Climate Parliament
Legislators working worldwide to combat climate change

Parliamentary Action for Renewable Energy

Brief Description

The longer the world fails to act decisively on climate change, the higher the risks and the costs. All countries face these risks; yet the poorest who have contributed the least to the problem have the least capacity to manage them and adapt. Renewable energy development is pivotal for meeting the growing energy needs of developing countries in a clean, secure and sustainable way and is therefore central to climate change mitigation efforts. However, significant barriers continue to keep renewable energy from successfully competing in the open marketplace with fossil fuels. Most notably, unfavourable legal and regulatory frameworks create considerable risks for public and private investment in renewable energy development. To achieve universal access to energy, and to deliver on the global targets that have been committed to, political support must be amplified and urgent legislative and financial reforms are required. Members of Parliament can help generate that political will and have a key role to play in supporting the development of policy and regulatory frameworks for renewable energy.
In this project, UNDP chose to cooperate with Climate Parliament. UNDP is uniquely placed to build the capacity of developing country parliaments on energy issues, and to strengthen links between MPs and the UN system. The European Commission through its support to SE4ALL, the Africa-EU Partnership, the EU-African Infrastructure Trust Fund, the Global Energy Efficiency and Renewable Energy Fund and its National Indicative Plans has clearly identified the development of renewable energy as a priority. The Climate Parliament is an international cross-party network of legislators, dedicated to preventing climate change and promoting renewable energy. It is the leading independent parliamentary network with renewable energy development as its primary focus.

I. SITUATION ANALYSIS

1. Introduction

The longer the world fails to act decisively on climate change, the higher the risks and the costs. All countries face these risks; yet the poorest who have contributed the least to the problem have the least capacity to manage them and adapt. Renewable energy development is pivotal for meeting the growing energy needs of developing countries in a clean, secure and sustainable way and is therefore central to climate change mitigation efforts. It also offers unique opportunities for reducing the growing gender gap with regard to energy access, in particular in rural areas, and as such can make important contributions to the social and economic empowerment of women and girls.

In light of this pressing need for clean energy development, the Sustainable Energy for All (SE4All) initiative by United Nations Secretary-General Ban Ki-Moon calls for at least a doubling of the share of renewables in the global energy mix by 2030. Many developing countries have national targets that go well beyond this. Considerable progress has already been made: developing countries, often richly endowed with solar,

wind, hydro and geothermal energy, account for 80% of today's global investment in renewables. The European Commission is fully committed to UN Secretary General Ban Ki-Moon's 'Sustainable Energy for All' initiative and has rolled out over 600M EUR over the last two years alone to address energy poverty. This work will be further reinforced with about 30 countries that have chosen energy as a focal sector for their bilateral cooperation with the EU in their current multi-annual financial framework.

However, significant barriers continue to keep renewable energy from successfully competing in the open marketplace with fossil fuels. Most notably, unfavourable legal and regulatory frameworks create considerable risks for public and private investment in renewable energy development. To achieve universal access to energy, and to deliver on the global targets that have been committed to, political support must be amplified and urgent legislative and financial reforms are required.

Parliamentarians have multiple entry points at their disposal to facilitate the relevant investment frameworks in a sustainable, inclusive and transparent manner. As a first step, a commitment to renewable energy on the part of the government signals to investors that a country offers stable prospects for renewable energy development. Parliament can generate political will on the side of government by questioning some of their policies or pushing for new and increased budgets for renewable energy, which show a commitment to renewable in a given country. Following this, a secure and transparent legal framework, overseen and enforced by parliament, is necessary to bring in investors.

UNDP has developed an innovative framework "De-risking Renewable Energy Investment"[1] aimed at assisting policymakers to quantitatively compare the impact of different public measures to promote investment in renewable energy. It shows, for instance, how barriers and risks to renewable energy investment need to be addressed in a systemic manner and how successful approaches need to be based on inclusive stakeholder participation, involving not only the private sector, but also civil society and marginalized groups.

However, there is still a shortage of political will in most countries to promote such an approach.

Members of Parliament can help generate that political will and have a key role to play in supporting the development of policy and regulatory frameworks able to attract the required public and private investments.

