

Renewable Energies

During the first half of 2007, Germany is assuming an important role in shaping EU policies with its EU-Presidency. The German Presidency wishes to leave its mark on European development cooperation. Europe's development policy is designed to make substantial progress in serving the community and the people in the European partner countries.

Energy demand

More than 2 billion people, one third of the population worldwide, do not have any access to modern and clean energy. They mostly use fire-wood, dung and plant residue. Without an adequate energy supply, however, all development processes are doomed to fail. Energy is needed to satisfy elementary needs such as preparing food or water being available. Energy remains indispensable for all kinds of economic activities. Hence, the German government attaches major importance to eliminating energy poverty. This is a precondition for success in the combat against poverty.

At the same time, however, more energy should not lead to greater risks for the global climate through an unchecked emission of carbon dioxide and other greenhouse gases. Therefore, the German government sets great store by expanding renewable sources of energy and increasing energy efficiency. Both help keep the use of fossil energies within limits.

German EU-Presidency

In the "European Consensus on Energy Policy" the energy issue was declared an important field of action of the Commission in 2005. The German government played a major role in new emphasis being placed in European development cooperation on sustainable energy for development by means of, inter alia, the integration of renewable energies in the European Energy Facility for countries in Africa, the Caribbean and the Pacific (ACP). Hence, energy is one of the key topics of Germany's EU Presidency.

In view of the challenges ahead (finiteness of fossil energy resources, globally growing demand for energy, high oil and gas prices, growing instabilities in certain regions of the world, and impact of the climate change) the adoption of the European Energy Action Plan will be a priority issue under the German Presidency for the European Council in spring 2007. In its international dimension the European energy strategy is closely correlated to the aim of creating a safe, affordable and ecological energy supply in the developing countries. In this context the German government will work to-



wards designing the EU Energy Action Plan in such a way that it promotes development and permits the developing countries to enter partnerships in the field of energy.

German promotion of renewable energies

Currently, Germany is assisting energy projects in 45 partner countries. Ongoing projects have a volume of about 1.6 billion EUR at present. Of this amount, 929 million EUR go to projects enhancing the use of renewable energies – hydropower, wind, solar and solar-thermal energy, geothermal energy, and the sustainable use of biomass – and 706 million EUR to projects increasing energy efficiency. The projects promoted include a geo-thermal power station in Kenya, the building of small hydropower stations in Nepal, a wind energy programme in Colombia, but also advisory services for reforming the energy sector in Uganda or training wind energy experts in China.

Germany has reached agreement with seven partner countries on "energy" being a development cooperation priority area: Afghanistan, Albania, Bangladesh, Georgia, India, Nepal and Pakistan. With an amount of some 1.1 billion EUR the bulk of commitments concerns Asia, followed by Africa and Latin America.

German development cooperation

The aim of the German government's development policy is to improve access to clean energy, scale down hazards for climate and environment, and reduce poverty in the partner countries. To achieve this, Germany has mobilised additional funds over the past years:

- "Sustainable Energy for Development": This programme was initiated in 2002 at the World Summit in Johannesburg and makes available an amount of 1 billion EUR until 2007, broken down into 500 million EUR for renewables and 500 million EUR for increasing energy efficiency. These new commitments have been secured after three years already instead of the envisaged five.
- "Special Facility for Investment in Renewable Energies and Energy Efficiency": Since 2005 another 500 million EUR of low-interest loans are available for a period of 5 years. Of this amount, 170 million EUR were already committed in 2005 for five projects.

Performance as against that of other donors

In 2004, Germany was third, after the USA and Japan, among bilateral donors in the field of energy projects as a whole (ODA figures).



As to renewable energies (excluding large-scale hydropower), Germany, together with the KfW Development Bank, ranked first among the most important lenders in 2004, followed by the World Bank Group and the Global Environment Facility (GEF).

International cooperation

Furthermore, Germany has participated in various international initiatives and cooperation programmes for "sustainable energy":

- As one of the countries making high membership contributions to the UN organisations, the World Bank and the Global Environment Facility (GEF), the German government is indirectly supporting numerous development projects where renewable energies and energy efficiency play a major role.
- Germany was successful in influencing the World Bank to increase funds to promote the use of renewable energies and achieve greater energy efficiency. The Bank, not least because of the influence brought to bear by the German Development Ministry (BMZ), has pledged an annual increase of at least 20% of its financial commitments during the years 2005 to 2009 for promoting renewable energies (excluding major hydropower projects) and for improving energy efficiency. This pledge was fully honoured in 2005 with investments to the tune of 299 million US \$.
- At the "renewables 2004" conference in Bonn an International Action Programme (IAP) was adopted which contains about 200 voluntary pledges for expanding renewable energies, made by governments, the United Nations, and representatives from civil society and business and industry. By implementing the IAP, the emission of an annual estimated 1.2 billion tons of carbon dioxide will be avoided from 2015 onwards. This would equal about 5% of global CO₂ emissions and would be more than total CO₂ emissions in Germany in 1990.
- Estimates are that the global demand for energy will have risen by 50% by the year 2030; this rise will take place mostly in emerging economies and developing countries. In Gleneagles (2005) the G8 states therefore called upon the World Bank to draw up a general plan for clean energy, the "Clean Energy Investment Framework", which would help speed up transition to a "Low Carbon Economy". The German government is taking an active part in this process.



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