

# CLIMATE INVESTMENT FUNDS

SREP/SC.6/CRP.1  
October 28, 2011

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Meeting of the SREP Sub-Committee  
Washington, D.C.  
November 1, 2011

COMMENTS RECEIVED FROM SREP PRIVATE SECTOR OBSERVER ON ELIGIBLE TECHNOLOGIES  
SUPPORTED UNDER SREP

1. Mr. Richard Taylor, private sector observer to the SREP Sub-Committee, has provided the following information regarding “critical components of the [SREP] Program.”

London, 25 October, 2011

**Ms Patricia Bliss-Guest**

Program Manager  
CIF Administrative Unit  
1818 H Street NW  
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Cc:       Scaling Up Renewable Energy Program Sub-Committee Members  
          International Renewable Energy Alliance (REN Alliance) Partners

Dear Ms Bliss-Guest

As the first two-year term of observation to the Climate Investment Funds draws to a close, I write to reflect on my observations on the Scaling-Up Renewable Energy in Low Income Countries Program (SREP). I should note that my role has been constrained in so much that my “private sector” observer seat was shared with a third party, with a switchover which only allowed my observation during the second year.

Before the next period of engagement begins, I believe it is the responsibility of an observer to raise concern with regard to some critical components of the Program. It would be appreciated if these concerns could be discussed with the participants of the upcoming SREP Sub-Committee Meeting (1<sup>st</sup> November 2011).

At the November 2010 SREP Sub-Committee Meeting (the hand-over meeting for my observer seat), I raised concern that an inaccurate understanding of the Renewables 2004 Political Declaration had been utilized to define the scope of SREP Programming Modalities and Operational Guidelines. That is, on page 9 of the document, the text reads: “*SREP should provide financing for renewable energy generation and use of energy using proven new renewable energy technologies*”. The document goes on to list these technologies, limiting the use of financing to hydropower “with capacities normally not to exceed 10MW per facility”. The footnoted explanation claims that this definition is derived from “the International Renewable Energies Conference held in Bonn, Germany, in June 2004”.

Reference to the Renewables 2004 Political Declaration (enclosed), the official outcome of the International Renewable Energies Conference, confirms that (1) it does not cite or define “new renewable energy”, and (2) does not arbitrarily split hydropower, or any other renewable energy source, by scale. The same is true for the agreements reached under the Earth Summit (1992), the Millennium Declaration (2000) and the World Summit on for Sustainable Development (2002); all of which are referenced in the Bonn Declaration.

The International Renewable Energy Alliance (a partnership of global associations, representing bio, geo, hydro, solar and wind energy), along with several other renewable energy initiatives, have acknowledged for some years now that renewable energy sources often require connection and optimization within systems, if they are to deliver reliable and efficient services to consumers. It is also acknowledged that renewable resources are unevenly distributed and often distant from the consumer community. This is true for all regions, but especially relevant in the sustainable development of low income countries.

In the spirit of the Climate Investment Funds, and especially with regard to the intention to scale-up renewable energy, it is extremely concerning that ‘winners and losers’ are being predefined before an appraisal of the case-specific context of renewable resources available, and the potential portfolio of solutions that might be appropriate as a pathway for low income countries to follow. For example, to deploy pilot funds in Nepal and Ethiopia to bring forward renewable energy solutions, while at the same time prohibiting the inclusion of one of the main renewable resources available, is a most unfortunate approach.

I sincerely hope that the wisdom of the existing scope and direction could be revisited at the upcoming meetings next week. I believe this to be a matter of concern to the SREP Sub-Committee, the entire administration of the Climate Investment Funds, and to future clean energy initiatives.

Unfortunately, these meetings clash with the World Wind Energy Conference in Cairo, which includes meetings of the International Renewable Energy Alliance. As a result, I will not be able to attend the Washington meetings; however, I would be available to give further clarification either before or afterwards.

With regard to moving forward, I would like to propose a closer relationship with the renewable energy community of developers, practitioners and researchers. The collaborative work of initiatives such as the International Renewable Energy Alliance brings a spirit of connection with what is happening on the ground, and what is the contemporary progress in synergies and efficiencies between the renewables. This includes the sustainability assessment of what is being done. I do not see such work being well represented in the current "civil society" and "private sector" categories of observers to the Climate Investment Funds, and I would respectfully ask if some thinking could be given to this concern too.

Lastly, I wish your meetings a great success, and regret that my prior commitments prevent me from attending as an observer on this occasion. I would hope to continue observing in the future, but also hope that space for others in the renewable energy world could be made available too (without the sharing of seats). It would seem logical, and in the interest of all parties, that seats might be made available for bio, geo, hydro, solar and wind representatives. This would indeed be consistent with the Bonn Declaration.

With kind regards

A handwritten signature in black ink, appearing to read 'Richard Taylor'.

