

IEF Symposium on Energy Efficiency in Developing Countries

21-22 June 2011, Jakarta, Indonesia

Concluding Statement

The IEF Symposium on Energy Efficiency in Developing Countries was held in Jakarta on 21-22 June 2011, with the participation of senior representatives from producing and consuming countries, developing and emerging countries as well as experts and representatives from academia, research institutes, financial institutions, international organisations and industry.

The Symposium provided a platform to discuss policy approaches and to explore the potential for energy efficiency improvements in developing countries. It also provided an opportunity for review and discussion of global best practices, the extent to which they can be adapted to meet the needs of developing countries and the most appropriate manner in which to disseminate them and deliver their full potential.

Participants discussed energy saving opportunities in different sectors; drivers and barriers to energy efficiency; energy efficiency management across the demand and supply sides; policies, incentives and regulations for the promotion of energy efficiency in developing countries and the way forward towards a more energy efficient world. They also addressed the role of sound energy pricing in managing energy demand and supporting energy efficiency in developing countries, consuming and producing alike.

The symposium highlighted the following findings and recommendations:

1. Energy efficiency is the fastest, cheapest and cleanest solution for meeting future world energy demand and enhancing energy security in an environmentally sustainable manner through many cost-effective opportunities. Efficiency improvements and changing transport policy will produce 7.6 million barrels per day of savings in global oil demand by 2030.
2. Energy efficiency is a global issue and therefore it requires global action; it has an important role to play both in developed and developing countries. In developing countries, the potential for improvement is even greater, as rapidly expanding economies offer enormous opportunities for investment in energy efficient technologies. Energy productivity improvements in most world regions since 1990 resulted in 4.4 Gtoe energy savings in 2006 and avoided 10 Gt of CO₂.
3. Energy efficiency contributes to lowering energy costs, improving air quality and reducing greenhouse gases, meeting growing world demand, and deferring infrastructure costs. Switching to best available household appliances would save 40% of residential energy consumption globally and \$130 billion per year in costs.
4. Energy efficiency programmes have always represented a win-win-win option by providing positive returns to the government, energy consumers and the environment.

5. Energy efficiency's full potential can only be achieved with the combination of long-term investment; sound and stable policies from government; and the widespread use of energy-saving technologies and practices by consumers. The exchange of experience and sharing best practice, dissemination of technology and coordination of policies can be an important tool in addressing the challenge of rising energy demand.
6. The right policies and actions are essential to ensure that this potential is held and the numerous benefits of energy efficiency are achieved. These policies should be supported by proper regulatory framework, with an energy efficiency law and/or national programmes with official quantitative targets of energy efficiency improvements, to provide a long lasting context for the policies and avoid the negative effect of "stop and start" actions.
7. Opportunities for energy efficiency savings occur in every energy consuming area: industry, building, appliances and equipment, lighting and transportation. The starting point for any energy efficiency policy is an assessment of current consumption patterns. Detailed statistics on energy demand (by sector, by user, etc.) are necessary to facilitate a proper assessment of consumption patterns and behaviour. It constitutes a prerequisite for determining sectoral priorities and actions. Understanding where energy is most used helps to focus energy efficiency saving programmes and policies.
8. There are a wide variety of sector-specific and cross-cutting energy efficiency improvement opportunities for industry. However, significant numbers of cost-effective energy efficiency measures are not always undertaken by countries/industries. In this respect the symposium identified a number of barriers to energy efficiency, these include: investments, high transaction costs, poor implementation of energy efficiency programs, lack of required institutions, political will and policy commitments, technology, subsidies and inadequate market signals, etc.
9. Despite its benefits, energy efficiency potential remains largely untapped. Factors such as irrational energy prices, perceived risks, technology availability, weak institutions, lack of information and skilled resources have hindered market development.
10. Tackling inefficient energy subsidies that encourage wasteful consumption is necessary. Efforts to reduce energy subsidies need to take into account economic, social and commercial sustainability, as well as environmental concerns. Reforms can be introduced in a gradual and programmed manner, towards a sustainable, market-linked pricing policy accompanied by targeted subsidies for low-income households. This will help to motivate countries to pursue recommendations for their own immediate and long-term benefits.
11. So far major progress has been made across the world to improve energy efficiency, however more is anticipated, and more still can be done in this area.

Investing in more efficient technologies would accelerate energy efficiency improvement in the future. This will be especially important as even with efficiency gains, improved access to affordable energy will require strong growth in absolute energy requirements. Many developing countries have also implemented major efficiency policies.

12. Technology is one of the areas that can contribute to improve energy efficiency and where governments and industry can cooperate to support investment in R & D for further improvements. Application of proven technologies and best practices on a global scale could save between 30-40% of energy consumption across many sectors and countries.
13. The symposium highlighted the usefulness of sharing best practices and policies among IEF members, to achieve significant and rapid improvement of energy efficiency, through collaborative and cost-effective schemes, thus lowering the stress on the supply chain, enhancing energy security for all and mitigating climate change effects.
14. Initiating energy efficiency in developing countries requires supportive government policies backed by strong local institutions, a robust private sector, educated consumers and active financial institutions.
15. Political will and commitments are essential to the advancement of energy efficiency projects and programmes. To achieve their energy efficiency goals developing countries need to elevate energy efficiency to a higher priority in their national energy policies by formulating national energy efficiency plans and targets for energy efficiency improvements.
16. Participants called on the IEF to encourage greater common understanding of the benefits of efficiency measures by establishing a web portal to facilitate dissemination of knowledge on best practices, case studies, resources and regulatory development to a global audience.
17. The participants noted the successful outcome of the symposium, as well as the positive and constructive nature of the dialogue among energy stakeholders. It was recommended that similar events covering energy efficiency, be held on a regular basis bringing together producing and consuming countries, from developed and developing regions, in order to promote a deeper understanding and dialogue on this important issue.

The IEF Secretariat will report to Ministers at the 13th IEF in Kuwait (Q1 2012) on the basis of the findings and recommendations made by officials from IEF countries, representatives of international organizations, financial institutions and industry experts participating in the Jakarta symposium.