

Renewable Solutions - NGO Recommendations for Moving Renewable Energy Forward

The rapid scale-up of renewable energy will require international cooperation and individual country action to maximize renewable energy applications (power generation, hot water and space heating, transportation fuels) and energy efficiency. There are several options and opportunities to promote renewable energy to increase energy security, decrease greenhouse gas emissions, and improve access to energy. Political will and leadership are needed.

Close to 100 NGO participants from 40 countries met on December 1, 2005 at the Renewable Solutions conference to develop recommendations on how to move the global transition to renewable energy forward. Following are the agreed upon recommendations that, if implemented, can effectively meet climate obligations, improve energy equity (both in terms of North/South and gender), and achieve security of supply without threatening human security.

The general conclusion of the conference is that in order to meet Kyoto targets and achieve the deep cuts required to prevent dangerous climate change, countries have to maximize renewable energy and energy efficiency to their full potential by setting and monitoring national targets and timelines for renewable energy and sustainable development, improving technology transfer and establishing a supportive international financing framework.

1. Recommendations for Targets

The setting of binding national targets for the production of renewable energy is one of the most effective mechanisms to accelerate their introduction. We recommend that:

- All governments set and achieve nationally binding short- and long-term renewable energy targets.
- Countries work collaboratively to meet their national targets through international alliances that facilitate the development of regional markets and trade.
- In supporting access to energy in developing countries, international funding agencies and ODA countries give priority to renewable energy projects that support national targets, greater energy security, capacity building, poverty reduction and maximize local benefits.
- Countries work cooperatively to develop a set of internationally agreed metrics for the setting of comparable targets and the measuring of progress on renewable energy deployment.

2. Recommendations for Financing Sources and Mechanisms

Given that an active political commitment to renewable energy with adequate financing mechanisms has multiple benefits such as economic development, job creation, energy security and reliability, we recommend that:

- International Financial Institutions set meaningful and ambitious renewable energy targets. Part of the funding should be geared toward the development of energy commodities export markets in least developing countries.
- A new Global Renewable Energy Investment Bank be established. The grant capacity of the Global Environmental Facility (GEF) to finance environmental and other benefits of renewable energy should be increased and be attached to the new Investment Bank.
- Developed countries commit to precise and ambitious targets for ODA for the development of renewable energy and this funding must be made more accessible to community level projects.
- All levels of government develop renewable energy policy and financing mechanisms for renewables and efficiency that are coherent across all areas of government.

- All national governments develop coherent, predictable, political and legal frameworks that are “loud, long and legal” in order to create long-term certainty and accelerate renewable energy market development.
- Governments implement incentive mechanisms such as feed-in tariffs, renewable portfolio standards (RPS), renewable energy certificates, standards and codes taking into account the technology’s relative position on the cost curve and social value.
- Conventional energy investment flows are diverted into renewable energy, especially at the local level.
- Investment policies and programs be comprehensive (all sectors and end-uses) and customized to different target groups. Particular emphasis should be placed on innovative community scale financing mechanisms such as micro credit and leasing.
- Governments set national renewable energy investment strategies that include targets and establish new revolving funds that rapidly increase investment in and debt financing of renewable energy. Governments should also require export credit agencies to allocate a large portfolio to renewable energy and energy efficiency technologies.
- Industrialized countries support capacity building initiatives that focus on the financing of local energy needs as a way of meeting the Millennium Development Goals.
- Governments actively participate in and finance partnerships that promote the financing of renewable energy and energy efficiency (including REEEP and GVEP), technology transfer and collaboration.
- Develop a renewable energy investment “attractiveness” index for all countries that includes sustainable and local development value in its metrics.
- Trade is stopped in low-efficiency second-hand equipment.

3. Establishing Fair and Equitable Renewable Energy Markets

In order to maximize the full potential of renewable energy, the markets need to be redesigned to support its development. We recommend that:

- All subsidies and tax credits for fossil fuel and nuclear power are phased out and support redirected to efficiency and renewable energy development. In order for a just transition, a parallel supply of renewable energy must be made available to those end-users facing hardship.
- Renewable energy producers be given priority access to the networks at reasonable and fair prices.
- Market mechanisms be created to ensure that poor people and communities reap the benefits that renewable energy can bring.
- The environmental impact and scale of technologies are given adequate consideration when awarding planning consents developed with supportive planning legislation and a stream-lined planning approval process.
- Research and Development funding be diverted from nuclear fission and fusion and fossil fuels to renewable energy and energy efficiency.
- All costing for energy products and services be required to include the full environmental and social costs to present and future generations of all their activities.
- To ensure transparency, energy companies supply consumers with information on their energy sources and their environmental impacts.

4. Technology Transfer and Capacity Development

Better technology transfer initiatives and enhanced international collaboration are needed to maximize renewable energy development. Technology transfer should occur as a Public Private People Partnership in order to ensure community and grassroots needs are met.

We recommend:

- Improve the technology transfer mechanism of the UNFCCC (Article 4.5) to facilitate and increase the adoption of renewable energy projects in developing countries.
- Design and implement new international, regional, national and community collaboration efforts focused on training, education, and local capacity development.
- Provide incentives to set up manufacturing plants of renewable energy equipment in developing countries, the goal of which is to build up local capital, engineers and technicians and thereby personnel capable of installing and maintaining equipment.
- Communities must be able to manage, control, and own renewable energy technologies to reduce dependency.
- Industrialized countries must facilitate the development of low impact technologies through funding community driven initiatives on an urgent basis, and technology transfer between developing countries and between EIT countries must be encouraged.
- Given that women bear a disproportional amount of the negative social, economic and environmental impacts of traditional energy sources, the development and deployment of renewable technologies must address gender inequity.

5. Carbon Financing (including and beyond the CDM)

(see document >Draft day 2 conference conclusions<)

6. International Co-ordination

Through the frameworks of the United Nations, G8 and European Union, a number of international bodies have been charged with supporting and co-ordinating the development of renewable energy and energy efficiency. We recommend that:

- CSD cycles 2006-2007 in addition to sharing lessons learned from renewable energy projects should set timetables for the establishment of national binding targets for the use of renewables. An effective, mandatory review mechanism that improves international data collection and assesses results should also be established.
- The World Bank led Framework for Clean Energy and Sustainable Development must introduce substantial new money for renewable energy and energy efficiency and exclude support for coal or nuclear projects.
- The G8, at the St Petersburg Summit, must give priority to increasing the efficiency of the existing oil and gas infrastructure rather than the further exploration and exploitation of fossil reserves. Existing oil and gas income should be reinvested into renewable technology.
- Multinational agencies working on renewable energy and energy efficiency must develop a mechanism to co-ordinate their activities.