



Water, energy, transport

Strategy processes – energy and climate protection

The challenge

An economically efficient and effective energy sector is crucial to a country's prosperous development. It helps create a level of wealth in which all can share.

At the same time, the energy sector is principally responsible – along with deforestation occurring primarily in developing countries – for the negative consequences of climate change.

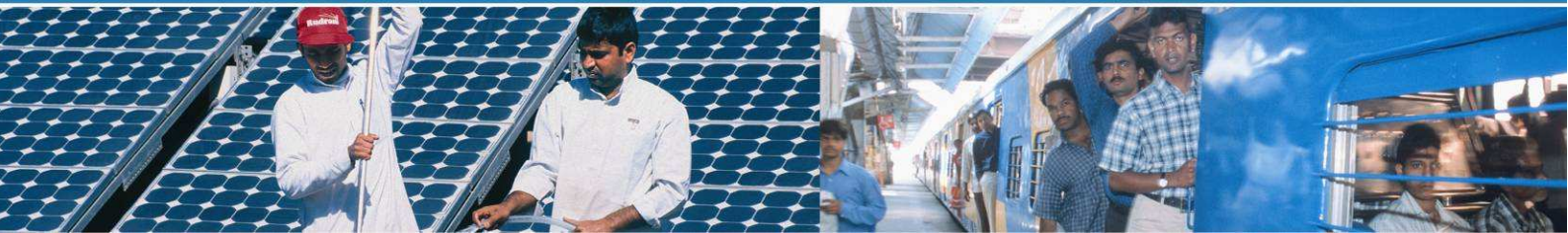
It is no longer possible to further develop a country's energy sector without taking the climate relevance of this sector into consideration. Wherever possible and economically feasible, energy supply should now be switching from fossil energy sources towards renewable energies. At the same time we must find ways to convert, distribute and use energy more efficiently – and the more the costs of resources rise, the more essential this becomes. This is the route to 'low carbon growth' and to the ultimate objective of achieving a zero fossil fuel economy as quickly as possible.

At the UN Climate Change Conference (COP 16) in Cancun progress was made but no binding agreement was reached yet regarding the new climate change regime; we are hopeful that a comprehensive revision at UN level will take place in Durban, South Africa, in December 2011. However, unilateral declarations contained within the Copenhagen Accord have established a basis for emissions limitation in more advanced developing and emerging countries. The energy sectors in these countries will have a decisive role to play in terms of implementation and will gradually have to be aligned with and switched to a low emissions approach. This applies fundamentally to all developing countries. However, given the low level of absolute contributions there is currently a greater need to put in place a reliable energy supply than to make it CO₂-free at any cost.

Our approach

Only a fundamentally sound energy policy can create a secure and climate-friendly energy supply within a country. This policy should preferably be derived from a national consultation process focusing on energy sector strategy and planning. We see energy strategy dialogues not as one-off events held every few years, but as consultations requiring constant revision and ongoing development. Nevertheless, formulated national strategies, master plans for the energy sector, and subsector strategies and plans are useful in helping ensure that strategy and dialogue processes respect established principles and are conducted in a structured way. Energy sector planning must be aligned with national master plans and must take account of – and be compatible with – sustainability criteria and guidelines derived from national climate protection strategies.

In addition to tried-and-tested principles of macroeconomic master plans and energy sector planning, strategy processes must set out to appreciably reduce CO₂ emissions in the energy sector in the long term, reach a turning point in the medium term and tangibly slow their growth in the short term. In future, emerging and larger developing countries will plan and implement the *National Appropriate Mitigation Action* (NAMA), the preparation of which generally involves drafting low emissions strategies and plans for embedding in energy sector planning. GTZ regards low emissions strategies and plans as a key instrument in the pursuit of sustainable and climate-friendly development in the energy sector.



Our services

GTZ offers services for energy policy and climate-oriented strategy processes related to the following areas and aspects:

- national energy planning in line with international climate change regime guidelines
- introduction and application of national and subsector-related energy planning models and concepts
- provision of advisory services and moderation of multi-stakeholder consultation processes at a national level
- training for climate-friendly energy planning, particularly taking into account the potential offered by renewable energies and energy efficiency
- technology needs analysis for climate-friendly reorganisation of the energy sector
- policy advising on promotion measures for renewable energy and energy efficiency, including regulatory frameworks
- capacity development in energy-related planning institutions including organisational development, creation of a management structure and professional training and further education
- provision of advisory services and support with implementing national energy and climate strategies.

The benefits

Dialogue-oriented strategy processes for climate-friendly energy planning and restructuring of the energy sector are key factors in achieving low and ultimately zero emissions economies. The benefits of such strategies are evident in terms of energy, climate protection and local environmental protection. On the energy side, improved energy efficiency reduces the need for energy sources, since if the demand for fossil fuel imports decreases, so too does demand for foreign currency. Renewable energies generally create greater energy security, often reducing dependency on energy

imports or contributing to resource conservation in countries with large national deposits of coal, oil or gas. In terms of climate protection – and often environmental protection at local level – energy efficiency and the steady rise in the use of renewable energy sources result in low CO₂ emissions, which mitigate the greenhouse effect and slow the rate of climate change.

An example from the field

GTZ implemented strategy processes for climate-friendly energy planning and restructuring of the energy sector 10-15 years ago, with a particular view to initiating and planning emissions reductions. At that time the focus was on developing initial broad reduction strategies for such countries as Indonesia, Syria, South Africa and others. For many countries these strategies were a starting point from which to identify their potential for projects now promoted by international emissions trading instruments such as the Clean Development Mechanism.

The anticipated agreements on climate protection could give a new boost to these realigned strategy processes and shape the structure of the energy sectors of many developing countries in the years ahead. A Low Carbon Growth Plan and the National Appropriate Mitigation Actions derived from it are already under development in several countries based on the voluntary commitments set down in the Copenhagen Accord. GTZ will play an active part in this development, bringing experience from previous energy planning projects and activities, and using these for the purpose of further climate protection in partner countries. GTZ has already begun supporting processes of this kind in Indonesia, Costa Rica and the Maldives.

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