



Toolkit:

Monitoring, Verification and Enforcement (MV&E)

Appliances & Equipment: Session 6

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 #energyefficientworld

You've been asked to take steps to improve compliance rates with MEPS in your region.

How do you go about deciding on the most effective ways to achieve this?

Why is compliance important?

Ensure that **consumer** receive the performance they are paying for

Ensure **suppliers** who invest more in energy efficiency do not lose market share to unscrupulous competitors

Compliance

Ensure **governments** get the outcomes they expect (programme objectives)

Safeguards the integrity of the programme – hard to win back confidence once lost

Group exercise

- What are some of the ways to increase compliance rates?



What are the Options?

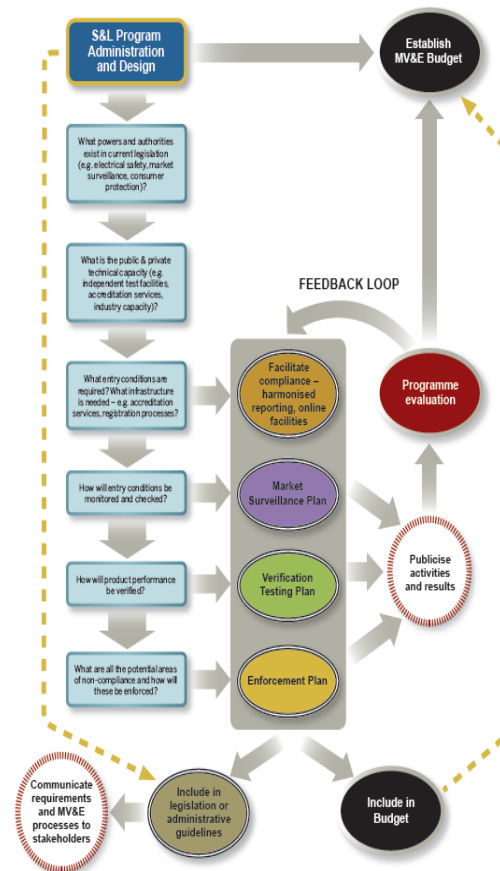
1. Test more products
2. Build a better laboratory
3. Better educate product suppliers
4. Publish list of offenders & actions taken
5. Inspect more labels in stores
6. Improved powers to act (legislation)
7. Improve the range of sanctions available
8. Publish rules / enforcement policy document
9. Make it easier for suppliers to demonstrate/report compliance
10. Improve targeting of testing
11. Develop in-house manual for staff
12. Publish testing targets in advance
13. Ensure that enforcement action is taken swiftly
14. Add requirements for retailers

- In both cases, MV&E is vital to retain public confidence!
- Mandatory Programmes
 - Obligations for all stakeholders in the programme
 - Compliance and enforcement important to ensure a level playing field
 - And to protect consumer interests
- Voluntary Programmes
 - Voluntary to participate in the programme
 - But once joined, there are still rules that must be followed and enforced
 - Some products/companies often gain commercial advantage from programmes – MV&E therefore important to avoid perceptions of corruption or misuse of public funds
 - MV&E easier if linked to existing mandatory programme (tested performance values, star rating, etc)

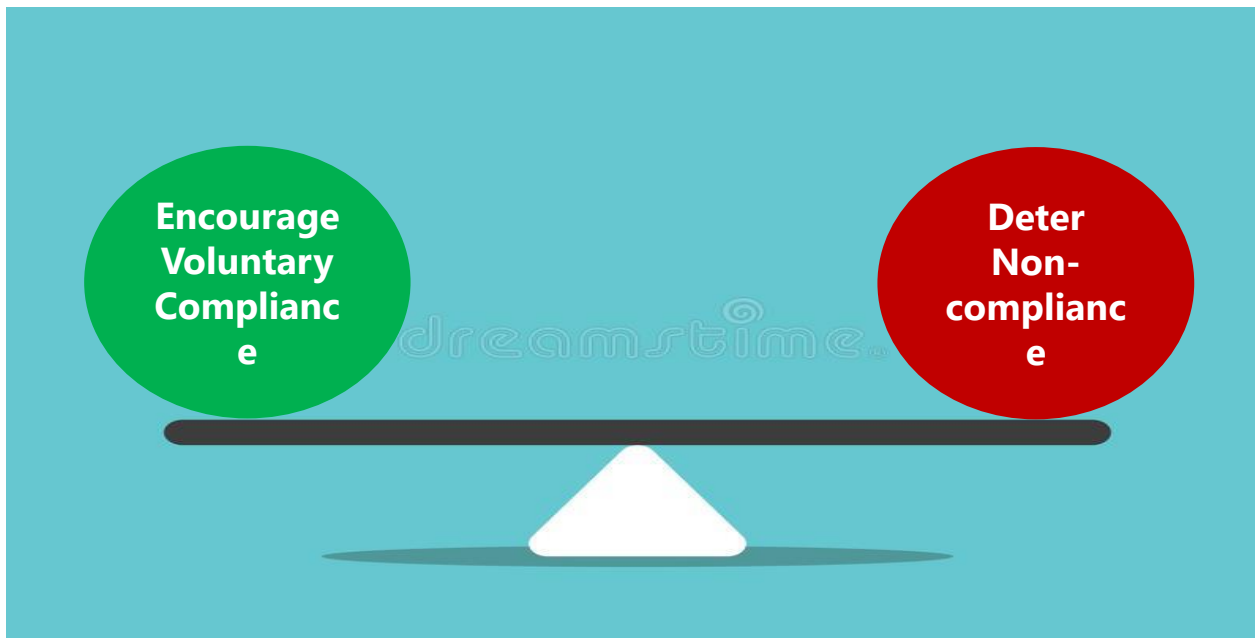
Essential elements of compliance regimes

