



INSTITUTE FOR
Industrial Productivity

Sharing best practices for low carbon enterprises

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Policy Pyramids: *An Evaluation Framework for Industrial GHG Mitigation Policies*

IEPEC Conference, Rome

13 June, 2012

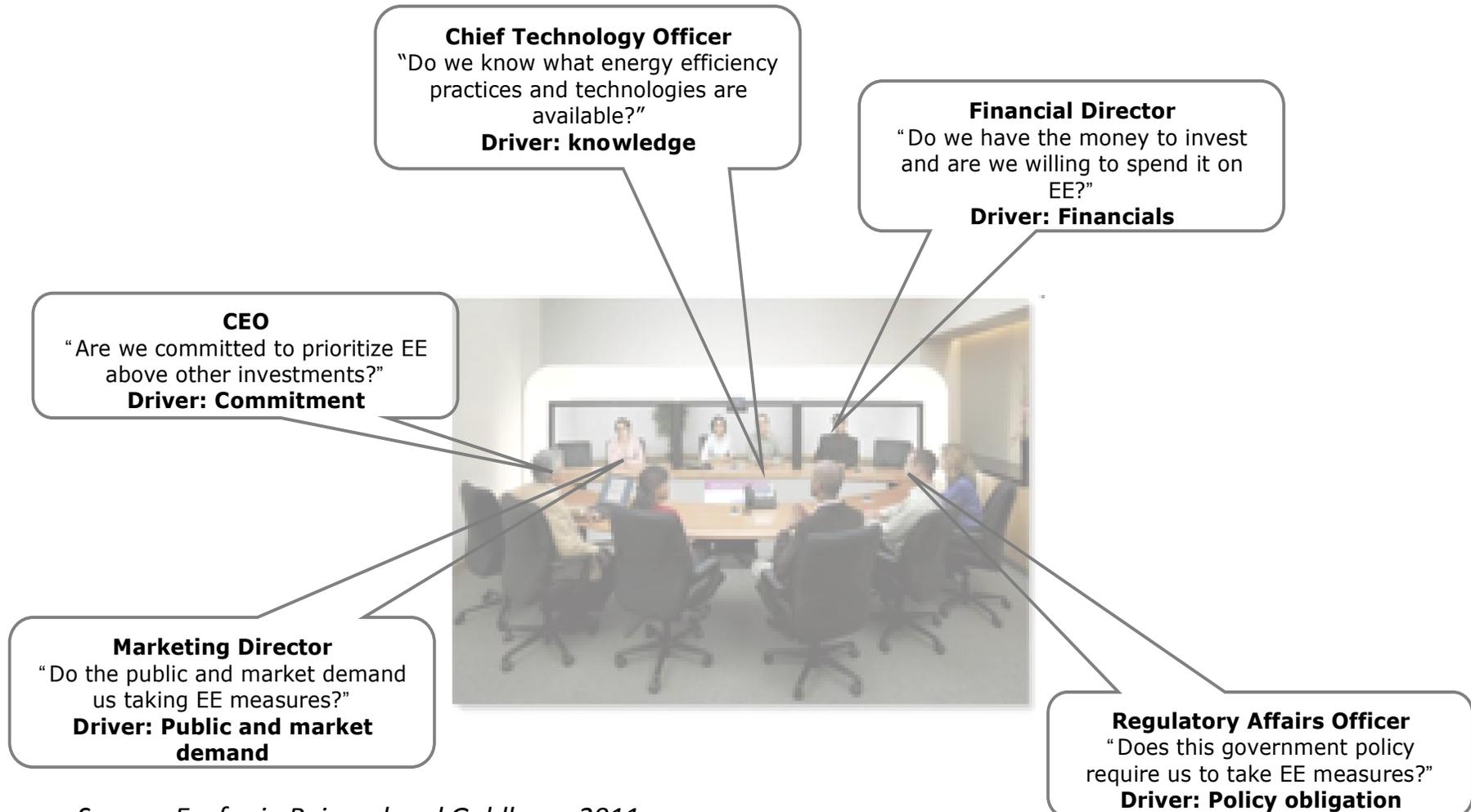
Julia Reinaud and Amelie Goldberg





Decision-makers Matter!

