



High Level Conference “Regional Cooperation for Sustainable Energy and Climate Action in Developing Countries”

3rd October 2019

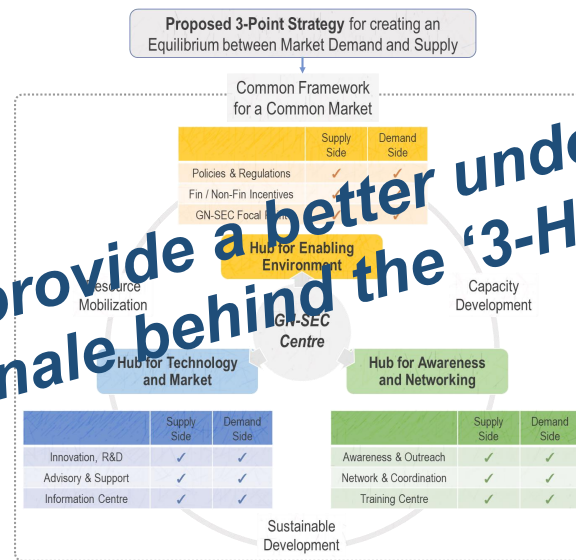
Mr. Arindam Basu and Mr. Rene Karotkki – Consultants



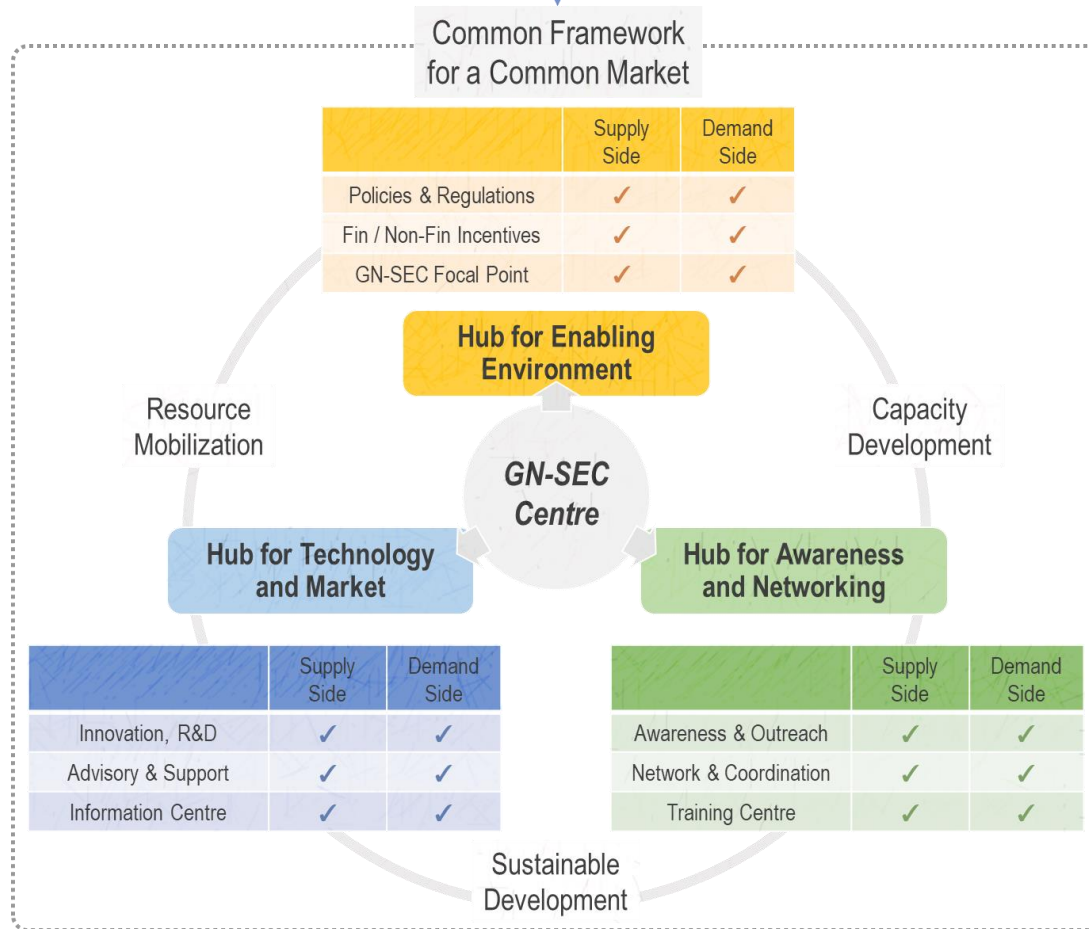
Objectives of the Presentation:

- Overview to the **APPROACH** undertaken
- Sharing of the **Key FINDINGS**
- Linking to the suggested **RECOMMENDATIONS**

Aim is to provide a better understanding of the rationale behind the '3-Hub' strategy.