- Mechanism to facilitate compliance
- Market surveillance
- Verification testing
- Enforcement
- Communication, reporting, feedback
- Legal and administrative framework
- Budget and resource allocation
- Evaluation processes

Planning and Reviewing a MV&E regime



**Effective Compliance Frameworks for
MANDATORY and VOLUNTARY programmes aim
to.....**





Encouraging Compliance

- Are the requirements for suppliers and retailers clear and accessible?
- Are they understandable (not 'legalese')
- Is registration (or alternatives) simple and effective, online, includes FAQ and guides?
- Is it clear what documentation is required?
- Are all the relevant documents relating to MV&E clearly identified on the website?
- Are enforcement procedures and sanctions obvious?
- Are all staff clear about their roles and responsibilities? e.g. Is there a staff 'operations manual'?
- Are you reaching 'new' stakeholders as they enter the market?

Benefits

- Avoids time-consuming questions to busy staff
- Avoids wasting time on unresolved cases, delayed action



▶ Video: What suppliers need to know

How the E3 Program affects suppliers of products regulated for energy efficiency in Australia.

If you cannot see the video try viewing it on [YouTube](#) or download a [transcript](#).

<https://youtu.be/IOZ6RCXz18Q?t=19>

Why does Australia have compliance information published in Chinese?



The screenshot shows the Australian Energy Rating website interface in Chinese. The top navigation bar includes links for CONSUMERS, RETAILERS & TRADIES, SUPPLIERS, and ABOUT THE E3 PROGRAM. The main content area is titled '注册流程' (Registration Process) and features a four-step process: 1. EDUCATE (Assisting responsible parties to understand their obligations), 2. MONITOR (Monitoring responsible parties' compliance with the requirements), 3. INVESTIGATE (Assesses each instance of suspected or alleged non-compliance and, where appropriate, conducts an investigation), and 4. RESPOND (Actively pursuing non-compliance with a range of educative, administrative, civil, and criminal response options). Below this, there is a section for '产品注册' (Product Registration) with a brief overview and a link to the EECA website.

- S&L compliance frameworks are designed to:

a) Encourage voluntary compliance, and

b) Deter non-compliance

Deterrence theory:

- *There must be a credible likelihood of detecting violations*
 - *Swift, certain, and appropriate sanctions upon detection*
 - *A perception among the regulated firms that these detection and sanction elements are present*
-
1. Increase the risk that instances of non-compliance will be discovered
 2. Take corrective action quickly to minimise damage (to all)
 3. Make penalties proportional to the extent of transgression but sufficient to be an effective deterrent
 4. Ensure corrective action is visible - to deter others

Which is the better deterrent?

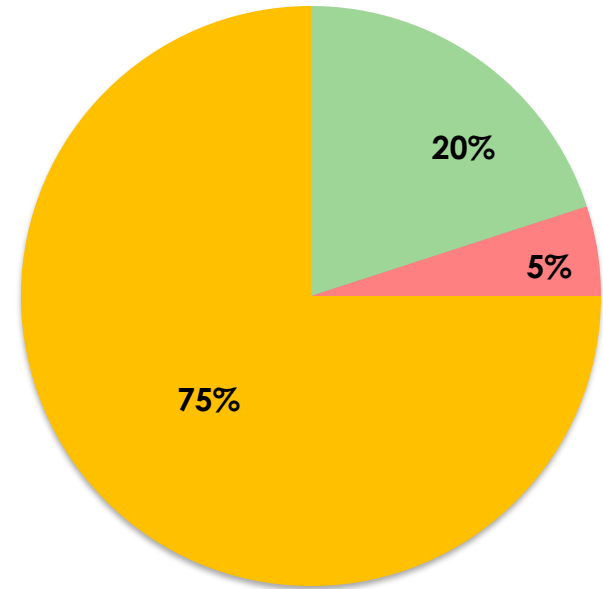


VISIBILITY IS IMPORTANT!