Need to make a compelling business case to the board
Productivity gains “sell”



Source: Ecofys in Reinaud and Goldberg, 2011

China

United States (Federal)

Relevant Policies

Main Industry

Relevant Policies

Main Industry Characteristics

Policy Pyramid

Effort Defining Policies



- CN-1: Energy
- CN-2: Energy
- CN-3a: Top-1
- CN-3b: Top-1
- CN-4: Industr
- CN-5: Small I
- CN-14: Energ

Supporting Measures

Implementation Toolbox



- Information S
- Training prog
- Technology C
- Guidelines fo
- Lists of regis
- Study tours a
- Guidelines fo

Policy Pyramid

Effort Defining Policies



- US-1a: Greenhouse Gas Pa
- US-1b: New Sour
- US-2a

Implementation Toolbox



- White Papers on GHG Contr
- part of US-1a)
- Support & co-funding of ene
- training (as part of US-2a)
- Tools & guidance for GHG ir
- part of US-3)
- Training Centers, Software
- ISO 50001 standard, Energy
- Guidelines for Energy Mana
- Benchmarking Tools, Target

Year(s)	Policy measure	Country
2008 -	Variable Energy Direct Financing Facility	Albania
	Efficient Energy Use Programme (PRONUREE)	Argentina
	Fund	Argentina
	Development of New Argentinian Energy	Argentina
	Certification Institute (IRAM)	Argentina
	Groups (GESEs)	Argentina
	MAP Bolivia Programme	Bolivia
	Bolivian Institute of Standardization and Quality (IBNORCA)	Bolivia
2006 -	Vice Ministry of Electricity and Alternative Energy Sources	Bolivia
2008 -	Vice Ministry of Electricity and Alternative Energy Sources	Bolivia
2002 -	Wire-Charge for ESCOs	Brazil
2001 -	Minimum Energy Efficiency Levels	Brazil
2000 - 2007	ANEEL Energy Efficiency Program	Brazil
1991 -	National Programme for the Rational Use of Oil Products and Natural Gas (CONPET)	Brazil
1985 -	National Climate Change Plan (PROCEL) and National Programme for the Rational Use of Oil Products and Natural Gas (CONPET)	Brazil
2002 -	Minimum Energy Performance Standards (MEPS)	Brazil
1985 -	National Electricity Conservation Program (PROCEL)	Brazil
2002 - 2006	Three Country Energy Efficiency Project	Brazil
2004 - 2009	ASEAN Plan of Action for Energy Cooperation (APAEC), 2004-2009	Cambodia
2008 -	Incentives for the Introduction of Efficient Electric Motors	Chile
2008 -	CORFO Energy Efficiency Loan Programme	Chile
2006 -	Country Energy Efficiency Programme (PPEE)	Chile
2005 -	Country Energy Efficiency Programme (PPEE)	Chile
2006 -	Voluntary Agreements in Chile	Chile
2004 -	Chilean ESCO Business Market	Chile

