



CEECAP – Implementing EU Appliance Policy in Central and Eastern Europe

National Market Introduction Plan – Lithuanian Republic - List of problems and their potential solutions

LEI, Lithuanian Energy Institute **Introduction**

The Intelligent Energy Europe (IEE) project CEECAP – Implementing EU Appliance Policy in Central and Eastern Europe was developed with the aim to support Central and Eastern European countries, including the Lithuanian Republic, in creating suitable conditions for implementing appliance labeling and efficiency policies in accordance with EU Appliance efficiency legislation and programmes.

CEECAP aims to increase expertise and experience, verification and enforcement, market introduction aspects, strengthen relationships between stakeholders and the start up of national actions to improve energy efficiency.

Main activities are the identification of the national experts and decision making leaders, their training, design and preparation of national appliance labeling and efficiency actions, set-up of national multi-disciplinary committees as a forum for discussion about best practices, cooperation opportunities and knowledge transfer.

The results will be the improved policy infrastructure for appliance labeling and efficiency and the future EU policies; verification infrastructure for product and retailer compliance; collaborative activities to increase the consumer response to labels; and the establishment of a platform for information exchange and transfer.

This document – the proposal of the National Market Introduction Plan, lists the main issues related to the energy labeling of appliances from the point of view of retailers and manufacturers. It discusses the main current issues at stake and proposes solutions to the problems observed. Its goal is to introduce possible solutions; practical advice and best practice experience related to these problems and provide assistance on behalf of the CEECAP project to all involved partners with the aim to promote energy labeling and more energy efficient appliances.

In year 2008 this document will be followed by the Implementation Document, which will list concrete activities undertaken by CEECAP partners, manufacturer and retailer institutions and other market players.

SUMMARY TABLE

The following table summarizes the problems and activities suggested by CEECAP project organizers to handle these problems within the system of energy labeling in the Lithuanian Republic (from the market introduction point of view):

<i>Target activity or target group</i>	<i>Goals (of CEECAP and in general towards labels promotion)</i>	<i>Proposed activity</i>
Appliances labeling in the shops	Ensure that labels are used properly in all shops and on all product categories	Contact and help for retailers about the legislation on appliances labeling. To train retailers on appliances energy efficiency and sales arguments
Proper information on labels	Ensure organization of controls and checks, including tests	Inform about the results of controls, help solving problems
Promotion towards the public	Increased involvement in promoting efficient appliances and labels as such to customers	Initiation of trainings for retailers. Help in preparation of training materials. Support in organization of training courses
Good interaction between manufacturers and retailers groups with state and public organizations	Early adoption to new or problematic legislation	Feedback to legislative activities of the state and public institutions by retailers and manufacturers groups

MAIN DISCUSSION POINTS

• **Legislation:**

Current situation

National appliance labeling and efficiency legislation, comparison with the EU

Lithuania as a new member of the European Union (EU) provides the driving force for harmonization of product related legislation on a national level with the EU internal market regulations and policies. The EU policy framework in the area of appliance energy efficiency is implemented by a combination of two elements: the EU Acquis and Negotiated Agreements.

Lithuania's major attention is paid to the EU Acquis, which takes the following forms:

- regulations, which are binding and directly applicable in all Member states from the date of their coming into force in the area of appliance energy efficiency, this refers to the EC Regulation No 2422/2001 of the European Parliament and of the Council on a Community energy efficiency labeling programme for Office equipment;
- energy labeling: this area is based on the framework Directive (92/75/EEC), which provides a legal basis for energy labeling of house-hold appliances, requiring the manufactures and the retailers to attach an energy performance indicating label to appliances when displayed for sale;
- efficiency standards: Directives in this area prohibit sales of appliances, which fail to meet certain energy performance limits. Such Directives have been issued presently for refrigerators, freezers and their combinations (96/57/EC), boilers (92/42/EC) as well as ballast for fluorescent lighting (2000/55/EC).

Legal basis for the transposition of the energy labeling legislation in Lithuania includes:

- Law on Energy of the Republic of Lithuania (Official Gazette, 2002, No 56-2224; 2003, No 69-3118);
- Part 4, Article 20: The imported, manufactured and sold domestic appliances which use electricity and other types of energy must have appropriate energy efficiency labeling.
- Resolution No 300 of 27 February 2002 of the Government of the Republic of Lithuania “Regarding the Approval of the Acquis Implementation Action Plan 2002 and the Law Approximation Action Plan of Lithuania's EU Accession Programme (the National Programme for the Adoption of the Acquis)” (Official Gazette, 2002, No 25-910).
- Resolution No 292 of 5 March 2003 of the Government of the Republic of Lithuania “Regarding the Approval of the Acquis Implementation Action Plan 2003 and the Law Approximation Action Plan of Lithuania's EU Accession Programme (the National Programme for the Adoption of the Acquis)” (Official Gazette, 2003, No 25-1019).

