

ENERGY COMPACT

 **EC5 ENERGY TRANSITION: Promotion for the Rational and Efficient Use of Energy**



United Nations



HIGH-LEVEL DIALOGUE ON
ENERGY
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UN ENERGY



SECTION 1: AMBITION

1.1. Ambitions to achieve SDG 7 by 2030. [Select all appropriate options]

(Member States' targets could be based on their NDCs, energy policies, five-year national plans, etc. Goals for companies/organizations could be based on their corporate strategy)

7.3. By 2030, double the global rate of improvement in energy efficiency.

Target(s):

1. Create an Expansion Plan for Energy Efficiency Standards in Honduras through strategies to reduce energy consumption.

Timeframe: 2030

Context of the ambition(s):

On the world stage, a good part of the energy efficiency standards refers to energy consumption in buildings. In Honduras there are at least 15 standards related to energy efficiency. Honduran energy efficiency standards have focused on cooling, air conditioning, compact fluorescent lamps and motors. Currently, the country does not have an energy efficiency expansion plan, which is intended to collect data to define strategies in relation to energy consumption and how to reduce it through sustainable practices.

Target(s):

2. Promote the rational and efficient use of electrical energy at the national level through the formulation, approval, and implementation of the Energy Efficiency Policy.

Timeframe: 2030

Context of the ambition(s):

Regarding the creation of the legal framework for energy efficiency, in 2007 the Draft Law on the Rational Use of Energy was prepared with funds from the United Nations Development Programme (UNDP) and, subsequently, in 2012, a review and update of the Draft Law on the Rational Use of Energy was carried out with funds from the German International Cooperation (GIZ) through the Renewable Energy and Energy Efficiency Programme (4E). Currently, there is a draft of the Law for the Rational and Efficient Use of Energy in Honduras that aims to promote the rational and efficient use of energy, as well as regulate the bodies in charge of the issue and on the Regulations of the Law for the Rational and Efficient Use of Energy Honduras will verify compliance with it. Honduras has taken initiative in improving the energy matrix by promoting renewable energies, the use of alternative fuels, energy efficiency and others, and seeks to establish measures that last over time and that represent a true alternative in the improvement in our environment and the sustainability of energy resources.

Target(s):

3. Execute energy efficiency projects at the national level by increasing the use of technologies and / or devices that are energy efficient in the industrial, commercial, governmental, residential sector, among others.

Timeframe: 2030

Context of the ambition(s):

In Honduras, the subsector with the highest energy consumption is residential, followed in importance by transport, which includes land transport of people and goods. The third subsector in energy consumption is industrial, which could be interpreted as an indicator of low manufacturing development in the country. The agricultural subsector is the one with the lowest energy consumption, even though Honduras is a country with a relatively high agricultural production, but with the characteristic that the crops are seasonal, so the use of electrical systems or pumping diesel is very low. Total energy consumption grew by 74%, while growth rates by subsector for the period 2001-2016 are residential (60%), commercial (103.5%), industrial (20%), high consumers (161%), public lighting (52%), government (85%), autonomous entities (36%) and municipal (74%). On average, the increase in overall electricity consumption is 85%. Missing period to which it refers.

For this reason, Honduras seeks to implement energy efficiency projects at the national level by increasing the diversified use of efficient technologies.

Target(s):

4. Generate strategic alliances with financial, microfinance and related institutions to promote actions and funds to finance energy efficiency and saving programs and projects, as well as the formation of energy service companies.

Timeframe: 2030

Context of the ambition(s):

The 2025 Roadmap report mentions that the country has no sources of financing for the expansion of the energy sector, since the participation of the private sector in the national electricity market is vital and, in order for it to participate, it needs sources of financing that allow it to cover, at least partially, the initial investment which will lead to the flexibility to start operations and generate profits.