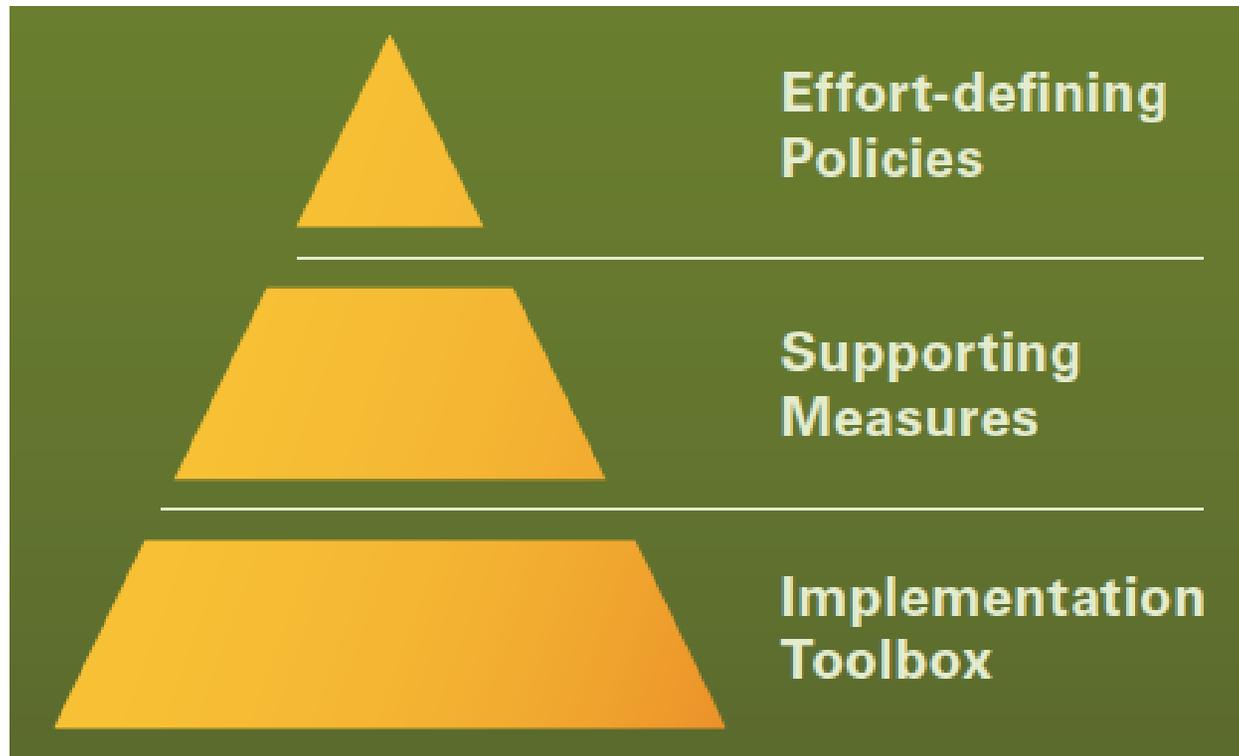
Large Number of EE Policies for industry