The EU labeling directives are also mentioned in other national laws, such as:

- Resolution No 1487 of 22 December 2000 of the Government of the Republic of Lithuania “Regarding the Approval of negotiation positions of the Republic of Lithuania in negotiations related to accessing the EU” (Official Gazette, 2000, No 111-3593);
- Resolution No 126 of 20 March 2002 of the Minister of Environment of the Republic of Lithuania “Regarding the Approval of Criteria for provision of environmentally friendly sign to washing machines” (Official Gazette, 2002, No 31-1177);
- Resolution No 584 of 7 December 2001 of the Minister of Environment of the Republic of Lithuania “Regarding the Approval of Procedure related to provision of environmentally friendly sign on products” (Official Gazette, 2001 No 105-3775);
- Resolution No 556 of 15 November 2001 of the Minister of Environment of the Republic of Lithuania “Regarding the Approval of Criteria for provision of environmentally friendly sign on electric refrigerators, freezers and their combinations” (Official Gazette, 2001, No 98-3501).

The Framework Directive 92/75/EEB in Lithuania was transposed in the national laws by Technical Regulation on the indication by labeling and standard product information of the consumption of energy and other resources of household appliances approved by Resolution No 163 of 10 May 2002 of the Minister of Economy of the Republic of Lithuania „Regarding approval of the Regulations” (Official Gazette, 2003, No 48-2135). This Technical Regulation (hereinafter referred to as the Regulation) is intended for the indication by labeling and standard product information of the consumption of energy and other essential resources by household appliances, thereby allowing consumers to choose most energy-efficient appliances. The Regulation shall apply to all types of household appliances, even when they are sold for non-household users. The purpose of the Regulation is the presentation of national measures on the publication of information on the consumption of energy and other essential resources, and additional information concerning certain types of household appliances, and the harmonization of the said measures with those applied in the European Union. Where, pursuant to the requirements of the legal acts of the Republic of Lithuania drafted in accordance with Directive 86/594/EEC, the publication of information on the airborne noise emitted by household appliances is required, such information shall be given on the label following the requirements of the implemented regulations.

The Regulation shall be binding to all suppliers of household appliances and legal persons established by them in the European Union or the Republic of Lithuania, which are either authorized representatives or distributors placing household appliances on the market of the Republic of Lithuania.

The Regulation shall apply to the following types of household appliances:

- refrigerators, freezers and their combinations;
- washing machines, dryers and their combinations;
- dishwashers;
- ovens;
- lighting sources;

- air-conditioning appliances;
- new types of household appliances, the consumption of energy of which becomes important with technical progress, and energy efficiency of which must be improved.

All suppliers placing on the market the household appliances specified in the implementing regulations shall abide by the provisions of Regulation and shall supply a label in conformity with the requirements concerning labels and their information as set in Regulation and implementing regulations

Proposed improvement

In Lithuania the current legislation in place is in accordance with the EU labeling legislation and similar with the legislation of other new EU member states. The list of labeled appliances, institutions enforced to control the implementation of energy labeling, potential actions to be taken to enforce the energy labeling.

Activities to be taken

Currently the majority of the appliances are of energy class A to C on the Lithuanian market. The activities that conduct to the increasing sales of energy efficient appliances: legislation, information campaigns, active monitoring and control of labeling on the market should continue further.

Target: to ensure proper usage of energy labels, increase understanding and acceptance by retailers and manufacturers.

Within the CEECAP project we will:

- o **Support the upgrade of energy classes**
- o **Support the inclusion of new appliances into the legal label system**
- o **Support and assist with the control of the legal requirements to the state organizations**
- o **Help retailers and manufacturers to undertake relevant activities**

- ***Appliance producers and importers:***

Current situation

Until present time there has been only one producer of appliances in Lithuania, i.e. SC *Snaigė*, which manufactures refrigerators. The address of the company:

Pramonės str. 6, LT-62001, Alytus
Lithuania
Phone – (+370-315) 56206
Fax – (+370-315) 56207
E-mail: snaige@snaige.lt

From the very beginning of SC *Snaigė* existence, the company is constantly investing into technological novelties and is improving the product at the same time. The company allots approximately 15 million Litas for the investment into new technologies. The company tries to create a product, which would not only satisfy the needs of customers, but would also correspond completely the ecological requirements. The company creates a few new models of refrigerators every year. The biggest part of refrigerators and freezers are of class A. The prestige type of refrigerators and freezers – class A⁺.