SECTION 2: ACTIONS TO ACHIEVE AMBITION

2.1. Please Add at least one key action for each of the elaborate ambitions in Section 1. [Add rows as needed].

<p>1. Create an Expansion Plan for Energy Efficiency Standards in Honduras through strategies to reduce energy consumption.</p> <ul style="list-style-type: none"> • Identify the key players related to the issue of energy efficiency from various sectors. • Residential sector: improve efficiency in cooking stoves and water heaters, lighting, refrigeration and air conditioning, taking into account the needs of new and existing homes. • Public sector: audits in waste management, composting, recycling, thermal comfort, codes for bioclimatic infrastructure, better water management, pumping and reduction of water losses. • Improve availability of statistical data by sector. • Creation of strategic alliances with the Ministry of the Interior and Justice and with the AMHON for the incorporation of guidelines on renewable energy and energy efficiency in municipal and community development plans. • Organization of workshops for the creation of the Expansion Plan of Energy Efficiency Standards with the key players involved. • Elaboration of the Expansion Plan of the Energy Efficiency Standards in Honduras. • Deliver training workshops on the Central American Standards of Energy Efficiency where the country is committed. • Implementation of the Expansion Plan of Energy Efficiency Standards in Honduras. • Creation and approval of guidelines and guidelines for energy efficiency for new and existing investments in the energy industry with the key actors identified. • Create and implement an energy efficiency standard for buildings (prioritizing public administration and envelopes). • Elaboration of Standards for the import of efficient cars and restrictions on the import of used cars. • Strengthening of the conformity assessment system in compliance with the official Central American Energy Efficiency Standards. 	<p><i>October 2021- December 2030</i></p>
<p>2. Promote the rational and efficient use of electrical energy at the national level through the formulation, approval, and implementation of the Energy Efficiency Policy.</p> <ul style="list-style-type: none"> • Through the Ministry of Energy (SEN), the implementation of the initiative of the Law for the Rational and Efficient Use of Energy by the National Congress of Honduras and the subsequent regulation of the Law for the Rational and Efficient Use of Energy will be promoted. • Promote the use of energy-efficient technologies and types of renewable energy through different media and social networks aimed at the general population. 	<p><i>October 2021- December 2030</i></p>
<p>3. Execute energy efficiency projects at the national level by increasing the use of technologies and / or devices that are energy efficient in the industrial, commercial, government, residential sector, among others.</p> <ul style="list-style-type: none"> • Continuation of the project of changing common lamps to efficient LED lamps in the public lighting system nationwide. • Create a platform of qualified technical personnel to carry out energy audits in all sectors of the country. • Training of the personnel of government institutions in the subject of efficiency and energy saving. • Implementation of energy efficiency for the rehabilitation and economic activation of the Honduran tourism sector. • Integration of energy efficiency in social housing promoted by Convivienda. • Implement the energy efficiency program of the Instituto Departamental de Oriente (IDO). • Create and implement the Energy Efficiency program in all stages of the electricity industry chain (production, transformation, transmission, primary distribution and secondary distribution, high and low voltage). • Implement the energy efficiency education program generated between SEN and the Ministry of Education that will allow the introduction of efficient technology at the national level, reducing energy demand and avoided costs in maximum generation capacity. • Increase the adoption of efficient technologies in public institutions, by changing lighting to LED lamps, efficient air conditioners, electrical energy 	<p><i>October 2021- December 2030</i></p>

<p>through renewable energies, among others.</p> <ul style="list-style-type: none"> • Implementation of the portfolio of Energy Efficiency Projects (EE) in the Public Sector: <ul style="list-style-type: none"> ○ Drinking water supply companies ○ Efficient street lighting in major cities • Implementation of the portfolio of Energy Efficiency Projects in the Private Sector: <ul style="list-style-type: none"> ○ Major industry ○ Medium industry ○ Small industry • Creation of a national regulatory body for the implementation of standards, certifications and labeling in energy efficiency for equipment and machinery. • Establish alliances between the government, industrial and commercial sectors to use energy-efficient equipment and/or renewable energies in their processes and facilities. • Implementation of audits about efficiency and energy savings by trained personnel to public and private companies, among others. • Creation of an Energy Monitors Program in the public sector, local governments (municipalities), private sector and industry. • Create a specialty that certifies that energy auditors in the main Universities and Technological Education Centers. • Train energy auditors for all sectors at the national level and maintain an energy and environmental manager in each municipality. 	
<p>4. Generate strategic alliances with financial, microfinance and related institutions to promote actions and funds to finance energy efficiency and saving programs and projects, as well as the formation of energy service companies.</p> <ul style="list-style-type: none"> • Establish strategic alliances with private and public financial organizations and institutions to promote the creation and/or strengthening of financing programs in the energy sector. • Provide technical assistance from key stakeholders to achieve the creation of financial products for renewable energy projects and energy efficiency programs. • Elaboration of a financing information mechanism available for projects related to the energy sector. 	<p><i>October 2021- December 2025</i></p>