As representatives, parliamentarians are responsible for channelling the views and concerns of the public, including vulnerable groups, and for advocating on their behalf in decision-making. Lastly, effective parliamentary oversight is increasingly understood as an essential 'de-risking' requirement for public and private investors alike since it promotes transparent and accountable transactions that contain a public component.

2. Stakeholder analysis

The principal stakeholders in the project are the parliamentarians themselves, who will be supported in becoming more active and effective on renewable energy policies. A major motivation for national legislation is the rise and the volatility of fossil fuel prices, which is a major concern for legislators in all developing countries. Capacity development of parliamentarians in three countries in West Africa will have a positive impact on climate change more broadly, by helping to build the political will necessary for firmer action.

The ultimate beneficiaries of the project are the MPs' constituents – particularly those who currently have no access to electricity. Any improvements in policies, incentives for private investment, and increased budget allocations for renewable energy will accelerate its rollout to rural villages that have no immediate prospect of connection to the national grid. For them, renewables offer in most cases the best chance of rapidly receiving modern energy services, without being subject to the wild fluctuations that we have seen

[1] http://www.undp.org/content/dam/undp/library/Environment%20and%20Energy/Climate%20Strategies/Derisking%20Renewable%20Energy%20Investment%20-%20Full%20Report%20(May%202013)%20ENGLISH.pdf

recently in the price of diesel fuel for generators. Prices for renewable energy solutions have fallen tremendously in the last decades, and are foreseen to decrease further. Renewables are already very competitive in areas which are not linked to national electricity networks, many of which will not be connected in the foreseeable future.

Because of the lack of capacity at the decision-making level on this issue, parliamentarians are not or do not feel themselves to be in a position to facilitate or draft favourable legislation for renewable energy. New legislation is needed to put into place policy frameworks to attract new businesses and investors in renewables. It is also important to keep in mind that in changing the investment environment in the energy sector, one might touch upon vested interests of established markets which are often dominated by utilities with links to their respective governments. This underlines the need for leadership on this issue in the parliaments.

II. STRATEGY

The project seeks to strengthen the capacity of parliaments in **West Africa** to elaborate coherent and effective policy frameworks in support of renewable energy and climate change mitigation. The project will build up networks of MPs in this region, in order to give them access to information on climate change, enhance the political will to work on climate change and support a network of peers that they can collaborate with. Finally, the project will build capacity to advance energy policy.

1. Partnership

The Climate Parliament is an international cross-party network of legislators, dedicated to preventing climate change and promoting renewable energy. It is the leading independent parliamentary network with renewable energy development as its primary focus. Its Secretariat supports parliamentarians to undertake initiatives at national and regional levels to help accelerate the global transition to renewable energy. The Climate Parliament has been working with MPs on renewable energy for over five years, and has established a network of legislators from across Asia, Africa and Europe, all dedicated to affecting the renewables switchover.

By combining the roles and abilities, UNDP and Climate Parliament together can help legislators move from words to action. With support from the European Commission and its delegations on the ground, MPs will be able to benefit from initiatives undertaken by the EC, both in country and at headquarters.

2. Approach

UNDP and Climate Parliament have successfully piloted an approach that builds investment-friendly frameworks by providing targeted technical capacity to cross-party parliamentary groups. Support to national cross-party groups is underpinned by regional and global information exchange, parliamentary collaboration and advocacy efforts.

As the Parliamentary Action on Renewable Energy (PARE) in Asia, Africa and the Arab States has illustrated, Members of Parliament can help **generate political will** and have a key role to play in supporting the development of policy and regulatory frameworks able to promote renewable energy in their country. As representatives, parliamentarians are responsible for channelling the views and concerns of the public, including vulnerable groups, and for advocating on their behalf in decision-making.

Moreover, one of the lessons learned of the project has shown **working through cross-party groups delivers results**. Creating new networks that go beyond the established Energy or Environment Committees allows MPs to build parliamentary support for renewables across the political spectrum. As a result, renewable energy can draw on the support of MPs across many parliamentary committees and parliamentary traction for their initiatives is enhanced. The 'network effect' leads to increased motivation and commitment among interested MPs, and has proved highly successful in engaging significant numbers of women MPs. Cross-party action groups are also free from vested interests that may not look favourably

on renewable energy. As such, they provide a more fertile breeding ground for swift and sustained parliamentary action.