Presentation Outline

1. The “Policy Pyramid”
2. Overview of U.S. & China policy packages
3. Key Messages from a “Policy Pyramid” perspective

Reflects the authors' views, not the Institute for Industrial Productivity's

The Policy Pyramid



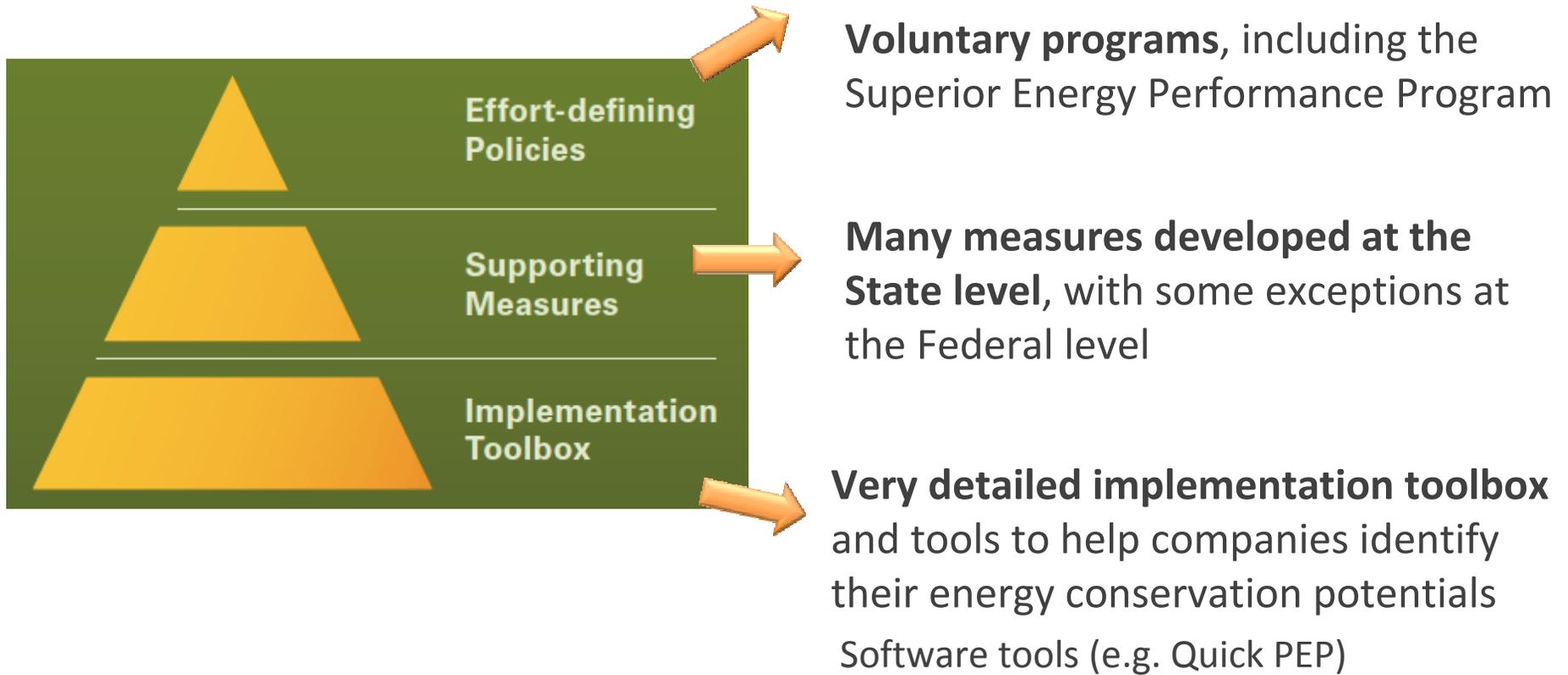
The Policy Pyramid allows you to see policy interrelations and visually understand the policy hierarchy

