

## **TECHNICAL EXPERT MEETING TO UNLOCK MITIGATION OPPORTUNITIES IN ENERGY EFFICIENCY IN PRE-2020 PERIOD**

Wednesday, 12 March 2014, 15.00 – 16.30

Thursday, 13 March 2014, 10.00 – 18.00

### **Summary at the closing session of the technical expert meetings by the facilitator Mr. Jun Arima (Japan)**

At the technical expert meeting to unlock mitigation opportunities in energy efficiency in pre-2020 period, held in Bonn, Germany, on 12–13 March 2014, Parties, observers and leading international organizations and partnerships engaged in the discussion on sharing experiences in capitalizing on energy efficiency potential, lessons learned, challenges and plans for further scaling up energy efficiency improvements and on sharing opportunities for mobilizing finance, technology and capacity-building to implement energy efficiency actions by developing country Parties. The presentations and statements were made by representatives of national governments, international specialized organizations and cooperative partnerships, international financial organisations and UNFCCC support institutions.

#### **POLICIES, PRACTICES AND TECHNOLOGY – GLOBAL STATE OF PLAY**

Many Parties spoke about the need to have a strong political will and raise a profile of energy efficiency among national policy priorities in order to fully utilize the energy efficiency potential. Successful implementation of energy efficiency measures requires close coordination among relevant Government ministries and collaboration between central and local governments as well as between public and private sector.

It was stressed that the governments should take a leading role in promoting energy efficiency at all levels. Parties spoke about the importance of a comprehensive national energy efficiency strategy or action plan backed by legislation and being supported by sector-specific strategies. Parties identified many feasible policies and technologies as well as challenges and barriers to implementation of energy efficiency improvements. While many of these challenges need to be addressed ultimately by domestic actions, international collaboration will also play an important role with regard to financial, technological and capacity-building support.

Among the key policy options, practices and technologies, participants mentioned that:

- Energy pricing is one of the key drivers encouraging energy efficiency measures by end users.
- Effective regulations, such as mandatory efficiency standards for buildings, appliances and vehicles, and their robust implementation can ensure success in promoting energy efficiency.
- While energy efficiency investments are usually economically feasible by nature, fiscal and financial incentives would be necessary for broader uptake and up-scaling of energy efficiency measures.
- Information and awareness-raising policies such as energy efficiency labelling are effective tools for incentivizing end users to buy energy efficient appliances and houses.
- Technology development and innovative research and development are crucial for further exploitation and enhancing of energy efficiency potential.

Participants also talked about a diverse range of challenges and barriers that are often a flipside of good policy practices:

- Insufficient profile of energy efficiency in national policy priorities and complicated and ill-coordinated governance structure;
- Lack of capacity in designing and implementing effective policies and lack of technical knowledge, laboratories and expertise;
- Lack of cost-reflective energy pricing, short-sighted purchasing and investment patterns and insufficient financial incentives to stimulate energy efficiency;
- Difficulties in accessing large-scale financing that make it difficult to replicate success in cases of highly expensive technologies.

#### **IMPLEMENTING ACTIONS – FINANCE, TECHNOLOGY AND CAPACITY BUILDING**

The importance of the means of support for effective implementation of mitigation action on the ground was stressed in nearly every intervention. Participants highlighted a need for a comprehensive approach to provision of finance, technology and capacity building and a policy dialogue between governments and support institutions on enhancing enabling environment needed for energy efficiency actions. In terms of specific support, Parties stated that enhancement of technical and institutional capacity is crucial to further promote energy efficiency. Some developing countries mentioned that in order to implement energy efficiency measures they allocated own financial resources diverting them from addressing other needs, such as poverty eradication, education and health thus highlighting the importance of mitigation and sustainable development benefits that could be brought about.

#### **WAY FORWARD**

Discussing the way forward, some participants pointed out the need to continue the dialogue after the March ADP session and raised several points with regard to possible action that could be taken by Parties, the UNFCCC and its institutions, other intergovernmental organisations, partnerships and initiatives, and the secretariat.

Participants expressed expectations that as a result of engagement in the technical examination process, Parties and relevant initiatives and partnerships might be in a position to launch new and ambitious policies and actions around the options identified above with potential to contribute toward the pre-2020 ambition and also towards preparing for post-2020 policy frameworks.