1. Increase the risk that non-compliance will be discovered

In most regulated markets:

- 20% of the regulated population will automatically comply with any regulation
- 5% will attempt to evade it
- and the remaining 75% will comply as long as they think that the 5% will be caught and punished.



1. Increase the risk that non-compliance will be discovered



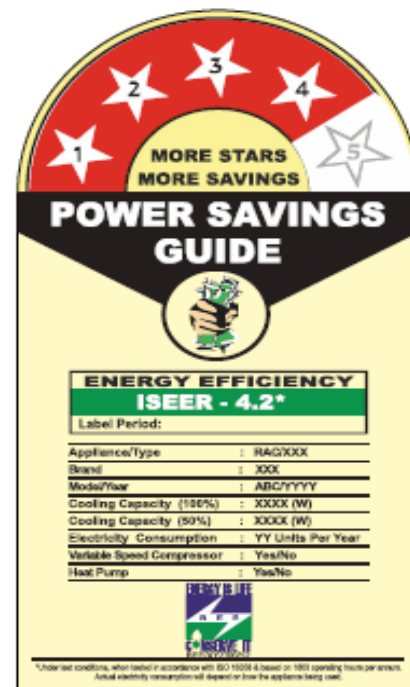
Role of SDAs in Indian S&L programme

PWC & Shakti, 2016

MV&E component	Roles of SDA	Role of BEE	Main activity for SDA
Label verification	Main	Nodal agency	<ul style="list-style-type: none"> General inspection of label Market surveillance
Checktesting	Support	Main	-
Verification of production numbers	Support	Main	-
Enforcement	Main	Nodal agency	File case with respective SERC



- Has anyone tried to undertake label verification in their area?
- What is the aim of label verification?
- What are you checking when doing label verification?



- Periodically monitor products within a sample of stores to check that:
 - All required products are correctly labelled,
 - All labels conform to requirements,
 - Fake labels are not being used
 - Products on the market are registered (where required)
- Market surveillance can be undertaken by:
 - Government staff, Consumer groups, Contractors
- Respond to any observed instances of non-compliance & publish results (in consultation with BEE)

Benefit

- Early detection of labelling errors can avoid more serious non-compliance
- Demonstrates to suppliers and retailers that government is being vigilant
- Monitor spread of labels (ie. When most products are 5 star, its time to re-grade)

Discuss:

- Which stores should be targeted?
- Which products should be targeted?
- What should be the frequency and sample size?
- Who should undertake it?
- Is there a need for co-ordination?

- Lots of countries with S&L programmes undertake labelling verification
- Generally it is one of the cheaper compliance activities
- Can be scaled to resources, undertaken periodically, and focused on different products
- Experience suggests it can be highly effective, **if**:
 - Feedback is provided to both participating stores and product suppliers

Example - EU



Market surveillance of Energy Labelling and Ecodesign product requirements

Overview of challenges and opportunities

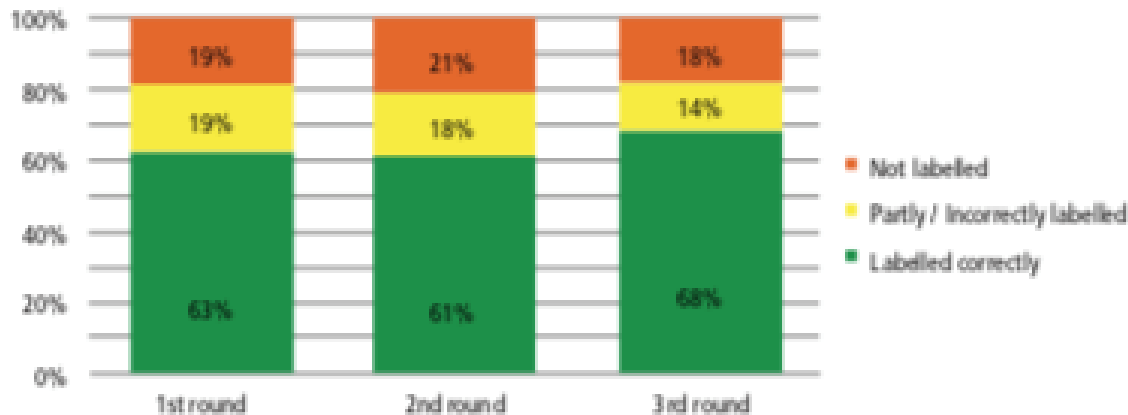
Summary of relevant literature with a specific focus on the ATLETE, ATLETE II, Come On Labels and Ecopliant project achievements



February 2014



Country/Source	Staff resources dedicated	Product testing activities	Number of shop visits
France	Part 1 part time at ministry level, 1 part time at energy agency	No testing	No (only 149 shops in a 2005 study)
Germany	Regional government responsibility, 1 part time at ministry	Yes, varies from year to year, not centrally reported	Unknown, not reported centrally
Greece	5 part time at authority	No testing	7 in 2012



Country/Source	Staff resources dedicated	Product testing activities	Number of shop visits
Sweden	3 full time and an internal test laboratory consisting of 6 full time	Yes, varies from year to year, 50 in 2011	100 – 250
United Kingdom	6 full time, including ecodesign	Yes, between 20–100. EST 15 in 2010/2011 and 9 in 2011/2012.	188 in 2012, 50–100, not reported centrally.

