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Future Strategy REEEP

Executive Summary

This strategy was developed by synthesising the recommendations of the partnership evaluations in 2006/07, the outcome of the consultation of the Governing Board, REEEP partners, and REEEP executive staff. The aim of the strategy is to give guidance to REEEP, its partners, donors and active participants on how the future work, network structure and engagement with other stakeholders should develop to achieve its objectives and provide a basis for monitoring the implementation and impact of these developments in the future.

1. REEEP objectives

REEEP's vision is to accelerate the global market for sustainable energy by acting as an enabler, multiplier and catalyser of changing energy systems. The overall objectives of REEEP will remain unchanged:

- Contributing to global sustainable development
- Stimulating the reduction of greenhouse gas emissions through a significant increase of renewables and energy efficiency
- Contributing to wealth creation through improved access to reliable and sustainable energy for the poor following the MDGs

However in the future REEEP activities will have an increased emphasis on the delivery of **measurable, verifiable and reportable achievements** that enable their contribution to the partnership objectives to be tracked. This will help to increase REEEP's ability to capture the lessons learnt that will be important for future replication and scale up of projects and programmes. .

Since REEEP concentrates on both policy and regulation work and on finance solutions, a special methodology is required to report these deliveries. Therefore **Methodologies** for assessing and measuring the impact of the different types of REEEP projects are in the process of being commissioned and will be applied across the programme. The challenge of these methodologies is that it has to quantify the consequences of the REEEP work which (especially for policy work) is often part of much larger and more complex ongoing programmes. These methodologies could be available within the first half of 2009, and agencies are currently being investigated who could deliver such instruments.

The recommendations on the methodology will be integrated into the PMIS and the programme processes. These outcomes will also be reported to the respective REEEP bodies (such as the Governing Board) and will be published within the project booklets.



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2. Demonstrate clear added-value for REEEP partners

Under this revised strategy REEEP activities have to demonstrate **added value** to REEEP partners. Since the mix of partners in REEEP is heterogeneous the relative importance of the benefits REEEP can deliver varies for different partners. The main distinction is between governmental expectations in joining the partnership and those of the private sector. REEEP must work towards delivering different **beneficial functions** for the following types of partners:

Government partners from developed /donor countries:

- Channel to expand national energy and environmental policy to the international level
- Vehicle to help governments to meet climate change commitments and/or ODA responsibilities and to demonstrate the provision of measurable and reportable assistance to developing countries' shift to low carbon.

Government partners from developing countries:

- Facility to provide access to best practice and demonstrate national achievements
- Independent, flexible and fast acting organisation meeting national and regional needs

Private sector (except finance)

- Facility which provides access to project finance – grant organisation for innovative solutions and targeted actions
- Dissemination facility for innovative solutions to financing RE and EE.

Private sector finance sector

- Vehicle for promoting the Carbon Market (CDM, voluntary market)
- Facility for linking project developers with finance community

REEEP must demonstrate value to all its partners through its projects, strategic activities and network support. A key focus for this (in particular over the next 12-24 months) should be to ensure that REEEP is well placed to act as a delivery agent for increased levels of action under and alongside the UNFCCC process.

3. Accentuate multiple benefits of renewable energy and energy efficiency

There is a common understanding that REEEP should continue to act as a market facilitator through the development and implementation of:



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- Policies and regulations favourable for renewable energy and energy efficiency
- Innovative finance mechanisms to attract investors to this sector
- Combined policy, regulatory and finance models for renewable and energy efficiency that accentuate the multiple benefits of both sectors

Emphasis should be given to the unique role of REEEP in combining energy efficiency and renewables and to capturing the symbiotic and complementary aspects of these two sectors. Priority should be given to REEEP projects which include these combined effects by promoting both renewables and energy efficiency in one setting. This can apply for policy reforms (such as promotion of green buildings) as well as for innovative finance tools, whereby frequently renewables are only cost effective in combination with energy efficiency measures.