Finally, working through cross-party groups have proved highly successful in engaging significant numbers of **women MPs** who might not have otherwise been dealing with their country's energy issues. It is quite rare to see women MPs sitting in committees in charge of energy policy as, in many countries, it is seen to be a very male dominated field. However, by involving men and women MPs, to incorporate gender perspectives in energy policy and planning is critical to ensure the effectiveness of all development activities that involve energy use and to make a dramatic improvement to women's lives.

The countries selected for this pilot project are Senegal, Benin and Ivory Coast. These countries have been selected, based on European Commission support to renewable energy in the country, existing UNDP projects in parliamentary development, the political situation of the country and space for reforms within the country, as well as language and region. Based on the final evaluation report of the previous PARE contract (EuropeAid/1326633/C/SER/MULTI), the country selection might be reassessed during the implementation period if local conditions change.

Senegal has no proven reserves of coal, oil or natural gas but is generously endowed with renewable resources, notably solar and wind. Senegal has joined the Sustainable Energy for All initiative and appears committed to harnessing its renewable energy resources, actively pursuing investments and opportunities abroad. While there is a strong political will to increase the share of clean energy (CE) sources – the 2012 Energy Sector Development Policy sets a 15% target of renewable energy (RE) sources in the supply mix by 2025 — Senegal has failed to attract any significant investments for RE infrastructure development projects, receiving only $210 Million in CE investments between 2006 – 2012. While new tax incentives are expected with the implementation of the Renewable Energy Orientation Law of 2010, the current fiscal climate is not yet favourable enough for manufacturers or potential investors to catalyse the growth of the market. Despite the lack of installed clean energy capacity, high power and fossil fuel prices has allowed for the development of relatively good market conditions in the distributed energy sector. The energy sector in general benefits from strong regulatory frameworks and energy access policies aimed at increasing electrification rates. Further, in 2013, the government opened up and completed bidding for contracts to build 310MW of solar and wind energy capacity to be finished by 2017. So far 150 MW of solar public–private agreements have been signed. However, the regulatory environment for the clean energy sector specifically remains too underdeveloped at present for Senegal to meet its 15% target by 2025. The Senegalese Government will prioritise the development of the regulatory and fiscal framework for the clean energy sector so as to further incentivise private investment. This will be done through the continued implementation of the Renewable Energy Orientation Law of 2010, more specifically the Third Decree of the Energy Orientation Law, which includes several potential tax and fiscal incentives for the development of renewable energies in Senegal.

Under PARE I, a successful cross-party group of members of parliament has been established and has delivered some notable results. In addition to improving parliamentary oversight of the renewable energy sector by submitting parliamentary questions, parliamentarians are currently pressing for the necessary presidential decrees to implement a new Renewable Energy Law passed by the last government. The PARE group members have signalled a strong willingness to continue their involvement and build on their results to date, most particularly in financial models for scaling up renewable energy, in increasing the government budget for renewables and in combining public and private finance in innovative ways. As, such, they constitute a critical mass of parliamentarians that is willing to act on renewable energy and that has the capacity and the political space to do so, providing the necessary technical support and assistance is available.

Within the Africa-EU Partnership, the European Commission will be financing grants of 95M EUR for 16 projects across nine African countries, of which Senegal to provide access to energy in rural areas. Through the support of the European Commission for instance, leader in rural communities of the region of Ziguinchor, Kolda and Tambacounda were trained in the promotion of renewable energies through the DPER-South East Senegal project.

Ivory Coast has much renewable energy potential, in particular from hydro, solar and wind resources. It has established a target of 5% of primary energy from renewables (excluding biomass) by 2015. Additionally, three registered clean development mechanism projects are focusing on renewable energy. The agency in charge of these initiatives is the National Authority for the Regulation of the Electricity

Sector established in 1998, tasked with regulating the transport, imports and exports of electric energy to the state. Full-fledged development of Ivory Coast's renewable energy potential is hindered by a lack of comprehensive planning at the national level, and by limited access to financial means. Beyond the 5% target there are no regulations or incentives in place to promote renewable energy, and the framework for financial investments is considerably underdeveloped. To address this, the Ministry of Mines and Energy is in the process of drafting new regulations, but it is not clear how these will develop and to what extent private or public stakeholders will be involved in this process. Since 2006, Cote d'Ivoire has only received $120million in private investments for renewable energy projects and has been unable to attract any further investment since 2009. With regard to new projects, Hanergy plans to invest $500 million to set up a thin film solar module factory and a utility-scale plant in Ivory Coast. This appears to be the only significant infrastructure project to date.