Generally we see improvements from successive visits when feedback is provided

Example - EU



Come On Labels

Common appliance policy – All for one, One for all
– Energy Labels

Contract N°: IEE/09/628/S12.558219

National Shop Visits Report

Work package 4 – 1st edition of Deliverable 4.9

April 2012

Covering shop visits undertaken between
December 2011 – March 2012

Table 2 Number of covered products in each category and retailer compliance

Product	Number of covered products	Labelling	Labelled correctly	Partly / Incorrectly labelled	Not labelled
Refrigerating appliances	18 980	old label	4 724	1 716	2 358
		new label	8 076	2 106	
Wine storage appliances	524	new label	57	113	354
TVs	13 340	new label	3 069	6 56	9 615
Washing machines	10 229	old label	3 206	1 048	1 647
		new label	3 771	557	
Dishwashers	6 659	old label	1 761	642	1 243
		new label	2 638	375	
Lamps	79 586	old label	74 216	2 200	3 170
Air conditioners	1 702	old label	222	653	816
		new label	7	4	
Electric ovens	8 829	old label	3 636	2 068	3 125
Tumble driers	2 351	old label	1 334	486	531

Useful to target newly labelled products or transition to new labels

Example - Australia

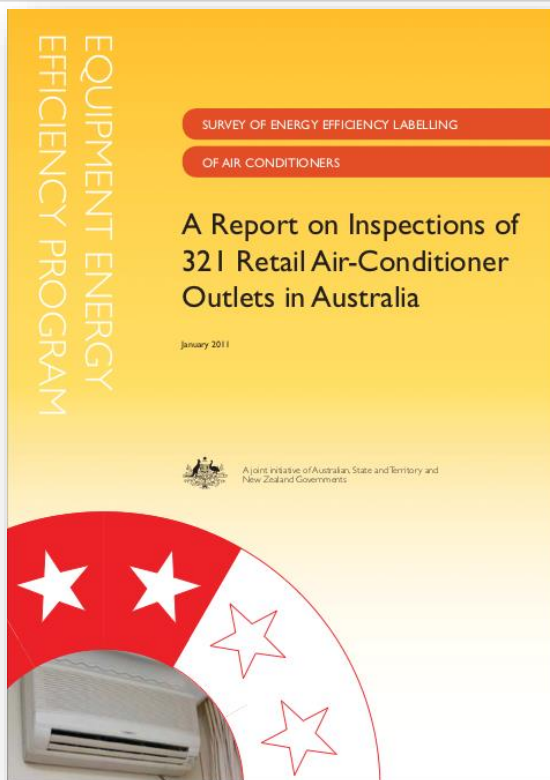
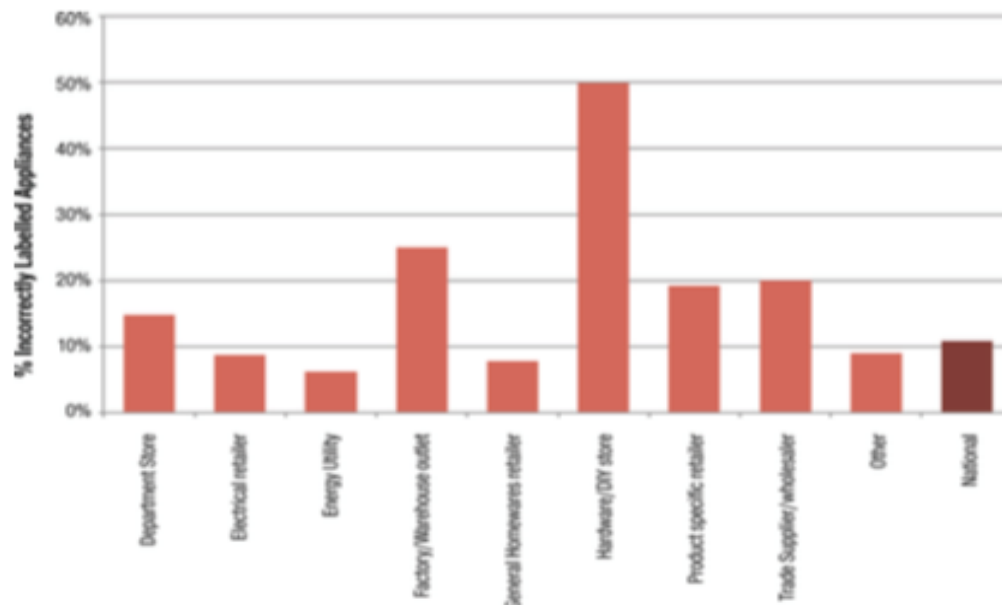


