Policy measures to prevent dumping of environmentally harmful and low efficiency cooling appliances in African countries: Kenya as a case study

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Kenyan RAC market

Market expected to grow because:
- Kenyan government has an ambitious electricity access plan
- Economic growth
- Temperatures are rising
Standards & Labelling in Kenya

ENERGY SAVING GUIDE

REFRIGERATOR

Energy Consumption

300 kWh/year

Type: XX
Model: 123
Rating: 130 W
Manufacturer: ABC Co. Ltd
Tested As Per: KS 2464-1:2013

LICENCE NO: ERC/AEP/R/9238749
Serial No: 1234567891011121314
Standards & Labelling in Kenya

• **2013** - Minimum energy performance standards (MEPS) for refrigerators and air conditioners developed
• **July 2016** – Regulations to enforce the MEPS & energy labelling requirements for refrigerators and air conditioners passed
• **July 2018** – Implementation of standards and energy labelling program for refrigerators and air conditioners begun
• **April 2019** – Air conditioner minimum energy performance standards (MEPS) revised to align with international standards and adapted to local climatic conditions
RAC market in Kenya

- Kenya is an import-only market for RACs
- more than 30% of the products come from China with the rest coming from Thailand, South Korea, and Malaysia among others
Efficiency levels - 2018

Low efficiency baseline – less than 3.4 W/W
64% were fixed-speed RACs
Low efficiency
Comparison with MEPS in source countries

71% of the units imported from China would not meet Chinese MEPS
43% imported from Thailand would not meet the Thailand MEPS
Kenyan MEPS preventing dumping of low efficiency units

- 78% of the RAC models imported from China, 70% from Thailand, 50% from Malaysia and 60% from Korea would not meet the revised Kenyan MEPS.
- Revised MEPS eliminated 73% of the least efficient models from the market.
Second-hand products
Product certification in Kenya

Brand Owner
- Submits product for testing at accredited lab, sends test report to ERC and pays application fee
- Confirms product meets MEPS, issues registration certificate and energy labels
- Creates master document in the importation single window portal with list of all serial numbers allowed to come into the country using that registration certificate

Importer
- Submits registration certificate to PVoC company while applying for CoC
- Imports certified products
- Checks documentation and products before granting market access

PVoC
- Checks documents and issues CoC

ERC
- Submits product for testing at accredited lab, sends test report to ERC and pays application fee
- Confirms product meets MEPS, issues registration certificate and energy labels

Kenya Revenue Authority
- Checks documentation and products before granting market access
Product certification preventing dumping – how?

- High testing costs - US $ 885 - US $ 2,500 in Asia
- Increases cost of second-hand refrigerators
- No price advantage
- Discourages importation of untested second-hand refrigerators
Refrigerants
Refrigerants in RACs in the market

RACs using HCFCs still available on the market
- CLASP’s market assessment in Thailand showed share of R-22 units shrank from 79% in 2013 to 4% in 2018 – Ban in 2017
- China produces 90% of the HCFCs used globally – But have Montreal protocol obligations
How to prevent dumping of HCFC-based RACs

• National regulations – Kenyan regulations cover only refrigerants not the appliances that use HCFCs

• Implementing Kigali Amendment phase-out plans – Kenya in the process of ratification
Conclusions

• S&L is an effective tool to prevent dumping in countries in the region
• Product certification can be used to ban the importation of untested second-hand products
• Refrigerant policies are necessary to keep out cooling appliances using harmful refrigerants