

# Policies, actions, initiatives and options to enhance mitigation ambition: Energy Efficiency



## Key points

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- Climate change policies by UNFCCC Annex I Parties
- ADP process on enhancing mitigation ambition in pre-2020 period
- Energy efficiency: progress, potential, benefits, barriers, actions and policy options menu
- What lies ahead: ADP action in 2015 and beyond



## Climate change policies by Annex I Parties

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- Climate change became a core top-level issue in national agendas
- Parties increasingly look to align policies to support economic growth, job creation and enhanced energy security
- Since 2008 Parties observed continued low economic growth and declining emissions in non-EIT Annex I Parties; below 1990 levels for some countries
- Mitigation strategies and policy portfolios are relatively stable – strengthening and refining existing PaMs is underway



## Climate change policies by Annex I Parties

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- Policies by Annex I Parties are shaped by their ambition to meet 2020 targets (Copenhagen Accords)
- Increasing the use of renewable energy and enhancing energy efficiency are in the core of climate policy for most Parties
- Many Parties reported a strengthening of measures aiming to improve energy efficiency - regulations in transport and buildings sectors, standards and labelling programmes and public awareness
- Energy efficiency is of paramount importance for developing countries and some of them submitted NAMAs on energy efficiency, such as China

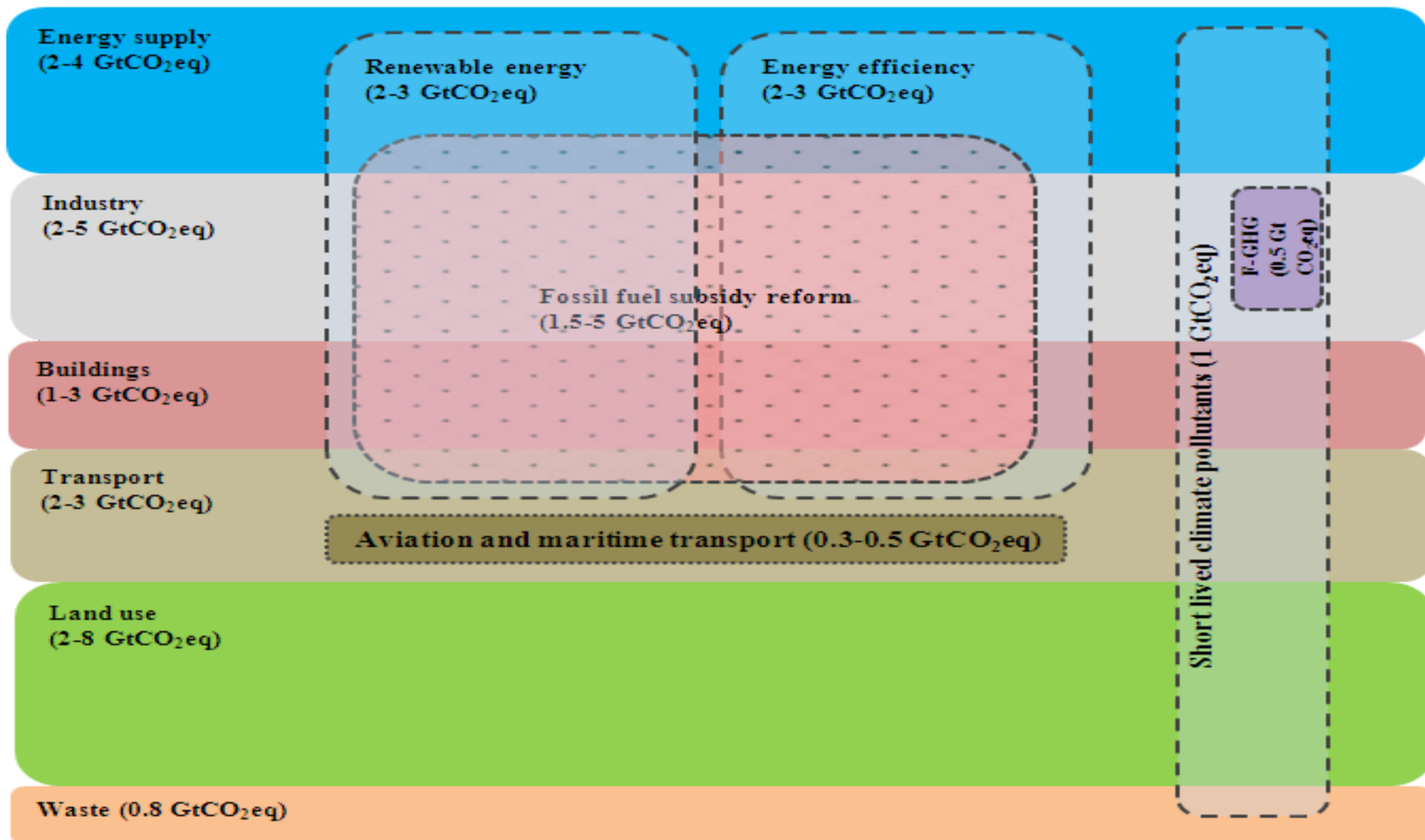


## Key focus areas

- Opportunities for actions with high mitigation potential, including those with adaptation and sustainable development co-benefits, with a focus on the implementation of substantial, scalable and replicable policies
  - Ways to promote voluntary cooperation on concrete actions in relation to identified mitigation opportunities
  - Mitigation actions, policies, practices and technologies, including their mitigation benefits, costs and co-benefits, as well as barriers and strategies to overcome those barriers
  - Finance, technology and capacity-building support for mitigation action in developing country Parties
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# Thematic areas with high mitigation potential covered in TEMs