Proposed 3-Point Strategy for creating an Equilibrium between Market Demand and Supply





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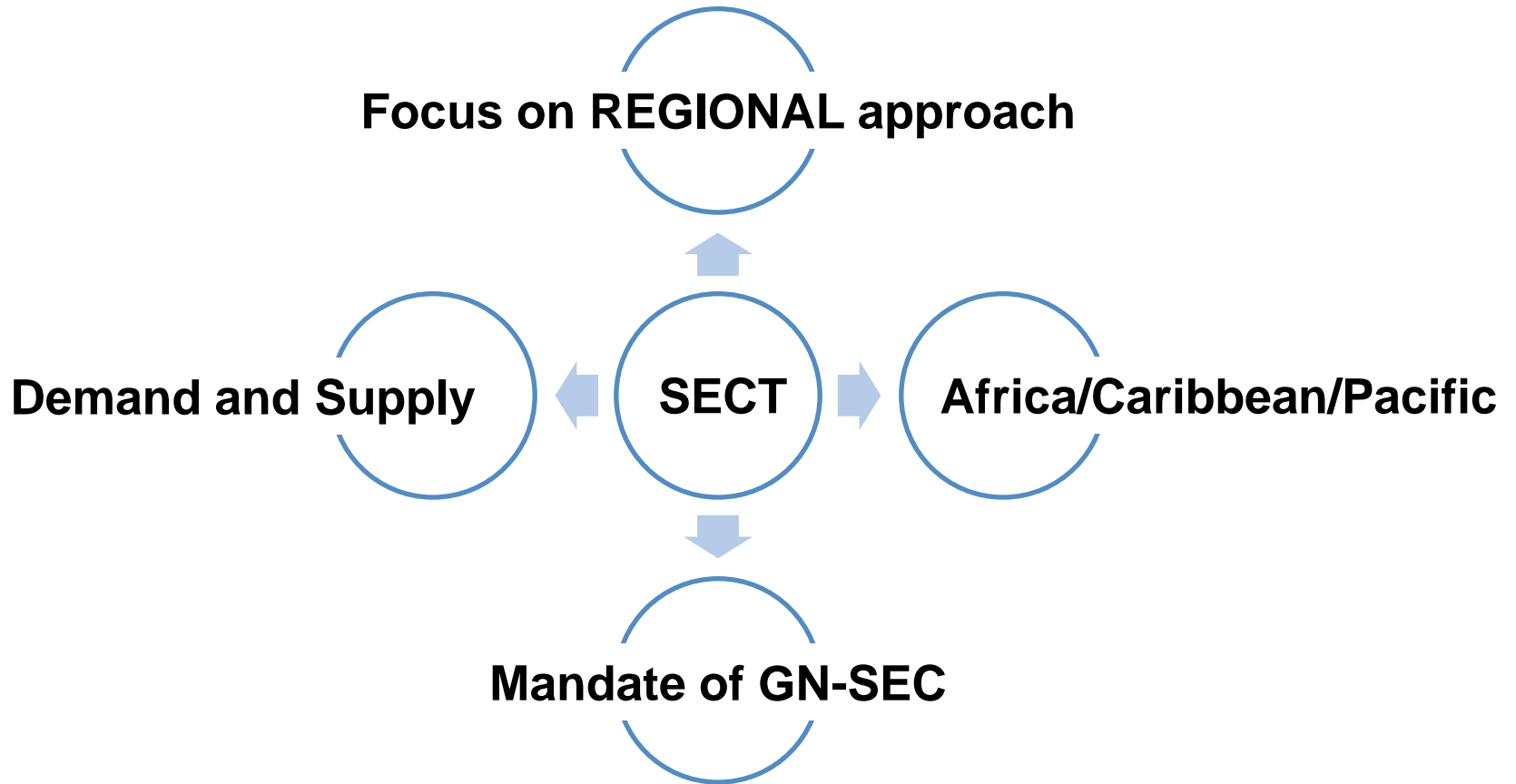
SUSTAINABLE DEVELOPMENT GOAL 9
INDUSTRY, INNOVATION AND INFRASTRUCTURE

