



Roundtable on “Learning from emerging energy innovations in Asia with a focus on energy access and clean energy: Contributing to the discourse on an institutional framework for sustainable development”



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# Strengthening Institutional Capacities for Successful Energy Interventions

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# Outline

1. Overall perspectives
2. Institutional framework for energy governance
  - Energy governance from a macro-perspective
  - (e.g. international institutions)
3. Institutional framework for energy and Rio+20
4. Energy governance from a micro-perspective
  - (e.g. cases of projects and policies)

# 1. Overall perspectives

# Overall Perspective

- Institutional capacity is a key to promoting energy sustainability
- The institutional framework is a main focus of Rio+20
- This study takes a broad view of institutions from a variety of perspectives and dimensions
  - Multiple levels: international, regional, national, subnational, project proponents
  - Macro (international negotiation/ coordination processes, national policy structure) and micro (projects, internal organization of actors)
  - Formal (organizations) and informal (practices)
  - Decision making and coordination processes (at various levels)
- Capacity enhancement is important along all these dimensions
- A complex, integrated perspective on institutions is necessary
  - To understand lessons from success cases
  - To link Rio+20 with lessons from success cases

# Solutions at all levels: Multilevel Governance

## Levels of Governance

- Global
- Regional / Subregional
- National
- Subnational
- Non-governmental
- Business groups, NGOs, etc.



- Problems can't be solved at only one level
- Need coordination within and between levels
- Promote multistakeholder participation\*\*

## 2. Institutional Framework for Energy Governance

# The Institutional Framework for Energy (Governance)

	Energy Focused	Energy Related	General
Global International Organization or Framework	UN Energy, IRENA, IAEA	UNDP, UNFCCC	G8, G20, WTO
Regional International Organization or Framework	IEA, OPEC, Energy ministers meetings	APEC	OECD, ASEAN
Multilateral Development Banks		World Bank, ADB	
National governments	Energy ministries	Other ministries	Executive, legislative branches, local governments
PRIVATE SECTOR			
NGOs			

# Observations about institutional framework for energy at the international level

- There is no comprehensive global institution for energy, except UN Energy (for coordination).
- Global institutions focus on specific aspects of energy such as renewable energy (IRENA) and nuclear energy (IAEA), or climate change (UNFCCC).
- There are a number of regional organizations dealing with energy (IEA, OPEC)
- Energy Ministers Meetings (e.g. ASEAN)
- Extensive involvement of Multilateral Development banks (WB, ADB), some non-energy focused institutions (UNDP)
- Large role for the private sector and NGOs



## Comparison of the discourse on the institutional framework for environment vs. energy

- Energy may be less institutionalized than the environment
- Energy has no comprehensive global organization;
- Few global multilateral energy agreements
- Many organizations involved in energy
- Yet, energy is not the subject of intensive complaining like environment about
- Lack of authoritative voice, lack of coordination, duplication and fragmentation

# Main focus of energy governance

- National level (set the regulatory framework)
- Energy ministries
- High priority attention by political leaders
- Energy security, energy access
- Higher priority than environment
- Linked to economic development
- Private sector
- Large global scale corporations
- Significant attention by NGOs

# International community's existing energy goals

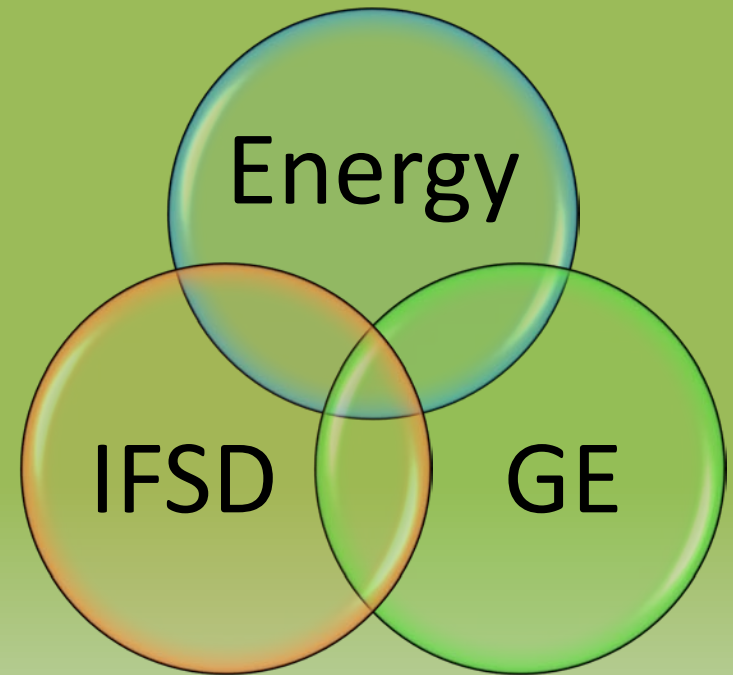
The Johannesburg Plan of Implementation (JPOI), adopted at the World Summit on Sustainable Development in 2002, list seven action points relevant to Energy for Sustainable Development (emphasis added):

