

Committee on Economic Cooperation and Development
Public Hearing on 26th October 2011, 11.00 a.m. to 01.00 p.m.:
Renewable Energy in Developing Countries

A) Problem description

Access to energy is a key factor for combating poverty. Roughly three billion people have no access to modern energy services today. According to estimates by the International Energy Agency, the energy demand of emerging and developing countries will more than double in the next 20 years. In the meantime, limited fossil resources and the climate crisis make it more than clear that the energy demand in developing countries can only be covered by sustainable, clean and efficient energy solutions.

The challenges facing the expansion of renewable energy in developing countries are enormous. The energy systems of many developing countries are characterised by inadequate supplies, poor efficiency and a low level of investment. Wood and charcoal are often the only energy sources available to many people in Sub-Saharan Africa and the rural regions of Latin America and Asia.

Against this backdrop, the restructuring of existing energy systems and the sustainable satisfaction of the growing energy demand in developing countries would appear to be a central task. The German Advisory Council on Global Change (WBGU) recommends that development cooperation should focus more on promoting the establishment of climate-compatible energy systems. Developing countries need financial and technical support, expertise and greater capacities in order to successfully realise the change. Many countries have already begun to face the challenge.

After all, renewable energy offers enormous potential for developing countries. The poor, in particular, could benefit from access to renewable forms of energy. Renewable energy can also be used without optimally developed infrastructure. A major portion of the population in developing countries lives in rural areas, where conventional energy supplies are frequently impossible for lack of transmission grids. Distributed renewable energy offers a major opportunity in this respect. In addition to local and distributed solutions, answers must be found to the question of the extent to which large-scale projects in the field of renewable energy benefit the population in the countries themselves. There is a need for an assessment from the point of view of development policy. These debates centre on the Dii/Desertec project in North Africa.

Germany's development cooperation activities are currently funding energy projects in roughly 50 countries, and German companies are participating in the expansion of renewable energy worldwide through the Renewables Export Initiative and Public Private Partnerships (PPP). Beyond this, German companies have a decisive involvement in the Dii/Desertec project. It would thus seem only logical for the Committee on Economic Cooperation and Development to address the subject of renewable energy in developing countries.

B) Objective of the hearing

In the framework of the hearing, solar energy is to be taken as a concrete example for discussing how broad segments of the population in developing countries can gain better access to renewable energy, and how German and international development cooperation activities can support their partner countries in establishing and expanding renewable energy systems. solutions. The following questions will need to be addressed, in particular:

- How can the expansion of renewable energy in developing countries be promoted?
- What are the potential and limits/risks for the access of broad segments of the population in relation to large-scale projects (e.g. Dii/Desertec) and small-scale energy solutions? What social, ecological and economic consequences do they usually entail?
- How can the population in developing countries sustainably benefit from today's existing technologies, and what form do suitable funding approaches take?
- What contribution do the current measures of the Federal Government make towards the expansion of renewable energy in developing countries?
- What type of funding of private-sector structures for establishing and expanding renewable energy systems makes sense from the point of view of development policy and benefits poor population groups?

C) Planned schedule

The two-hour hearing, 11.00 a.m. to 1.00 p.m., will be divided into two parts (each 60 minutes). Three experts will be invited to each of the parts and they will give an opening statement of 8 minutes, in which they may refer to the given questions. Afterwards the questions of the committee members will be discussed.

I. DII/DESERTEC – A large-scale project as a success story in development policy?

The first part of the hearing is to serve to debate the energy policy impact of Dii/Desertec, a large-scale project in which German companies are decisively involved.

Questions to be addressed:

- To what extent is Dii/Desertec a development project?
- What are the current challenges?
- Who benefits from Dii/Desertec (countries, segments of the population)?
- What are the potential and limits/risks for the access of broad segments of the population to energy in the framework of Dii/Desertec? What social, ecological and economic consequences do they entail?
- What influence do the revolutions in North Africa have on Dii/Desertec?
- What is the role of German development cooperation?

Experts:

- Paul van Son, Chief Executive Officer (CEO), Dii/Desertec GmbH
- Prof. Dr. Adel Khalil, Chairman Executive Committee, Regional Center for Renewable Energy and Efficiency (RCREE), Cairo
- N.N., Representative of German development cooperation (GIZ)

II. DISTRIBUTED, LOCAL SOLAR ENERGY – What are the challenges for development cooperation?

The second part of the hearing should be used for a discussion with experts on the potential and limits of small, distributed and local energy

Questions to be addressed:

- How can the population in developing countries sustainably benefit from today's existing technologies, and what form do suitable funding approaches take?
- How far have developing countries progressed in expanding solar energy?
- What effects do the German measures for expanding solar energy in developing countries have (development cooperation, Renewables Export Initiative, etc.)?
- What type of funding of private-sector structures for establishing and expanding renewable energy systems makes sense from the point of view of development policy and benefits poor population groups?

Experts:

- Günther Cramer, President of the board of SMA, Solar Technology AG
- Daniel Macharia, Regional Project Manager East Africa Global Village
- Stephan Opitz, Representative of the Kreditanstalt für Wiederaufbau, KfW