

PACIFIC COMMUNITY**FIFTH PACIFIC REGIONAL ENERGY AND TRANSPORT MINISTERS MEETING**
(Port Vila, Vanuatu, 8 – 12 May 2023)**AGENDA ITEM E13 – UPDATE ON THE EXPERIENCES FROM ENFORCING THE
MINIMUM ENERGY PERFORMANCE STANDARDS (MEPSL) IN VANUATU**

[Submitted by the Vanuatu Government]

Purpose

1. The purpose of this paper is to provide an update on the experiences of enforcing the Minimum Energy Performance Standards and Labelling (MEPSL) program in Vanuatu.

Background

2. With the rising electricity consumption and greater reliance on increasingly expensive imported diesel fuel to meet Vanuatu's electricity generation demands, there is a rapidly escalating need to implement strategies to reduce electricity demand through energy efficiency initiatives.
3. The Vanuatu Energy Policy Framework adopted by the Government in 2007 and the National Energy Roadmap (NERM), highlights energy efficiency and conservation as one of its key strategic areas where energy efficiency and conservation programmes should be promoted and implemented in order to have an efficient supply and use of energy.
4. The Revised and Enhanced version of the 1st Nationally Determine Contribution (NDC), 2021-2030 reiterates the 5% increase in energy efficiency in commercial and residential sector.
5. One of the most cost-effective and efficient strategies to reduce electricity demand is through the introduction and implementation of the Minimum Energy Performance Standards and Labelling (MEPSL). These work in combination. MEPS prevent the least efficient products from entering the country and labelling allows buyers to seek out the most efficient products on the market. These programmes do not mean we have to increase the price of products - efficient appliances do cost more to buy, but they will certainly cost less to run. It is more cost-effective for Vanuatu to import energy-efficient appliances than it is to import diesel fuel.
6. It was proposed that Vanuatu adopts the existing standards of its closest appliance trading partners (Australia and New Zealand). There are strong existing market ties between these 2 countries. Vanuatu now has high exposure to their energy standards and labels. Vanuatu has been part of the regional energy programme called the Pacific Appliance Labelling and Standards (PALS) implemented through the Secretariat of the Pacific Community (SPC). The programme focused mainly on the development of legislations and to regulate product standards.
7. Vanuatu, with the assistance of the SPC, developed and endorsed the **Energy Efficiency of Electrical Appliances, Equipment and Lighting Products Act No.24 of 2016**. The Act was enacted and implemented in September 2017 (commencement date) to help regulate and promote energy efficiency of appliances in Vanuatu by:
 - i. prohibiting the importation of inefficient electrical products into Vanuatu;
 - ii. establishing a registry database for imported MEPSL products.
8. The regulated products under the Act are **refrigerators/freezers, air conditioners, lightings** and from 17th February 2023 **televisions** and **clothes washers** have been included.

Current status

9. Roles of the department of Energy (regulator) to date includes the following:
 - i. Ensure that, prior to importation, importers must obtain a valid registration certificate;
 - ii. Ensure that applicants have access to the online registration platform (via the Vanuatu electronic Single Window (VeSW) system);
 - iii. Ensure that all relevant information, including required documentation are provided during application submissions;
 - iv. Ensure that an application is assessed and processed (accepted, approved and paid) accordingly in the system;
 - v. Conduct Surveillance checks (inspections), especially in the retail shops or at the border to ensure only energy efficient products are imported into the country (monitoring compliance in the field);
 - vi. Issue penalties for non-compliant or prohibited imports;
 - vii. Seize non-compliant products that do not meet the standard requirements;
 - viii. Conduct awareness on the EE Act and regulations;
 - ix. Conduct annual refresher trainings to customs agents and border control officers, especially on the enforcement and inspections procedures.
10. Total estimated number of units per product type imported (2017 - Feb 2023) are:
 - (i) Refrigerators: **2,080 units**
 - (ii) Air conditioners: **1,900 units**
 - (iii) Lamps: **1,800 units**
 - (iv) Televisions: **3 units**
 - (v) Clothes Washers: **11 units**
11. The total amount of revenue generated from September 2017 to February 2023 to date is approximately **2,881,850 VT**.

Issues

12. The challenges faced during the implementation are:
 - i. staff turnover or communication breakdown within a company, which sometimes resulted in most traders/importers becoming aware of their implications once their products reach the border.
 - ii. lack of funds for awareness, especially for public announcements throughout the available media networks or outlets (e.g. television, radio, etc).
 - iii. lack of adapted and attractive financing mechanisms (or financial incentives) to help reduce the high cost of EE products;
 - iv. high cost associated with EE programs.

Recommendations

13. The meeting is invited to:
 - (i) **note** the excellent progress made by Vanuatu in the enforcement of MEPSL through the Energy Efficiency of Electrical Appliances, Equipment and Lighting Products Act No.24 of 2016.
 - (ii) **reiterate** the 4th PRETMM call on PICTs to embark on appliance labelling and standards as a means to meeting their Nationally Determined Contributions and call on partners to support EE initiatives in the region.

- (iii) **request** PICTs to consider providing tax incentives for the importation of EE appliances and seek financial and government institutions to promote the uptake of EE products.