Approach Undertaken



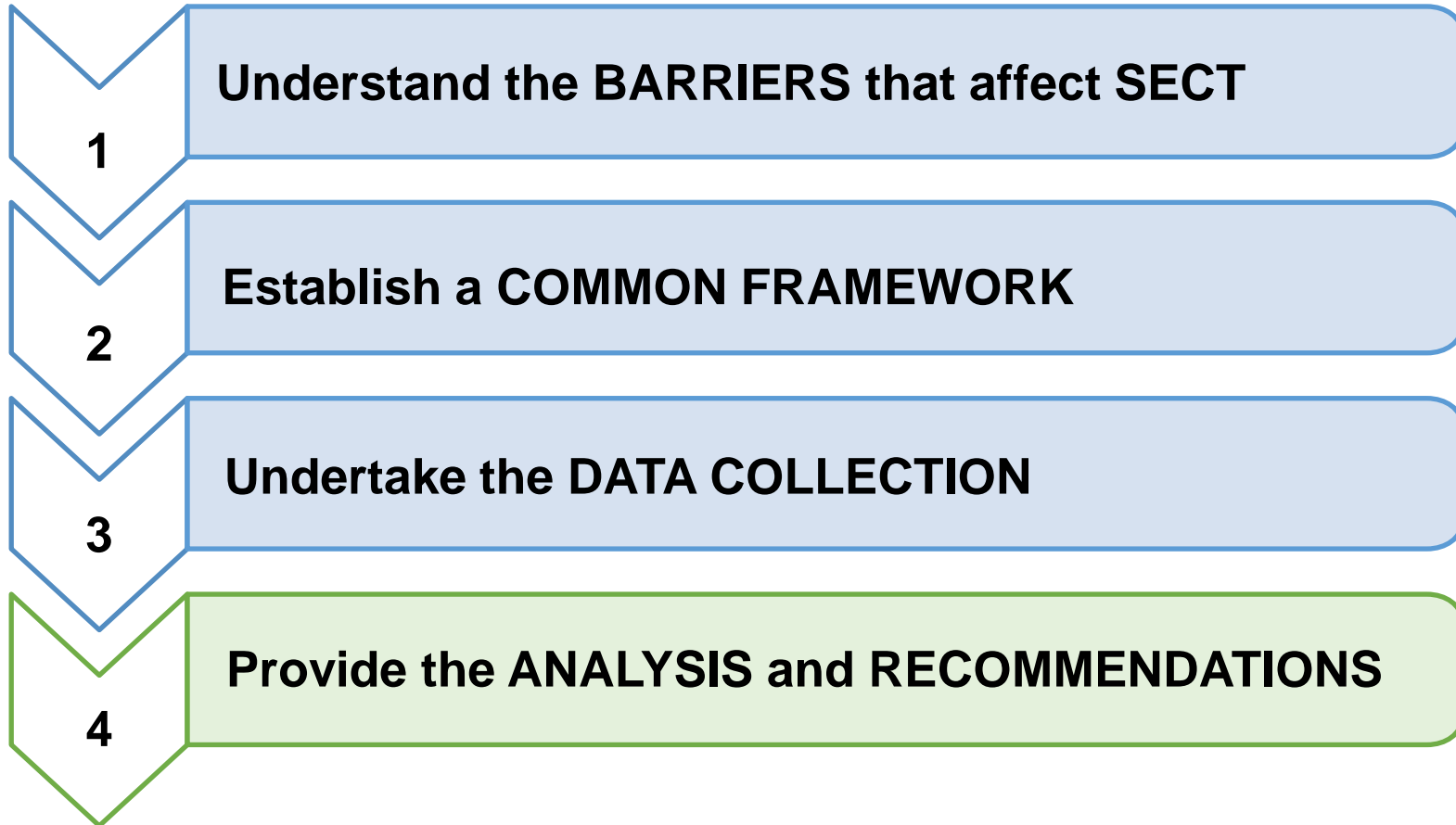


Considerations for the Study:





Summarizing the 4-Step Approach:





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Sharing of the Key Findings





Regional Approach makes “Business Sense!”

REC / Country	GDP (in USD Billion)	Population (Million)	Per Capita (USD)
CARICOM	77.7	18.3	4,258
ECOWAS	550	367	1,498
EAC	169	185	913
SADC	689	342	2,014
SPC	32	11	2,909
US	19,390	325	59,501
EU	17,280	512	33,713
China	12,237	1,390	8,804
India	2,597	1,339	1,940
African Union	2,151	1,211	1,776



Role of Private Sector – Integral to Regional Treaties

- **CARICOM:** “Competitiveness of the **Private Sector**”, “Efficient operation of **Common Services** & activities for the benefit of people”
- **ECOWAS:** “Enhanced role of **Private Sector**”, “regional agreement on **Cross Border Investment**”, “enabling environment for **SMEs**”
- **EAC:** “Strengthened partnerships with **Private Sector**”
- **SADC:** “Promote **Self-sustaining Development** on basis of collective self-reliance”, “Maximize **Productive Employment**”
- **SPC:** “Rationalization of **Manufacturing** and processing **Industries** and achieve **Economies of Scale** in certain regional enterprises”



Policy Landscape is “Demand-Side Heavy”

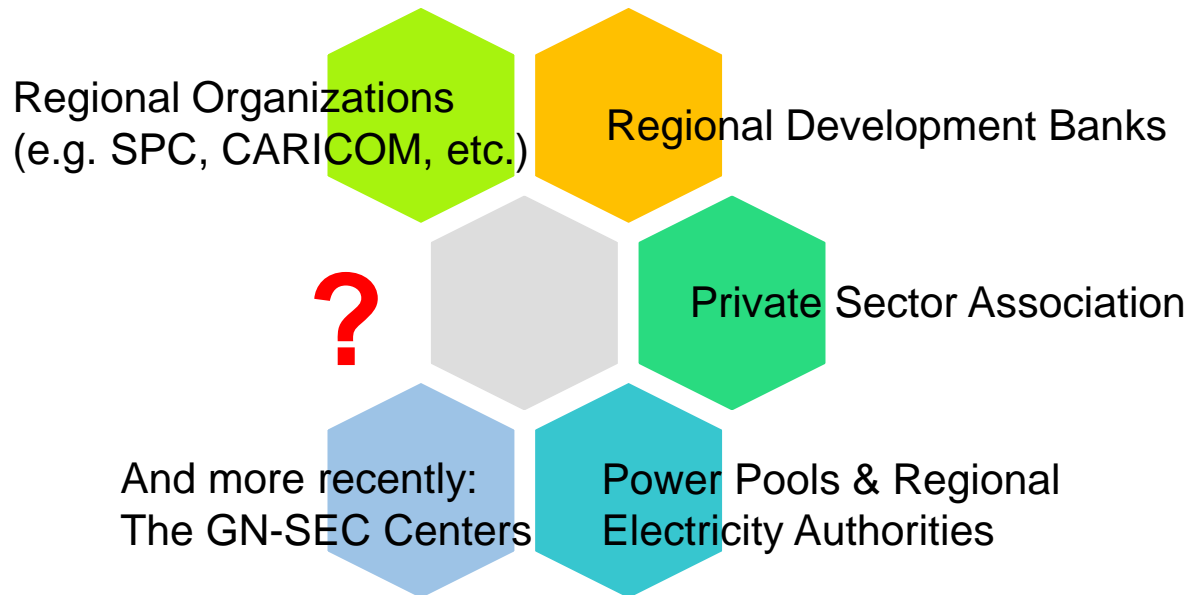


Policies, Incentives, Standards, Certifications etc. need to have a more Balanced Approach for both:

- **Supply Side: To promote industrialization (e.g. SMEs for SECT)**
- **Demand Side: To promote the uptake of SECT in the Regions.**

(Ex. C-SREMS targets for RE – 20%(2017), 28%(2022), 47%(2027)

Clear need for an “Enhanced Role“ for GN-SEC Centers



A greater need to support Innovation, R&D & Entrepreneurship to achieve set targets / timeframes and the supply chain

(Ex. All Regions have at least 1 University that offers Masters level Program on SECT but very little linkage with local industry)

Regions have Technological “Shared Challenges”



REN21 Renewable Energy
Policy Network
for the 21st Century



IRENA

International Renewable Energy Agency

Review of INDCs and other Reports

Technology	CARICOM	ECOWAS	EAC	SADC	SPC
RE - Solar PV	•	•	•	•	•
RE - Solar thermal	•			•	•
RE - Wind	•			•	•
RE - Geothermal	•		•		•
RE - Large Hydro		•		•	
RE - Small Hydro	•		•		•
RE - Biomass / Biofuels	•	•	•	•	•
Fuel Switch - to Gas				•	
EE - Cookstoves		•	•	•	•
EE - LED lamps	•	•	•	•	•
EE - Buildings	•	•	•	•	•
EE - Demand Side/Grid	•	•	•	•	•

Table to be finalized with inputs from Regions

Every region has at least 2 or more countries that have national targets / ambitions for several overlapping SECT

(Initiatives such as Lighting Africa and GACC needs to be replicated in other areas particularly around Energy Efficiency)

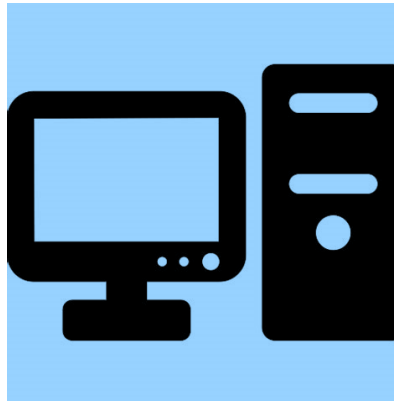
There is more to Financing

Financial Capacity	Recipient of Finance	Provider of Finance	Expectation of the Stakeholder	Role of GN-SEC centres in building Financial Capacity
Individual, End-Users Communities & Groups	X		Access to SECT Goods & Services	Raise Awareness on Financial Instruments aimed at Improving Affordability
Private Sector / Project Developers	X	X	Profit / Rate of Return against Investment	Coordination & Awareness to Strengthen the Business Case for Investments
Commercial Banks / Institutional Investors		X	Loan Pay-Back (Minimal Risk)	Facilitate Risk Reduction strategies through Demonstration, Awareness, Guarantees etc
Development Banks / International Donors		X	Verifiable Outcomes and Pay-back (loans)	Coordination at Programmatic level. including Monitoring & Reporting
National Government / Implementing Agencies	X	X	Allocation of resources & Verifiable Outcomes	Advisory & Coordination with Developing and Implementing Financial Instruments

While ‘access to finance’ remains a critical issue – there is an equal need to build stakeholder focused ‘Financial Capacity’

(The “sub-regional” development banks have limited mandate and are dependent on the larger regional development banks to drive SECT

Knowledge, Awareness and Other Issues



Several other ‘Building Blocks’ such as a Regional Conference on SECT, an Information Portal or Academic Programs exist but can be found lacking in many ways.

(Ex. ECOWREX provides a good template for a SECT database)



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Bring it Together: Recommendations