Appliances of other types are imported from other countries, from European brands: Bosh, Indesit, Electrolux, Whirlpool, Zanussi, Gorenje, Ariston, Beko, and other. The largest shopping centers are the biggest importers of appliances in Lithuania (Senukai, Elektromarkt, Topo Centras, Maxima and other). The main importers are the members of CECED Lithuania association. These brands show good interest and responsiveness to the energy labeling of appliances. In Lithuanian market many appliances are A labeled, importers, retailers are interested to use labels for the promotion of the labels.

Proposed improvement

Furthermore, increased general involvement of manufacturer SC *Snaigė* and other importers in the promotion of energy labeling would be very welcomed and beneficial for the general public.

Activities to be taken

Close cooperation with Lithuanian manufacturers of refrigerators SC *Snaigė* in the promotion of energy labeling of refrigerators and freezers.

Close cooperation with manufacturers, importers and retailers, consulting and supporting it in the promotion of energy efficient appliances in the main shopping centers in Lithuania.

Target: to increase the involvement in the promotion of energy efficient appliances, to be able to organize the system of distribution of labels for all importers and retailers groups and appliance products.

Within the CEECAP project we will:

- o **Support the improvement of the usage of energy labels by working with manufacturer SC *Snaigė* and importers**
- o **Motivate authorities of manufacturers and importers to take part on educating retailers with respect to energy labeling of appliances**
- o **Motivate importers to participate in education and training activities, to use labels as a marketing tool.**

• *Retailers and Internet shops:*

Current situation

More than 95% of appliances are imported from abroad, European and World brands vary. Production of all main appliances producers on Lithuanian market at present time is as follows: Bosh, Indesit, Whirlpool, Zanussi, Elektrolux, Ariston, Gorenje, Beko, Liebherr and others.

The largest retailers in Lithuania are as follows:

- Shopping center MAXIMA
- Shopping center AKROPOLIS
- Shopping center SENUKAI
- Shopping center IKI
- Shopping center NORFA
- Shopping center ELEKTROMARKT
- Shopping center EUROPA
- Shopping center ŠILAS
- Shopping center TOPO CENTRAS
- Shopping center URMO BAZĖ
- Shopping center MAXIMOS BAZĖ

Advertisements about appliances are presented on Radio, TV, magazines and newspapers, especially regarding prices of products. Big ads exist also in the internet shop catalogues. Retailers show various responsiveness toward energy labeling of products which they sell. In the biggest shopping center the biggest part of appliances has information about its class. Part of appliances presented on the internet shop catalogues also has information about labels.

Internet shop information must be developed, increasing data and information about class labels of selling appliances.

Proposed improvement

Proposed improvement means higher degree of presence of labels in shops, internet shops, more pro active promotion of labels towards customers.

Activities to be taken

Contact retailers, support with information, with organization education of new retailers, explanation for retailers about the importance of proper label usage. Also close cooperation with state control institutions, supporting them with information and supporting control actions.

Target: to ensure that labels are properly placed on all products and also properly described within internet and other catalogues, to use labels highlights for active promotion of energy efficient products (in accordance with the legislation).

Within the CEECAP project we will:

- o **Undertake random shop inspection controls and inform retailers and the state control bodies about the results**
- o **Organize random control of the content of energy labels and its method of publication and inform retailers and the state control bodies about the results**
- o **Increase the capacity of retailers to understand the system of energy labels and use it properly within their selling activities**
- o **Motivate retailers for participating in marketing activities by using the energy labels for promotion of efficient appliances**

• **Consumer organizations:**

Current situation

Practice of retailer's shows that consumers are interested in energy efficient appliances. The energy efficiency is a very important point selecting and buying appliances. The biggest barrier for buying most energy efficient appliances is a real economic situation in a country. Existing income of consumers stops the usage of the most energy efficient appliances.

Proposed improvement

Continued support to providing information about the energy labeling and efficient appliances, and the effort to initiate national testing of appliances would help to further increase general knowledge of consumers about this topic and it would also help to further increase the attention of retailers and manufacturers to this topic.

Activities to be taken

Continued support for the consumers in their public information campaigns. Also further organizations, such as energy utilities, could be involved in informing their clients about energy efficiency aspects of appliances.

Target: motivate them to take their role in the control of proper labeling and testing of appliances, and informing customers about the advantages of orientation by labels.

Within the CEECAP project we will:

- o **Provide information for further publishing, advising and promoting activities**
- o **Motivate their orientation towards energy labeling and energy efficient appliances**
- o **Involve other organizations, such as environmental groups, to be proactive in the promotion of energy efficient appliances through the energy labels**

- **EU Flower**

Current situation

The Eco Flower logo (for environmentally friendly products) can be used on energy label for selected environmentally friendly products.

The Ministry of Environment is responsible for promoting the Eco Flower logo, it collects information and promotes environmentally friendly products, including energy labels. It is also interested in promoting energy labels and energy efficient products.

