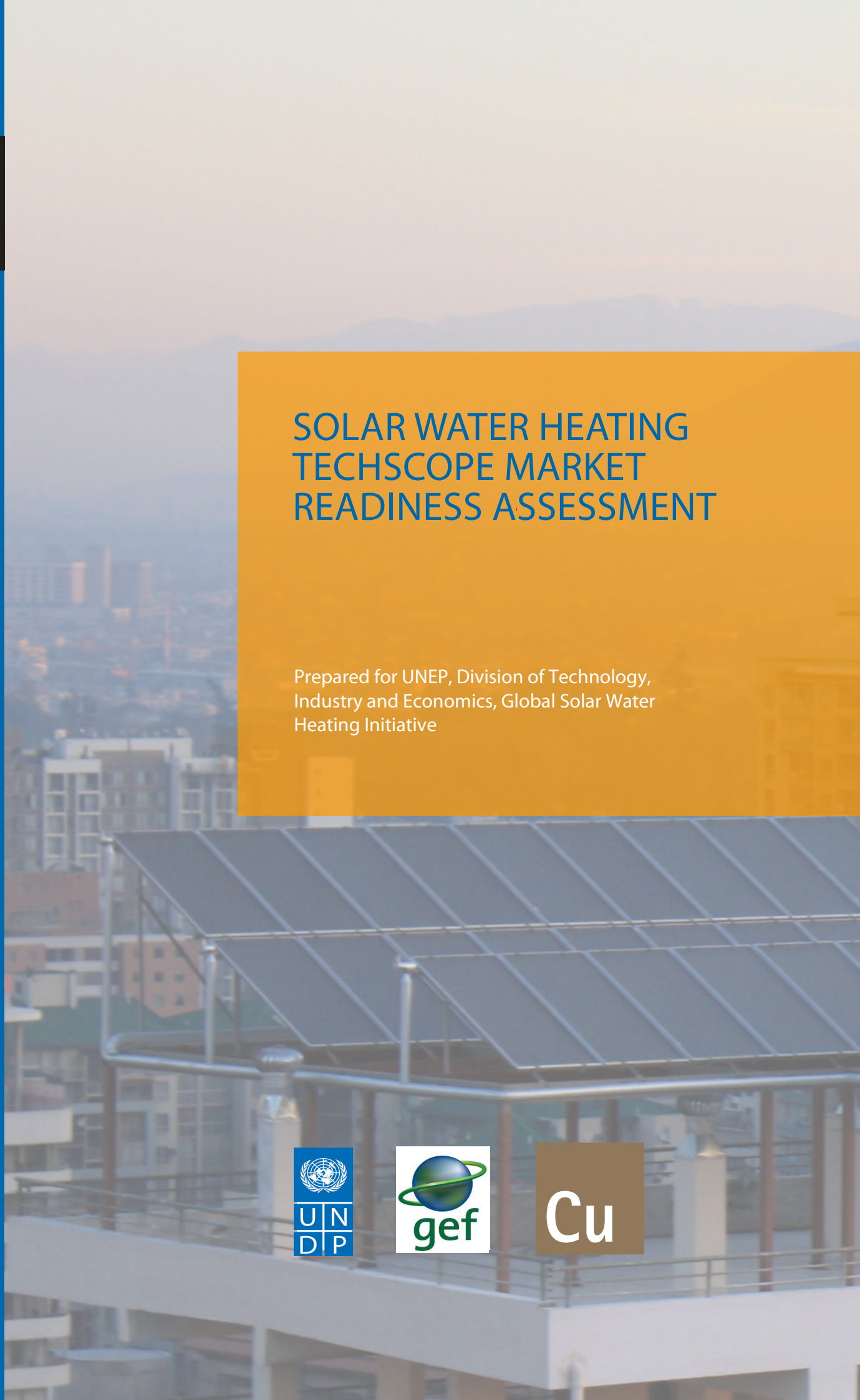

UNEP

SOLAR WATER HEATING TECHSCOPE MARKET READINESS ASSESSMENT

Prepared for UNEP, Division of Technology, Industry and Economics, Global Solar Water Heating Initiative

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United Nations Environment Programme

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EXECUTIVE SUMMARY

This report presents a replicable and public methodology to evaluate the solar water heating policy, finance and investment, business, and quality control infrastructure across countries: the *SWH TechScope Market Readiness Assessment methodology*. This report is intended by be used in concert with an Excel-based evaluation tool, the *SWH TechScope Market Readiness Analysis Tool*, which can be used to benchmark and evaluate different SWH markets. The SWH TechScope was developed as part of the Global Solar Water Heating (GSWH) Market Transformation and Strengthening Initiative.

The SWH TechScope Market Readiness Assessment methodology uses a system of weighted indicators to develop a score for national SWH enabling environments. The indicator system development was supported by a network of international SWH and renewable energy experts. The scoring system consists of four interrelated parameters:

- SWH Support Framework, which includes government policies, regulations, and outreach efforts
- National Conditions, which include climactic and market factors
- Financing, which considers access to capital and macroeconomic conditions
- Business Climate, which takes into account the ease of doing business and SWH business infrastructure.

These four parameters are composed of 18 indicators that reflect different elements of the enabling environment for SWH in a given country. Each of the indicators is scored based on a scale of 0 to 5. These indicators are then weighted to develop an overall score for the country – again based on a scale of 0 to 5. The overall national scores can be interpreted as follows:

- Score of 0 -2: SWH enabling environment is "emerging" and could likely benefit from additional support to accelerate SWH market growth.
- Score of 2-3: SWH enabling environment is "good" with a SWH market positioned for increased growth.
- Score of 3-4: SWH enabling environments are considered to be "strong" and are likely ready to attract investment.
- Score of 4-5: SWH conditions are "very strong" – policy, market, financial, and business conditions are aligned to support SWH and market growth is likely to be rapid.

A summary of each of the parameters and indicators, and their respective weights can be found in Table 1 of this report. The methodology for each of the indicators is explained in detail in this report and is mirrored in the Market Readiness Analysis Tool. The GSWH initiative supported SWH development in five countries: Albania, Chile, India, Lebanon and Mexico. The report contains an analysis of each of these countries' SWH enabling environment using the Market Readiness Assessment methodology.

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