Richard M. Taylor (rmt@hydropower.org)  
Observer, SREP Sub-Committee, Climate Investment Funds  
Executive Director, International Hydropower Association  
Partner Director, International Renewable Energy Alliance

Enclosure: Political Declaration of the International Conference for Renewable Energies, Bonn 2004



4 June 2004

## POLITICAL DECLARATION

1. Ministers and Government Representatives from 154 countries gathered in Bonn, Germany, June 1-4, 2004, for the International Conference for Renewable Energies<sup>1</sup>, acknowledge that renewable energies combined with enhanced energy efficiency, can significantly contribute to sustainable development, to providing access to energy, especially for the poor, to mitigating greenhouse gas emissions, reducing harmful air pollutants, thereby creating new economic opportunities, and enhancing energy security through cooperation and collaboration.
2. Ministers and Government Representatives agree to build upon the results and agreements reached at the Earth Summit in Rio de Janeiro (1992), the Millennium Declaration and the Millennium Development Goals (2000), and the World Summit for Sustainable Development (2002). They reaffirm their commitment to substantially increase with a sense of urgency the global share of renewable energy in the total energy supply. They share the vision that renewable energies, combined with increased energy efficiency, will become a most important and widely available source of energy and will offer new opportunities for cooperation among all countries.
3. Ministers and Government Representatives also reaffirm their commitment to achieving the United Nations' Millennium Development Goals, in particular the goals to halve the proportion of people living in extreme poverty and to achieve environmental sustainability by 2015. Reaching these goals will require significantly expanded access to energy in developing countries. It is estimated that up to 1 billion people can be given access to energy services from renewable sources, provided that market development and financing arrangements can be enhanced as intended through the Conference's "International Action Programme".
4. Recognising the diversity of circumstances among regions and countries as well as their common but differentiated responsibilities and respective capabilities, Ministers and Government Representatives underline the need for coherent regulatory and policy frameworks that support the development of thriving markets for renewable energy technologies and recognise the important role of the private sector. This includes removing barriers and allowing for fair competition in energy markets and taking into account the concept of internalising external costs for all energy sources. Such frameworks are essential to realising the potentials for renewable energy technologies in an effective and efficient manner, to creating favourable conditions for public and private investments in renewable energies, and to extend modern energy services to populations currently without access. Ministers and Government Representatives take note of countries who have adopted, and others who will adopt, targets for enhancing the share of renewables in their national energy mix and also take note with appreciation of the "Policy Recommendations for Renewable Energies", which provide a menu of options to decision-makers.

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<sup>1</sup>In the context of *renewables 2004*, renewable energy sources and technologies include: solar energy, wind energy, hydropower, biomass energy including biofuels, and geothermal energy.

5. Ministers and Government Representatives view enhanced international cooperation for capacity building and technology transfer, effective institutional arrangements at all levels, corporate responsibility, microfinance, public-private partnerships, and advanced policies by Export Credit Agencies as crucial to expanding finance for renewable energies. Financial incentives and higher shares of ODA as catalytic funding should also be considered. International Financial Institutions, including the World Bank and the Regional Development Banks, should significantly expand their investments in renewables and energy efficiency and should establish clear objectives for renewable energies in their portfolios.
6. Ministers and Government Representatives support the strengthening of human and institutional capacities for renewable energies. This includes: (a) building capacity for policy analysis and technology assessment and strengthening educational efforts, gender mainstreaming and the role of women; (b) raising awareness of government decision-makers and financiers of the benefits of renewable energies; (c) promoting consumer demand for renewable energy technologies; (d) supporting development of marketing, maintenance, and other service capacities; and (e) strengthening regional and international collaboration and stakeholder participation, including women's groups, to facilitate access to, and sharing of, relevant information and good practice.
7. Ministers and Government Representatives emphasise the need for additional targeted research and development, especially by developed countries, including indigenous research and technology development in developing countries and economies in transition. Emphasis should be on affordability and cost reduction, on innovative business and financing models and on cost-effective, consumer-friendly cost-recovery models, recognising that different renewable technologies offer different opportunities and face different constraints.
8. Ministers and Government Representatives commit to work toward these objectives, individually and jointly, by undertaking the actions they have submitted for inclusion in the "International Action Programme" and through other voluntary measures. They agree that these measurable steps should be reported to the UN Commission on Sustainable Development (CSD) and that progress should be reviewed as foreseen in the Johannesburg Plan of Implementation. An appropriate arrangement for follow-up should be identified in a future meeting in preparation for CSD 14/15.
9. Ministers and Government Representatives agree to work within a "global policy network" together with representatives from parliaments, local and regional authorities, academia, the private sector, international institutions, international industry associations, consumers, civil society, women's groups, and relevant partnerships worldwide. This informal network should take into account the work already being undertaken by existing partnerships and should promote a comprehensive and open exchange of diverse perspectives, lessons, and experiences in the development and application of renewable energies.
10. Finally, Ministers and Government Representatives are committed to achieving tangible progress, as well as substantive follow-up, at CSD 14/15 and therefore resolve to continue the high-level political dialogue begun in Bonn.
11. The Ministers expressed their compliments to the Government of Germany and the German people for organising the Conference and for the opportunity it represented to stress the importance for advancing in the implementation of the commitments of Johannesburg on renewable energies to reach sustainable development worldwide.