

Session Topic: Accelerating Industrial Development for Poverty Eradication

- Enhancing industrial productivity and competitiveness in developing countries
- Development of micro and small and medium sized enterprises for income-generating employment
- Increasing the share of medium and high technology manufactures in developing countries

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1) Mexico Industrial Energy Efficiency Partnership

Case Study USAID has sponsored the Alliance to Save Energy's Energy Efficiency Industrial Partnership (EEIP) to deliver educational and trade seminars designed to stimulate private sector transactions. Such seminars focused on improving understanding and awareness about energy efficiency benefits and opportunities, promoting energy-efficient equipment and services through supplier presentations and exhibits, and engaging government and non-government officials on energy efficiency policies and planning. In Mexico, the program has provided more than 2,000 energy managers and other industry representatives from more than 700 companies access to information that directly led to about 270 million kWh in annual electricity savings, 182 billion BTUs of natural gas savings and more than \$25 million in deferred annual energy costs. EEIP efforts have also been launched in China, the Dominican Republic, Indonesia and Thailand.

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Lessons learned | **Educational seminars can be effective in raising awareness and stimulating energy efficiency with strong participation of municipal and regional trade associations and a strong focus on meeting specific industry needs.**

Obstacle confronted | Helping raise awareness and access to new technologies and best practices for energy efficiency in the industrial sector in Mexico.

Next steps | The Mexico program was completed in 2005 and the market has been shifted as a result of the program activities.

2) Greening the Supply Chain

Case Study This USAID-led initiative leverages MNE technological, managerial, strategic and operational know-how with the MNE's enormous buying power to drive energy efficiency and cleaner production among SMEs in the developing world. It has conducted plant-level environmental audits and training with Johnson and Johnson and ALCOA in Mexico and Brazil, along with some 50 SME suppliers. In first year, hundreds of tons of fuel oil saved; 28% reduction in energy consumption; tens of millions of gallons of water saved. It has also helped SMEs help meet local environmental requirements and improved prospects for global competitiveness.

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Lessons learned | **Leveraging the buying power of multinational enterprises (MNEs) can be effective to drive energy efficiency and cleaner production among SMEs in their global supply chain. But availability of affordable financing is also critical.**

Obstacle confronted | Helping small and medium industries to be motivated and implement energy efficiency and cleaner production improvements.

Next steps | Sustainability rests in part with MNE leadership. The effort is highly scalable and

transferable since MNEs have many layers of suppliers and operate globally.

3) Bolivia Waste Exchange

Case Study | The key objective of USAID-sponsored activity is to promote reuse and recycling among businesses, industry, and institutions. It reinforces cleaner production practices to minimize waste generation in the first instance, and established a platform for the supply and demand for waste. By so doing, it seeks to reduce environmental pollution due to poor waste management practices, and foment new activities and businesses related to solid waste reuse and recycling. Under the program, waste exchange deals were brokered among industry to test waste streams for application in alternative industrial processes and assistance was provided to help industry achieve ISO 14001 compliance and/or waste disposal laws. Over 100,000 pounds of waste has been diverted from landfills, including scrap metal, glass, PET bottles, plastics, paper, cardboard, used motor oil, etc. The program has created one major new PET recycler, which is employing street youth receiving training from the waste exchange and the Mission's democracy program. The program has leveraged over \$16,000 from local companies and institutions. Partly through recommendations from the waste exchange, the municipality of La Paz will now require the waste collection concessionaire to separate waste for recycling. Also, testing of applications for various industrial wastes has proved successful.

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Lessons learned | **Supporting reuse and recycling efforts within smaller municipalities require innovative approaches considering that these localities tend to have fewer reuse options, and transport costs to major cities with recyclers can be cost prohibitive.**

Obstacle/constraint | Informational and technical barriers have prevented wider use of recycling and industrial waste exchange efforts in Bolivia.

Next steps | Waste separation for reuse and recycling is broadly transferable and done in most countries worldwide already, formally and/or informally. This activity is scalable, ranging technically from outreach through broad-based environmental education and training programs, to conducting laboratory or in-plant testing using alternative materials.

Additional information

- For more information on the CHP Partnership, please visit: www.epa.gov/chp/index.htm
- For more information on the Bolivia Waste Exchange and Greening the Supply Chain cases, please refer to the CSD Case Study write-ups.
- For more information on EEIP, please visit: www.ase.org/section/program/eeip/