UNDP is providing significant parliamentary development support in Ivory Coast in the framework of its 'Institutional support to the Ivorian National Assembly' (2013-2016). The Climate Parliament Regional Coordinator, based in Dakar, is available to help build a cross-party network of parliamentarians and provide the necessary support in taking their activities forward in parliament. Ivory Coast too has joined the Sustainable Energy for All initiative and is a member of ECOWAS' Regional Centre for Renewable Energy and Energy Efficiency (ECREEE), signaling an intention on the part of the government to explore the country's renewable potential.

The National Indicative Plan (2014-2020) has identified the energy sector as a priority for cooperation between the EC and Ivory Coast and in particular through the support of the use of renewable energy in the production of electricity. The NIP identifies that the institutional, regulatory and financial framework will be strengthened to allow for development of renewable energy through private investments. The European Commission is supporting various projects in renewable energy, such as for instance the establishment of small units for the production of solar energy in Ivory Coast.

In Benin, the demand for electricity has doubled in the past decade and is forecasted to double again in the next five years. As for many countries in the region, 100% of consumed petroleum products are imported and 90% of electricity consumed comes from outside of Benin. Even with imported electricity, there is an average national power supply deficit of almost 50MW. This foreign energy dependency has made the Benin economy highly susceptible to dollar value and fossil fuel price fluctuations. While Benin lacks the current infrastructure to meet demand, recent geological studies have shown that the country has an important renewable energy generation potential. The Ministry of Energy, Oil, and Mining Research, Water and Development of Renewable Energy estimated that, based on these studies, it is realistic to assume a minimum target of 25% renewable energy in the energy mix by 2025. This target has, however, not yet been made official through any government mandate. Benin hydroelectric potential is the most significant, with major rivers and an Atlantic coastline. A recent survey shows the Oueme River is sufficient for twenty sites with a total capacity of 760 MW, and annual output of more than 280 GWh. Approximately 80 other sites are equipped with small-scale hydro installations for rural electrification. One of the more relevant energy policy targets for Benin is the 70% electric power independence by 2025, of which a significant portion coming from renewable energy sources. To further demonstrate its commitment to the development of its clean energy sector, Benin enacted Law No. 2012-11 of 26 January 2012 allowing the ratification of the Statute of the International Renewable Energy Agency (IRENA). This untapped renewable energy potential, along with the discovery of 87 million barrels oil off of the coast of Benin in October 2013, represents a significant investment opportunity for foreign money in the Benin energy sector. This has led government to pass sweeping legislative reform in the business and financial sectors in an attempt to significantly improve the investment climate in Benin and maximise potential financing opportunities. Reforms have been underway in the competition, property, and customs sectors in light of Benin's investment potential. As is the case in other West African States, robust market conditions for the energy sector often has a trickle-down effect to the renewable and clean energy sector, especially in Benin, where financial opportunities in both are significant. However, the current enabling framework for renewable energy investments remains highly limited. Benin is in the beginning phases of introducing an institutional entity for the development of renewable energy. Currently, only one major hydroelectric site functions. In 2014, Benin has established the *Agence Nationale des Energies Renouvelables (ANADER),* which is expected to be responsible for all projects related to clean energy. Moreover, it has formulated the Policy and Strategy Document for the Development of the Electricity Sector that provides the long term vision and the strategy of the country by 2025, which identifies areas of strengthening of the legal and institutional

framework where the support of parliament is crucial. Further, without any outside financing, initial investment and capital costs are still too high for renewable energy infrastructure projects, and there exists no specific renewable energy tariff policy.

In the framework of the Support Programme for Capacity Building and Modernization of the National Assembly of Benin (2014-2018), UNDP is supporting the parliament in its constitutional mandate, including the strengthening the capacity of the parliament to analyze and monitor the implementation of public policies.

