



INTERNATIONAL  
ENERGY AND CLIMATE  
INITIATIVE  
energy+

# Interim Working Group Meeting Minutes

**Durban, South Africa, December 5, 2011**

## **Present:**

Gosay Mengistie, MOWE, Ethiopia

Alemu Yimer, HOPR, Ethiopia

Kurt Lonsway, Africa Development Bank

Jiwan Acharya, Asia Development Bank

Vijay Iyer, World Bank

Yannick Glemarec, United Nations Development Programme

Marcel Alers, United Nations Development Programme

Ole Andreas Lindeman, Energy+ Ambassador, Norwegian Ministry of Foreign Affairs

Hans Olav Ibrenk, Energy+ Policy Director, Norwegian Ministry of Foreign Affairs

Elisabeth Clemens, Energy+, Norwegian Agency for Development Cooperation

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## **Update on status:**

- Ambassador Lindeman welcomed the participants to the first meeting of the Energy+ Interim Working Group and provided the following update on status:
  - Energy+ Partnership now has about 30 partners.
  - Norway is in the process of developing partnerships with South Africa (SARi), Ethiopia, Kenya, Maldives, India and possibly Liberia. The Partnership will be continuously updated on progress.
  - Donor teleconference meeting held in November; donors in the process of mapping countries where each may be operationally positioned to take the lead on Energy+ related activities. Mapping will be shared with the Partnership.
  - Technical Working Group (TWG) submitted report outline, with the aim to submit a first draft in mid-January 2012; report focuses on nine primary areas: 1. The Role of the Private Sector; 2. Incentive frameworks for attracting private capital into the energy-related sectors; 3. Low carbon/emission development strategies (LCDS) and energy plans; 4. Policy and regulatory frameworks at the national level; 5. Institutional and governance requirements; 6. The three-phased approach and results-based funding; 7. Baselines, indicators and MRV baseline; and 9. Indicators. The final document from TWG will be presented to the World Economic Forum in Davos.

### **Update from Partners:**

- Ethiopia's Climate Resilient Green Economy (CRGE) strategy presents a clear case of government authorities 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 will support the Partnership by dedicating UNDP staff time to work on (1) the sectorial approach workstream and (2) the low carbon development strategies chapter of the TWG group, (3) make Teamworks available to Partners, and (4) share methodologies developed relevant to low-carbon development strategies with the Partnership. UNDP is currently working with EU, Germany, and Australia to develop LEDS, LEDs, MRV, etc. based on National Development Plans in about 100 countries. USAID and Japan are also relevant actors here.
- WB has (1) developed a number of tools for resource mapping/planning to identify most optimal energy sources and technologies that it will bring to the Partnership, and (2) Partnership with Iceland to use Icelandic expertise on geothermal in developing countries, where Energy+ could potentially support through risk reduction measures in the drilling phase of geothermal development (e.g. set up facility with first loss provision).
- ADB focuses on three primary areas of expertise (1) financing (loans, soft loans, grants, combination, etc.); (2) Policy dialogue support / technical support; and (3) Partnership engagement. With regards to the latter, ADB could organise a Partnership workshop at the Asian Clean Energy Forum in June.
- AfDB launch a 'Sustainable Fund for Africa' in support for smaller renewable energy investors. Should be operational by next year and should be well-positioned to carry out some feasibility studies. This is aimed to support projects that are too small for the banks to focus on due to their high transaction cost.

### **Key points from the discussion:**

- The Partnership will aim to leverage both effort and financing.
- Energy+ could assemble an 'Outreach Package' comprised of tools / methodologies, e.g. many of what Energy+ can offer to roll out to countries –how new types of renewable energy projects can be planned for considering the deal size, elements that need to be in place, section targeted towards banks, section targeted for governments, etc. to raise awareness and learning of how to develop renewable energy transactions. UNDP, WB, AfDB, and ADB could put this together. Suggested WB and UNDP with global reach should take the lead.
- Master Energy Plans, Low Carbon Development Strategies, etc. exists and continue to emerge, but there is a need to use the tools / methodologies we have to go deeper into the analysis and identify optimal energy solutions. There is a need to ensure a technical neutral approach in this exercise.

- Energy+ should acknowledge the considerable action happening at the city level, where City Mayors are taking the lead irrespective of what is happening at the national level – consider how Energy+ can target and support activities here (e.g. Energy+ in sub-region).
- Discussed findings from Public-Private dialogue initiated in Washington (specifically the need for standardized PPAs and technology/country specific feasibility studies). Note: investors from “the North” tend to be more risk averse than investors from “the South” where investors have more experience from higher risk markets.
- Geothermal and hydro can use similar PPAs as natural gas (standardization can be possible), but for other renewable energies there is no flat rate and we are talking about smaller projects where the transaction costs tend to be higher, coupled with higher associated risk. There is also a need to develop similar outreach packages for national banks and local sources of finance.

#### **Further development of the Partnership:**

- Important to avoid too much formalization of the Partnership which will require additional time and take away from actions that could be taken on the ground.
- The Partnership provides an important platform for Partners to share information, coordinate, determine who should take the lead on developing certain themes of the conceptual development as well as in countries/regions.
- Maintain an open Partnership, but only provided that Partners actually contribute. This means that in essence Partners are self-selecting.
- Establish a Secretariat in Norway.
- Focus on actions on the ground.
- Examine possibility to bring in other ‘Nordics’ (Iceland, Finland, Sweden in addition to Denmark), and leverage the combined renewable energy expertise.
- The Partnership does not have to be formalized by Rio (in terms of organizational modalities) but keep Interim Working Group focused on dialogue around the conceptual development of Energy+.

#### **Conclusions:**

- UNDP will allocate resources to support the TWG’s efforts on low carbon development strategies.
- Energy+ could assemble an ‘Outreach Package’ listing tools / methodologies, many of what Energy+ can offer to roll out to countries –how new types of projects can be planned for, elements that need to be in place, how PPAs could be structured and developed, section targeted towards banks, section targeted for governments, etc. to raise awareness and learning of how things can be done. UNDP, WB, AfDB, and ADB could put this together.

- The Partnership does not have to be formalized by Rio (in terms of organizational modalities) but keep Interim Working Group focused on dialogue around the conceptual development of Energy+.
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**NEXT MEETING(S):** January (Abu Dhabi), February 1 (New Delhi), Nairobi (various opportunities associated with launch for SE4ALL, Paris-Nairobi, SREP mtgs, and UNEP Gov. Council mtg on 22 Feb.)

December 7, 2011