

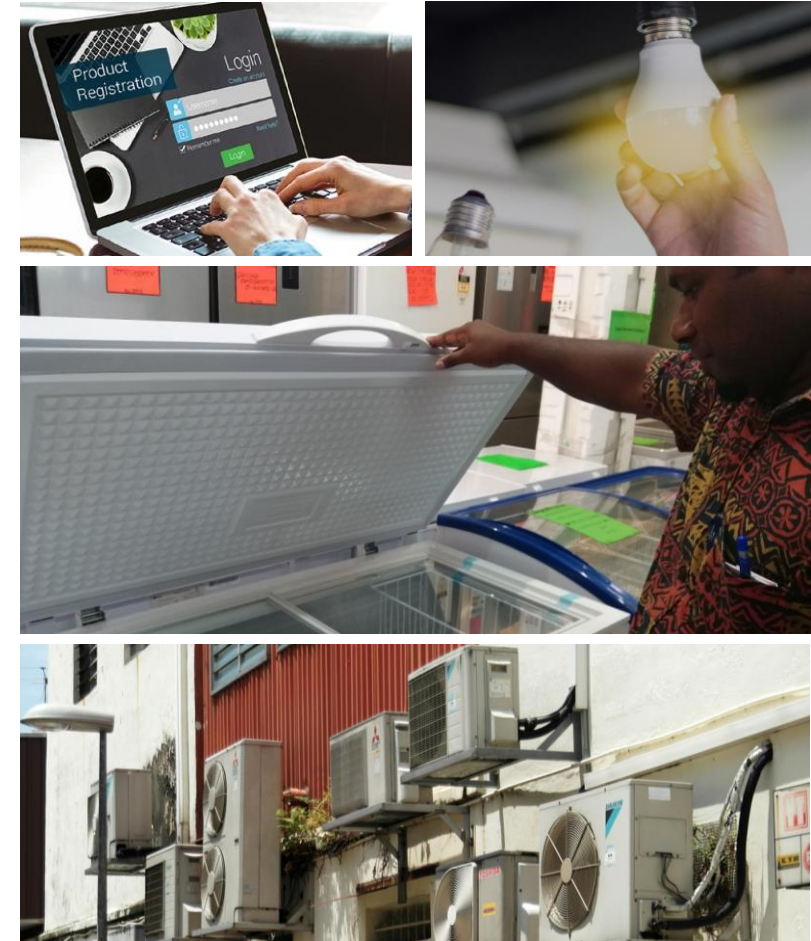
Enhance Vanuatu's Market for Energy Efficient Appliances

Project Closure Meeting

 Fri, 26th May 2023

 01:30 PM Vanuatu Time

 International Institute for Energy Conservation (IIEC)



Objective and Presentation Outline

■ Objective of Meeting

- To present the results of the technical assistance and discuss and clarify any related work issues in the meeting

■ Presentation Outline

- Project Objective and Components
- Project Scope of Work
- Project Deliverables & Milestones
- Challenges in Project Implementation
- Recommended Actions for 2023

About the Project

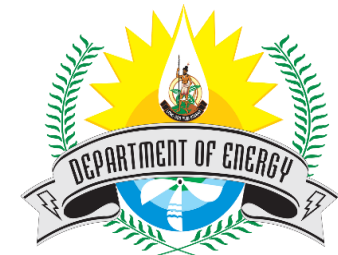
Enhance Vanuatu's Market for Energy Efficient Appliance

- Funded by **Green Climate Fund (GCF)** through the **Climate Technology Centre & Network (CTCN)**
- **Applicant:** Department of Energy, Vanuatu
- **National Designated Entity (NDE):** Ministry of Climate Change Adaptation, Meteorology, Geo-Hazards, Environment, Energy and Disaster Management
- **Consultant:** International Institute for Energy Conservation (IIEC)

CTCN Support (December 2021 – June 2023)



The Climate Technology Centre and Network promotes the transfer of climate technologies at the request of developing countries for energy-efficient, low-carbon and climate resilient development. By connecting stakeholders with technology experts from around the world, CTCN delivers customized capacity building and technical assistance aligned with national climate objectives.



