

The Need for Forceful International Institutions for Promoting Renewable Energy

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Starting points

- Energy is a key instrument to promote sustainable development and poverty alleviation
- Economic, environmental (including health and climate change), and social issues
- Access to modern forms of energy a critical development issue
- Reorienting the global energy system is a major challenge

Energy for Sustainable Development

- Renewable energies
 - Efficient use of energy
 - New technologies for all energy sources
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- A mix of actions in these areas is required
 - WSSD agreement on the challenges and major steps forward
 - Renewables is a great starting point!

Policies and institutions are the keys to implementation!

- Mostly at national level, however, sometimes strongly influenced by the international environment
- Market rules (incl. Subsidies and externalities, taxes, incentives for RE)
- Regulatory environment (power sector, rules, prices, grid access, ...)

Strengthen institutional arrangements at the international level (according to the Policy Recommendations)

Key functions needed to promote RE:

- Advocacy for RE as an instrument
- Coordination of monitoring and reporting
- Provision of services: advising, capacity building, information, analysis and coordination
- Common standards and networking

Are needed functions being fulfilled?

- Detailed analysis made for Renewables 2004 by Irene Freudenschuss
- Outcome: “insufficient”

Existing Institutional Capacity

- Intergovernmental organisations (OLADE, IEA,...)
- Regional organisations (EU, ASEAN, SADC, APEC, ...)
- UN system (Reg. Commissions, UNDP, UNEP, UNIDO, FAO, UNDESA; WHO, ...)
- World Bank Group and Development Banks
- NGOs
- Research community
- Private Sector

Some capacity exists: however

- Fragmented and compartmentalized, RE tends to be a side show in larger organisations with other mandates
- “Lacks cohesion, focus, coordination, and ultimately critical mass to establish RE as a credible and effective energy option” (TBP 9)
- No international institution promoting energy for sustainable development

Task to work on include:

- Agenda setting
- Initiatives for international negotiations of principles, rules and standards, e.g. in the traded area
- Authoritative assessments
- Stakeholder consultation processes
- Coordinated information and knowledge gathering
- Broaden RE utilisation to most, if not all, countries
- Broader participation than governments

- In summary: an “international home” for RE is needed

Two Approaches

- Policy content, leading to guidelines, standards, and best practices
- International institutional arrangements, leading to an institutional platform

These are mutually supportive!

Code of conduct/best practices

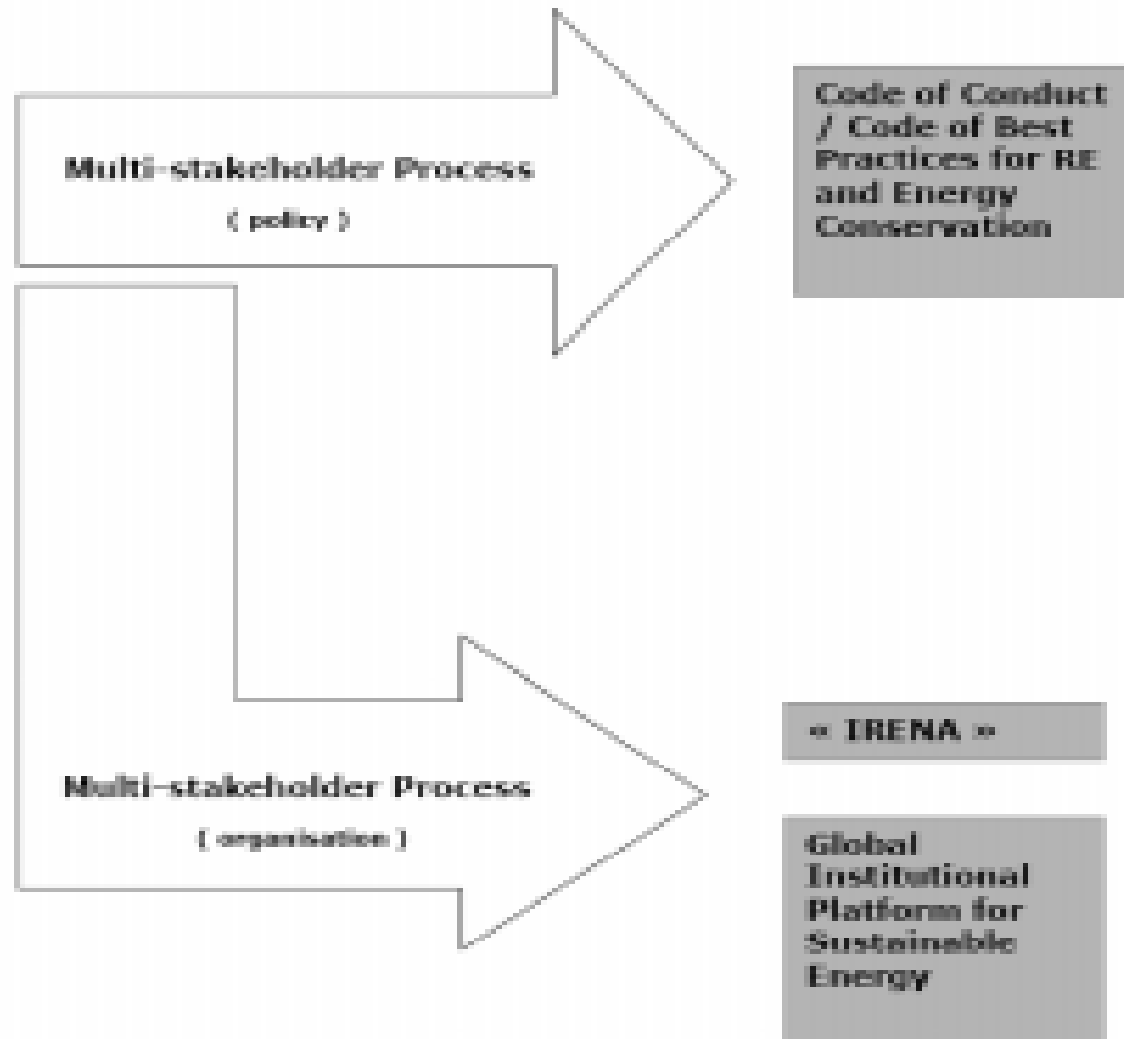
- Non-binding
- Involve all stakeholders
- De facto rules and standards for policy
- Serve as a first step towards more formal agreements

Issues to cover in the Code

- Market conditions for RE
- Subsidies to conventional energies
- Time limited incentives for RE investments
- RE friendly trade regimes
- Technology transfer
- R&D volume and orientation
- Research capacity in developing countries

a process to an institutional platform

- Broader than governments
- Multi-stakeholder governing structure
- Involve only the willing and capable
- Create specialized RE agency (draw from experiences of IAEA)
- “First step” towards agency promoting energy for sustainable development!



Source: Steiner et al.- International Institutional Arrangements, TBP 9



energy and the challenge of sustainability

Key variables

(according to Steiner et al. TBP 9)

- Information
- Demand
- Markets
- Investments, taxation and subsidies
- Infrastructure
- Economic incentives
- Trade
- Governance system