Key Questions

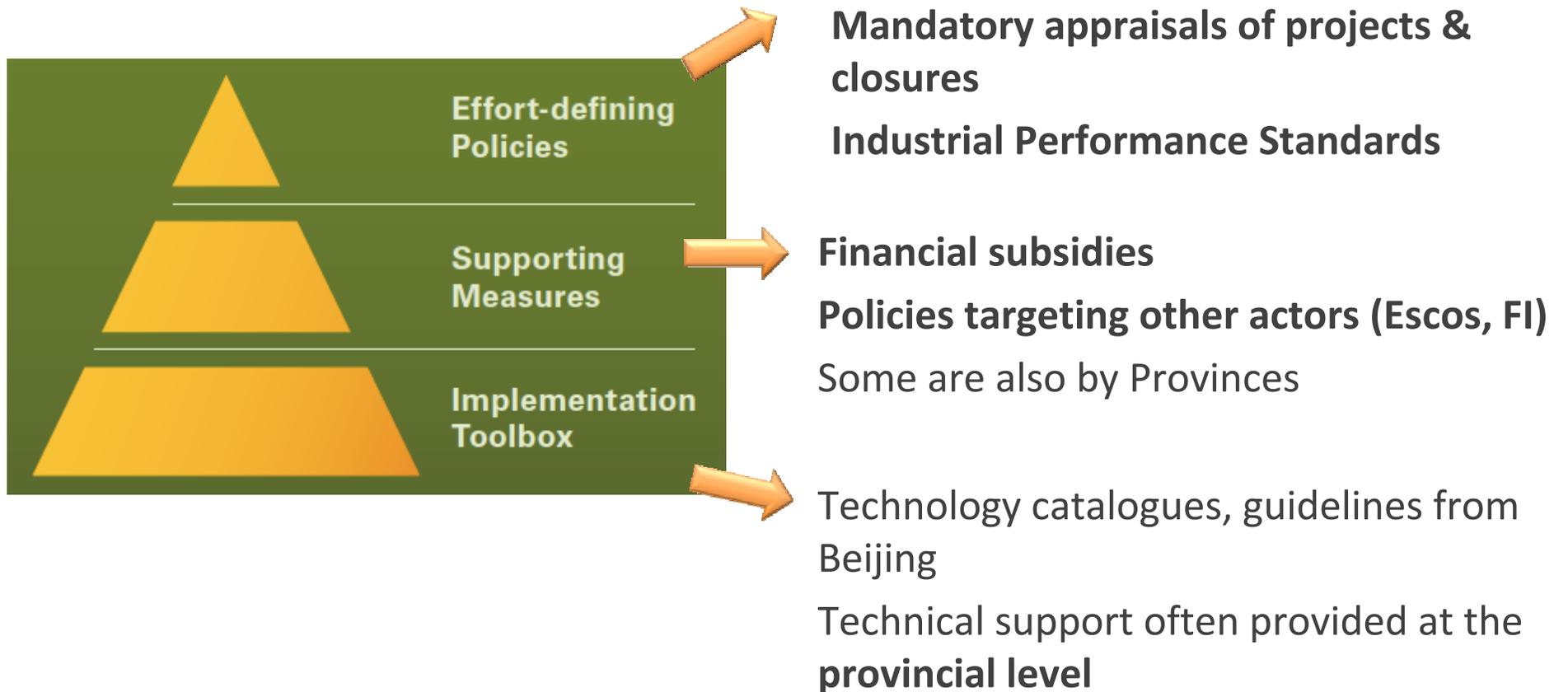
Have China and US policy makers:

- Established a coherent set of effort-defining policies?
- Defined mutually reinforcing supporting policies?
- Provided a detailed and comprehensive implementation toolbox?

United States (Federal): simplified policy pyramid



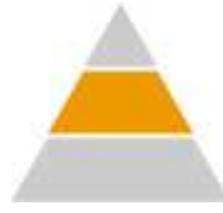
China: simplified policy pyramid



**Effort-defining
Policies**



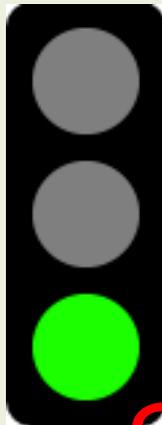
**Supporting
Measures**



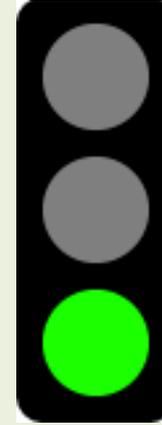
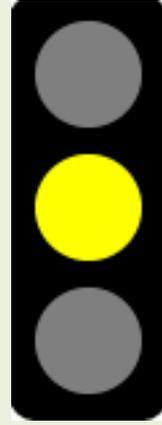
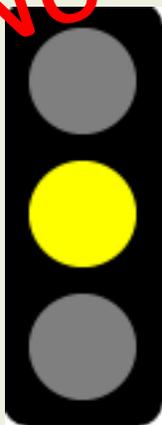
**Implementation
Toolbox**



China



USA



No one-size fits all!

Key Messages (1)

- Effort-defining policies are the most important driver that governments can provide
 - Voluntary versus Mandatory?
 - debate is still on as to which is most effective
 - Balance of requirements and incentives?
 - Whether and how targets and standards should be combined?

Key Messages (2)

- Effort-defining policies need to be underpinned by supporting measures that reinforce drivers or remove or reduce barriers
- Need to involve all players in the market (Escos, FIs, private sector, etc.)
- The success of energy/GHG goals relies on the ability of companies to implement EE actions
- Implementation toolbox is key!
- Policy pyramid methodology is a good starting point for policy planning and formulation.



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