



INTERNATIONAL
ENERGY AND CLIMATE
INITIATIVE
energy+

Interim Working Group Meeting Minutes

Nairobi, Kenya, March 9, 2012

Present:

Ole A. Lindeman, Norway
Hans Olav Ibrekk, Norway
David Reed, WWF-US
Filippo Veglio, WBCSD
Luis Gomez-Echeverri, UN-SE4All
Goyase Mengistie Abeyneh, Ethiopia
Taye Teferi, WWF-East Africa
Mette Masst, Norway
Terje Kronen, Norway
Greg Briffa, United Kingdom
Marie Collignon, France
Mohammed Alshaabi, Yemen

Saeeda Umar, Maldives
Frank van der Vleuten, Netherlands
Jiwan Acharya, AsDB
Oliver Knight, World Bank
Eric Usher, UNEP
Marina Olshanskaya, UNDP
Leandro Azevedo, AfDB
Florence Richard-Quintaniha, AfDB
Melinda Kimble, UNF
Pablo Gutman, WWF-US
Daniel Riley, WWF-US

Highlights

- There was general consensus among participants that it was important for Energy+ to clearly demonstrate what it intends to do and how the partners could contribute.
- There was general consensus among participants that the work of the Technical Working Group (TWG) going forward will be significant for defining the “E+ approach” and for identifying ways to broaden the partnership.
- There was general consensus among the participants that it will be critical for E+ to retain a clear focus on results-based sectoral engagement and on leveraging investments from private sector even if some of the initial country actions are focused on programmatic or sub-sector outcomes.
- There was general consensus among the participants that E+ should continue to develop and deepen links with the UN’s Sustainable energy for All (SE4All) initiative.

Welcome

LINDEMAN welcomed participants.

IBREKK presented minutes from the previous meeting in Durban in December, 2011, and emphasized that the IWG is a flexible group that has a varying membership.

GOMEZ-ECHEVERRI noted the interest of the SE4All to establish a partnership and forge strong links with E+. He noted that the SE4All country visits (being conducted with developing partners in the run-up to Rio) could feed into E+ to help mobilize support for the three goals of SE4All.

KNIGHT noted a request from Norway for ESMAP to develop a package of support for smaller projects which often lack support, including to incorporate tools for smaller scale RE into the World Bank's open source online toolkit.

IBREKK provided an update on the donor coordination meeting, noting that the key focus was on collaboration between E+ and SE4All. He noted that E+ seeks to develop a work program to help donor coordination.

Update on Private Sector Consultations

LINDEMAN provided an overview of the private sector consultations, making some key points:

- E+ needs to activate the commercial sector in order to catalyze change and needs to talk directly to them so we can best know what direction to go in.
- The first focus group - in Washington DC in November, 2011 - was very positive and forward leaning. The second group – in Nairobi - One provided real sense of what the needs are and how to build a partnership
- The places being considered for the next focus groups are: Rio, India, China and in E+ partner countries.

LINDEMAN summarized the key outcomes from Washington. Summary of meeting has been circulated.

IBREKK summarized the key outcomes from Nairobi. Summary of the meeting will be circulated.

Discussion

KIMBLE asked about the ease of access to carbon market flows for commercial developers, specifically for project below a particular size threshold.

USHER emphasized that getting the “small voices” from the bottom-up is extremely important. He suggested that E+ aggregate each of the focus group reports as the process progresses.

- REED noted that an aggregated report will be presented at the Climate Investment Funds (CIF) Partnership Forum in the Fall of 2012.

KIMBLE commented that in Small Island Developing States (SIDS) projects were typically so small that even with a high rate of return the scale was insufficient to attract private sector funding. She further noted that if infrastructure is not in place commercial investors will not come in, and she cited an ESMAP study which said all commercial investment in SIDS need some up front public funding.

VEGLIO said that WBSCD will reach out to its membership seeking feedback on the same questions posed to the focus groups in order to add to the growing data.

ACHARYA noted that although focus groups in India and China would be good for general feedback, the real challenge was how to collaborate between similar consultations ongoing through other programs such as SREP in Nepal.

- KNIGHT emphasized that these programs can be a burden on the host country and perhaps could be conducted online.

VAN DER VLEUTEN commented on the need to explore issues of transparency during the focus groups.

- REED highlighted that these consultations are about sharing information and serve as a springboard for increased dialogue and transparency.

GOSAYE cautioned that there needs to be a balance between the role of the private sector and the role of the public sector. He noted that while the public sector has many challenges, the private sector is too narrowly focused on profits. He suggested that there should be interventions that raise awareness among the private sector of the needs and goals of the public sector.

Update on country engagement

IBREKK noted that one the main question facing Norway was when to initiative E+ action: Should we wait until the concept is fully fleshed-out or start demonstrating actions now and start to build up momentum. Further:

- Norway is working to have a number of country-level agreements in place for Rio.
- Norway's resources on their own will be insufficient to work at the sector scale; others need to pick up the effort.
- Norway has opted for sub-sector approaches now, to get the ball rolling, but have not lost ambition.

IBREKK and KRONEN provided brief updates the Ethiopia, Kenya, and the Maldives.