SECTION 3: OUTCOME

3.1. Please Add at least one measurable, time-based result for each of the actions in section 2. [Add rows as needed].

<p>Outcome 1. Expansion Plan of Energy Efficiency Standards in Honduras. Outcome 1.1. Guidelines for energy efficiency in the energy industry. Outcome 1.2. Energy efficiency standard for buildings. Outcome 1.3 Sistema of conformity assessment in compliance with the official Central American standards of Energy Efficiency. Outcome 1.4 Implementation of standards, certifications and labeling in energy efficiency for equipment and machinery.</p>	December 2030
<p>Outcome 2. The Law for the Rational and Efficient Use of Energy and its regulations have been approved by the National Congress of Honduras.</p>	December 2030
<p>Outcome 3. Continuation of the project of changing common lamps to efficient LED lamps. Outcome 3.1 Platform of qualified technical personnel to carry out energy audits. Outcome 3.2 Rehabilitation and economic activation of the Honduran tourism sector. Outcome 3.3 Integration of energy efficiency in homes. Outcome 3.4 Implemented the Energy Efficiency Program of the Instituto Departamental de Oriente (IDO). Outcome 3.5 Implemented the Energy Efficiency Program in the chain of the electrical industry. Outcome 3.6 Audits on the subject of efficiency and energy saving. Outcome 3.7 Program of Energy Monitors in the public sector, local governments (municipalities), private sector and industry.</p>	December 2030
<p>Outcome 4. Financing information mechanism available for projects related to the energy sector.</p>	December 2030

SECTION 4: RESOURCES AND SUPPORT REQUIRED

4.1 Specify the financing and investments required for each of the actions in section 2.

Activity	Input	Value USD
<p>1. Create an Expansion Plan for Energy Efficiency Standards in Honduras.</p> <ul style="list-style-type: none"> Identify the key players related to the issue of energy efficiency from various sectors. Creation of strategic alliances with the Ministry of the Interior and Justice and with the AMHON for the incorporation of guidelines on renewable energy and energy efficiency in municipal and community development plans. Organization of workshops for the creation of the Energy Efficiency Plan with the key actors involved. Elaboration of the Expansion Plan of the Energy Efficiency Standards in Honduras. Implementation of the Expansion Plan of Energy Efficiency Standards in Honduras. Creation and approval of guidelines for energy efficiency for new and existing investments in the energy industry with the key actors identified. Implementation of the guidelines created for energy efficiency for new and existing investments in the energy industry to all sectors involved. Create and implement an energy efficiency standard for buildings already constructed. Deliver training workshops on the Central American Standards of Energy Efficiency where the country is committed. Elaboration of Standards for the import of efficient cars and restrictions on the import of used cars. Strengthening of the conformity assessment system in compliance with the official Central American Energy Efficiency Standards. 	<ul style="list-style-type: none"> Rental of the conference room, commercial, etc space for the workshops training. Workshops Workshop material Consulting Services Meetings Scheduling. Meetings with identified key players. Publication of the generated products. Implementation of the agreements established in the plans, guides, standards, among others. 	<p>USD \$800,000.00</p>
<p>2. Promote the rational and efficient use of electrical energy at the national level through the formulation, approval, and implementation of the Energy Efficiency Policy.</p> <ul style="list-style-type: none"> Promote through the SEN the approval of the initiative of the Law for the Rational and Efficient Use of Energy by the National Congress of Honduras and the subsequent creation of the Regulation. Promote the use of energy-efficient technologies and types of renewable energy through different media and social networks aimed at the general population. 	<ul style="list-style-type: none"> Workshops Workshop material Implementation of the pacts agreed in the workshops. Consulting Services Advertising campaigns 	<p>USD \$3,000,000.00 (USD \$300,000.00 anual)</p>
<p>3. Execute energy efficiency projects at the national level</p> <ul style="list-style-type: none"> Continuation of the project of changing common lamps to efficient LED lamps in the public lighting system nationwide. Create a platform of qualified technical personnel to carry out energy audits in all sectors of the country. 	<ul style="list-style-type: none"> Consulting Services Rental of the conference room, commercial, etc space for the workshops training. 	<p>USD \$15,000,000.00</p>