Project Objective and Components

To support accelerating the transition to energy-efficient appliances through:

Components	Stakeholders in Programme Implementation
Improvement of the MEPSL programme	DoE, Customs Officials Importers/Retailers
Introduction of Monitoring Verification and Evaluation (MV&E) activities including Improvement of a product registration system	DoE, Customs Officials, and Vanuatu Electronic Single Window Project (VESWP) Team
Introduction of financial mechanisms	DoE/NGEF (National Green Energy Fund), Importers/Retailers

- The Project has 5 main tasks
- Tasks 1 & 5 are for project planning and reporting per CTCN's requirements
- Tasks 2, 3, and 4 correspond with the outcomes

Project Scope of Work

TASK 1

Development of implementation planning and communication documents.

TASK 2

Comprehensive market and policy analysis for higher efficiency refrigerators, freezers, ACs, and lighting products

TASK 3

Assessment and upgrade of the existing VeSW registration system & development of MV&E plan

TASK 4

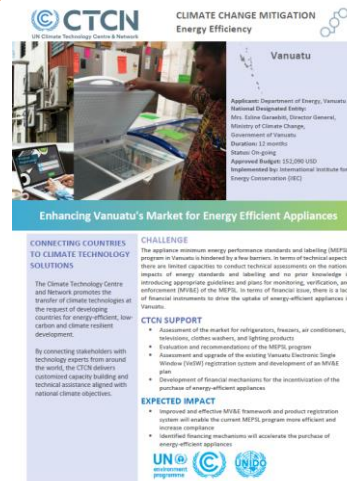
Development of financing mechanisms for the incentivization towards the purchase of energy efficient appliances

TASK 5

Project closure

Project Deliverables and Milestones

Task 1 - Development of implementation planning and communication documents



Project Deliverables and Milestones

Task 2 - Market and policy analysis for higher efficiency refrigerators, freezers, air conditioners, and lighting products



Market assessment for appliance & lighting products
Market assessment
(COMPLETED)

Recommendations for improvement of existing MEPSL programme
Recommendations for program improvement
(COMPLETED)

Kick-off meeting
Kick-off meeting report
(COMPLETED)

Analysis of existing MEPSL programme
Evaluation report
(COMPLETED)

