

Plenary Session III/Multi-Stakeholder Dialogue (MSD)

Tuesday, 1 June, 15.00 – 18.30 h

Venue: Plenary Hall IKBB

Internationale Konferenz
für Erneuerbare Energien, Bonn
International Conference
for Renewable Energies, Bonn



Chair's Summary

Margareta Wolf

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Thank you very much for preparing and carrying out such a lively and inspiring debate.

There were many emotional as well as very well argued cases made, including

- The appeal that this conference should take forward and strengthen the momentum from Johannesburg;
- The clear statements by developing countries – for example by Djibouti – “RENEWABLE ENERGY HAS BECOME A MATTER OF SURVIVAL FOR OUR COUNTRIES”

I hope this MSD debate will energize the succeeding government process, in which you will also have a continued role to play.

I certainly took down a lot of impulses, which we, as German Convenors, will take into account during the following days.

Let me start with the reasons I heard why we urgently need to change our current energy systems and patterns:

- On the basics, almost all government and civil society speakers agreed on the role that Renewable Energies can and should play in the future development of both industrialised and developing countries.
This includes the perspective that Renewable Energy have the potential to provide the major share of energy supplies in the foreseeable future.
We therefore feel supported in our proposed text in the draft declaration concerning the future role of renewable energies

- As representative of an environmental ministry which has a very clear understanding of environmental issues not “only” as a problem of nature conservation, but especially and increasingly as a problem of global equity and resource use distribution, we were very impressed with those statements from developing countries governments and stakeholders who underlined that CLIMATE CHANGE IS AN EXISTENTIAL THREAT TO PARTICULARLY MANY DEVELOPING COUNTRIES. We share with you the belief that renewable energy can provide one approach to avoid life-threatening climate change, and to keep global warming to as far below 2 degree as possible.
- We heard that Renewable Energies have a crucial role to play in access to energy, particularly for the poor.
In this context, we have also taken note of some differentiation of perception among stakeholders and governments, related to the definition of access to energy: Here, the majority of speakers underlined that access to energy services particularly in developing countries has to be provided by appropriate and affordable energy sources, which in many cases means decentralised and often small-scale renewable energies. These have the added value of providing revenue and ownership to local manufacture and consumers.
- We also have heard of the multiple benefits that renewable energies can provide, including improving local as well as indoor air-pollution, which kills millions of people world-wide. Renewable Energies can also help to solve the increasing issues on access to and quality of water. RE, if appropriately applied particularly in the field of biomass, can help to prevent deforestation and desertification. It can help to turn consumers into producers. It supports democracy, ownership, peace, and security.

We also had some input on the mechanisms to implementing the changes which are needed:

Targets:

I have heard no demands to work towards a global target on renewable energies, which was one of the most divisive issues in Johannesburg. Instead, I heard considerable support and convergence on the following approaches to setting targets:

- Setting appropriately designed short and medium-term renewable energy targets at national and regional level.
Here, special expectations were directed at the countries of the Johannesburg Renewable Energy Coalition, including the EU member states.
- Introducing renewable energy targets in multilateral banks, particularly the World Bank and Regional Banks.
In this context, Burundi asked a very challenging question: why are the financial institutions and donor countries so interested in old and polluting fuel sources?
Also in this context, several speakers quoted the findings of the World Bank Extractive Industries Review, which also underlines that investments in fossil fuels so far largely failed to support poverty alleviation goals.
- There was a discussion whether renewable energy should become an issue during the review of the Millenium Development Goals in September 2005;
- Next to these targets which are set on the share of renewable energies, some actors also suggested targets to be set on access to energy.

Policy Frameworks and regulatory certainty

Targets and political frameworks need to complement each other in order to make change happen. There was a whole range of political and regulatory measures mentioned, of which I can only highlight a few here:

I liked the statement by the finance sector, which clearly underlined that in order for money to flow, political measures need to be “loud, long, and legal”, i.e. concrete, long-term, and based on legislation.

As renewable industry underlined, political framework can also mean to abolish and change existing legislation which is a barrier to renewable energy.

Such measures can include instruments to internalize external costs of fuel sources currently out-competing renewable energies. It can be market incentives, including feed-in laws and other economic instruments, which can help to develop markets and improve economies of scale, thus bringing prices and costs down. Also, actors and countries asked for market-distorting subsidies to be abolished, particularly subsidies on fossil and nuclear energy.