Proposed improvement

Support actions to promote energy labels as part of general promotion of environmentally friendly products.

Activities to be taken

Collection and distribution of materials focused on energy labels.

Target: to exchange information between energy labels and the Eco Flower, to promote energy efficient and environmentally friendly products towards clients and retailers.

Within the CEECAP project we will:

- o **Support promotion efforts of the environmentally friendly products and the energy label for household appliances**

- **Media:**

Current situation

Media representatives and journalists show the on-going interest in advertisement of energy efficiency, including energy labeling and promotion of energy efficient appliances. It is therefore good to use this opportunity to more widely promote energy labels to the general public. And while general promotion campaign is not a primary target of the CEECAP project, and media coverage to this issue will indirectly support the action of government organizations and of retailers.

Proposed improvement

More attention to this item would be beneficial. In addition, joining together with other potential partners would increase the impact, as more activities could be organized (consumer competitions, etc.).

Activities to be taken

Always react upon concrete requests from journalists and provide information to them about energy labels and energy efficiency implications. Also connect various partners (state agencies, retailers, manufacturers, energy utilities, consumer groups, etc.) to prepare publishing materials and to focus general attention on this topic.

Target: to motivate further promotion of energy efficient appliances.

Within the CEECAP project we will:

- o **Initiate publishing materials explaining and supporting the usage of energy labels**
- o **Try to involve other partners to be more proactive in media publishing (including retailers, manufacturers, energy utilities, consumers and environmental groups, etc.)**

- **Control organizations:**

Current situation

The “State non food products Inspectorate” under the Ministry of Economy is the organization for control which enforces proper energy labeling and content of labels.

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The “State non food products Inspectorate” should control the presence of labels, correct

data on labels in the shops. The Lithuanian National Energy Agency is responsible for the implementation of EU and Lithuanian policy in the field of energy labeling in Lithuania.

Proposed improvement

The control activities will be targeted to the introduction of energy efficient appliances on the market. Support with information for education and training of the inspectors.

Activities to be taken

Throughout the CEECAP project its representatives will be in close contact with the responsible personnel of the State non food products Inspectorate, National Energy Agency, will support with information about EC legislation, best practice of other countries in the field of energy labeling. Education and training of inspectors and other responsible personnel will be supported.

Target: to make sure that they take their role in controlling proper labeling system, support and instruct retailers and manufacturers about proper usage of labels.

Within the CEECAP project we will:

o Support them in undertaking their roles more proactively

• Tests:

Current situation

Until present time no appliances have been currently tested to verify the information on their labels. There are technical possibilities to test only a few types of appliances (refrigerators water heaters, gas stoves) in Kaunas Technical University, Lithuanian Energy Institute. The Ministry of Economy (responsible organization for implementing energy labeling system in Lithuania) is planning to establish national testing laboratories for main type appliances in the future. At present time lack of financial resources is stopping this process.

Proposed improvement

Within the CEECAP project, an option was discussed that the results of appliance tests undertaken in individual EU member countries should be shared among the member countries. While such initiative should take place on a general EU level among all member states CEECAP partners would do their best to promote and support such move within its territories. On the national level, the desired improvement to be taken would include the start up of testing of selected appliances. Individual negotiations will be undertaken to promote such move.

Activities to be taken

The main activity will be collection of data about the results of the tests made by testing laboratories of other EC countries. These results will be presented to the Lithuanian control organization, the Ministry of Economy, and the National Energy Agency.

Within the CEECAP project, an option was discussed that the results of appliance tests undertaken in individual EU member states should be shared among member countries. Participants of CEECAP project will be in close cooperation with CECED Association relating testing appliances.

Target: to initiate undertaking of independent products tests and exchange information on the results.

Within the CEECAP project we will:

- o **Support the control organizations and consumers with information about appliances testing results from EC countries**

- **Synergy effects**

Current situation

General increase of energy prices, increasing attention to the negative environmental impacts of energy usage, energy security issues, etc. – this all supports the ever wider usage of energy labels.

Proposed improvement

It is possible to reach synergic effects by encouraging the public sector to fulfill its exemplary role in the energy efficiency improvement. The requirement to purchase appliances and equipment based on lists of energy – efficient product specifications taking into account the classification by energy class of different categories of appliances is the most important.

The promotion of labeled appliances in the public procurement should be a priority.

Activities to be taken

Monitor the market and constantly initiate effort to increase the profile of energy labeling.

Target: to ensure that energy labels will contribute to the increase of energy intensity of household energy usage and other environmental benefits.

Within the CEECAP project we will:

- o **Support any multiplication effect of various related activities, initiate such steps and promote them among the project target groups.**

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