Box size gives an indication of mitigation potential provided in the TP

# Technical examination process: key elements

## Objectives

- Identify thematic areas with high mitigation potential to close the ambition gap by 2020
- Share experiences, good practices and lessons to support mitigation policies, practices and technologies
- Identify ways to mobilize support and address finance, technology and capacity building needs
- Discuss next steps to advance action and achieve concrete and practical results

**Participants** – Parties, observers and lead organizations

**Outcomes** – Preparation of policy menus and identification of concrete actions; preparation of the technical paper on mitigation benefits



## Mitigation action in the area of energy efficiency

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**Mitigation potential:** around 2.0 Gt CO<sub>2</sub> eq by 2020

**Mitigation and sustainable development benefits:**

- Potential emission reductions
- Long-term macroeconomic transformational change
- Technological innovation and prevention technology 'lock-in'
- Cost-effectiveness
- Improvements in social well-being
- Reduction in air and water pollution
- Adaptation benefits





# Mitigation action in the area of energy efficiency (continued)

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## **Barriers:**

- High upfront capital costs and perceived capital risk
- High project development and transaction costs
- Institutional bias towards supply-side investment and low energy tariffs that discourage investments
- Lack of affordable technologies
- Increased energy consumption for increased comfort levels
- Market and price distortions, and split incentives
- Information barriers and lack of awareness of the benefits

## **Examples of mitigation action:**

- Standards and labeling programmes
- Energy performance standards and obligations
- Building standards and codes
- Fuel efficiency standards
- Energy efficient lighting measures
- Incentives and subsidies



## Cooperative initiatives in the area of energy efficiency

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**Cooperative initiatives** can lead to additional emission reductions, but in most cases they do not generate direct emission reductions by themselves and their mitigation effects are accounted for in national inventories.

### **Broad coverage:**

- Purpose: dialogue (e.g. CEM) or implementation (e.g. REEEP)
- Engagement of non-Party stakeholders: private sector (e.g. Siemens) or local governments (e.g. C40)
- Geography: regional (e.g. Euro-Mediterranean partnership) or international (e.g. LEDS-GP)
- Cross-thematic: buildings (e.g. Sustainable buildings and climate initiative) or transport (e.g. Global fuel economy initiative)

**Examples:** More than 20 initiatives presented on the UNFCCC website

Support efforts that are **scalable, replicable, innovative and leverage complementary funding** lead to the most effective and successful outcomes and catalyze scaled-up national action by developing countries

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# Policy options menu for energy efficiency

<b>Standards and Labeling Programmes</b>	<ul style="list-style-type: none"> <li>• Collect market data, select products, assess and establish standards and ensure testing capabilities</li> <li>• Determine policy approach and raise awareness through a communications campaign</li> <li>• Consider regional harmonization</li> <li>• Monitor, report and evaluate</li> </ul>	<ul style="list-style-type: none"> <li>• Clean Energy Ministerial</li> <li>• Clean Energy Solutions Center</li> <li>• CTCN</li> <li>• Collaborative Labeling and Appliance Standards Programme</li> <li>• Global Buildings Performance Network</li> </ul>
<b>Energy Performance Standards and Obligations</b>	<ul style="list-style-type: none"> <li>• Engage multiple stakeholders in developing standards</li> <li>• Support long-term action and flexibility</li> <li>• Communicate the benefits</li> <li>• Ensure technology and product neutrality</li> </ul>	<ul style="list-style-type: none"> <li>• Global Efficient Appliances and Equipment Partnership</li> <li>• Global Environment Facility</li> <li>• International Energy Agency</li> <li>• IPEEC</li> </ul>
<b>Building Standards and Codes</b>	<ul style="list-style-type: none"> <li>• Establish effective governance and institutional structure and adopt tools and services to streamline processes</li> <li>• Establish local leadership and staff to support implementation</li> <li>• Design and implement a long-term training strategy</li> <li>• Establish achievable codes and design awareness campaigns</li> <li>• Evaluate and adopt emerging good practices</li> </ul>	<ul style="list-style-type: none"> <li>• LEDS Global Partnership</li> <li>• MEF Action on Buildings</li> <li>• Super-efficient Equipment and Appliance Deployment Initiative</li> <li>• UNEP en.lighten initiative</li> </ul>
<b>Fuel Efficiency Standards</b>	<ul style="list-style-type: none"> <li>• Improve and share information</li> <li>• Set standards and design fiscal policy</li> <li>• Engage the private sector</li> </ul>	<ul style="list-style-type: none"> <li>• UNEP Sustainable Buildings and Climate Initiative</li> </ul>
<b>Lighting Measures</b>	<ul style="list-style-type: none"> <li>• Establish national and regional governance and leadership</li> <li>• Strengthen technical capacities and design financial incentives</li> </ul>	<ul style="list-style-type: none"> <li>• United States State and Local Energy Efficiency Action Network</li> </ul>
<b>Incentives/subsidie</b>	<ul style="list-style-type: none"> <li>• Strong political leadership</li> </ul>	<ul style="list-style-type: none"> <li>• WBCSD Energy Efficiency in Buildings project</li> </ul>

# Enhancing mitigation through ADP in 2015 and beyond



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THANK YOU FOR YOUR ATTENTION