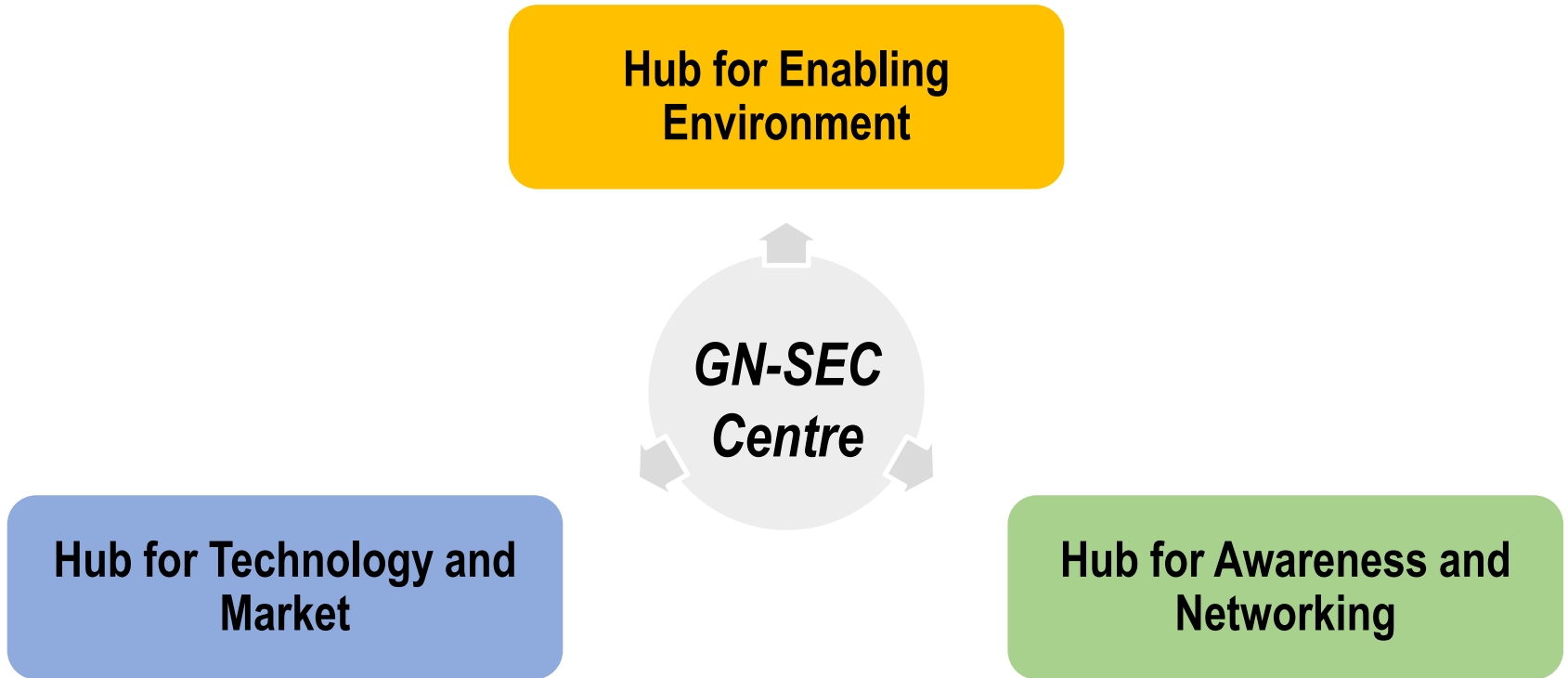


Summarizing the Key Findings

- **Regional approach has a strong Business Case for Private Sector investments and driving Economies of Scale**
- **Need to take a more balanced approach in setting out an Enabling Environment that considers Demand & Supply**
- **Significant synergies exist for promoting Technology and Markets within Regions and between Regions**
- **There is a need to strengthen capacities across all levels and leverage existing efforts to realize their potential**
- **Efforts will need to be supplemented by Awareness Creation and enhanced Cooperation and Partnerships**