<ul style="list-style-type: none"> • Training of government institution staff on energy efficiency and saving. • Implementation of the energy efficiency plan for the rehabilitation and economic activation of the Honduran tourism sector. • Integration of energy efficiency in social housing promoted by Convivienda. • Implement the energy efficiency program of the Instituto Departamental de Oriente (IDO). • Create and implement the Energy Efficiency program in all stages of the electricity industry chain (production, transformation, transmission, primary distribution and secondary distribution, high and low voltage). • Implement the energy efficiency education program generated between SEN and the Ministry of Education that will allow the introduction of efficient technology at the national level, reducing energy demand and avoided costs in maximum generation capacity. • Increase the adoption of efficient technologies in public institutions, either by changing lighting to LED lamps, efficient air conditioners, electrical energy through renewable energies, among others. • Implementation of the portfolio of Energy Efficiency Projects (EE) in the Public Sector: <ul style="list-style-type: none"> ○ Drinking water supply companies ○ Efficient street lighting in major cities • Implementation of the portfolio of Energy Efficiency Projects in the Private Sector: <ul style="list-style-type: none"> ○ Major industry ○ Medium industry ○ Small industry • Creation of a national regulatory body for the implementation of standards, certifications and labeling in energy efficiency for equipment and machinery. • Establish alliances between the government, industrial and commercial sectors to use energy-efficient equipment and/or renewable energies in their processes and facilities. • Implementation of audits on the subject of efficiency and energy savings by trained personnel to public and private companies, among others. • Creation of an Energy Monitors Program in the public sector, local governments (municipalities), private sector and industry. • Create a specialty that certifies energy auditors in the main Universities and Technological Education Centers. • Train energy auditors for all sectors at the national level and maintain an energy and environmental manager in each municipality. 	<ul style="list-style-type: none"> • Workshops • Replacement of efficient equipment • Equipment and materials for energy audits • Publication of the generated products. 		
<p>4. Generate strategic alliances with financial, microfinance and related institutions to promote actions and financing funds for energy efficiency and saving programs and projects, as well as renewable energy.</p> <ul style="list-style-type: none"> • Establish alliances between the government, industrial and commercial sectors to use energy-efficient equipment and/or renewable energy in their processes and facilities. • Implementation of audits on the issue of efficiency and energy savings by trained personnel to public and private companies, among others. • Creation of an Energy Monitors Program in the public sector, local governments (municipalities), private sector and industry. • Perform certifications for energy auditors in the main Universities and Technology Education Centers. • Provide technical assistance from key stakeholders to achieve the creation of financial products for renewable energy projects and energy efficiency programs. 	<ul style="list-style-type: none"> • Consulting Services • Workshops 	USD \$600,000.00	

• Elaboration of financing information mechanism available for projects related to the energy sector.		
TOTAL		USD \$19,400,00.00

4.2 [Country only] If assistance is required for section 2 actions, select below, describe the assistance required, and specify for which action. [Examples of support to Member States could include access to affordable low-cost debt through strategic risk-elimination instruments, capacity-building in data collection; development of integrated energy plans and energy transition pathways, technical assistance, etc.]

<input type="checkbox"/> Financing	
<input type="checkbox"/> Payment-in-Kind (PIK)	<i>Technical capacities of the Secretariat in the Office of Energy, independent consultants and technicians for the delivery of workshops, Academy, the College of Mechanical, Electrical and Chemical Engineers of Honduras (CIMEQH), the National Electric Power Company (ENEE), Ministry of Energy, Natural Resources, Environment and Mines (MIAMBIENTE), the Secretariat of Industry and Trade (SIC), the Honduran Business Council for Sustainable Development (CEHDES), the National Energy Commission (CNE), the National Electrical Manufacturers Association (NEMA) of the United States and Honduran private initiative, among others.</i>
<input type="checkbox"/> Technical Assistance	<i>Consultancies for the development of plans, policies, strategies</i>
<input type="checkbox"/> Other/please specify	<i>Non-reimbursable cooperation funds are required in the amount \$19,400,000.00 (Nineteen millions four hundred thousand United States dollars)</i>

SECTION 5: IMPACT

5.1 Countries planned for implementation, including the number of people potentially affected.

The activities for the development and fulfillment of the objectives are directed to the Honduran population in general.

