



PROMOTING INVESTMENTS AND TECHNOLOGY TRANSFER IN THE RENEWABLE ENERGY, ENERGY EFFICIENCY (RE&EE) SECTOR IN WEST AFRICA

CONCEPT NOTE FOR THE WORKSHOP FINANCING AND INVESTMENTS IN MITIGATION ACTIONS IN WEST AFRICA

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BACKGROUND

The ECOWAS Regional Center for Renewable Energy and Energy Efficiency (ECREEE), was formally inaugurated in 2010 with the vision to contribute to the sustainable social, economic, and environmental development of West Africa by improving access to modern, reliable and affordable energy services, energy security and reduction of energy related GHG emissions and climate change impacts of the energy systems. The specific objective of ECREEE is to create favourable framework conditions and an enabling environment for renewable energy and energy efficiency markets to increase energy access by supporting activities directed to mitigate existing barriers. These activities include policy development, capacity development, knowledge management and awareness, investment and business promotion.

In line with its objectives, mission and ongoing activities, ECREEE perceives the development of NAMAs as both an opportunity and formidable instrument to build a vibrant RE & EE sector in West Africa with the view to move millions of West Africans out of poverty as envisioned in the ECOWAS WHITE PAPER. The NAMAs concept, as envisioned by the international community, reflects the goals and objectives of ECREEE as laid out in the Roadmap of the ECOWAS Renewable Energy and Energy Efficiency Access Programme (EREAP). The NAMAs are therefore in alignment with the efforts of ECREEE to promote a low carbon based economy in West Africa.

JUSTIFICATION

The overall situation in West Africa with regards to access to modern affordable and reliable energy services is very poor and significantly undermines efforts geared towards socio-economic development, the provision of basic social services, and the attainment of the Millennium Development Goals (MDGs) by 2015. While the ECOWAS/UEMOA White Paper foresees that at least 20% of new investments in electricity generation in the region will be driven by renewable resources, electricity generation remains mainly thermal. Action line 2 of the White Paper called for the establishment of an innovation fund to co-fund at least 200 RE&EE pilot projects and to provide assistance to companies. To date, few results have been achieved for various reasons: (i) the lack of awareness of the West African financial sector for renewable energy and energy efficiency (RE&EE), (ii) the poor performance of the sector in attracting foreign investment, (iii) the lack of an attractive regulatory framework for promoting investment, (iv) the lack of capacity of the Region to take advantage of existing instruments such as the Clean Development Mechanism (CDM) and other green funds.

NAMA stands for Nationally Appropriate Mitigation Action. Despite its early formulation at the COP13 in Bali in 2007, NAMAs are still hardly known beyond the small circle of 'insiders', both within the UNFCCC and its working groups and within the organizations presently involved in the formulation of NAMAs; national initiators, donors & development banks and consultancy firms.

One of the key issues is the demarcation between NAMAs and other mechanisms – such as CDM – which may make agreement on accredited NAMAs potentially difficult. There are however strong indications that NAMAs will replace CDM as the most important mechanism and this has been reinforced by several recent decisions both by the UNFCCC and by the EU (as the major buyer of UNFCCC carbon credits or Certified Emission Reductions - CERs) to limit the eligibility of future CERs from specific sources – such as industrial gases like hydrofluorocarbon (HFC) - and from non-Least Developed Countries (LDCs).

A specific role of ECREEE to help develop and advance NAMAs on RE&EE for the ECOWAS region can be foreseen and needs to be further designed. A second and broader issue is the need to ensure that business conditions within the ECOWAS countries are suitable for making NAMAs a viable and attractive option. The present study

specifically intends to analyse and review these conditions, to develop recommendations and to help in the design of a roadmap.

OBJECTIVES

The current development stage of the NAMA concept provides an excellent opportunity for ECOWAS to help shape its future development. In the past, the region adopted a passive attitude - waiting for the agenda and decisions to be taken by others – then realizing later that the adopted measures and instruments were not appropriate for their populations and institutions.

Lessons learned from the difficulties of the West African region to benefit from previous climate change instruments and mechanisms will help to forge a regional position that will be promoted in upcoming and successive COPs and related negotiations. In particular, the design of the NAMAs actions and projects, their funding structure and related MRV (Measurement, Reporting and Verification) should reflect the current capabilities and needs of the region, a lesser dependence on complex procedures and also a reduced reliance on expensive foreign experts.

Making use of lessons learned and experience gained with CDM finance and Renewable Energy projects successes and failures in West Africa and elsewhere, the workshop will examine how policies, technologies, financing and capacity related bottlenecks to the development of NAMAs can be addressed to increase access to energy as an engine for growth and increase the competitiveness of industries and African economies. The meeting will bring together high-level decision makers and experts to provide visible leadership and political commitment to a common strategy for successfully shaping the emergence of vibrant NAMA activities in the region to scale up renewable energy and energy efficiency with the view to both increasing access to modern energy services and ensuring the sustainability of the sector.

Specifically, the conference will have the following key objectives:

- Review RE&EE situation and sustainability in West Africa and identify key barriers and integration of experiences gained elsewhere;
- Review existing legislation, regulations procedures to assess selected ECOWAS country's readiness for accessing NAMA related funds;
- Identify the type of NAMA actions that are most suitable and desirable for the region;
- Identify the related gaps and barriers and how they can be addressed;
- Identify capacity needs for enablers or facilitators, Designated National Authority (DNA) offices and other stakeholders;
- Discuss the proposal for the action plan and roadmap for promoting Financing and Investments in Mitigation Actions in West Africa;
- Engage stakeholders on issue-oriented discussions so as to share experience and agree on a common final plan of action.

EXPECTED OUTCOMES

Immediate outcomes of the Workshop are as follows:

- Adoption of an ECREEE regional action plan and roadmap for promoting NAMA capacities in the 15 ECOWAS Members Countries; agreements on major directions and priorities to be further developed;
- Creation of an ECREEE climate change facility that will coordinate NAMAs activities at the regional level and leverage finance;
- Visible leadership and commitment by high-level decision to develop NAMA capacities in the respective countries;

- Greater understanding of the potential of climate change related concessionary financing for renewables.

PARTICIPANTS

About 80 participants consisting of 10 speakers and 60 high level experts, government officials and representatives of leading organisation and institutions engaged in climate changes issues and finances.