The National Indicative Plan (2014-2020) has identified the energy sector as a priority for cooperation between the EC and Benin for a total of 139M EUR. The NIP identifies that the institutional, regulatory and financial framework will be strengthened to allow for development of renewable energy through private investments. Several initiatives supporting the development of renewable energy are currently ongoing in Benin, such as for instance the project Energy Facility supported by the European Union , AFD and the GIZ, which has completed a comprehensive study of opportunities for rural electrification through renewable energy systems.

3. Expected outcomes, outputs and activities

Outcome

National legal and regulatory frameworks for renewable energy development are strengthened and parliamentary oversight of the sector is improved, thus providing a more secure, attractive environment for public and private investment.

Outputs

1) *Cross-party parliamentary groups are established to champion renewable energy in their national parliament.*

- Create/strengthen a cross-party network by identifying 10-15 MPs in each country to champion the issue in their national parliament.
    i. Hire and train staff to identify MPs and provide advisory services
- Organize regular meetings of steering committees
    i. Staff support to organize meetings (catering, list of participants and logistics)
    ii. Staff support to provide advisory support (agenda)
- Secure support from lead experts with knowledge on relevant issues, in particular climate finance and relevant policy instruments, to facilitate parliamentary action.
    i. Hire consultants as requested
    ii. Staff/consultant provide advisory support through travel and communication (skype, phone)
    iii. Travel of experts as requested

2) *Parliamentarians in beneficiary countries are better informed about the potential of renewable energy for improving access to sustainable energy and the political will to develop renewable energy resources is enhanced*

- Targeted technical assistance supports MPs in addressing legal and regulatory points for reform by organising consultations, formulating policy recommendations, submitting letters to the government, and proposing amendments or legislation.
    i. Staff provide advisory services, including through travel and communication (skype, phone)
    ii. Hire translation services to exchange best practices
- Targeted technical assistance supports MPs asking parliamentary questions, commissioning reports, impact studies and assessments, and launching inquiries.
    i. Staff provide advisory services, including through travel and communication (skype, phone)

ii. Hire translation services to ensure best practices across the world are shared

3) *MPs are better positioned to advocate effectively for renewable energy through regional hearings and knowledge sharing facilities and online learning opportunities*
   - Two regional hearings allows MPs to connect with their peers and leading global experts on best practices, new developments and promising opportunities for parliamentary action.
     i. Staff and consultant provides advisory services (agenda, speakers, content support)
     ii. Organize stakeholder meeting logistics (draft invitation, identify participants, organize catering, organize travel of participants, organize translation etc.)
     iii. Participants travel to the events
     iv. Translation services provided as requested
     v. Staff draws up report and communicates on the event

4) *Gender is integrated across all activities*
   - Ensuring a minimum of 30 % representation of women MPs in the national chapters and at regional hearings
     i. Staff/consultant provide advisory support through travel and communication (skype, phone)

   - Engaging gender experts to help sensitize MPs to gender aspects of energy during the national capacity-building trainings and the regional workshops
     i. Staff/consultant provide advisory support through travel and communication (skype, phone)

4. Deliverables

- ✓ Establish a cross-party group of 15 MPs in Benin, Cote d'Ivoire and Senegal of which 30% of representation of women
- ✓ Organize 8 steering committee meetings per country in Senegal, Benin and Cote d'Ivoire
- ✓ Draft at least 10 papers and research for MPs on climate change and renewable energy
- ✓ Organize two regional meetings with MPs from Senegal, Benin and Cote d'Ivoire, with a minimum of 30 MPs participating per meeting
- ✓ Provide one paper on gender positive policy initiatives in Senegal, Benin and Cote d'Ivoire

