

Annex VII

INTERNATIONAL COLLABORATION ON MARKET TRANSFORMATION

1. Description of Technical sector; Definitions

(a) Description of Technical Sector.

Market transformation, as used here, refers to public policies and programmes of limited duration that increase the availability, marketing, sales, and appropriate use of energy-saving equipment or practices by creating a permanent change in market structure or processes.

(b) Definitions

MT means Market Transformation

R&D means Research and Development

2. Objectives

The objectives of this Task are to:

- (a) Increase the market share of today's energy-saving products and practices.
- (b) Accelerate the use of the most efficient new technologies in order to reduce the use of energy and other primary resources, thereby reducing the emission of greenhouse gases and other potentially harmful pollutants.

This Annex aims to develop innovative programme and policy ideas for market transformation, and create a multinational approach for sharing and documenting relevant policy and programme experience. This new Task aims to establish a simple, rapid, flexible, and responsive framework for voluntary collaborations on market transformation studies or action projects, among any two or more Participants' countries.

3. Means

The objectives shall be achieved by the Participants in the following Subtasks:

(a) Subtask A: Defining the Market Transformation Programme

The objective of this first Subtask is to define the Market Transformation Programme including the additional Subtasks.

The Participants shall achieve this objective through correspondence and by coming together in a meeting of interested parties incorporating facilitated discussion to highlight those areas that will be most effective in delivering the objectives of the Task. This Subtask shall be largely task shared with some cost-sharing for co-ordination.

(b) Subtask B: Market Transformation Research

The objective of this Subtask is to conduct market research in each Participant's country in order to build a picture of the current international marketplace, particularly in relation to the analysis of the 'chain' i.e. R&D, manufacturers, retailers, consumers.

The Participants shall achieve this objective by organizing, in collaboration with other Participants' countries, a detailed round of focus group meetings and undertaking market research with leading market actors.

(c) Subtask C: Market Transformation Forum

The objective of this Subtask is to discuss ideas and approaches, develop policy and programmes and share information about MT in an international context to gain a fuller understanding about how MT can become more effective.

The Participants shall achieve this objective through organization and attendance at a workshop, conference and/or forum to examine case studies of innovative, non-energy technologies that have been marketed with great success and might offer important lessons on the introduction of new energy technologies.

(d) Subtask D: Market Transformation Website and Email list server

The objective of this Subtask is to facilitate an exchange of information between Participants' countries and to promote the main objectives and findings of the Task.

The Participants shall achieve this objective by collaborating on country specific input to the website and exchanging email contact details in order to be registered on the list server. Provision of information will be task shared whilst set-up and maintenance of the website and email list server will be cost shared.

(e) Subtask E: Promoting Advanced Products

The objective of this Subtask is to develop co-operative action projects designed to test, demonstrate, and implement Market Transformation programmes which promote the design and use (or market pull) of advanced energy efficient products.

The Participants shall achieve this objective through the design and development of procurement specifications and projects designed to bring forward and develop significant markets for advanced products. The principles for formulation of criteria will be set up in dialogue with suppliers and with chains of retailers. Initiatives will build on and take forward the successful elements of the Annex III activity. E.g. "IEA DSM Award of Excellence" and the co-ordinated volume purchasing of advanced or next-generation products.

(f) Additional Subtasks: Market Transformation Projects

These additional Subtasks, which require further definition as suggested in Subtask A, aim to provide a flexible framework through which any two or more Participants' countries could undertake market transformation project activities, including co-operative studies and co-operative action projects. Any Participant, who serves as Project Leader and recruits additional Participant's to co-sponsor the project, may initiate a project. Any project with a commitment of financial or in-kind support from two or more Participant's is eligible to become a project under the Task, unless it is rejected by a majority of the countries participating in the Task or upon review by the Executive Committee

The Participants shall achieve this objective by discussing, defining and highlighting the key areas in MT that require targeted projects and maintain a flexible approach to the initiation of these projects by Participants.

4. Results

The products of work performed under this Annex will be designed for use by national and local governments, multinational companies, non-governmental organizations specializing in energy efficiency, and the private and public sectors.

Results of the joint activities will include:

Subtask A: Defining the Market Transformation Programme

A report on the project scope listing preferred Subtasks and suggested action plans and strategy for additional Subtasks.

Subtask B: Market Transformation Research

- (a) A report covering international perspectives on Market Transformation outlining findings and conclusions from the research.
- (b) Targeted areas for action in the marketplace;
- (c) Suggestions for Additional Subtasks;
- (d) Disseminated findings for input to information of Subtask C.