Designing and redesigning the political framework for renewable energy, countries were asked to look for “proven systems”, i.e. instruments which have already proven that they are effective. In this, it was suggested to differentiate between instruments for on-grid and off-grid applications.

Of course, redesigning political settings can be difficult, both to governments and to individual actors. We have heard that there was a constructive dialogue between different stakeholders, notably NGOs and trade unions, on the concept of ensuring a “just transition” into a sustainable energy system.

Financing

Not surprisingly, the matter of financing came up even before the session on “delivering finance for the future” even started.

There were demands to increase financing for Research and Development in renewable energy by a factor of 10, including both on the technical as well as the socio-economic side. It is needed to helping energy system transition as well as access to energy in developing countries. It is required for capacity building, for awareness raising, and for technology transfer.

Last, but not least, in this context several actors underlined that considerable amounts of finance for renewable energy could be provided even without any “new money”, for example

- by shifting subsidies from well-established and detrimental energy sources to renewable energy;
- by re-allocating public funds from conventional energy to renewable energy and energy efficiency (e.g. World Bank, Regional Banks);
There were demands by NGOs to spell out targets for that for the World Bank and Regional Development Banks.
- by integrating renewable energy perspectives into poverty reduction strategies and ODA;
- by “green public procurement” at all levels of government;
- and by money set free by means of energy efficiency measures and energy saving – as the US delegate said: the cleanest and cheapest source of energy is the one which is not used.

As regards commitments of governments to invest public finance into renewable energies, I was impressed by the statement of the twelve US states inviting all of us “to change the world” together with them.

Technology transfer, capacity building and awareness raising

I have already mentioned technology transfer. Here, I have heard that technology transfer on renewable energy is not necessarily a North-to-South-transfer, as there are rich experiences and local manufacture in the South, which need to and could be strengthened, e.g. by South-

to-South cooperation. Also, it is necessary to develop and transfer technologies which are appropriate to the setting in which they are applied.

Regarding appropriate technologies, I have heard diverging voices on particularly the issue of large hydro. On the one side, actors argue that sufficient access to energy could not be provided without the use of large hydro, while on the other sides, actors underlined that large hydro tends to provide revenue and benefits to other people than the local population which is mainly affected by large hydro investments. There was a suggestion in this discussion to follow the recommendation of the World Commission on Dams.

However, there was wide consensus that biomass and geothermal should get more attention.

Particularly on capacity building, we have taken note of the principles suggested by local authorities: “subsidiarity” and “local action”.

Gender Mainstreaming

Some of the female colleagues underlined that gender mainstreaming is both necessary and useful in the energy sector. I can hear quote only two reasons I heard: Women in development countries are the main victims of the lack of access to energy as well as the health problems related to indoor air pollution caused by some traditional biomass. And women play only a minor role in the political and business decision making in the “old boys networks” of the energy sector.

On that basis, I took an interested note of the suggestion to carry out gender impact assessments for all actions submitted to the International Action Programme.

Further process and final words

Last, but not least, we heard a suggestion by particularly NGOs to give the author of the World Bank’s Extractive Industries Review, Emil Salim, the opportunity to speak at the Ministerial Round Table on Finance, and you can rest assured that we will consider this suggestion carefully.

The MSD day is concluding now, but we have more opportunities for formal and informal interaction over the next few days and I hope in different settings also afterwards. We hope

that the follow-up to the conference which we are considering and many of you have asked for will provide opportunities for that. We hope that this new culture of true multi-stakeholder dialogue will grow and deepen, contributing to forming a global public policy network of those promoting renewable energy.

Of course, this summary of mine can just highlight some of the richness of the discussion today. But we take home for our further work in the German government more than that – more information, and, as importantly, encouragement. I thank you for that.

I would like to take a last minute to share with you on a more personal note the hope you inspired in me by reporting on concrete actions and cooperations already carried out by many of you.

The children and young people I saw yesterday and this morning reminded me and you of our obligation towards future generations. They gave us a declaration clearly spelling out our tasks. Let us not disappoint them, and take the content and momentum of today into the political decisions and actions of the next days and the future.