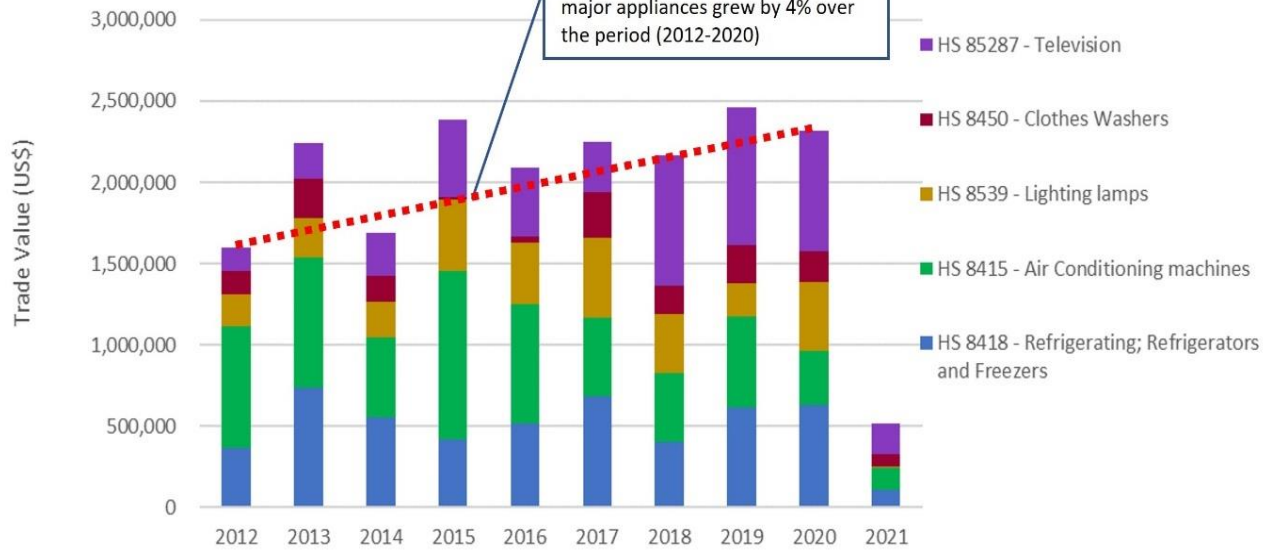


Highlight of Market Assessment Findings

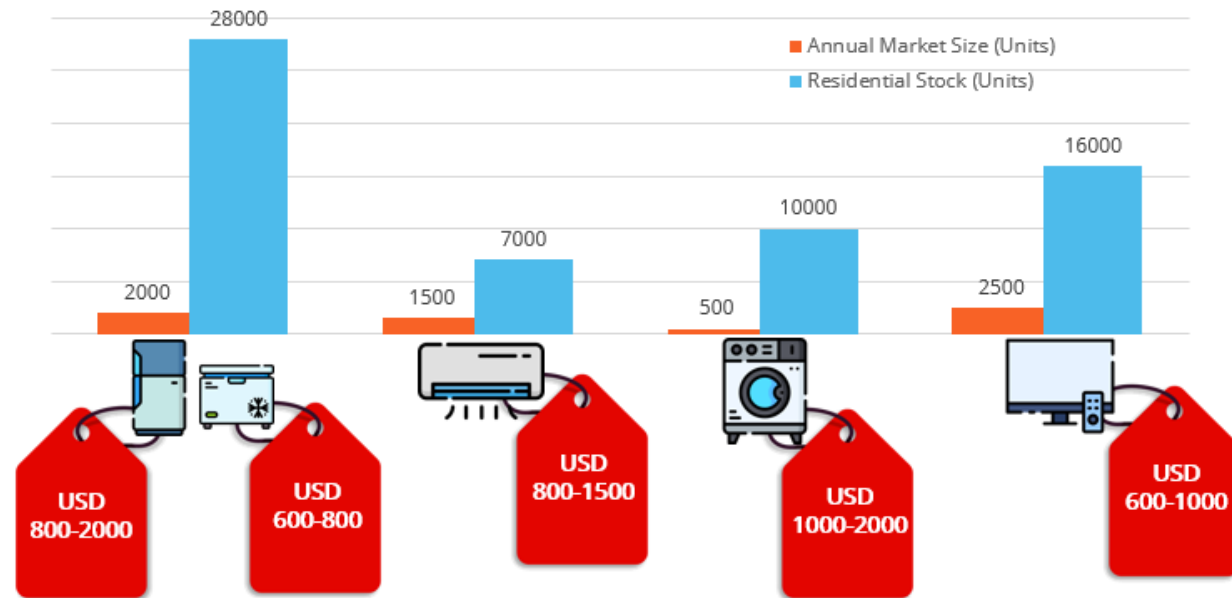
Appliance Market in Vanuatu

Refrigerators, Freezers, and Televisions combined account for about 50% of the total "Trade Value" in US\$ of all regulated appliances in Vanuatu

The CAGR of Trade Value of the five major appliances grew by 4% over the period (2012-2020)