Figure 10: Incorrectly Labelled Air Conditioners by Store Type



Analyze data to identify problem products, suppliers or store types

Example - Australia

Table 9: Incorrectly Labelled Air Conditioners by Brand Size

Brand Size	Number of Brands	Number of Appliances	Number Unlabelled	Number L
Small	28	80	22	
Medium	12	462	69	
Large	7	2,829	261	
Total	47	3,371	352	

Table 10: Labelling and Registration Compliance of Brands Surveyed

	Appliance Sample	Un-Labelled	Wrongly Labelled	Total % Correctly Labelled	% Registered
LG	675	69	3	89.3%	99.9%
FUJITSU	502	39	2	91.8%	100.0%
ELECTROLUX-KELVINATOR	447	55	1	87.5%	99.8%
PANASONIC	425	30	2	92.5%	98.4%
MITSUBISHI ELECTRIC	363	26	1	92.6%	99.2%
DAIKIN	275	34	0	87.6%	99.3%
TECO	142	8	3	92.3%	99.3%
MITSUBISHI HEAVY INDUSTRIES	95	9	1	89.5%	97.9%
SAMSUNG ELECTRONICS	84	10	0	88.1%	97.6%
TOSHIBA	52	7	0	86.5%	100.0%
DELONGHI	48	11	2	72.9%	100.0%
CARRIER	36	5	0	86.1%	91.7%
HISENSE	31	0	0	100.0%	100.0%
DOMAIN AIR	27	0	0	100.0%	77.8%
MIDEA	26	4	0	84.6%	96.2%
HITACHI	24	9	0	62.5%	100.0%
HELLER	14	1	0	92.9%	100.0%
TCL	13	1	0	92.3%	100.0%
HAIER	12	12	0	0.0%	100.0%

Feedback is vital - No one likes to be seen to be worse than competitors!!!!

- Not only for rich countries!
- Vietnam undertook several labelling verification programmes in 2014-5
- One national programme using market research company (2014)
- One programme using local market surveillance staff in 2 regional towns (2015)



VNEEP Labelling Display Survey

Methodology and Guidelines



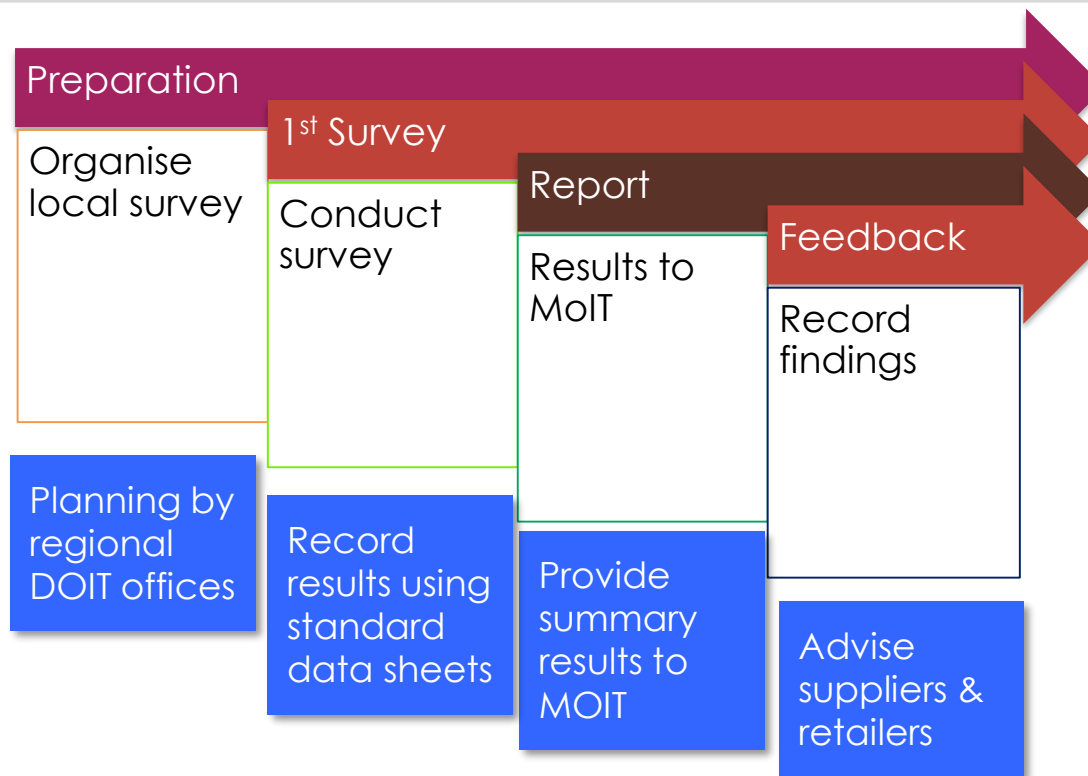
½ day training in office
½ day in stores