Several Parties noted that the discussion in the technical examination meetings under the ADP should maintain its focus on workstream 2 by covering in a comprehensive way all elements of paragraphs 7 and 8 of decision 1/CP17.

The specialized international organizations and partnerships such as IEA and IPEEC should continue to be involved in the TEMs process and assist Parties within the scope of their mandates in moving this process forward towards effective implementation. Other international organisations (World Bank, European Bank of Reconstruction and Development, United Nations Environment Programme, and Global Environment Facility) and cooperative partnerships (C40 Cities and Partnership for Sustainable Low Carbon Transport) shared their views on the ways they could contribute to unlocking mitigation opportunities and provide support to developing countries.

#### **Actions by Parties**

In discussing the way forward and the actions by Parties, participants suggested that:

- One of the priorities at the national level is to define a holistic and integrated approach to address energy efficiency issues by placing them higher in the overall policy agenda of the Governments. Strong political will, clear policies and good understanding of approaches, measures and technologies is necessary for a comprehensive roll out and up-scaling of energy efficiency initiatives.
- Parties are encouraged to address identified challenges and barriers through policy and technology options and make efforts to test and adapt various feasible options using existing practices and experience.
- Some Parties spoke about the need to better understand policy options, opportunities and mitigation potential, barriers and planning requirements, including various aspects of implementation, rolling out and scaling up mitigation action.
- Some developed Parties mentioned that they are interested in continuous sharing their examples and learning from each other's experience.
- The need to use the existing NAMAs registry to facilitate collaboration on energy efficiency initiatives was highlighted. Further improvements to the NAMAs registry, such as a linkage to a specified financial mechanism, could enhance collaboration and implementation of programs and projects.
- Participants encouraged Parties and international organizations to make submissions to provide further views on technical examination process under the ADP and on mitigation benefits of energy efficiency measures.

#### **UNFCCC institutions**

As for the role of the UNFCCC and its support institutions, Parties suggested the following:

- The role of the UNFCCC is to galvanize the political will of Parties to implement pre-2020 action and inform preparation of the post-2020 policies and policy objectives.
- More specifically, the UNFCCC could serve as a platform for future discussions and interactive dialogue to facilitate communication between Parties and international support organizations, focusing on innovative and creative solutions including on energy efficiency among other topics, and on how success stories in policies and action could be replicated.
- Some developing countries suggested to identify new, better and practical ways of managing knowledge and information on energy efficiency with the view to help Parties realize opportunities and potential by assisting them to set up incentive schemes, looking at cost-effectiveness, investment opportunities, international cooperation options and technology transfer.
- Existing UNFCCC institutions, namely the Technology Mechanism, the Technology Executive Committee (TEC), and the Climate Technology Center and Network (CTCN) as well as the Green Climate Fund (GCF) could be actively engaged to assist countries in scaling up deployment of energy efficiency policies, initiatives and actions. A proposal was made to invite those institutions to work inter-sessionally. A pipeline of projects linked to GCF and CTCN financing could provide a right signal and guidance to potential investors. It was suggested that TEC could consider more in-depth policy barriers that Parties faced.
- Some developed Parties highlighted multiple avenues of international cooperation in the field of energy efficiency at bilateral, pluri-lateral, regional and multilateral level. There are plenty of international initiatives or programs for helping developing countries to promote energy efficiency in terms of capacity building, technology transfer and financial assistance. Their utilization could further be promoted. Assistance in pairing countries with appropriate international organizations or initiatives to implement energy efficiency initiatives could be

provided by existing UNFCCC institutions, or by a newly created mechanism such as through clearing house and other match making arrangement.

### Secretariat

With regard to the role of the secretariat, Parties proposed the following activities:

- The forum of cities and the TEM on urban environment to be organized in June should broaden the audience and engage cities, private sector and implementing agencies and look at successes and failures in implementation of policies and technologies. Given the close linkage between the central and municipal governments, energy efficiency issues relevant for urban areas should also be discussed.
  - Some Parties suggested continuing the technical work by having a more focused dialogue on policy options and moving from ‘abstraction’ into ‘actuality’ and working towards preparing inputs for the Ministerial meeting in June and the United Nations Secretary-General’s summit in September 2014 on policy options and ways to support their implementation.
  - It was requested that the secretariat update the technical paper on mitigation ambition based on submissions and discussions at the meetings by pulling together policy examples drawing on experience of Parties and international organizations and by preparing a new short document for policy makers.
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