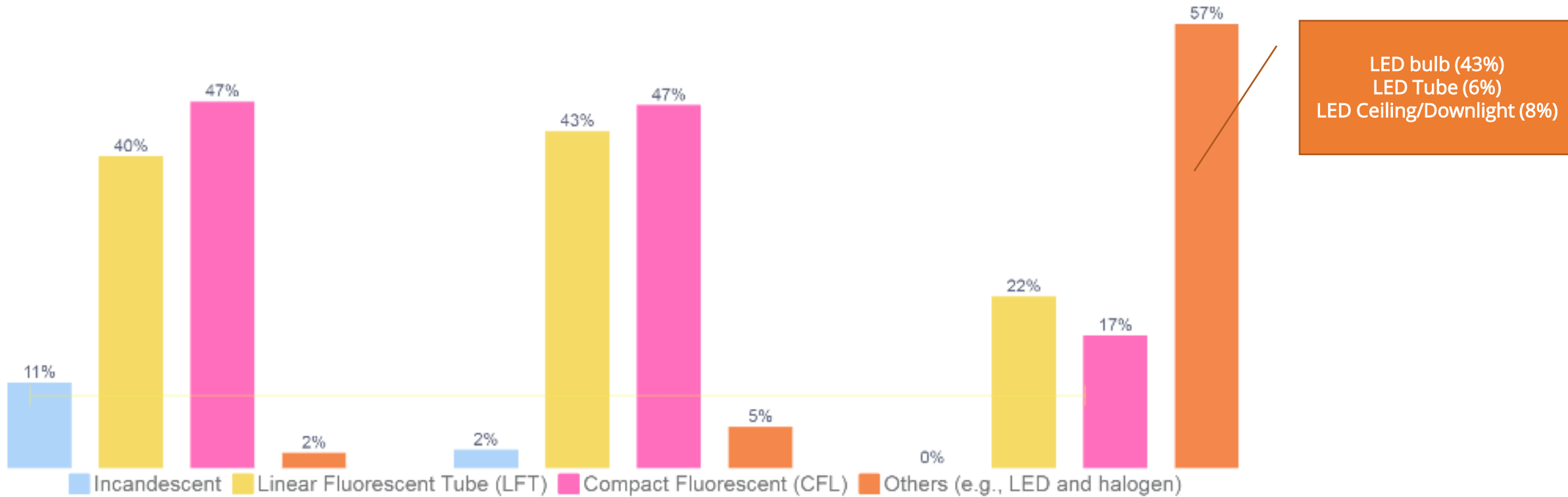


Estimated Total Annual Market Size ≈ USD 2 million (based on trade flow data 2012 - 2020)



Highlight of Market Assessment Findings

Each Vanuatu household owns an average of 7.7 light points



Household Penetration Rate of Lighting Products in 2013, 2017 and 2022

Key Recommendations for Existing MEPSL Programme Improvement

1. Review and update registration procedures and database

Stakeholder(s): DoE & Customs Officials

- Regulation Order No. 126 of 2017 provides **application forms and templates for certification of registration**. These documents have not been updated over the past five years
- Update the **Pacific Appliance Database** (outdated data) and perform updates as necessary

2. Develop and implement a market surveillance program for MEPSL

Stakeholder(s): DoE & Importers/Retailers

MV&E activities have not yet been implemented by DOE, and it is recommended that DOE start **developing a market surveillance program** focusing on initial compliance checks such as checking that the **products offered for sale have been registered and are correctly labeled**.

3. Review and update the scope of MEPSL Programme

Stakeholder(s): DoE

Due to the increasing prevalence of LED lamps, it is strongly recommended that DoE commence **monitoring the MEPS and labeling requirements for LED lamps** being developed by the AS/NZS Energy Rating program

Project Deliverables and Milestones

Task 3 - Assessment and upgrade of the existing Vanuatu Electronic Single Window (VeSW) registration system and development of an MV&E plan



Design of training on enhancement of MV&E
Training curriculum and material
(COMPLETED)

Development of an MV&E plan
MV&E Review, Recommendations and Plan
(COMPLETED)



Delivery of Training Program



Project Team Deliver a Training Session 1 on MV&E to DoE Officers, held on November 9, 2022, at the Department of Energy, Port Vila, Vanuatu



