



EUROPEAN COMMISSION
Directorate-General for Development and Co-operation – EuropeAid

SCIENTIFIC ADVISORY BOARD ON EU DEVELOPMENT POLICY

SEMINAR ON SUSTAINABLE ENERGY FOR ALL

31 MAY 2012

**New Hotel Charlemagne
Brussels, Belgium**

Chatham House Rules

Seminar Report

Introduction

Commissioner Andris Piebalgs and European Commission (EuropeAid) staff convened a meeting of the Scientific Advisory Board for EU Development Policy and a number of invited experts to discuss the EU's approach towards Sustainable Energy for All. The Scientific Advisory Board on EU Development Policy was established by Commissioner Piebalgs in February of this year to advise him directly on development policy issues. The Board aims to identify evidence-based policy options that link research and concrete policy formulation and implementation in an effective way.

This first thematic seminar on "*Sustainable Energy for All*" (or SE4ALL), held on 31 May 2012, discussed how to reach the goal of universal access to modern energy services whilst aiming to make the energy mix as economically, socially and environmentally sustainable as possible, unleashing the large potential for using renewable energy resources in many developing

countries. The meeting was held under Chatham House rules implying that views emerging from the seminar can be used publicly but they cannot be attributed to individuals.

The meeting was structured in three parts. The morning session benefited from contextual insights from the European Commission followed by a range of views from invited experts and advisory board members. The first part of the afternoon session continued and deepened the conversation on many of the issues discussed in the morning. The final part included an exchange of views after the chair had summarised the main points of the day.

Summary of findings

The morning session clarified the key concepts and activities of the SE4ALL initiative, the work of the High Level Panel and the role of the Commission. It clearly showed the commitment to pursue this initiative, following the political launch of the initiative by President Barroso on 16 April 2012. The question now, and something that the seminar planned to address, is to define further the specific role of the Commission (and EU Member States) as the initiative is moving into countries. The discussion in the morning with experts, drawing on the public and private sector, centred around the following set of questions:

What exactly is SE4ALL? Whilst there is a clear commitment to the initiative, more attention can be focused towards communicating the initiative in a co-ordinated manner.

How does SE4ALL fit in the wider context of development? There was a call to regard the initiative as part of a more systemic transformation of the energy sector. This included the need to regard energy access in the context of i) development, economic growth and industrialisation, ii) equity, and iii) links with other resources and climate change mitigation. SE4ALL should not only be seen as a supply side issues but should also examine conditions on the demand-side. At the same time, it was suggested that the initiative should not be described as a human rights issue.

What might be the key constraints in implementing the initiative? Several questions were raised regarding the involvement of developing country governments because governance is key for the initiative to succeed at the country level. What would be an appropriate regulatory framework, what are the incentives and disincentives to change resulting from the local political economy, do countries have energy strategies, and is the information required for undertaking assessments of what can be addressed by the initiative. At the same time, attention was given to understanding how best to involve the private sector as both local and global private finance is required, with potential roles for the Commission in providing blended finance. The private sector participants also asked for further clarity on the SE4ALL initiatives and plans and how they related to the many other energy and environmentally related initiatives. Beyond the public and private sector it is important that the initiative also involves other stakeholders such as the diaspora. A set of pilot projects could yield important insights and demonstration effects.

What are the operational requirements of this initiative? The comments here centred on appropriate capacities at various levels. Does the Commission have the right numbers and profiles of staff together with appropriate instruments to implement the initiative? Could the Commission mainstream energy throughout its development co-operation programmes? And are there sufficient engineers trained in-country, raising an important capacity development issue.

The afternoon session deepened this discussion, centring around three key issues. Firstly, there was considerable discussion on action required at the country level. There is a need for better dialogue at the country level which should provide some basic practical information on energy access, energy needs, and consider energy affordability. Secondly, the discussion focused on the involvement of the private sector and their business models (especially for rural areas). The participants suggested there is a need to counteract negative investment perceptions, citing several examples of working models, but there is a pressing need for independent evidence of what is working well and why. It was also suggested that the private sector could bundle their services differently to make energy services more attractive. In addition to the need to focus beyond blended foreign finance, there were discussions on using public finance to “leverage” private investments through mechanisms such as partial loan guarantees, feed-in tariffs, and supporting power purchasing agreements. Thirdly and finally, there was a brief discussion on the kind of instruments needed in a large donor such as the Commission to meet the need for modern energy services in circumstances where demand was weak and technical capacities limited. There was recognition that Commission is already doing a lot, but there was a need for a better picture of all the services provided, Further, it was argued that a better bundling and co-ordination (e.g. via the blending platform) could make assistance more effective. Some also commented on the need for a special instrument to assist high quality independent monitoring and maintenance of energy support.

The meeting was closed following a summing up by the chair, a statement from the Commissioner and interaction with experts. The case was made for the importance of energy for development, especially its role in long-term development. The effective use of modern services is the future for any country. Energy services are also crucial for managing other resources and achieving goals such as water and food security. The Commission is fully committed to the initiative and this commitment does not depend on the outcome of the Rio+20 conference. It has already earmarked funds for a technical assistance facility in coming years to work with developing countries in the energy sector, and there will be more attention to blending facilities directed at the private sector. Whilst some EU bilateral donors focus more on social sectors, and other multilateral donors such as the World Bank focus on mega energy projects, the intention of the Commission is to concentrate on smaller projects in the energy sector and designing vehicles for providing financial guarantees. Based on previous experience on addressing energy issues, as well as observing what was achieved recently at the G8 on food security, the Commission is confident on achieving success when actors work together.

Seminar Participants

Scientific Advisory Board Members

Dirk Messner

German Development Institute, Germany

Elizabeth Sidiropoulos

South African Institute of international Affairs

Jonathan White

German Marshall Fund, Washington DC

Lennart Wohlgemuth

Gothenburg University – School of Global Studies, Sweden

Invited Experts

Andrew Barnett

The Policy Practice, United Kingdom

Joy Clancy

ETC Foundation - ENERGIA International Secretariat - Twente University, Netherlands

Kjell Havnevik

The Nordic Africa Institute, Sweden

Lawrence Jones

Alstom Grid Inc, United States

Dickens Kamugisha

AFIEGO - African Institute for Energy Governance, Uganda

Peter Kimuyu

University of Nairobi, Kenya

José Galindez

Solarpack, Spain

Andrew Scott

Overseas Development Institute, United Kingdom

Dirk Willem te Velde **Rapporteur**

Overseas Development Institute, United Kingdom

Silas Zimu

Suzlon Wind Energy South Africa (SWESA)

European Commission

Andris Piebalgs

European Commissioner for Development

Christopher Jones

Commissioner Piebalgs Cabinet

Peteris Ustubs

Commissioner Piebalgs Cabinet

Klaus Rudischhauser

Deputy Director General (formerly Director of DEVCO/B Quality & Impact)

Nicoletta Merlo

Deputy Head of Unit, DEVCO/A1 Policy & Coherence

Kevin McCarthy

Policy Coordinator, DEVCO/A1 Policy & Coherence

Jean-Paul Joulia

Head of Unit, DEVCO/C5 Energy

Rui Costa

Head of Sector Development & Energy, DEVCO/C5 Energy

Lennart Deridder

Policy Officer, DEVCO/C5 Energy

Nicolas Gonze

Policy Officer, DEVCO/C5 Energy

Marta Abrantes

Policy Officer, ENER/A3 International Relations & Enlargement