3-Hub Strategy



Balanced Approach – Demand and Supply Chain

	Supply Side	Demand Side
Policies & Regulations	✓	✓
Fin / Non-Fin Incentives	✓	✓

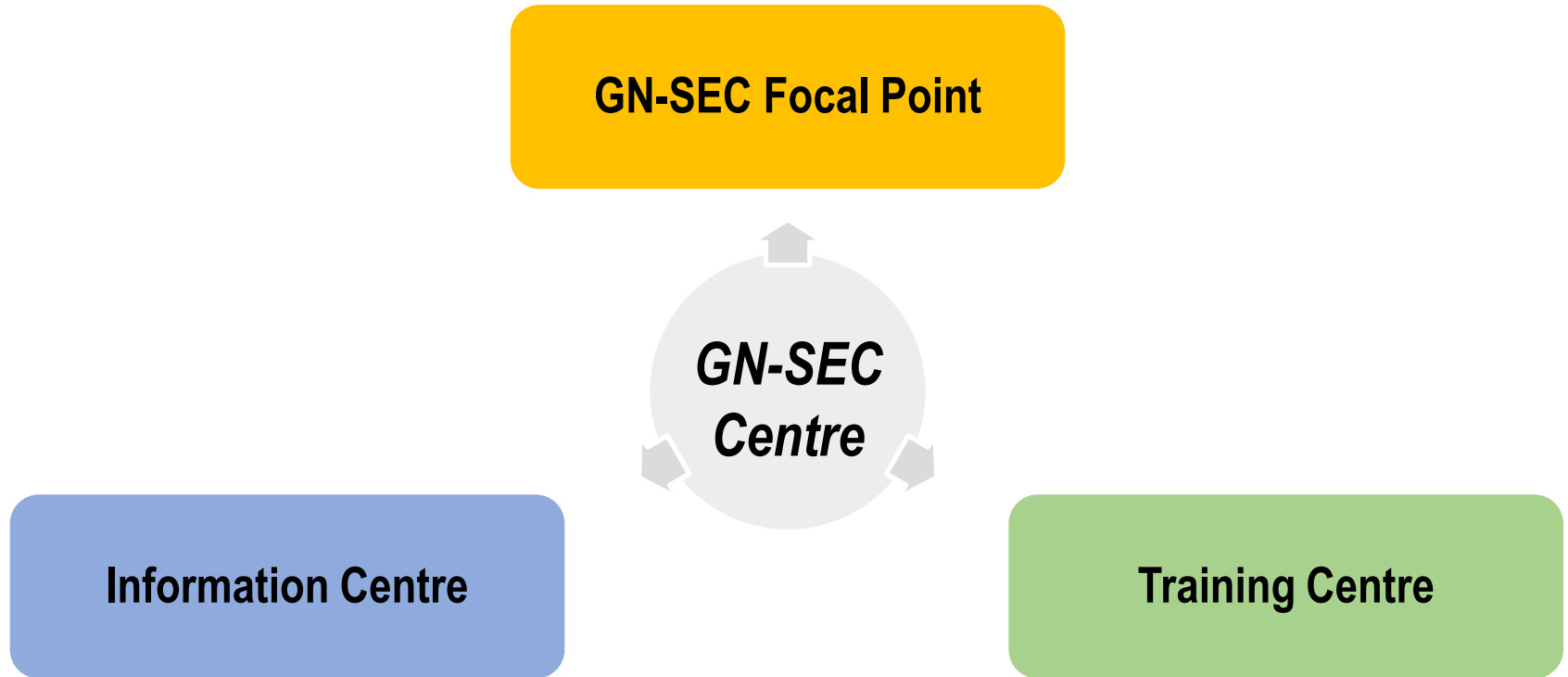


	Supply Side	Demand Side
Innovation, R&D	✓	✓
Advisory & Support	✓	✓

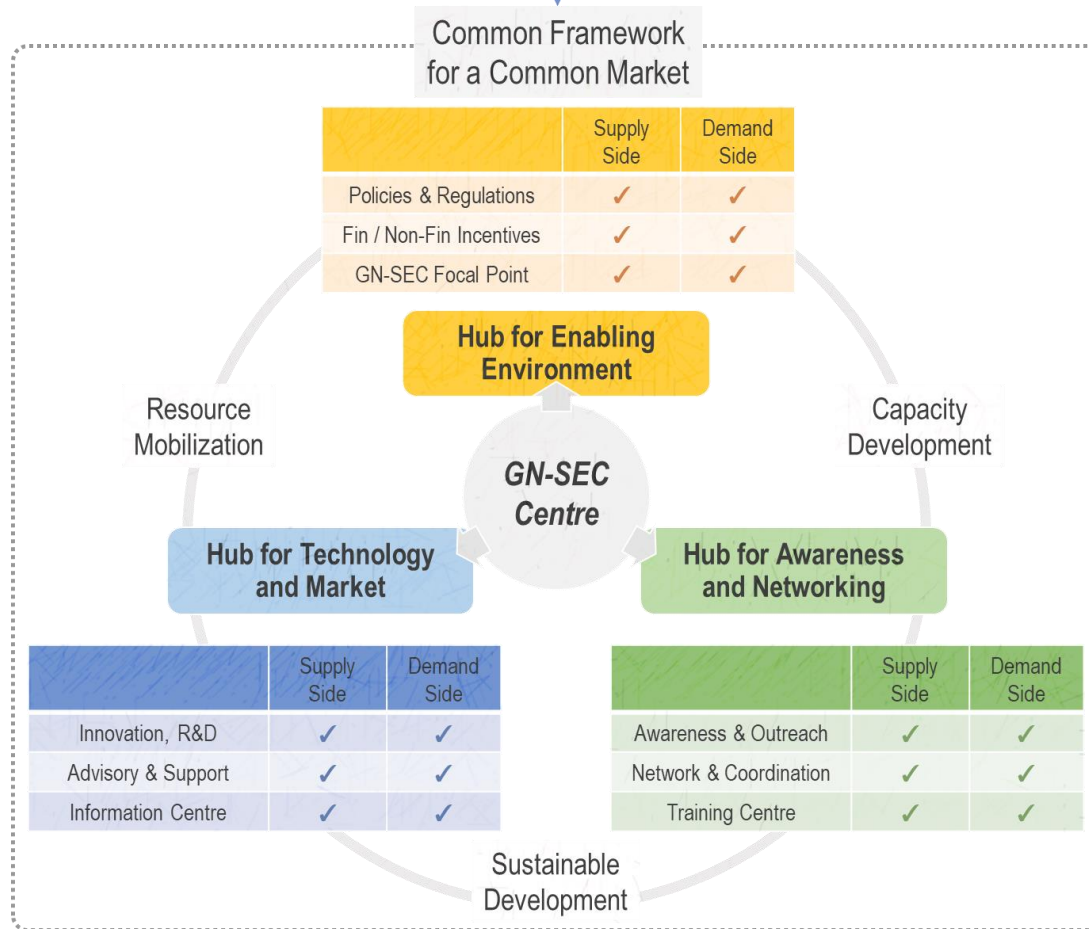
	Supply Side	Demand Side
Awareness & Outreach	✓	✓
Network & Coordination	✓	✓



Exstablish Centres of Excellence



Proposed 3-Point Strategy for creating an Equilibrium between Market Demand and Supply