Project Team Discussed with Custom Official on Inspection of Imported MEPS-Regulated Goods



Project Team Observed Physical Inspection of Imported MEPS-Regulated Goods with the Customs Department Officers



Training Session 2 – DoE and Customs Officials, held on November 10, 2022, at the Department of Energy, Port Vila, Vanuatu



Mr. Tony, Controller Enforcement Mgr, Customs and Inland Revenue Dept, Sharing Current Practices on Inspection Procedures and Import Application Processing of Regulated Products under MEPSL Programme



Project Team with DoE Officials Inspected the Imported Used Household Refrigerator

Key Recommendations of Development of MV&E Plan

1. Maintain up-to-date MEPS for lighting and appliances in line with AS/NZ revisions

Stakeholder(s): DoE

Updating the Vanuatu regulation to resolve any inconsistencies in MEPS and test methods with recognised countries' MEPS programs (Australia, New Zealand, and Fiji)

2. Separate product registration & import certificate application processes

Stakeholder(s): DoE & Customs Officials

It is recommended to separate the capture of product data (product registration) from the application for import certificates (certificate application) into two separate processes in order to simplify the processing of information and support the traceability of product registration and import certificate creation.

3. Update the Vanuatu register

Stakeholder(s): DoE

A process needs to be implemented for updating the Vanuatu register to include information regarding:

- **Category A products** with expired registration in other countries
- **Category B and C products** with performance levels (to assess against any updated MEPS)

This will **require changes to the product registration forms** to allow for the collection of product performance data

4. Removal of the "Deemed-to-Comply" provision from SOP & from practice

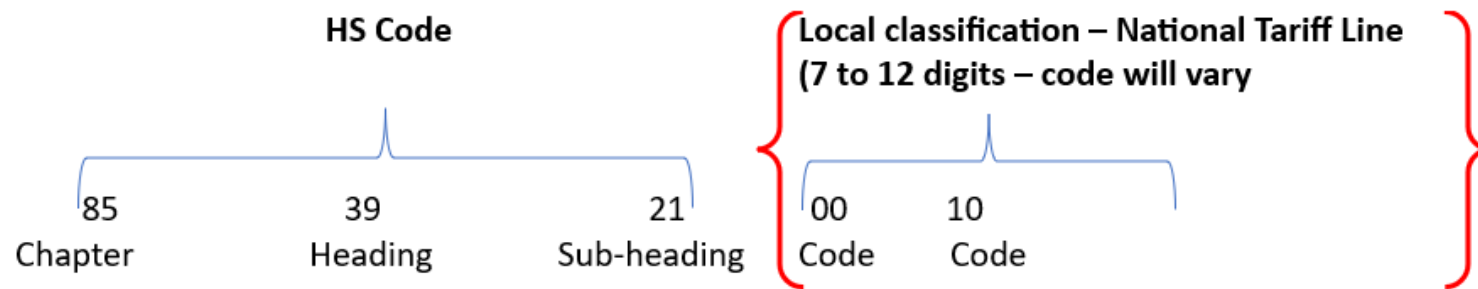
Stakeholder(s): DoE & Customs Officials

"Deemed-to-Comply" provision, as stated in MEPSL Regulation, applies specifically to **lighting products**. It poses a challenge for surveillance officers in **determining if a non-registered product falls under the category of deemed-to-comply or non-compliant**. This process consumes valuable time and resources that could be better utilized for cases where the determination of registration status is more straightforward.

Key Recommendations of Development of MV&E plan

- **Statistical HS Codes for Appliances in Vanuatu** - Using an additional 4-digit National Component of HS code (Tariff or Statistical Code) for electrical appliances and lighting products to help distinguish between in-scope, out-of-scope, and banned product types under the MEPSL programme
 - A set of proposed Statistical Codes for the regulated lighting, air-conditioner, and refrigerator/freezer products provided to DoE.