Subtask C: Market Transformation Forum

- (a) A set of results in report format (on-line) and proceedings from the forum, including information from workshops.
- (b) A list of recommendations to the MT Annex on next steps for the programme based on the findings of the workshop and/or forum.

Subtask D: Market Transformation Website and Email list server

- (a) Periodic updating of the website to include an online newsletter of developments in the Task;

- (b) Online information relating to the latest developments in MT;
- (c) Communication channels serving all Participants, thereby facilitating an effective flow of information.

Subtask E: *Promotion of Advanced Products*

- (a) List of internationally traded goods and provisional advanced energy efficiency specifications.
- (b) Two additional rounds of the IEA DSM “Copier of the Future” competition.
- (c) A framework to take forward the “LED Traffic Lights” competition and procurement activities.

5. Time Schedule

This Annex shall remain enter into force on 1st January, 2000 and shall remain in force for a period of two years. Within the limits of the term of the Agreement, this Annex may be extended by two or more Participants, acting in the Executive Committee, and shall thereafter apply only to those Participants.

6. Specific Obligations and Responsibilities of the Participants

In addition to the obligations enumerated in Article 7 of this Agreement:

- (a) Each Participant shall provide the Operating Agent with reports on the results of the work carried out for each Subtask;
- (b) Each Participant shall participate in the editing and reviewing of the draft reports of the Task and Subtasks.

7. Specific Obligations and Responsibilities of the Operating Agent

In addition to the obligations enumerated in Articles 5 and 7 of this Agreement, the Operating Agent shall:

- (1) Prepare, review and distribute the results mentioned in paragraph 4 above;
- (2) At the request of the Executive Committee, organize workshops, seminars, conferences and other meetings;
- (3) Prepare the detailed Programme of Work and Budget for the Task in consultation with the Participants and submit the Programme of Work and Budget for approval to the Executive Committee;
- (4) Provide, at least semi-annually, periodic reports to the Executive Committee on the progress and the results of the work performed under the Programme of Work;
- (5) Provide the Participants with the necessary guidelines for the work they carry out with the minimum duplication;
- (6) Co-ordinate the efforts of all Participants and ensure the flow of information in the Task;
- (7) Perform such additional services and actions as may be decided by the Executive Committee, acting by unanimity.

8. Funding

- (a) *Sharing of Task Costs.* For each year of operation of the Task, each Participant country shall make an annual Membership Fee Contribution of US\$10,000.
- (b) *Payment Terms.* The Operating Agent shall send invoices to the Participants at the beginning of each financial year of the Task. Payments from each Participant must be received by the Operating Agent no later than 60 days after the Participant’s receipt of the Operating Agent’s invoice.
- (c) *Changes in Number of Participants.* If the number of Participants changes, the Executive Committee, acting by unanimity, shall decide whether to adjust the proportionate shares of the Participants in the Budget or adjust the Programme of Work and Budget to take account of such withdrawal.
- (d) *Individual Financial Obligations.* Aside from the contributions described in sub-paragraph (b) above, each Participant shall bear all the costs it incurs in carrying the Task activities, including reporting and travel expenses.
- (e) *Task Sharing Requirements.* The level of effort to perform the work specified in this Annex is estimated at 80 person-days for the Operating Agent in the first year and 53 person-days for the second year, 30 additional person-days for each Participant in the first year that the Annex is in force, and an additional 22 person-days for each Participant during the second year of the Annex.
- (f) *Annual Meetings.* The annual meetings pursuant to paragraph 3 above shall be hosted in turn by the Participants. The costs of organizing and hosting meetings shall be borne by the host Participant.

9. Operating Agent

The Building Research Establishment on behalf of the Department of Environment Transport and the Regions UK is designated as the Operating Agent.

10. Information and Intellectual Property

The Participants shall have the right to publish all information provided to or arising from the Task, except proprietary information.

11. Participants in this Task

The Contracting Parties which are Participants in this Task are the following:

The Ministry of Energy, Danish Energy Agency

Technology Development Centre (TEKES)

Le Ministère de l' Industrie, des Postes et Télécommunications et du Commerce Extérieur (France)

Ministry of Commerce Industry and Energy (MOCIE)

The Netherlands Agency for Energy and the Environment (NOVEM)

The Norwegian Water Resources and Energy Directorate (NVE)

Swedish National Energy Administration (STEM)

The Department of Trade and Industry (DTI)