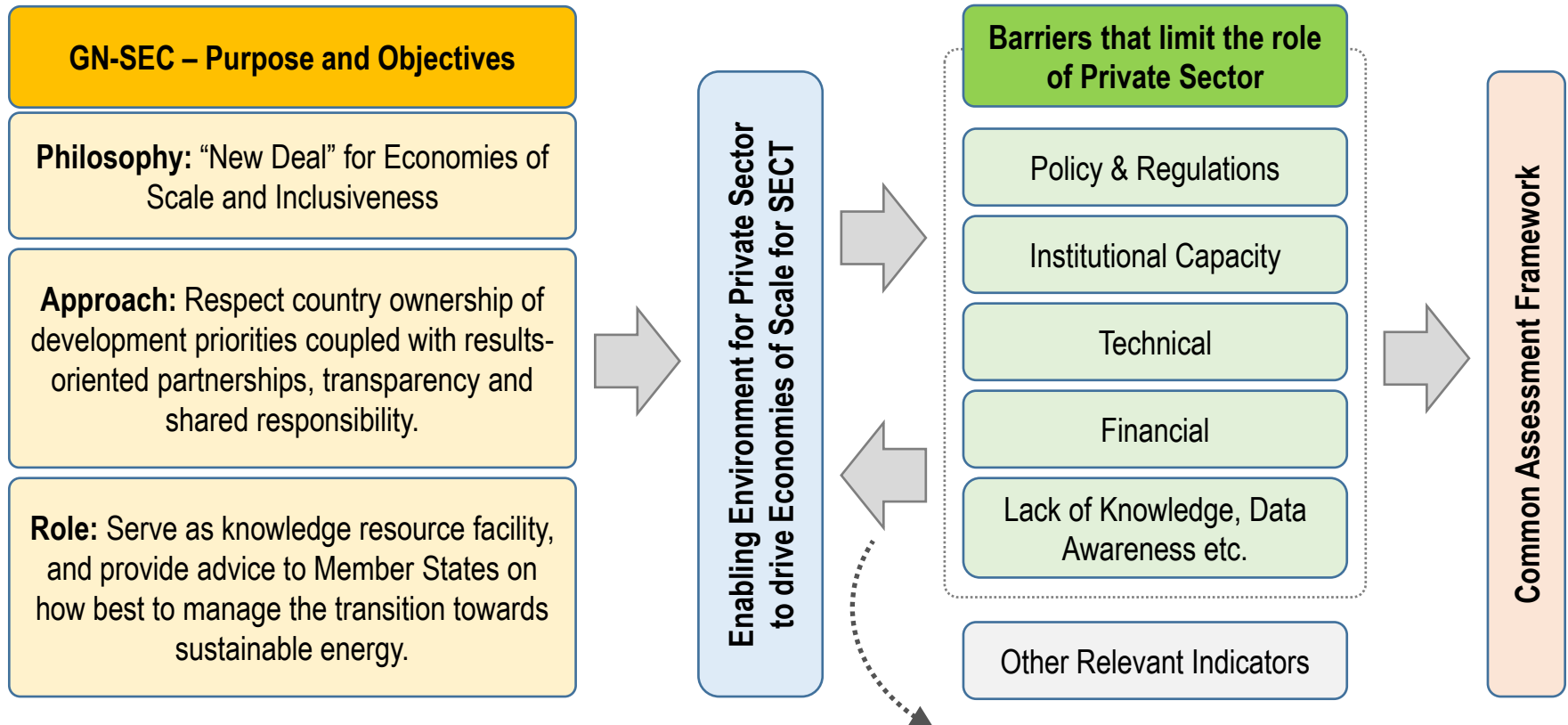




Linkage to the SDGs

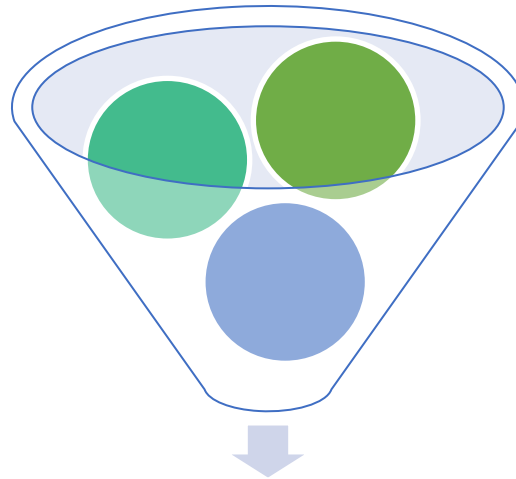


Setting the basis for the analysis – the CAF



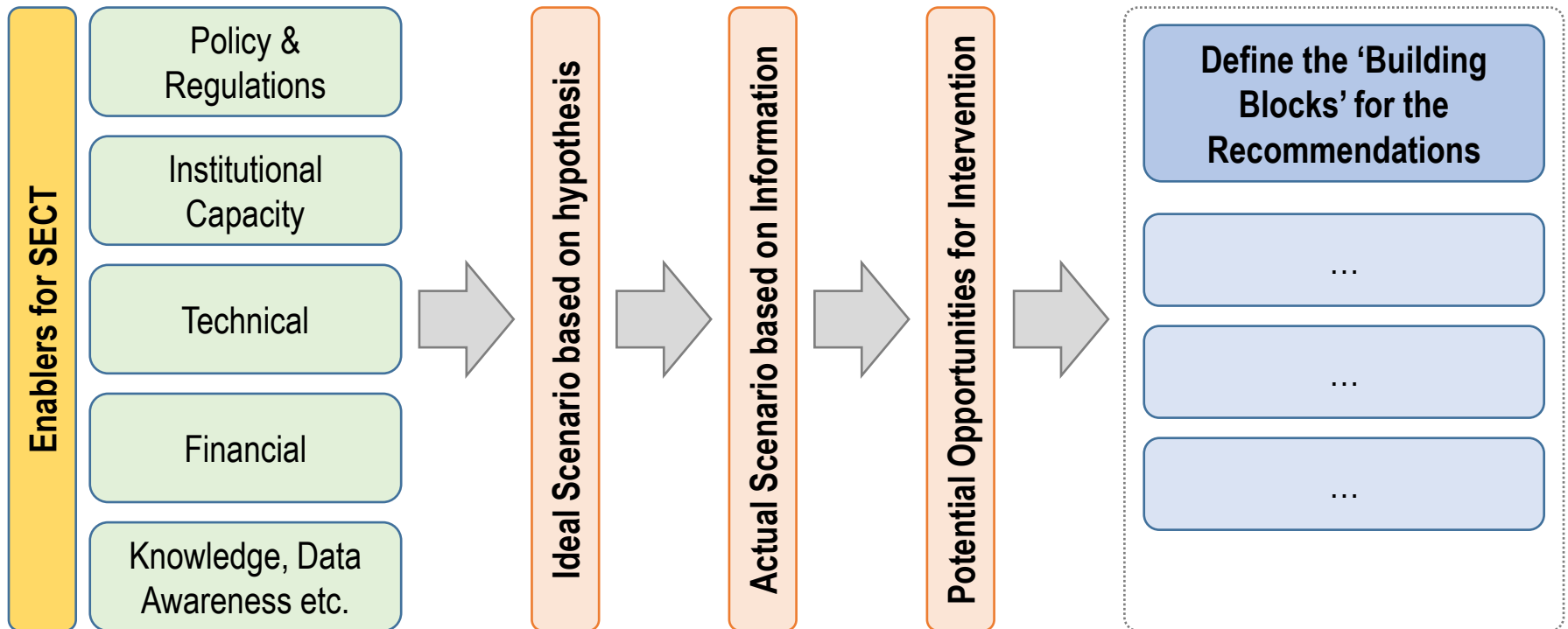
**What are the ‘ENABLERS’
to overcome these Barriers?**