- Run through guidelines
- Which stores
- Which products
- How to identify labels
- Record sheets (manual)
- What information to record



Regional market inspection officers organised local surveys according to a common methodology

Guidelines define the process



Several regions undertaking the same survey within the same month

Simple process to collect and record data

Những ghi chú sau đây sẽ giải thích tiêu đề của cột nghĩa là gì :

Cột	Ghi chú	Giải thích
Cột A	1 Số hồ sơ (ID)	Số hồ sơ - để theo dõi
Cột B	2 Ngày khảo sát	ngày mà khi đó ghi chép được lập
Cột C	3 Thời gian kiểm tra	
Cột D	4 Mã số căn bộ khảo sát	Tên hoặc mã số ID của căn bộ thực hiện ghi chép
Cột E	5 Tên cửa hàng	Tên cửa hàng đã khảo sát. Nếu là cửa hàng trực tuyến thì ghi 'Internet'
Cột F	6 Địa chỉ 1	Địa chỉ của cửa hàng hoặc URL hoặc trang Internet
Cột G	7 Địa chỉ 2	Địa chỉ cửa hàng
Cột H	8 Thành phố	Địa chỉ cửa hàng
Cột I	9 Số điện thoại cửa hàng	Số điện thoại cửa hàng
Cột J	10 Chủ cửa hàng	Tên của chủ cửa hàng
Cột K	11 Loại cửa hàng	Chọn một phương án từ "the drop down menu"
Cột L	12 Đặc tính cửa hàng	Chọn một phương án từ "the drop down menu"
Cột M	13 Tên chuỗi cửa hàng	Ghi tên chuỗi cửa hàng nếu cửa hàng là một phần của tập đoàn lớn
Cột N	14 Loại sản phẩm	Chọn một phương án từ "the drop down menu" - ** đảm bảo rằng model này trong phạm vi dán nhãn theo qui định
Cột O	15 Tên nhãn hiệu	Tên nhãn hiệu của sản phẩm ví dụ LG
Cột P	16 Nhà sản xuất	Nhà sản xuất sản phẩm nơi được biết đến thịnh vượng là một nhà sản xuất , một nhà cung cấp nhiều nhãn hiệu
Cột Q	17 Tên model (mã sản phẩm)	Tên của model , ví dụ Economiser
Cột R	18 Số model	Số duy nhất của mã sản phẩm thông thường là một dãy chữ hoặc số ví dụ HWM1070KFL
Cột S	19 Số seri	Số seri của sản phẩm, thông thường được tìm thấy trên biển tên trên sản phẩm - KHÔNG BẮT BUỘC
Cột T	20 Ngày sản xuất	Ngày sản xuất thông thường được tìm thấy trên biển tên của sản phẩm - KHÔNG BẮT BUỘC
Cột U	21 Sự hiện diện của nhãn năng	Nhãn VNEEP trên sản phẩm hay bao bì sản phẩm
Cột V	22 Số sao được lựa chọn trên nhãn	
Cột W	23a Nhà sản xuất	
Cột X	23b Xuất xứ	
Cột Y	23c Mã Model/sản phẩm	
Cột Z	23d Công suất	
Cột AA	23e Tiêu chuẩn thử nghiệm	
Cột AB	23f Hiệu suất năng lượng	
Cột AC	23g Mã chứng nhận	
Cột AD	24 Vị trí nhãn VNEEP	Xác định nhãn được dán ở đâu trên sản phẩm hoặc nếu ở bao bì (nơi mà sản phẩm được đóng gói)
Cột AE	25 Tình hình nhìn thấy của nhãn VN	Xác định liệu có nhãn VNEEP được dán không , nhãn bị che khuất hoặc bị hỏng
Cột AF	26 Loại vi phạm	Lựa chọn một phương án trong "drop down menu"
Cột AG	27 Ghi chú	Ghi chép các ý kiến về sự vi phạm của nhãn ở mục này - nơi có thể chụp hình vi phạm đính kèm



Use printed sheets to record observations in stores manually – upload into single spreadsheet

Errors – wrong colour



Many errors are simple to spot!