III. ANNUAL WORKPLAN

ACTIVITY	DESCRIPTION	EXPECTED RESULTS	INDICATOR/TARGET/BASE LINE	INPUTS	Q1	Q2	Q3	Q4
Output 1: 1. Cross-party parliamentary groups are established to champion renewable energy in their national parliament.								
1.1 Create PARE cross-party networks at the national level	Climate Parliament (CP) to identify MPs in each of the pilot countries to strengthen/create national chapters and provide on-going technical support	'Champions' have been identified and national chapters have been formally established	15 MPs in each country are part of PARE cross-party group (baseline=0)	Staff, communications, travel	X	X		
1.2. Organize steering committee meetings of PARE cross-party groups	Steering committee meetings are organized to assess progress of action based on roadmap and other political opportunities	8 meetings have been held per country	3 steering committees have been established (baseline=1)	Staff, communications, travel	X	X	X	X
1.3 Identification of experts for technical support	Engage experts to provide support on policy instruments and financial mechanisms for renewable energy development	Parliamentarians can draw on expert advice and support in drafting legislative proposals and in strengthening their representational and oversight activities on renewable energy investment	Number of papers and research drafted on climate change and renewable energy (baseline varies by country based on roadmap identified in Q1).	Staff, consultants, communications, translation, travel	X	X	X	X
Output 2: Parliamentarians in beneficiary countries are better informed about the potential of renewable energy for improving access to sustainable energy and the political will to develop renewable energy resources is enhanced								
2.1 Targeted technical assistance supports MPs address legal and	CP staff support to organise consultations, formulate policy recommendations,	Ongoing support provided	15 MPs who act on climate change and energy legislation or budget initiatives following	Staff, communications, travel	X	X	X	X

regulatory points for reform	submit letters to the government, and propose amendments or legislation.		participation in the project (baseline=2)					
2.2 Targeted technical assistance supports MPs asking parliamentary questions, commissioning reports, impact studies and assessments, and launching inquiries.	CP staff support MPs in drafting and submitting parliamentary questions and relevant information in order to better employ different oversight mechanisms.	Ongoing support provided	15 MPs participating in parliamentary debates on sustainable energy as a result of project (baseline=2)	Staff, communications, travel	X	X	X	X
Output 3: MPs are better positioned to advocate effectively for renewable energy through regional hearings and knowledge sharing facilities and online learning opportunities								
3.1. Hold two regional meetings	Two regional hearings allows MPs to connect with their peers and leading global experts on best practices, new developments and promising opportunities for parliamentary action.	Two regional hearings are held	60 MPs participate in the two regional hearings (baseline=0)	Staff, travel, translation		X		X
Output 4: Gender is integrated across all activities								
4.1 Secure sufficient representation of female MPs in national chapters	Climate Parliament, with the support of the UNDP Country Offices, will identify potential women champions to join the national cross-party networks and provide on-going support to empower MPs to become vocal champions on renewable energy	30% of women MPs are part of cross-party groups in all three pilot countries	5 women MPs in each country are part of PARE cross-party group (baseline=0)	Staff, consultants, travel	X	X		

4.2 Engage gender experts to sensitise MPs	Engage gender experts to help sensitise MPs to relevant gender issues during the national capacity-building trainings and the regional hearings, and promote a gender-sensitive approach to renewable energy	MPs are aware of the need to include gender as a key consideration in their legislative, representative and oversight activities on renewable energy investment.	3 new gender positive policy initiatives are taken as a result of the project (baseline=0)	Staff, consultants, travel			X	X

IV. RISK LOG

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	MPs not capable of transforming knowledge and capacity support into political action		Operational Organizational Political Regulatory	Probability: 2 Impact: 2	Careful analysis of demand and capacity of participating countries. Complementarity between Climate Parliament and UNDP allow for greater flexibility. Focus on countries with the greatest chance of success. Carefully monitor security and political situation in country.				
2	Little political will for action in Parliaments		Financial Operational Organizational	Probability: 2 Impact: 3	Careful analysis of demand and capacity of participating				

			Political		countries. Complementarity between Climate Parliament and UNDP allow for greater flexibility. Focus on countries with the greatest chance of success. Carefully monitor security and political situation in country.				
3	Parliaments unable to influence national policy		Financial Political Regulatory	Probability: 2 Impact: 3	Careful analysis of demand and capacity of participating countries. Complementarity between Climate Parliament and UNDP allow for greater flexibility. Focus on countries with the greatest chance of success. Carefully monitor security and political situation in country.				
4	Security situation in a country or political instability affects meetings		Environmental Political	Probability: 3 Impact: 1	Careful monitor security and political situation in a country Assure flexibility when it comes to change location or postpone event.				

5	Low sustainability after project is finalised		Financial Organisational Political Operational	Probability: 2 Impact: 2	Create online communications systems, which are autonomous of secretariat support, networks can continue functioning with low funding. Direct relations between politicians and research institutes working on renewables. Invite renewable energy investors to hearings and forums, so they can continue to support networks.				