
- ◆ Facilitation of market transformation for commonly used and traded energy efficient (EE) equipment/appliances in the countries in the region; and,
- ◆ Facilitation of financing of ES &L programs to make them sustainable.



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### Project Activities

- ◆ 1. ES&L Policy Making Enhancement Program - Capacity building on the policy/regulatory aspects of ES&L within national boundaries.
- ◆ 2. ES&L Awareness Enhancement and Promotion Program - Directly address regional network building and information sharing.
- ◆ 3. EE Equipment/Appliance Market Development Program - Focus on building the market for EE equipment and appliances.
- ◆ 4. ES&L Technical Support Program - Provision of technical capacity building on ES&L for each country.
- ◆ 5. ES&L Demonstration Program - Implementation of several pilot ES&L programs in lead countries.
- ◆ 6. Sustainable National & Regional ES&L Program - Ensuring the financially sustainable implementation of ES&L programs



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# Project Development Activities

- ◆ Activity 1: National ES&L Assessments
- ◆ Activity 2: In-country Workshops
- ◆ Activity 3: Regional Report Preparation
- ◆ Activity 4: Project Formulation Workshop
- ◆ Activity 5: Establishment of Project Management Structure, Coordination & Support Mechanisms, Co-financing Arrangements
- ◆ Activity 6: Asia:BRESL Project Document and Executive Summary Preparation
- ◆ Activity 7: Asia:BRESL Regional Workshop



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# Project Development Requirements

### 1: UNDP Country Office

- ◆ Ensure linkage with UNDAF/CP
- ◆ Present project concept & plan to government

### 2: Participating Country

- ◆ Support of relevant government ministries/departments (e.g., Energy, Science & Technology, Trade & Commerce, etc)
- ◆ GEF Operational Focal Point Endorsement Letter

### 3: UNDP-GEF Regional Coordination Unit (RCB)

- ◆ Coordination of project development activities
- ◆ Project proposal processing for GEF funding approval



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**Thank You**