UNITED FOR EFFICIENCY IN COSTA RICA

PROJECT AT-A-GLANCE

Development of a market for energy efficient lighting, air conditioners and refrigerators in Costa Rica

For more information, please visit:
www.united4efficiency.org

GEOGRAPHICAL SCOPE

Latin America and the Caribbean

Costa Rica

TARGETED PRODUCTS

GEF projects ID 9383

Refrigerators | Lighting | Air Conditioners

STATUS **ACTIVE** Starting implementation Q1 2019

STARTING DATE **JANUARY 2019**

CLOSING DATE **JANUARY 2022**

TOTAL PROJECT COST

$ 6.97 million

GEF grant and co-financing

TEAM LEADERS

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DONOR

Global Environment Facility (GEF)

IMPLEMENTING PARTNER

United Nations Environment Programme

PARTNERS

Central American Bank of Economic Integration (CABEI);
Costa Rican Institute of Electricity (ICE);
Rural Electricification Cooperative of San Carlos (COOPELESCA);
Rural Electricification Cooperative of Guanacaste (COOPEGUANACASTE RL);
Public Service Company of Heredia (ESPH);
National Company of Force and Light (CNFL);
National Lighting Test Center (NLTC);
Whirlpool

OTHER EXECUTING PARTNERS

Ministry of Environment and Energy (MINAE);
Central American Bank of Economic Integration (CABEI)

KEY PROJECT OBJECTIVES

The project will start implementation in June 2019, and aims to achieve:

330,328 tCO_2eq of Direct GHG emission reductions and **98,537** tCO_2eq indirect emissions reductions over the period 2021-2035.

More than 4,477,000 MWh from direct energy savings by the year 2035.

Over 110 million USD monetary savings in annual electricity costs by 2030.

THE CHALLENGE

Costa Rica excels for its outstanding electricity access rate (>99%) as well as its high share of renewable energy sources for electricity production. The country has set ambitious targets in terms of climate change mitigation to decarbonize the energy sector and reduce its dependence from imported fossil fuels. Variations in the availability of natural resources for electricity production as well as the occurrence of natural disasters (because of climate change) are just examples of the challenges the energy sector in Costa Rica is facing. In the last years, the country has reaffirmed the importance of fostering energy efficiency across its value chain – both from supply and demand-side of energy.

Despite the importance of energy efficiency, certain barriers and gaps hinder its deployment in Costa Rica. Replacement of conventional and obsolete appliances by efficient appliances are many times stalled due to a higher capital cost as well as lack of awareness from incumbents.

Mandatory energy efficiency regulations have been targeted to the public sector – hence becoming the only sector with compulsory energy efficiency guidelines in the country. Nevertheless, there are still implementation gaps that hinder compliance from public institutions to these mandates. For example, there is a lack of enabling mechanisms (i.e. framework agreements) to ensure procurement of efficient appliances and a duly end-of-life integrated management of replaced conventional appliances.

WHAT WE DO

The project is divided into four components, each addressing a specific challenge or opportunity but also complementing each other to provide an integral contribution to the country, aiming to address the main challenges that stall energy efficiency in Costa Rica. The project objective is to accelerate improvements in energy efficiency under Costa Rica's public procurement programs and reducing Costa Rica's energy consumption and carbon dioxide emissions.

The project will:

- Develop an energy diagnosis to identify and prioritize opportunities to replace conventional appliances with energy efficient appliances in highest energy consuming public institutions.
- Train market actors on the country's obligations to only procure energy efficient lighting and appliances and on mechanisms for product compliance.
- Support to the establishment of a Revolving Loan Fund (RLF) for the financing of large-scale replacement programs in the public sector.
- Develop capacities for environmentally sound end-of-life integrated management of lighting, refrigeration and air conditioning appliances.

UN ENVIRONMENT'S ROLE

United for Efficiency provides developing and emerging economies through their in-house experts and specialized partners with tailored technical support to transform their markets by accelerating the adoption of energy-efficient lighting, appliances, and equipment. Currently it is present in more than 30 countries worldwide. Based on each country's circumstances, United for Efficiency works with any of the following products: lighting, refrigerators, room air conditioners, motors and transformers - 5 products that together consume over half of the world's electricity.

By following United for Efficiency's Integrated Policy Approach and covering crucial elements from the transformational pathway, such as Standards and Regulations; Labelling and Communication strategies; Financial Mechanisms; Monitoring, Verification and Enforcement; and Environmental Sound Management, countries achieve a lasting market transformation, allowing monetary savings on their utility bills, helping businesses thrive through greater productivity, enabling utilities to meet growing demand for electricity, and assist governments in reaching their economic and environmental ambitions. Such support is available at three levels: Global, Regional and National providing several tools and resources to support committed countries in their efforts, such as Policy Guides, multiple assessments (country level, street lighting, etc), regional policy roadmaps and harmonization process recommendations, development of training for policymakers and practitioners and National Action Plan implementation support.