1. Improve access to reliable, affordable, economically viable, socially acceptable and environmentally sound energy services - para. 9(a)
2. Recognize that energy services have positive impacts on poverty eradication and the improvement of standards of living - para. 9 (g)
3. Develop and disseminate alternative energy technologies with the aim of giving a greater share of the energy mix to renewable energy and, with a sense of urgency, substantially increase the global share of renewable energy sources - para. 20(c)
4. Diversify energy supply by developing advanced, cleaner, more efficient and cost-effective energy technologies - para. 20(e)
5. Combine a range of energy technologies, including advanced and cleaner fossil fuel technologies, to meet the growing need for energy services - para. 20(d)
6. Accelerate the development, dissemination and deployment of affordable and cleaner energy efficiency and energy conservation technologies - para. 20(i)
7. Take action, where appropriate, to phase out subsidies in this area that inhibit sustainable development - para. 20(p)

### 3. Institutional Framework for Energy Governance and Rio+20

# Observations on Energy and Rio+20

- Main themes of Rio+20 are IFSD and Green Economy (GE); not energy
- Energy should be part of GE, and institutions relate to energy
- Many countries interested in specific priority areas, particularly energy
- Now, there is a list of “priority areas” which includes energy
- Brazil added several days to discuss priority areas
- Interest in energy & other topics is encouraging, but may clutter the outcome document
- Interest in priority topics shows need for institutional reform to enable ongoing regular discussion



# Structure of the Rio+20 Outcome Document – Zero Draft

1. Preamble
2. Renewing Political Commitment
3. Green Economy
4. Institutional Framework for Sustainable Development
  - A. Strengthening/integrating/reforming the 3 pillars
  - B. GA, ECOSOC, CSD, SDC Proposals
  - C. IEG/UNEP related
  - D. Regional, national, local
5. Framework for Action and Follow Up
  - A. Priority/ key thematic/ cross-sectoral issues & areas
  - B. Accelerating & measuring progress (SDGs, GDP, etc.)
  - C. Means of implementation (finance, technology, capacity building)

# Priority/ key thematic/ cross-sectoral issues & areas in the Zero Draft

- Food security
- Water
- Energy
- Cities
- Green jobs-social inclusion
- Oceans & Seas, SIDS
- Natural disasters
- Climate change
- Forests and biodiversity
- Land degradation and desertification
- Mountains
- Chemicals and waste
- Sustainable Consumption and Production
- Education
- Gender equality