5.2 Alignment with the 2030 Agenda for Sustainable Development - Describe how each of the actions in section 2 impacts the advancement of the SDGs by 2030. [up to 500 words, upload strategy supporting documents if needed].

The adoption of renewable and efficient technologies in the country will allow the reduction of costs, the increase in the generation of affordable, sustainable and non-polluting energy, encouraging the public and private sector to invest in renewable energy to increase sustainability of the sector and reduce poverty rate in the country.

The Initiative of Law by promoting the use of efficient technologies will contribute to the better use of energy and therefore to the reduction of greenhouse gas emissions so it meets the sustainable development goals and aligns with SDG7 "Ensure access to affordable, reliable, sustainable and modern energy for all" and SDG 13 "Take urgent measures to combat climate change and its effects".

5.3 Alignment with the Paris Agreement and net zero emissions by 2050 - Describe how each of the actions in Section 2 aligns with the Paris Agreement and national NDCs (if applicable) and supports net-zero emissions by 2050. [up to 500 words, upload the necessary strategy support documents].

The actions are aimed at promoting a just and adequate energy transition towards the sustainable management of affordable renewable energies that stimulate economic growth, ensure the implementation of mechanisms, infrastructure, technological models and policies that promote mitigation and adaptation to climate change. The Law for the Rational and Efficient Use of Energy aims to ensure the proper use of energy and reduce energy consumption, or which is in line with objective 5 and 7 of the country's NDCs.

It is also aligned with the Kigali Agreement better known as the 5th Amendment Montreal Protocol, for which it will adopt the necessary regulations to regulate the import of efficient equipment into the country; As a signatory to the Paris Agreement, Honduras committed to a 15% reduction in greenhouse gas emissions, as well as a 39% reduction in firewood consumption. Likewise, with the Minamata Convention, eliminating the use of equipment with mercury content, promoting the use of Led technology and being able to achieve the proposed goals with the reduction of greenhouse gases, complying with the commitments acquired.

SECTION 6: MONITORING AND REPORTING

6.1. Describe how you intend to track the progress of the results proposed in section 3. Please also describe whether you plan to use other existing information frameworks to track the progress of the proposed results.

Monitoring 1. Prepare the National Balance of Useful Energy on an annual basis to verify the results of the actions.

Monitoring 2. Audits of the efficiency of the proposed activities and their success.

Monitoring 3. Annual performance evaluation and audit report for each of the projects.

SECTION 7: GUIDING PRINCIPLES CHECK LIST

Please use the checklist below to validate that the proposed Energy Compact is aligned with the guiding principles.

Stepping up ambition and **accelerating action** - Increase contribution of and accelerate the implementation of the SDG7 targets in support of the 2030 Agenda for Sustainable Development for Paris Agreement

1.1 Does the Energy Compact strengthen and/or add a target, commitment, policy, action related to SDG7 and its linkages to the other SDGs that results in a higher cumulative impact compared to existing frameworks? X Yes No

1.2 Does the Energy Compact increase the geographical and/or sectoral coverage of SDG7 related efforts? X Yes No

1.3 Does the Energy Compact consider inclusion of key priority issues towards achieving SDG7 by 2030 and the net-zero emission goal of the Paris Agreement by 2050 - as defied by latest global analysis and data including the outcome of the Technical Working Groups? X Yes No

II. Alignment with the 2030 agenda on Sustainable Development Goals – Ensure coherence and alignment with SDG implementation plans and strategies by 2030 as well as national development plans and priorities.

II.1 Has the Energy Compact considered enabling actions of SDG7 to reach the other sustainable development goals by 2030? X Yes No

II.2 Does the Energy Compact align with national, sectoral, and/or sub-national sustainable development strategies/plans, including SDG implementation plans/roadmaps? X Yes No

II.3 Has the Energy Compact considered a timeframe in line with the Decade of Action? X Yes No

III. Alignment with Paris Agreement and net-zero by 2050 - Ensure coherence and alignment with the Nationally Determined Contributions, long term net zero emission strategies.