- Ethiopia. Ethiopia has prepared a climate resilient green economy strategy (CRGE). As part of this an investment program for cookstoves has been prepared. Norway considers to support this sub-sector program.
- Kenya. Kenya has prepared proposals for implementing programs for replacement of kerosene lamps and distribution of improved cook-stoves, which is being considered for support.
- Maldives. Considering to support energy efficiency and increased use of solar in the outer islands. Due to government change work has stopped.

BRIFFA presented status for the Business Partnership Fund for Renewables (formerly FARE) output-based approach through reverse bids for renewable energy in rural areas in India.

IBREKK highlighted the potential for an E+ role in SARi (South African Renewables Initiative), noting that this major initiative had strong political backing from UK, Germany, EIB, Switzerland and Norway, but no firm financial commitment from donors at this time.

KRONEN presented potential work in Liberia with World Bank, USAID Germany, and EIB as partners. The Energy+ approach will complement rehabilitation of a major hydropower plant. A national energy and climate plan built on existing and plans under progress will be a starting point.

IBREKK highlighted a few other potential engagements:

- Working with Get FiT in Uganda
- Working with EIB and UNEP for performance funding facility.
- Working with Green Africa Power (GAP) on output-linked payments to help the private sector with capital costs in SA.

Discussion

BRIFFA asked for more discussion on the concept of moving towards a sector-wide approach, noting that the list of current programs does not seem to be consistent with such an approach.

IBREKK highlighted that E+ has brought a working group together to discuss sectoral approaches, and will next begin collaboration with IEA.

OLSHANSKAYA noted the UNDP's work on this through the "clean start" program with UNCDF.

TEFERI asked how E+ will engage at the regional level. He noted the mandate of the East African parliament to engage on energy issues with the goal of driving national policies toward regional harmonization – i.e. a regional energy sector.

KNIGHT noted that ESMAP worked with Rwanda and Kenya to develop a sector-wide approach methodology, with report forthcoming.

KIMBLE highlighted that the Economic Community of West African States (ECOWAS) is hosting a workshop on bioenergy March 19-22, and that many West African countries will be launching cook stove initiatives at Rio.

Update on Technical Working Group (TWG)

LINDEMAN noted that Norway has asked the TWG to bring forward analytical work that could serve as the basis of the “E+ approach”.

IBREKK stressed that from the Norwegian perspective it was really time for E+ to pivot to a very externally focused posture in order to rapidly grow and deepen the partnership, and he viewed the TWG as an important conduit for developing those partner linkages.

REED, after providing background on the TWG and its relationship with E+, provided an update on the E+ work currently underway by the TWG. Making some key points:

- Experts from partner countries have an important contribution to make to the TWG. They are encouraged to join.
- The TWG is now in the final round of work on the E+ strategy document, to be completed in the weeks prior to Rio.
- The private sector consultation work has been successful to date, but now need to become more targeted in order to serve as a springboard for country action.

Discussion

USHER emphasized that the core of the E+ approach should be the use of results-based financing and a phased, sectoral approach. He noted that E+ must keep a focus on lesson learning and analysis where theory and reality meet.

VEGLIO stressed that strategic objectives must be clear.

GOMEZ-ECHEVERRI commented that the private sector is needed to accomplish access and mitigation goals. SE4All and E+ are both focused on the private sector and collaboration among the two must be promoted.

VAN DER VLEUTEN cautioned that “transformational” initiatives can sometimes be implemented as too blunt an instrument and destroy what private sector activities was already there.

ACHARYA suggested that the E+ strategy must clearly articulate the role of the government and the for public-private partnerships.

KNIGHT suggested that the term “private sector” generally be replaced with “commercial sector” to better capture the state-owned and partially state-owned enterprises in many countries that operate on a “for profit” basis.

USHER noted that it can often be a source of aggravation for developing partner governments when the private sector is portrayed as the “savior” that will fix their woes. The message must be tempered, articulating clearly the role each.

BRIFFA stressed the need to better consider the development impacts when looking at the goals of E+. He suggested that the E+ strategy should describe how the sector transformation will lead to better development outcomes.

- OLSHANSKAYA noted that targeting outcomes and choosing priorities can be challenging (i.e. energy scale-up versus development impacts; energy access versus mitigation).
- LINDEMAN noted the SARI example which does not explicitly target the worst energy poverty
- IBREKK noted that there is some question regarding how one should define access. Grid expansion and improvements to the current energy service can have significant positive effects on economic growth - the main driver of poverty alleviation.

IBREKK stressed that the TWG’s work was critical and that the forthcoming strategy document will really be the key instrument for E+ going forward.

LINDEMAN concluded that the IWG had endorsed the work of the TWG with the understanding that the goal was a sharper paper with a more clearly defined concept and with the three-phased sectoral approach more fully articulated.

Next Steps

IBREKK sought feedback on the potential best venues for the next IWG meeting, including:

- SE4All HLG meeting in Brussels on April 16, 2012
- Clean energy Ministerial in London from April 25-26, 2012
- AfDB Energy week in Manila during the first week of April, 2012
- SREP meeting in Washington in May, 2012.

ACHARYA noted that ADB together with USAID is organizing Asia Clean Energy Forum on 6 - 8 June in Manila and a full day event on innovative financing is planned on 5 June as a pre-forum event (jointly with UNEP). This one we propose to do under Energy+ banner. We also plan to organize access to energy projects investors’ forum on 4th to link project developers and investors.

LINDEMAN described Norway’s current plans for side-events in Rio+20, and the intersection with E+.