



INTERNATIONAL  
ENERGY AND CLIMATE  
INITIATIVE  
energy+

# Interim Working Group Meeting Minutes

Abu Dhabi, United Arab Emirates, January 15, 2012

## **Present:**

Jiwan Acharya, Asia Development Bank

Karsten Hellpap, GIZ / Germany

Greg Briffa, DFID / UK

Marcel Engel, World Business Council for Sustainable Development (WBCSD)

Yannick Glemarec, United Nations Development Programme (UNDP)

Marina Olshanskaya, UNDP

Stephen Gitonga, UNDP

Martin Krause, UNDP

Hans Olav Ibrekk, Energy+, Norwegian Ministry of Foreign Affairs

Elisabeth Clemens, Energy+, Norwegian Agency for Development Cooperation (Norad)

Petter Nore, Norad

Anne Rudi Glomnes, Norad

Erik Just Olsen, Energy+, Norwegian Ministry of Oil and Energy

## **Absent:**

Representatives from Kenya, France, World Bank, UNIDO, UNEP, and Africa Development Bank

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### **1. Accepted minutes from the last interim working group meeting**

### **2. Update from Norway**

- Sectoral Approach Workstream initiated and led by International Energy Agency (closely supported by WB and UNDP).
- Technical Working Group (TWG) report delayed by a few weeks. UNDP is taking the lead on the low carbon development plans workstream.
- Republic of Korea, CCAP (under new 'think tanks' category) and IDB joined as a Partners; not actively seeking to increase number of Partners.
- Evaluating several Public-Private Partnership financing mechanisms, and engaging in dialogues with a range of private actors through international and national roundtable discussions.

### **3. Update from Partners:**

- Ethiopia's Climate Resilient Green Economy (CRGE) strategy presents a clear case of government authority taking the lead in areas pertinent to the Energy+ Guiding Principles. Norway and UK will support the implementation of the CRGE focusing on energy, forest and agriculture.
- UNDP is leading the low carbon development plans workstream. Analysing the relationship between low emission strategies and multi-sector strategies. A challenge is that there are relatively few, if any, sector-wide approaches that focuses on just one sector. UNDP will shortly be launching an Asia Pacific report called 'Energy Plus' based on findings from 17 case studies illustrating valuable lessons (e.g. technology-driven projects have higher failure rate, e.g. mass dissemination of solar power panels without productive use associated with it (productive use increases affordability rates). Need to combine technology + access + productive use + policy/reg. environment, along with a maintenance plan to ensure sustainability.
- At the Asian Clean Energy Forum in Manila in June 2012, ADB will host a Partnership workshop focused on results-based financing. ADB is also involved in SREP and is looking at how it complements Energy+. ADB proposes having a window within its Project Development Facility that is dedicated to results-based financing and potentially a second window that will provide up-front Technical Assistance (TA).
- World Business Council on Sustainable Development (WBCSD) has published its first major publication of the WBCSD Access to Energy initiative entitled 'Business solutions to enable energy access for all'. WBCSD can coordinate and facilitate input from companies. WBCSD also notes that several companies are expressing concern about aid agencies increasingly looking to private sector for support / financing whereas private actors will only involve themselves if a project/business is commercially viable and profitable.
- Energizing Development (EnDev) considers: (i) improved national coordination, (ii) results-based financing and (iii) support to developing countries to develop a solid performance based system, as the most important elements of Energy+. EnDev is in discussions with DFID regarding potential cooperation. EnDev mentioned work currently being carried out by the Global Alliance for Clean Cookstoves on 'what is a clean stove?', and setting regional efficiency standards.
- DFID is working on a number of Energy+ relevant areas including hosting a discussion on indicators (and providing support to both IEA and ESMAP to develop indicators), results-based finance and low emissions development strategies. DFID also supports a range of programmes: SARi, CRGE, India Business Fund, Green Africa Power (through PIDG) and the Clean Technology Fund.

#### **4. Discussion on relationship between Energy+ and SE4All initiative**

- Energy+ focus on results-based financing taking a demand-side approach. The tendency to focus increasingly on results among several donors and organisations comes after many years of focusing on supply-side approaches.
- SE4All provides global political momentum for the need to increase access to energy, improve energy efficiency and increase the share of renewable energy. However, it still requires programme funds behind it which Energy+ will have. Therefore, Energy+ is complementary to SE4All.
- The SE4All initiative is 'technology and fuel neutral' which will result in picking technology/fuels based on cost-effectiveness and whether the country is targeting access from the grid, mini-grids or off-grid. The result is likely to be that central grid stakeholders will take the lead and many people in rural areas will continue to be without access. Most donors and international organizations will have difficulties supporting 'fuel neutral' solutions (policy to support renewable energy).
- Energy+ aims to increase renewable energy and climate finance, supporting developing countries that are working to increase their share of renewable energy in the energy mix beyond BAU.
- Need to clearly communicate what Energy+ is about: increasing access and renewable energy; improving energy efficiency, and; taking a sector- and results-based approach. Energy+ should not be THE vehicle under SE4All. The SE4All initiative is much broader.

#### **5. Other**

- Some companies are indicating that regulatory environment is sometimes less critical than access to financing (can work with individual PPAs instead). On the other hand, some analysis indicates that if the focus is on financial de-risking, it is faster, but leverage ratio is about 1:1 whereas focusing on policy change takes longer but can leverage more private investment. Which approach is best depends on primary goal in each country.
- Need to be mindful of the challenges associated with moving from providing grant financing to supporting commercial business and the need to be vigilant not to undermine/crowd out private investment.
- Energy Aid was raised as another interesting organisation to watch. It is backed by IBM, supported by Practical Action, working primarily on advocacy in developing and developed countries around energy access issues.

#### **Conclusions:**

- SE4All provides a Global Action Framework, where Energy+ is a delivery vehicle supporting developing countries to increase access through increased renewable energy and energy efficiency.

- To present Energy+ as the delivery vehicle is too wide, but Energy+ should demonstrate in a few countries how the concept can be rolled out. To determine who will carry the Energy+ initiative in each developing partner country we will need to look at activities donor organisations are already carrying out to see who is positioned to take the lead, and what are the gaps from an Energy+ perspective. Should identify 3 countries where Partners are confident that they can deliver.
- The Partnership needs to engage different parts of the private sector (e.g. large internationals to SMEs).

**NEXT MEETING: 9 March 2012 in Nairobi**