



United Nations Environment Programme en.lighten initiative

Financing the Transition to Energy Efficient Lighting

Gustau Mañez Gomis, Project Manager
en.lighten initiative



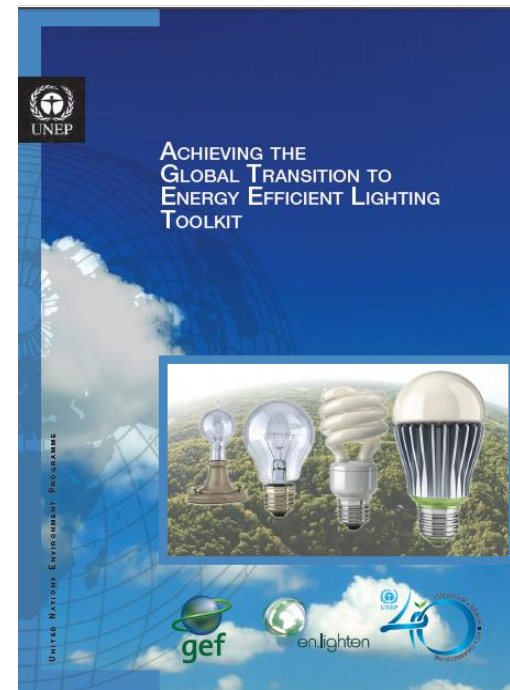
PHILIPS



nLTC National Lighting Test Centre
China

Energy Efficient Lighting Toolkit

- Best practice guidance providing policy and technical tools to promote a national/regional transition to efficient lighting
- Details benefits and barriers to transition and provides guidance for:
 - Policies and standards
 - Financing
 - Product availability and conformance
 - Environmental and health issues
 - Communications and engagement
- Provides resources and case studies
- Available in official UN languages



Financing the Transition to Energy Efficient Lighting: *Introduction*

- Requires early and thorough planning on national scale
- Determine program timelines and duration
- Determine funding and cost-sharing sources and options
- Funding cooperation
- Government or utility administered



Domestic Sources of Financing: Government Administered

- Financed from national domestic operating budget
- Governments benefit directly from realized savings
- Can be significant influence for other stakeholders
- Avoids interest and other costs of private sector approaches
- Requires strong and enforced policies
- Success through strong, stable funding
- Involve utilities, private sector and civil society stakeholders
- Assign program responsibility to appropriate departments



Domestic Sources of Finance: Utility Administered

- Highly motivated by economic and operational considerations
- Mandates to improve services, reduce power cuts or outages
- Can provide rebates, credit and billing tools to collect payment
- Ability to procure large quantities of lamps at reduced costs
- Sufficient stature to stimulate interest of financial institutions
- Capability to track and monitor changes (demand/consumption)
- Constraints: undue influence in the market, private utilities with different business models



Financing National Efficient Lighting Strategies: Non-Domestic Funding

- Option for countries that do not have required financial resources
- Types of non-domestic funding
 - International donors and lending institutions
 - Multilateral donors
 - Multilateral donor funding
 - Bilateral donors
- Sub-regional banks



Carbon Financing

- Buying, selling, trading of carbon emissions credits to achieve emissions targets
- Encourages efforts to move towards low-carbon economies
- Typically consists of developed countries buying credits from developing countries
- Types of carbon financing programs
 - Clean Development Mechanism
 - World Bank, The Carbon Partnership Facility
 - Voluntary carbon finance
 - Nationally Appropriate Mitigation Actions

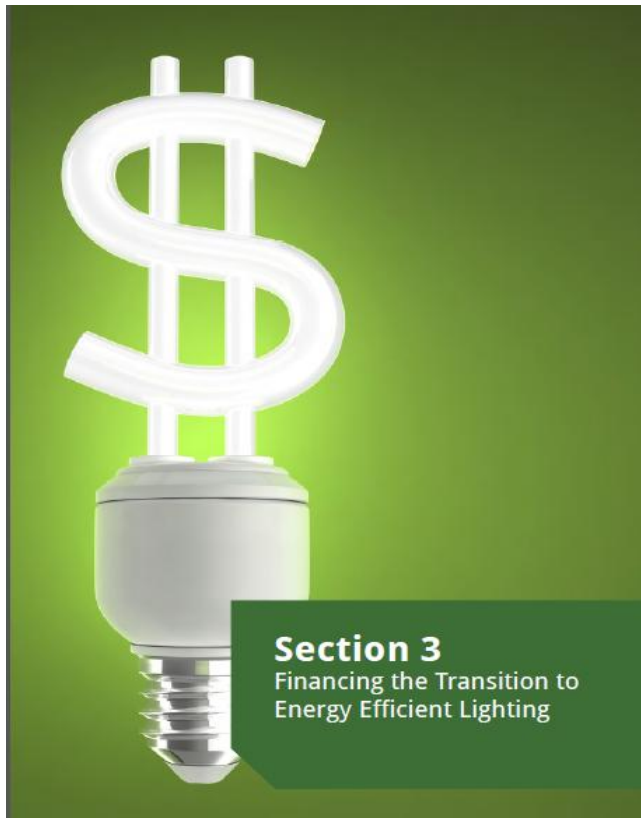


Conclusions

- Investing in an integrated policy approach leads to financial sustainability
- Other key success factors
 - Committed funding, sustained political will and long-term policy commitment
 - Early, thorough planning
 - Analysis of finance and resource requirements
 - National consultation and agreement with all key stakeholders
- Multiple funding sources and options are available



Additional Information



See Section 3: “Financing the Transition to Energy Efficient Lighting” in the **en.lighten Toolkit**:

www.enlighten-initiative.org