Errors - Wrong Design

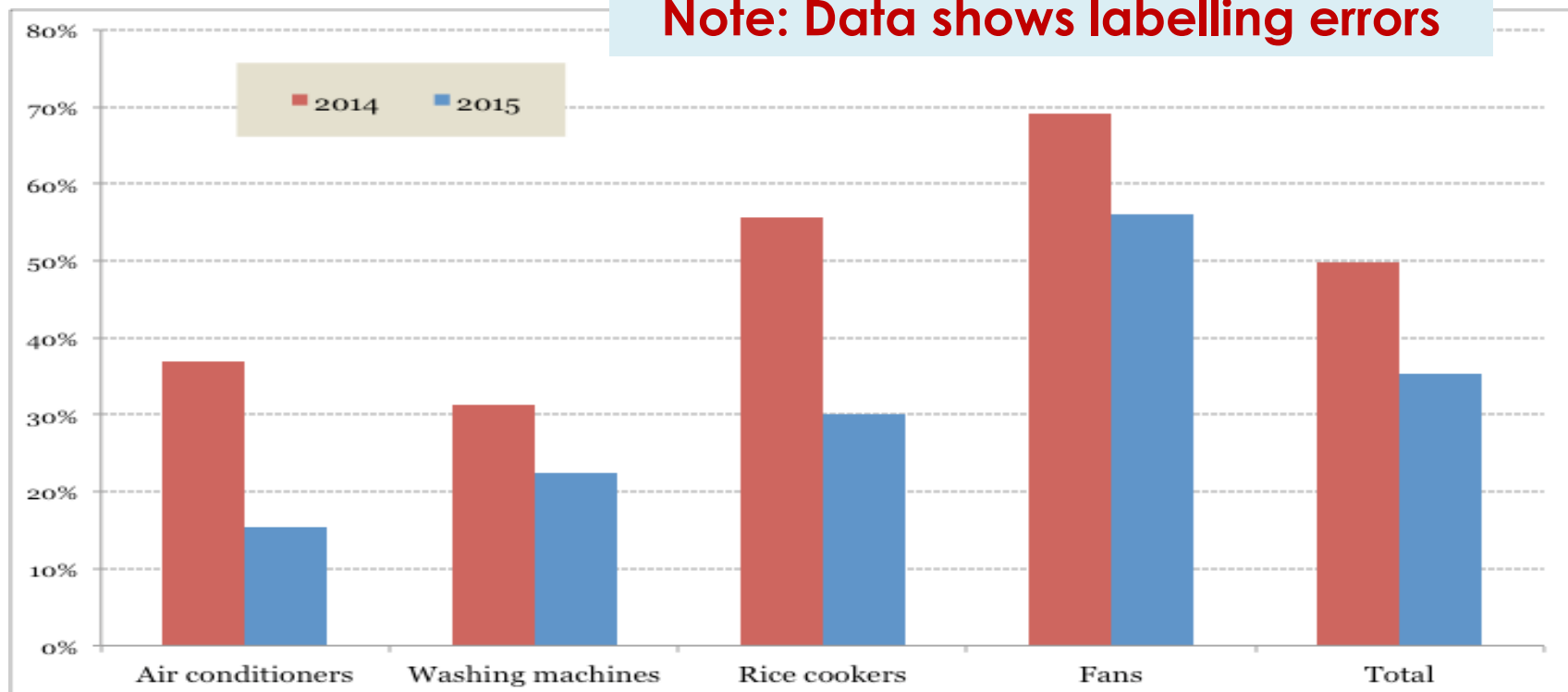


“In order to evaluate the number of labeled products by product type, the statistics was made by the survey team as the following: Total of 2.500 surveyed products, amongst 1.695 products were correctly labeled which had rate of 67,8%. Generally, the survey results were at the moderate level which was the database of energy labeling compliance in Can Tho City”

Product type	Total surveyed samples (products)	Total of labeled samples (products)	Rate of labeled products
Air conditioners	208	190	91,3%
Washing machines	233	208	89,3%
Electric cookers	487	357	73,3%
Electric fans	825	316	38,3%
TV	296	221	74,7%
Refrigerators	451	398	88,2%
Total	2.500	1.690	67,6%