III.1 Has the Energy Compact considered a timeframe in line with the net-zero goal of the Paris Agreement by 2050? X Yes No

III.2 Has the Energy Compact considered energy-related targets and information in the updated/enhanced NDCs? X Yes No

III.3 Has the Energy Compact considered alignment with reaching the net-zero emissions goal set by many countries by 2050? X Yes No

IV. Leaving no one behind, strengthening inclusion, interlinkages, and synergies - Enabling the achievement of SDGs and just transition by reflecting interlinkages with other SDGs.

IV.1 Does the Energy Compact include socio-economic impacts of measures being considered? X Yes No

IV.2 Does the Energy Compact identify steps towards an inclusive, just energy transition? X Yes No

IV.3 Does the Energy Compact consider measures that address the needs of the most vulnerable groups (e.g. those impacted the most by energy transitions, lack of energy access)? X Yes No

V. Feasibility and Robustness - Commitments and measures are technically sound, feasible, and verifiable based a set of objectives with specific performance indicators, baselines, targets and data sources as needed.

V.1 Is the information included in the Energy Compact based on updated quality data and sectoral assessments, with clear and transparent methodologies related to the proposed measures? X Yes No

V.2 Has the Energy Compact considered inclusion of a set of SMART (specific, measurable, achievable, resource-based and time based) objectives? X Yes No

V.3 Has the Energy Compact considered issues related to means of implementation to ensure feasibility of measures proposed (e.g. cost and financing strategy, technical assistant needs and partnerships, policy and regulatory gaps, data, and technology)? X Yes No

SECTION 8: ENERGY COMPACT GENERAL INFORMATION

8.1 Title/name of the Energy Compact:

Promotion for the Rational and Efficient use of Energy

8.2. Name of the principal entity (for joint energy pacts, list all parties and include, in parentheses, their entity type, using the entity type below)

As a leading entity is the Secretariat of State in the Office of Energy (SEN), the organizations and entities for the aid in the process of compliance with the pact are the following:

- *Government: Superior Court of Accounts, Secretariat of Natural Resources and Environment (MiAmbiente+), the National Electric Energy Company (ENEE), the Ministry of Industry and Commerce (SIC), the National Energy Commission (CNE), the Secretariat of General Coordination of Government (SCGG), CREE- Regulatory Commission of Electric Energy among others.*
- *Local government: Municipalities, among others.*
- *Private Sector: College of Mechanical Engineers, Electricians and Chemists of Honduras (CIMEQH), the Honduran Business Council for Sustainable Development (CEHDES), the National Association of Electrical Manufacturers (NEMA) of the United States and the Honduran private initiative, Energy Efficiency Project in the Industrial and Commercial Sectors of Honduras. Honduran Chamber of the Construction Industry (CHICO), among others.*
- *Civil Society: IEEE, Independent Consultants, among others.*
- *Academic institution: National Autonomous University of Honduras (UNAH), Central American Technological University (UNITEC) among others.*
- *Multilateral Organization / Cooperation: Economic Commission for Latin America and the Caribbean (ECLAC), Government of Taiwan, World Bank, German Society for International Cooperation, among others.*

8.3 Leading entity type

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> Government | <input type="checkbox"/> Local/Regional Government | <input type="checkbox"/> Multilateral Agency/Intergovernmental Organization |
| <input type="checkbox"/> Non-Governmental organizations (NGOs) | <input type="checkbox"/> Civil Society Organization/Youth | <input type="checkbox"/> Academic Institution/Scientific Community |
| <input type="checkbox"/> Private Sector | <input type="checkbox"/> Philanthropic Organization | <input type="checkbox"/> Other relevant actor |

8.4. Contact Information: Secretariat of State at the Energy Office (SEN),

8.5. Select the geographical coverage of the Energy Pact

- Africa Asia and the Pacific Europe Latin America and the Caribbean North America West Asia Global

8.6. Please select the Energy Compact thematic focus area(s)

- Energy Access Energy Transition Enabling SDGs through inclusive Energy Transitions Innovation, technology and data Finance and investments.