

Agenda item 5. c. i

TEC Brief and Executive summaries to target group on industrial energy efficiency and material substitution in carbon-intensive sectors

TEC task force on Mitigation

Technology Executive Committee, 15th meeting
Bonn, Germany, 12 – 15 September 2017

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Background

Thematic dialogue on industrial energy efficiency and material substitution in carbon-intensive sectors

- Held on 29 March 2017 – part of TEC 14
- Experts shared:
 - Overview of the current state of industrial energy efficiency measures and technologies as well as the potential for material substitution
 - Experiences and lessons learned (sectors, national and regional)
- Participants discussed:
 - Innovative policy instruments, capacity-building and financing
 - Potential role of the TEC in this field



Background

Mandate from TEC 14

- Produce a **TEC Brief** on the basis of the key findings from the thematic dialogue.
- Extract key findings from the TEC Brief for inclusion in potential **executive summaries** to convey selected messages to tailored target groups.



Brief overview of the TEC Brief

Outline

- *Why this TEC Brief?*
- *Highlights*
- *Benefits of industrial energy efficiency*
- *Ways to increase energy and material efficiency*
- *Needs and challenges*
- *Policy options*
- *Lessons learned*
- *Recommendations for actions by key stakeholders*

Some excerpts of **Highlights**

- ✓ In addition to climate change mitigation and cost savings, implementing energy efficiency measures in industry entails **many additional economic and social benefits**.
- ✓ A **number of challenges and unaddressed needs remain**, among which the lack of awareness of energy efficiency potential, limited access to financing, and the need for capacity building are the prime ones.
- ✓ Long-term strategies and targets, adequate policies to overcome barriers, and a package of aligned policies that target different aspects of energy efficiency potential, are among the **success factors** to effectively address energy efficiency in industry.

Some excerpts of **Recommendations for actions**

4 target group are selected as key stakeholders:

- **Domestic policy makers**
- **Industry actors**
- **Financial institutions**
- **International organizations**

The recommendations for each target group are also extracted and included in the **executive summaries** (see next slides).

Executive Summary for **Domestic Policy Makers**

Why domestic policy makers?

Policy makers have a critical role in setting the legal, regulatory and policy framework, addressing barriers with different approaches and incentivizing various actors.

Possible options for action, for example

- An **adequate policy framework** is crucial
- Stimulate demand and encourage investments in energy efficiency through **clear and long-term investment signals**
- Promote **energy management systems**
- Better **accessibility of data and knowledge**

Executive Summary for **Industry Actors**

Why industry Actors?

Enterprises, particularly small and medium-sized enterprises (SMEs) play a crucial role in improving energy efficiency in industry.

Possible options for action, for example

- Engage in **networks** or **clusters** dedicated to energy efficiency
- Take part in **capacity building** to be able to identify opportunities and use implemented measures sustainably
- Take up improvement of energy efficiency as an **additional business field**
- Additionally adopt **voluntary measures** to further exploit the economic benefits of energy efficiency

Executive Summary for **Financial Institutions**

Why financial institutions?

Financial institutions are of great importance to increase energy efficiency in industry as they play a major role in addressing all of the main barriers.

Possible options for action, for example

For public and private financial institutions:

- **Consider energy efficiency** when making investment decisions
- Provide **tailored financing programmes for SMEs and start-ups**

For international financial institutions and donor community:

- Support **local banks** with the implementation of energy efficiency financing instruments
- Provide direct funding for **pilot projects** and **technology demonstration projects**

Executive Summary for International Organizations

Why international organizations?

As International organizations work across borders, They can contribute significantly to worldwide exchange of knowledge and best practices.

Possible options for action, for example

- Contribute to **awareness-raising** among key stakeholders
- Provide **policy support** in designing and implementing energy efficiency policies for industry
- Engage in **collaborative R&D** to implement pilot projects and test new business models
- Initiate **transnational cooperation** and strengthen **cooperative action** on technology transfer and development

Next step

- TEC is invited to provide comments on **the draft TEC Brief**, with a view to finalizing it after TEC 15.
- **The draft executive summaries** will be discussed in the breakout group (on Thursday)
- The task force on mitigation will finalize them after TEC 15
- TEC to launch the Brief and the executive summaries at COP 23

Thank you!

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TEC members

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Observer organizations

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