A REEEP strength should be to **demonstrate the impacts achieved in this integrated approach.**

4. Increased impact of REEEP activities and highlighting lessons learnt

Projects should remain the core business of REEEP but there must be an improved utilisation of their outcomes and impacts to enhance the potential for replication and scale up. The need to build a clearer narrative for REEEP has been identified; from this flows the need to work in a more programmatic way and to enable this through a tightening of geographic priorities and shifting the emphasis of project selection to be more demand than supply driven. In addition to optimise its impact with its limited resources, REEEP has to synthesize the learning's of its existing projects and activities by developing toolkits, focus on targeted and programmatic actions and enhance engagement with regional stakeholders and organizations responsible for energy systems. A good understanding of the regional circumstances is a precondition for these deliverables.

- Development of toolkits

The synthesis of the outcomes and the lessons learnt from the wide spread REEEP project portfolio and strategic activities must be made available in toolkits which can enhance the ability of governments, businesses and other stakeholders to share the lessons learnt from REEEP projects and to facilitate the uptake of REES. Analytical capacity not yet present in the International and Regional Secretariats has to be developed, and in future projects and strategic activities such as REIL, SERN and reegle must supplement and assist in the development and utilisation of these toolkits.

- Programmatic and targeted action - coherent narrative

Effective interventions should have priority over a wide spread programme portfolio, and REEEP should interlink with other processes such as UNFCCC TNAs, World Bank and other programmes to carry out targeted interventions in countries and the regions which are clearly



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linked to implementation. These projects should look to meet the needs of the beneficiary and should scale up other activities transforming the energy supply chain. To increase the impacts and visibility of REEEP's activities, a cascade of projects, building on a narrative into a coherent programme, would be preferable to individual projects. Systematic and ongoing assessment of the political and economical environment in the respective countries is necessary in order to evaluate projects against the local needs and the added value REEEP could deliver.

Stimulate Innovation

REEEP should continue, to a certain extent, to award innovative solutions that are identified through the bottom up process of project selection. These projects must be replicable as with all REEEP projects, so that they can deliver important new solutions for other parts of the world.

Direct work with governments and financial institutions

Direct engagement with governments and other groups responsible for energy systems must be intensified to allow an ownership of REEEP projects at a high political level and provide a means of swift and wide spread uptake of lessons learnt from the REEEP programme. This improves the chance of these projects having the overall impact REEEP is aiming for. In addition increased direct collaboration with financial institutions such as development and private banks and insurance companies to mainstream financing mechanism for REES into their portfolios can be used to complement wider engagement with governments and others on the policy and regulatory environment.

Optimise cooperation with other organisations in the field

REEEP should continue the close cooperation at structural and programme levels with other organisations in the field, in order to avoid overlaps and maximise resource utilisation. REEEP should respond to the objectives of international processes such the G8, APEC, UN, IPEEC and others by targeting its interventions in a manner that adds value to the activities of others and works towards the objectives of REEEP partners in these processes.

5. Refining thematic focus – mobilising investment

While REEEP should continue to concentrate on policy and finance, it should focus on linking to existing global finance facilities to enhance the probability that REEEP projects lead to implementation.

Demonstrate facilitation of real implementation

Activities in this regard could include technology forecasting, technology syndication and the establishment of innovative finance facilities, all of which will build on the core expertise of REEEP and address needs identified in TNAs and other regional assessments.



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- Leverage global fund and finance facilities

Through the integration of the investment criteria of ETF and CEF of the World Bank and The EU GEEREF into REEEP programme priorities and by reacting to the development of activities under the SCF and CTF funds, thereby linking REEEP projects to real REES project implementation and low carbon technology deployment.

6. Limited geographical focus

In general the donor priority countries will define the geographical focus of the REEEP activities. But with increased targeted intervention a geographical focus is necessary due to limited resources and county expertise. Maintaining the current geographical spread with the new approach would require additional funding.

The geographical focus should be on those countries where there is the highest need and potential for interventions and where specific lessons can be learnt and maximised. Therefore the focus should be on:

- Plus five countries

Focusing on the plus 5 countries, with a distinct concentration at the regional and sub regional level in Brazil, China and India, will allow programmatic interventions with high impact that can be replicated and scaled up

- Selected developing countries according to donor priorities in particular Africa and the Pacific region

Targeting a subset of the priority countries will allow cascading projects through the engagement of governments and local authorities

- Selected OECD countries

Selected OECD countries which are leaders in renewable and energy efficiency implementation should be showcased as best practice examples for emerging economies.

