



The Placencia Ambition Forum

Rapporteur Template

Session Title/Theme	Energy
Chair Support	Dr. Donneil Cain
wTV Producer	Matthieu Light
Rapporteur	Diana & Ismail

5 Key Points/Takeaways

1. There are **ambitious energy targets included in the NDCs**, as well as national and regional policy plans across number of Pacific and Caribbean countries, which include transitioning to renewables, as well as improving energy efficiency and access. **Potential for new renewable energy resources are also being explored** in both regions, including wind, hydrogen and bioenergy.
2. **The main challenge across both regions is the lack of funding and investments** which are required for this capital intensive sector, and further worsened by the COVID-19 crisis. **Concessional financing and blended financing can be utilized in projects** to overcome these hurdles, which will also entice the private sector through derisking investments.
3. Other challenges include: **legal and regulatory barriers** that prevent cost-competitiveness and the phasing out of existing fossil fuel reliant power stations (in the Caribbean), **access to remote populations** which are off grid (across both regions), constraints in **hardware and human capacity** (especially in the pacific where there is limited connectivity).
4. Regional entities are faced with the challenge of establishing regional targets that are aligned with national capacities. The UNDP (through the Climate Promise) and IRENA (through the SIDS Lighthouse Initiative) are providing support in a coordinated manner with these entities. This **factors in how the Energy targets can be maintained in preparing, responding and recovering from COVID-19**.
5. **Engagement of all relevant stakeholders**, including governments, local communities, private sector, regional entities and international organizations, **is critical to ensuring implementation of renewable energy targets**. This is already factored into the projects which are being undertaken across both regions.

Please send the initial 5 Key Points to the following contacts within **1 hour** of the end of your session, making sure to cc in your Chair Support: tyrone.hall@aosis.org; katie.craske@wtvglobal.com; josh.tuveri@wtvglobal.com; patrick.allen@wiltonpark.org.uk.

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Session Overview

Participants from countries shared information on the renewable energy targets in national plans and policies as well as their NDCs, and outlined the plans to enhance the renewable energy component, and energy efficiency in the revised NDC. This includes exploring the potential for new sources of renewable energy, including wind, hydrogen and bioenergy.

Regional organizations also outlined regional targets and goals, and highlighted the need to better align national targets with these.

The main challenge across both regions was securing the financing required for renewable energy projects. There is a need to attract investors, which could be facilitated by better access to concessional financing and grants, that would enable de-risking investments through blended finances.

Regulatory and legal barriers also pose a challenge in some countries in the Caribbean, as these inhibit countries from phasing out the use of fossil fuel based electricity generation. In the Pacific, there are also challenges to providing remote populations spread across islands with renewable energy, at an accessible rate. This has been addressed through establishment of micro grids with tariffs, but monitoring these remain difficult with mobile connectivity issues. Across most SIDS, there are also constraints in human capacity, as well as infrastructure and hardware required to transition to 100% renewables.

IRENA and UNDP highlighted the renewed commitments to enable enhancement and implementation of NDCs in SIDS, and UNDP outlined how their response and ongoing efforts factored in the COVID-19 crisis. A number of countries had expressed concerns about the impacts that the COVID-19 crisis would have on the finances available and allocated to renewable energy transition.

Participants also shared experiences on stakeholder engagement in setting out and implementing energy targets, which include private sector and local communities. In addition to this, participants also shared useful information on research and analysis which had been carried out in the regions, as well as ongoing capacity building initiatives.

Thematic Commitments/Announcements

Thematic Commitments and announcements:

1. Palau is in the process of securing an Independent Power Producer (IPP), which will enable Palau to meet 20% 2020 target and 45% target at 2025.
2. Regional Opportunities for Ambitious low- Carbon Development and Adaptation in the Pacific and Caribbean Regions should be launched by IRENA towards the ending of 2020 or early 2021.
3. UNDP commitment to support NDC enhancement according to the Climate Promise in collaboration with NDC partnership in SIDS. In response to COVID-19, UNDP has designed a programmatic COVID19 package to help countries prepare, respond and recover from the crisis. Country by country assessment and consultations are ongoing to prepare tailored contingency plans in response.

Thematic Gaps and Opportunities

Gaps

1. There are discrepancies between regional targets and national targets in member states. There is a need for improved understanding on actions that are realistic and possible at the country level, and how

regional targets are more reflective of timelines for the retirement of infrastructure for example, expansion rates based on demand, as well as financing opportunities and options available.

2. Traditional investments regimes impede renewable energy transition in SIDS. Current regulations and policy arrangements are designed to meet the incentives that are attractive to investors, for instance, extended power purchase agreements which are high climate and economic risks.
3. When providing financing for energy, there is a dominant focus on electricity generation, without factoring in other energy demands.
4. The vulnerability of SIDS to climate related disasters make it challenging to secure insurance, as islands that are located in disaster prone areas.
5. Within the energy sector, NDC reporting and management falls under the responsibility of two different entities. Moving forward and to promote efficiency, coordinated efforts between these entities are required.
6. There is a need to improve human capacity, infrastructure and hardware, including mobile and internet connectivity in order to fully utilize new technologies, including digital ones.

Opportunities

1. Continued support for enhancement of SIDS ambition through the enhanced SIDS climate package. This is a joint initiative between UNOHRLLS, AOSIS, CIF, the Republic of Palau and IRENA which heeds to the call from SIDS to achieve 100% RE by 2030 in the power sector. Implementation is possible through the SIDS lighthouses. Additional support through IRENA's 12 priority areas which includes support for NDC enhancement and implementation as well as diversifying renewable energy resources (shifting from solar, wind to geothermal and other resources).
2. Capacity building support from OLADE in Latin America and Caribbean countries through the development of methodologies, energy planning, energy publications, webinars and pilot projects in member countries.
3. Opportunities to scale up projects to other Pacific Island Countries (PSIDS) and other SIDS based on lessons learnt by FREF.
4. In light of COVID19 and the added pressures on SIDS economies, diversification from fossil fuels to renewable energy sources is especially critical to ease burdens on government budgets, and enhance resilience.

Takeaways and Island Priorities for COP 26 Priorities

- **Taking into account that access to financing, including concessional and grant based finances are inhibiting investments in renewable energy, this should be factored into the finance discussions at COP 26.**