Why the Common Assessment Framework (CAF):



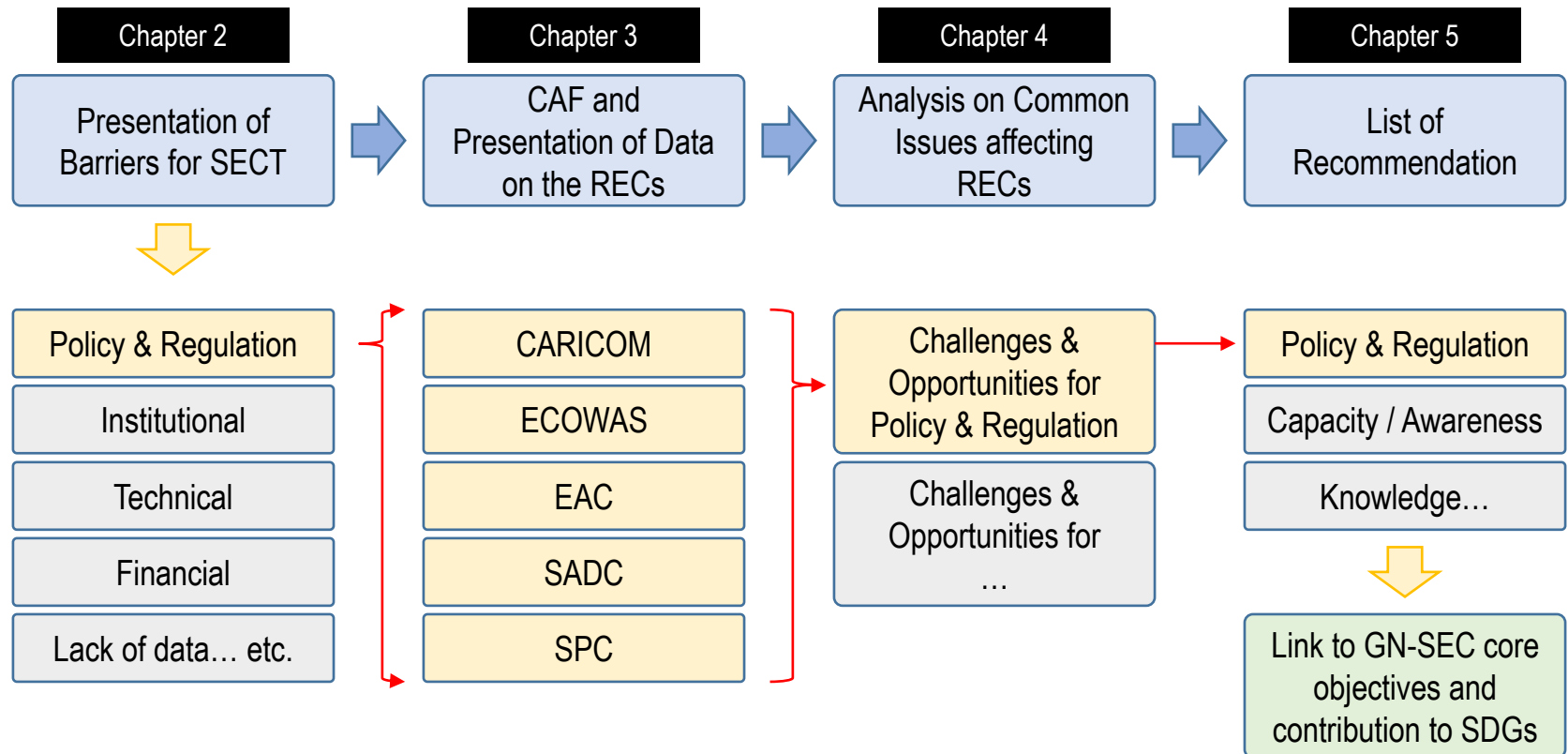
The CAF was intended to provide a “single lens” through which we could analyse the various sets of information and also establish a “boundary” to define the scope of the data collection and analysis

Distilling the CAF to define Recommendations



e.g. Enabler: The region has a suitable ‘Enabling Environment’ that provides sufficient confidence for the private sector to invest

How should the Report be Read and Understood:





Additional Slides





Thank You!

