

Meeting Summary

Energy Efficiency in European Development Cooperation

EUEI PDF Discussion Forum, 24th June 2014, BTC Conference Centre, Brussels

Background

Energy Efficiency (EE) is a crucial element of resolving two major contemporary global challenges: universal access to energy and mitigation of climate change.

Having traditionally played only a minor role, the topic is now increasingly prominent on the global energy cooperation agenda. Both the Sustainable Energy for All (SE4All) Initiative as well as the Africa-EU Energy Partnership (AEEP) have set ambitious targets for promoting EE.

However, international experiences and approaches to promote a paradigm shift and a real uptake of energy efficiency in the development context are still limited. It is not yet widely understood how energy efficiency can be encouraged, which national policies for EE should be developed in different contexts, and how a dynamic market uptake for investments in EE can be stimulated.

Against this background, the EUEI PDF Discussion Forum 2014 brought together energy efficiency companies, business associations, European policy-makers, academia, civil society and development practitioners from around the world to exchange and discuss past experiences and future options, in the attempt to find answers to three main questions:

- Which types of business models can deliver energy efficiency?
- What is needed to create an enabling policy environment?
- What can we do to develop instruments that support energy efficiency investments?

Setting the stage

In his opening remarks, **Mr Paolo Ciccarelli**, head of unit water, energy and infrastructure of EU DEVCO, underlined the relevance of energy efficiency in development cooperation and highlighted the contributions of the European Commission to EE initiatives. **Ms Melanie Slade**, senior policy advisor for energy efficiency at the International Energy Agency (IEA), introduced the wider topic of energy efficiency to the audience and emphasised the benefits of EE, including that – when comparing investment costs in EE vs. power generation – EE can be considered “the cheapest fuel”. She challenged the forum to discuss how energy efficiency can be better communicated to decision

makers and the general public. **Mr Jyoti Painuly**, Head of the Copenhagen Centre on Energy Efficiency, introduced the ambitious EE work programme under the SE4All Initiative. During his presentation, he stressed the need for global EE champions to lead and accelerate EE actions in order to achieve the SE4ALL energy efficiency targets.

Key Messages from the introductory session:

- EE has multiple benefits, for the economic viability of energy projects and at the macro-economic, social, and environmental level.
- EE is often a more effective way of improving energy availability than increasing generation capacity, making it “the cheapest fuel”.
- It remains a fundamental challenge to communicate EE and its benefits, since the issue is generally not well understood.
- EE requires champions to raise its profile at the global level, similar to IRENA for renewable energy, or SE4All for energy access. Championing is also necessary at national or regional levels.

Session 1: Business models for energy efficiency in development

The following panel discussed Energy Efficiency from a business perspective. **Ms Asli Tanriverdi**, officer for international affairs at Philips, presented the successes and contributions that Philips has had in conducting EE businesses worldwide and highlighted the substantial global savings potential of increased EE. **Mr Michael Laar**, energy efficiency consultant, triggered a discussion on why energy efficiency has not been attractive enough as a business case and highlighted the challenges on the basis of specific case studies. **Mr Stefan Plasa** tapped into Fichtner’s experience to share insights into key barriers and challenges that EE projects face. He challenged the view that the identification of “low hanging EE fruits” may be straightforward, but agreed on the importance of a sound political and regulatory environment. **Mr Neal Mehta** highlighted some lessons from the consulting work of Verco in the field of EE, including the importance of EE being financed on clients’ balance sheets. He also called for ambitious policies and provided some concrete examples.

Key messages from Session 1:

- EE is an important, yet abstract and not “sexy”, topic, that it is often not fully understood. EE should be considered as a major energy resource. Communicating EE should emphasize tangible benefits.
- EE has wide and diverse benefits, in terms of energy and thus cost savings, but also health, education, and productivity. The potential for savings in the energy sector as a result of improvements in EE remains large.
- In terms of business models and projects, the “low hanging fruits” are in particular large commercial customers, able to finance EE on their own balance sheets. Another viable and emerging business model is “payback based on savings”, i.e. upfront financing, not through

customers. This helps to also overcome the critical issue of where the savings are spent by customers, and thus not “felt” as tangible material gains from EE investments.

- Climate finance may provide financial resources for scaling up EE business models.
- Stability of the enabling environment, access to capital and capacity (building) are arguably the three key elements to enhancing EE. In particular, longevity and reliability of the policy framework and the institutional setup are essential requirements.
- The development community can assist with information (e.g. scenarios), needs assessment, and know-how transfer, also with a view to avoiding mistakes made by developed nations.

Session 2: Developing national policies for energy efficiency

The second panel focused on policy aspects of energy efficiency. **Mr Jean Pierre Kedi**, General Manager of the Electricity Sector Regulatory Agency (ARSEL) in Cameroon, stated the huge potential for savings in the energy sector through improvements in EE, and outlined specific regulatory and policy requirements. **Mr Mahama Kappiah**, Executive Director at the ECOWAS Regional Centre for Renewable Energy and Energy Efficiency (ECREEE), presented the approach and targets of the ECOWAS Energy Efficiency Programme in its six different sectors. **Mr Antoine Durand** focused on technical and service quality standards, pointing out the favourable timing for a global push for EE. This was reiterated by **Benoît Lebot** of the International Partnership for Energy Efficiency Cooperation (IPEEC), who stressed that the absolute necessity for EE is not yet fully understood, and called for governments to set the vision but also to be equipped with the necessary resources to act. Lebot emphasized that EE may be slowed down by its cross-cutting nature, but that the context for improvements in EE has never been so good.