# Current Zero Draft Text on SDGs

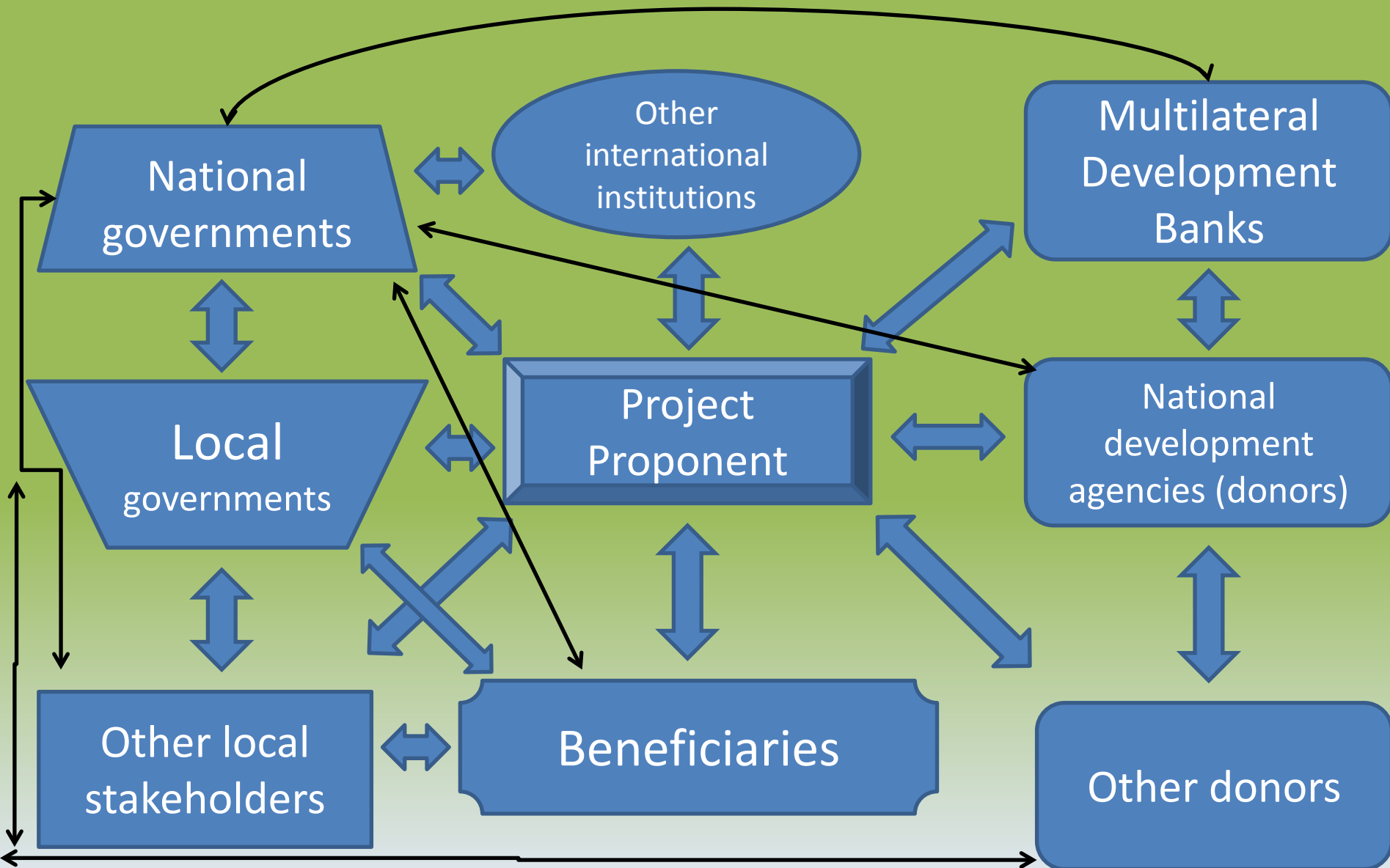
- Sustainable consumption and production
- Oceans
- Food security & sustainable agriculture
- Sustainable energy for all
- Water access and efficiency
- Sustainable cities
- Green jobs, decent work, and social inclusion
- Disaster risk reduction and resilience

(Paragraph 107)