7. Structure follows strategy

Building on the well-established structure and processes adjustments will be necessary to support the new strategy within the network. To be able to place the REEEP programme in a more targeted way and to synthesize the outcomes of REEEP projects and develop tool kits, the analytical capacity within the partnership has to be mobilized and enhanced. This should be done on all levels of the partnership structure and must include regional secretariats,



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international secretariat but also partners who should be invited to act as experts on specific tasks.

Effective regional secretariats

The regional secretariats will play a crucial role in delivering the new work requirements of REEEP. The programmatic approach will result in new challenges for the regional secretariats regarding their allocated capacity and ability, experience and networking with regional governments and decision makers. The number of secretariats must be limited to those parts of the world where the geographical focus of REEEP will be and must be supplemented by regional focal points. OECD countries can and should finance their regional secretariats directly. The East European Secretariat should be merged with the International Secretariat to align efforts. In all regional secretariats REEEP will move towards the provision of fully dedicated, high quality, staff working for REEEP and the training programme for regional secretariats will be strengthened and expanded.

Additional support through Expert Network

The regional secretariats cannot cover all future requirements. Therefore the expertise available in the market and within the network must be actualized by identifying valuable experts, which can work with REEEP to provide detailed market information and technological expertise. The engagement of such experts can increase the quality and transparency of REEEP project selection and monitoring processes but also provide assistance to the decisions on targeted REEEP interventions. This expert network must be facilitated within REEEP's existing processes and financial resources.

Enhanced capacity in the International Secretariat (see ANNEX 1)

The International Secretariat will take over the major role in implementing this new strategy which will require additional qualified human capacity within the IS. In particular this manpower will be needed for further market development of REEEP activities, facilitating engagement with other agencies and donors, and working on the development and update of REEEP toolkits through the analysis and synthesis of project outcomes. This will require a restructuring of the current tasks and must lead to free the management from the current operational overload. This is intended to take REEEP beyond being a standard “project grant” organisation and **enable it to better capture value from projects** that will benefit future work and accelerate the replication of best practice.

Increase Impacts through REEEP sub networks and facilities

The three sub networks of REEEP, the Sustainable Regulators Network (SERN), International Law Network (REIL) and the Energy Efficiency Coalition (EEC), have different abilities to supplement the REEEP programme and should increase its supportive mandate. SERN has a strong role in data collection/analysis on policies and regulation and can so provide assistance to the REEEP policy Work. REIL has a strong role in outreach to business and law makers and provides policy recommendations, and the EEC supports the work on energy efficiency implementation on the ground and enables REEEP to strengthen



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its energy efficiency advocacy role. The information clearinghouse reegle will be used for the global dissemination of lessons learnt and the global spread of best practices.

❑ Reprioritise funding

Reprioritisation of resources is necessary to follow the new strategy within the existing funding structure. The programmatic approach with the limited resources of REEEP is only possible within a clear geographical focus. Applying this new strategic approach to a wider focus would require increased financial resources.

8. Implementation, monitoring and follow up this strategy:

This new strategy for REEEP provides an excellent basis for building on the partnership's success to date. Moving forward it will be critical to ensure that the various strands of change are implemented and that the expected benefits of doing so are realised. **Two initial exercises** will be of great benefit in planning for these changes and in enabling the Governing Board (GB) to monitor implementation - these should be presented to the GB and form the basis for review and discussion on a regular basis to ensure that REEEP continues to keep pace with the fast moving international environment.

Firstly an organogram should be developed setting out the current structure and a description of roles and responsibilities of IS staff, a list of changes to resource demand likely to arise from implementation of the Strategy and consequent changes to IS structure/roles and additional capacity is needed. This will be useful in justifying any further non-programme costs that will be necessary to boost REEEP's analytical capacity.

Secondly REEEP will need an engagement strategy for key implementation partners (in particular, but not limited to, the IEA, the development banks, the UNFCCC and associated bodies and the private sector). In developing this document REEEP should identify short, medium and long term objectives for its further engagement and integration within the range of international processes and bodies identified, along with concrete actions – this should become a living part of the strategy, being revised and refined in line with wider developments (e.g. under the UNFCCC or the development of the SCF and CTF funds).