- The context has arguably never been so good to push EE forward. This is partly due to a new drive towards EE as a result of the energy crisis in 2011. A major obstacle though is the issue of quality standards.
- Specific policies, regulations, and institutions are needed to set a clear vision, to promote and regulate investments in EE. This includes making investments in EE more attractive, e.g. by way of providing incentives.
- EE cuts across many sectors and this may constitute an obstacle to the development of effective policies. EE needs to be mainstreamed, as demonstrated well by work done in various regions, including ECOWAS.
From a policy perspective, cost effectiveness is not and should not be considered the only relevant factor. The wide and diverse benefits should be considered and reflected in policy decisions.
- A good policy formulation is necessary, but it is not sufficient. Frameworks must be enforced. Enforcement, in turn, relies on information and awareness.
- Development partners can support policymakers in formulating and enforcing policy frameworks. Capacity development as well as international dialogue are important instruments.

Impressions from the meeting



Having delivered his keynote speech, Jyoti Painuly (Head of the SE4ALL EE Hub) receives questions through moderator Mike Enskat



The four panelists of session 1 on Innovative Business Models for Energy Efficiency Development



Benoît Lebot (Executive Director of IPEEC)



Programme

Moderator: Mike Enskat, EUEI PDF

14:00 **Opening & Welcome Remarks**

Paolo Ciccarelli, Head of Unit, Water, Energy, Infrastructure, EC DG DEVCO

Mike Enskat, Programme Manager, EUEI PDF

14:15 **Setting-the-Stage Presentations**

- Ms Melanie Slade, Senior Programme Manager, Energy Efficiency in Emerging Economies, Energy Efficiency Unit, International Energy Agency, IEA:
“Energy Efficiency in the Development Context”
- Dr Jyoti Prasad Painuly, Head of Denmark-SE4All Energy Efficiency Hub, UNEP Risø Centre:
“Supporting Energy Efficiency: selected global Interventions in the context of SE4ALL initiative”

14:45 **Session 1: Innovative Business Models for Energy Efficiency Development**

45' Panel Discussion

- Dr Michael Laar, Consultant with KfW
- Ms Asli Tanriverdi, International Funding Organisations Manager, Philips European Affairs Office
- Mr Stefan Plasa, Energy Efficiency Expert, FICHTNER GmbH & Co. KG
- Mr Neal Mehta, Principal Consultant, Verco

30' Discussion

16:00 **Coffee Break**

16:30 **Session 2: Developing National Policies for Energy Efficiency**

45' Panel Discussion

- Mr Jean Pierre Kedi, Director General, Electricity Regulator-ARSEL, Cameroon
- Mr Mahama Kappiah, Executive Director, ECREEE (SEEA-WA project)
- Mr Benoît Lebot, Executive Director, IPEEC
- Mr Antoine Durand, Energy Efficiency Advisor, PERACOD, Senegal

30' Discussion (focus on need for South-South cooperation on EE)

17:45 **Closing Remarks**

Roberto Ridolfi, Director Sustainable Growth and Development, EC DG DEVCO

18:00 **Closure & Cocktail Reception**

Alphabetical lists of participants, speakers and organizers

PARTICIPANTS

Surname	First name	Institution / Company
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Bitvai	Kristina	EURIDEAS
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Bourlet	Sophie	EEPA
Cacenschi	Maria	EBA - European Biogas Association
Chobanova	Bilyana	Energy Charter
Christopher	Wilfred E.	Suriname - Ambassador to Brussels
Darri	Kawsu	Gambia Embassy to Brussels
de Reynal	Florent	Paragon Europe
Dias	Joana	Magellan Association (Portugal)
Dome	Benoît	Copper Alliance
Duroseau	Georges Philippe	Haiti Embassy to Brussels
Engel	Andrea	IFC - World Bank
Falsig	Bent	LOGSTOR
Farrell	Tim	SE4ALL
Fenollar	Vincent	Paragon Europe
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Flink	Tamara	ETC
Frechon	Celine	UNEP
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Grossi	Mabel	CEE Bankwatch Network
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Wray	Alistair	United Kingdom
Yavuzer	Tevfik	Assembly of European Regions
Zardava	Chrysoula	Perm. Rep. Greece

SPEAKERS

Durand	Antoine	PERACOD, Senegal
Kappiah	Mahama	ECREEE
Kedi	Jean Pierre	ARSEL (Regulator Cameroon)
Laar	Michael	Intelarc
Lebot	Benoit	IPEEC
Mehta	Neal	Verco
Painuly	Jyoti	SE4ALL Energy Efficiency Hub - Denmark
Plasa	Stefan	FICHTNER GmbH
Slade	Melanie	IEA
Tanriverdi	Asli	Phillips

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