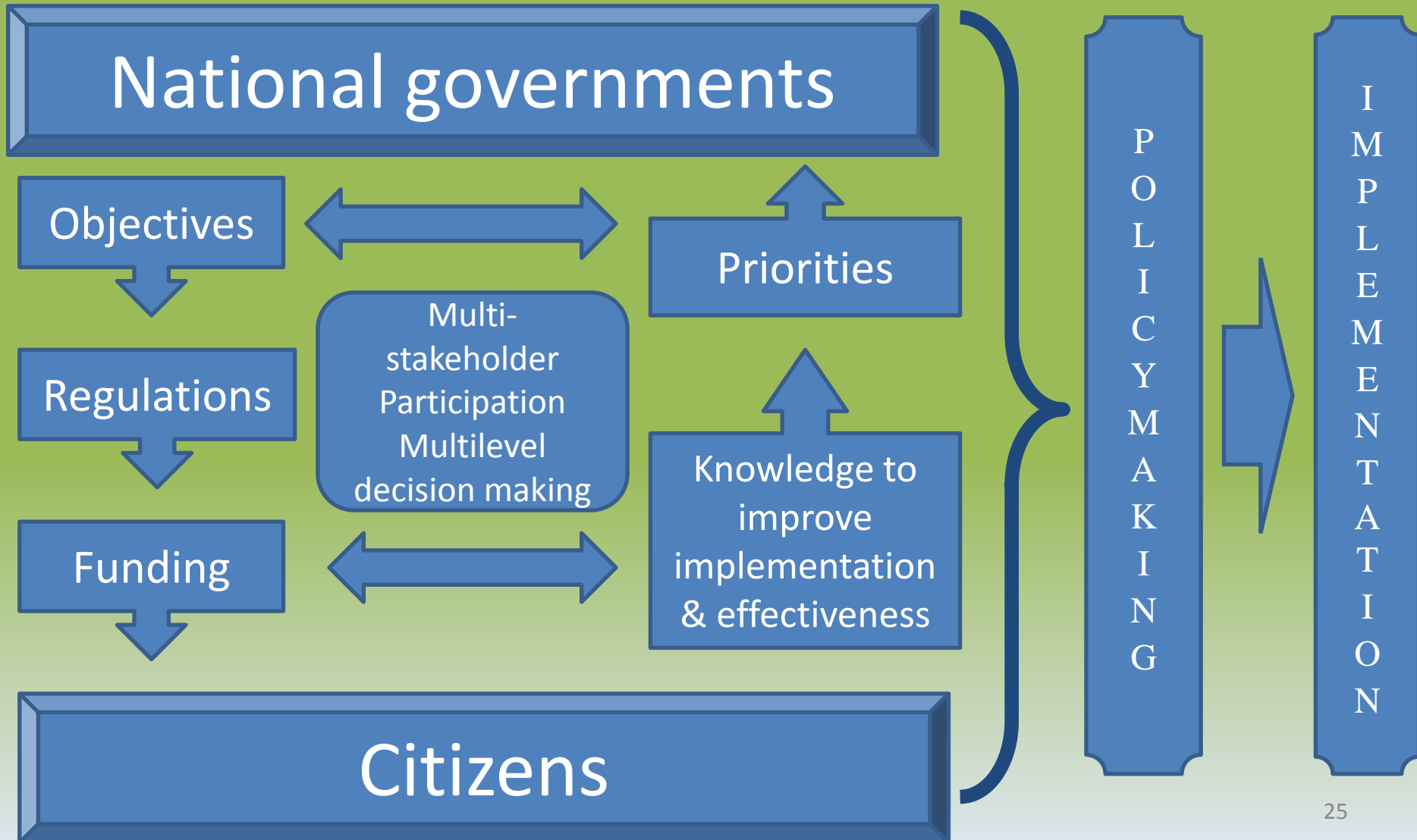


## 4. Energy governance from a micro-perspective

# Institutional Perspective of Project Proponents



# Combined top-down/bottom up perspective on policymaking & implementation



# Key institutional capacities

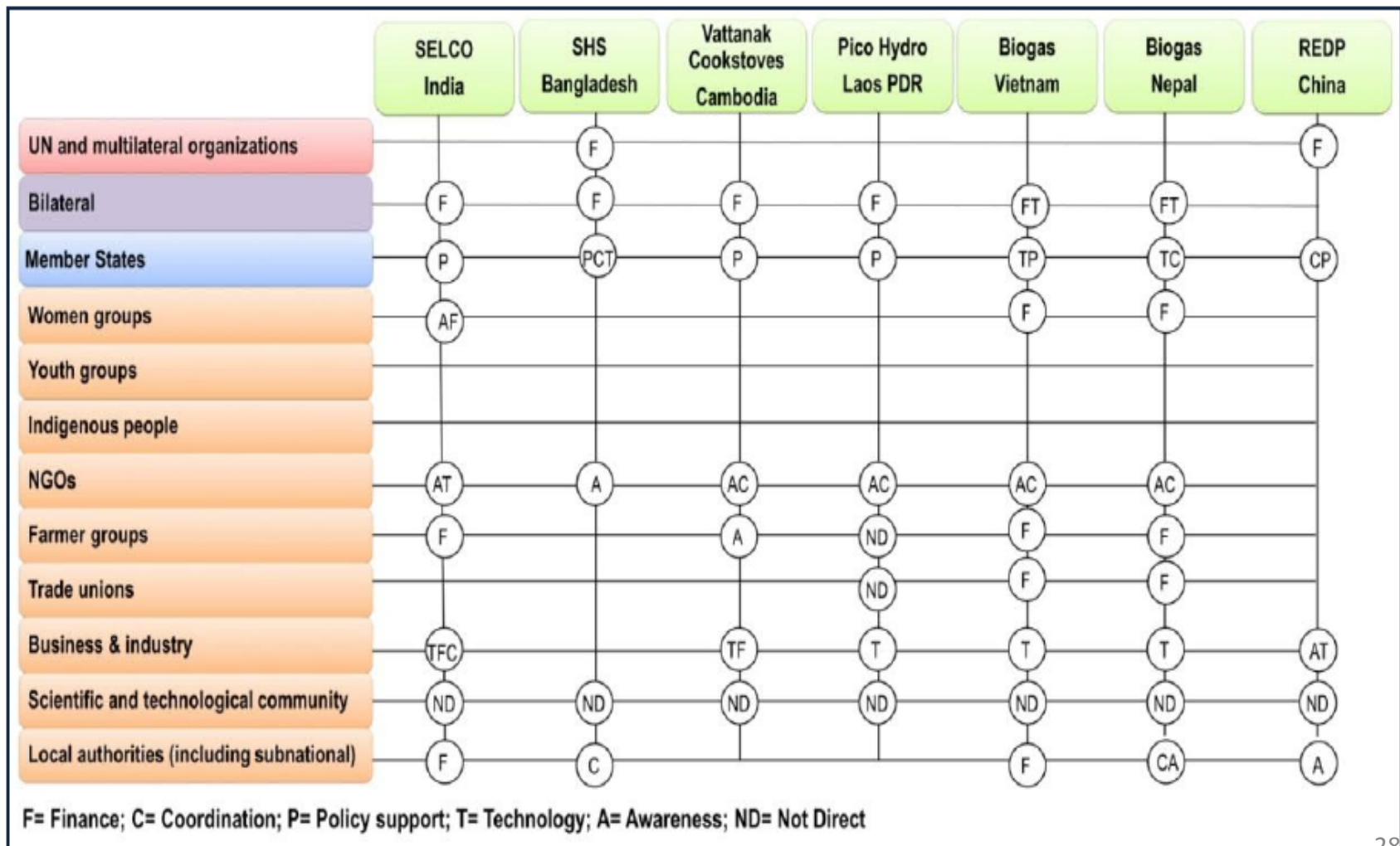
- Traditional understanding of capacity
  - Technology
  - Financing
  - Knowledge
- Broader understanding of capacity; institutional aspects
  - Effective communication (2 way)
  - Multistakeholder participation & consultation
  - Coordination among a variety of actors
  - Organization and management

# Institutional capacity of main actors

	Tech	Finance	Knowledge	M-stakeholder	Overall Coord.	Org. & Mgmt
MDBs	Advanced	Strong	Macro level	Improve	Need local help	Strong
National Dev. Agencies	Advanced	Strong	Macro level	Improve	Need local help	Strong
National Gov'ts (Dev. Countries)	Weaker	Weaker	Weaker	Improve	Improve	Improve
Local Gov'ts	Little	Little	Local level	Improve	Improve	Variable
Project Proponents	Strong	Coordinate	Strong	Make effort	Strong	Strong

(Common situations; may be exceptions)

# Actors and Mechanism in the Cases Studied



## Implications about roles of actors (from Fig. 15)

- Coordination of projects mainly by NGOs, also local governments
- Coordination of policies by national governments with assistance of other actors.
- Multiple sources of funding (need to be coordinated)
- Multiple actors work on awareness raising
- Technology comes mainly from business

# Institutional lessons from case studies & rationale

## LESSONS

- Diversity of institutions
- Multilevel coordination & decision making
- Multistakeholder consultation
- Combine both top-down and bottom-up decision making and communication
- Projects/policies should be market conforming, to ensure financial sustainability and buy-in from citizens.

## RATIONALE

- Customization based on local conditions is important for energy services
- Capacity building for technological absorption
- User buy-in
- Market conformity for financial sustainability





**Thank you !!**

**<http://www.iges.or.jp/en/index.html>**