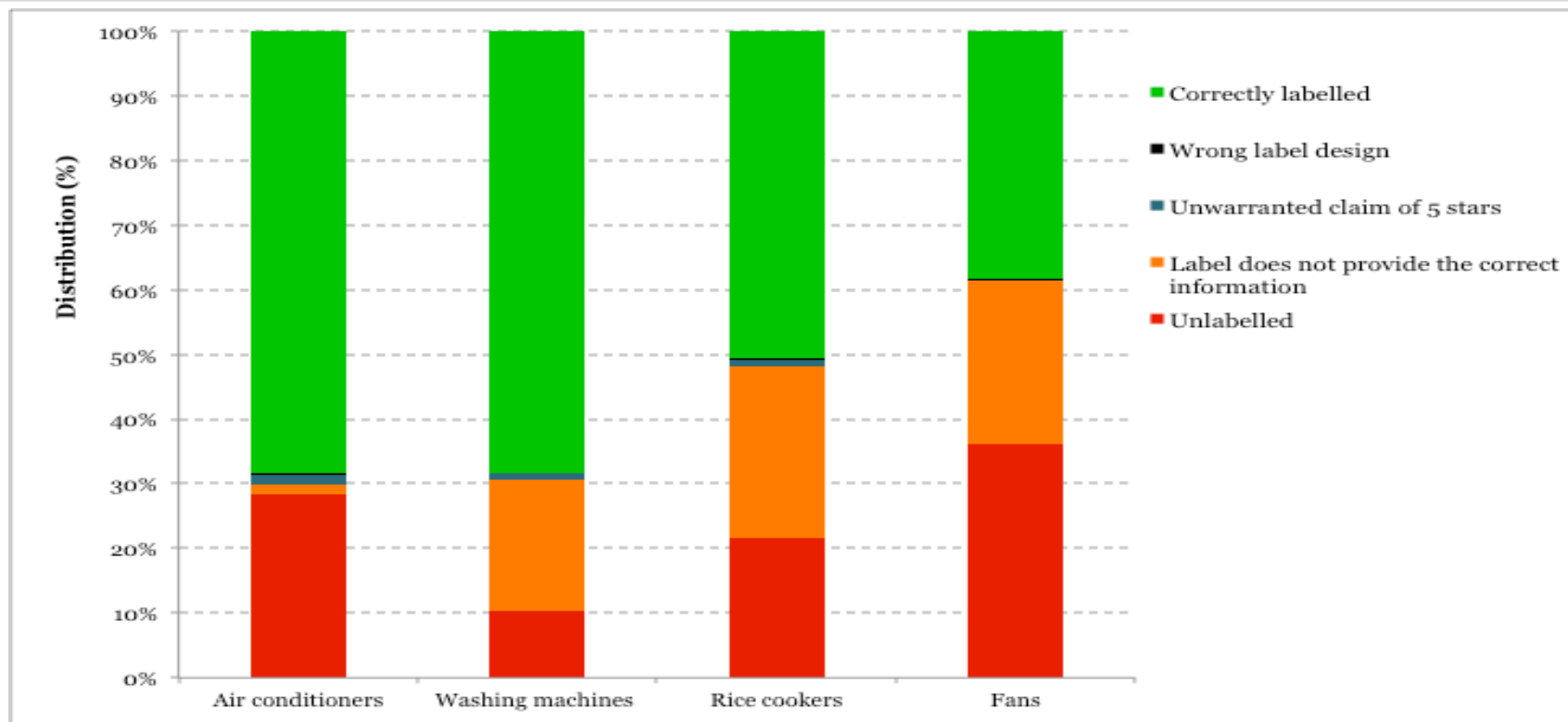
Comparison of surveys

Note: Data shows labelling errors



Repetition shows compliance is improving

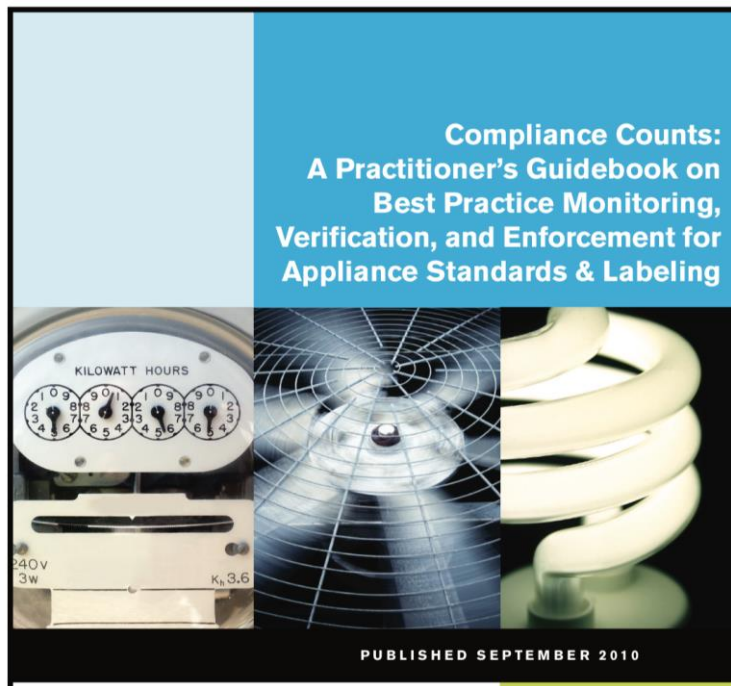
Comparison across products



Analyze data to see what are the key issues – e.g. misunderstanding of what information must be on the label

CLASP

<https://clasp.ngo>



<https://clasp.ngo/publications/compliance-counts-a-practitioners-guidebook-on-best-practice-monitoring-verification-and-enforcement-for-appliance-standards-labeling-1>



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