Example of HS Classification: parts of lighting products, HS code 853921



Key Recommendations of Assessment and upgrade of the existing VeSW product registration system

Limitations of data analysis and reporting still exist due to insufficient information collection from the product registration process

- **Adding Data Tracking** below for each imported model/product and allowing DoE to export from the system to support tracking and analysing the impact of the MEPSL programme. This also aims to provide DoE with a record of baseline data to support policymaking and serves as a storehouse of ancillary information and data about products on the market.
 - Number of imported units of each model
 - Energy efficiency data
 - Sub-categorization of each product type
 - HS Codes (6 digits)
 - Linking expired registration data with new registration

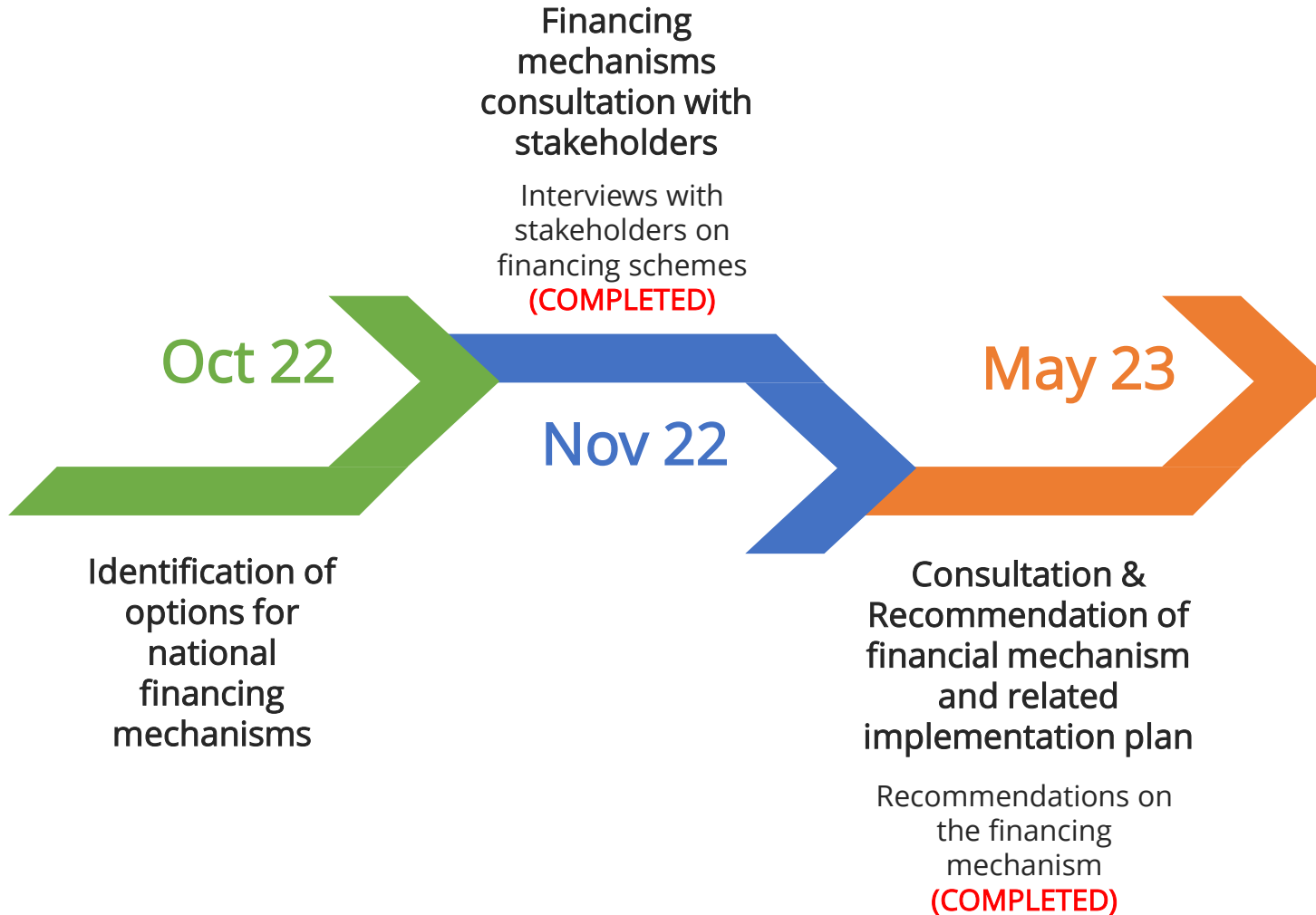
The screenshot shows a web-based application form for the Department of Energy, titled "Application for Electrical Product". The form is displayed in a browser window titled "Registration Certificate - View [DOE]". The form includes the following fields and sections:

- 1. Office:** DOE ENERGY VLA
- 1. Registration Reference:** 2022 26
- 2. Registration Date:** 06/09/2022
- Category:** Air conditioners
- 3. CONSIGNOR:** TBI 492076
- Name:** JD MALL
- Address:** NAMBA 2 AREA PORT VILA VANUATU
- Exporting Country:** CN
- Principal Importer Name:** JD MALL
- Application type:** Retail Business Use Personal Use Charity Use
- Scanned Documents:** A table with columns for File name and Status. The table contains two entries: "JD MALL.pdf" (Status: 100%) and "jdmall permit.pdf" (Status: 0%).

Online Application Form of the "Appliance Registration Certificate" in the VeSW System

Project Deliverables and Milestones

Task 4 - Development of financing mechanisms for the incentivization towards the purchase of energy-efficient appliances



Challenges in Project Implementation

- 1 Import statistics are not available from the Vanuatu Customs Department and the United Nations Commodity Trade Statistics Database (UN Comtrade). Export statistics to Vanuatu from UN Comtrade were used as proxies for import statistics
- 2 Limitations of direct contact with households, restrictions on movement, and travel due to the COVID-19 pandemic's lockdown led to a delay in the scheduled plans.
- 3 Travel plan - Vanuatu closed its border and just opened to fully-vaccinated international travellers from 1 Jul 2022. Limited and canceled travel plans were scheduled due to the limited availability of flights to Vanuatu. The changes and uncertainties surrounding flight times resulted in problems with connecting flights, ultimately leading to the cancellation and/or rescheduling of the plans.
- 4 Coordinating efforts among various stakeholders, particularly government agencies, is crucial for an effective response / Vanuatu was knocked offline for more than a month (6 Nov 22 – Jan 23). A cyber-attack brought down government servers and websites in Vanuatu. No one could use government email accounts and computer services.

Recommended Actions for 2023

01



Update performance standards and test methods with recognised countries' programs
DoE and Customs Officials

02



Review and update registration forms to include necessary product performance information
DoE and VESWP Team

03



Update or remove linked Vanuatu data on Pacific Appliance Database (PAD)
DoE

04



Review SOP document for modifications to procedures and to separate content into modules by user group
DoE

07



VESW UPGRADE

Review VeSW system for improvement of product registration function and registration data integrity
DoE and VESWP Team

06



Investigate relevant EE product imports to identify assignment of HS codes and any improper use
DoE, Customs Official, Importers/Retailers

05



Develop statistical HS codes for appliances to identify regulated, unregulated, and banned appliances
DoE and Customs Officials

08



Establish a methodology for identification of products selected and purchased for verification processes, allocate staff for verification (Market Surveillance), and implementation
DoE

09



Train responsible officers in charge of market surveillance
DoE

10



Implement a pilot market surveillance program and evaluate the results for a full application deployment
DoE, Importers/Retailers

POLICY AND ADMINISTRATIVE PROCESSES

MARKET SURVEILLANCE PROGRAMS



OPEN
DISCUSSION and

Q&A

THANK YOU

International Institute for Energy Conservation (IIEC)

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