



# **ENERGY**

## The SIDS Lighthouses Initiative Action Statement and Action Plan

*Provisional copy*



**CLIMATE SUMMIT 2014**

---

UN HEADQUARTERS · NEW YORK  
23 SEPTEMBER · #CLIMATE2014

## **Action Statement**

### **The SIDS Lighthouses Initiative**

On the occasion of the UN Secretary General's Climate Summit, we announce our commitment to participate in, and contribute to the SIDS Lighthouses initiative, being launched today, to accelerate the small island developing states' (SIDS) transition to a sustainable energy future. It is a framework for action that will affect millions of people living on the frontlines of climate change around the world.

Energy remains a major constraint to many SIDS sustainable economic growth and development. Most are dependent on imported fossil fuels for their energy needs. For reasons of scale and isolation, energy infrastructure costs are high, and the severe impact of oil price and supply volatility is exacerbated by the small size of local markets. The deployment of renewable energy technologies and efficient use of energy can have a transformational impact on the economic and social wellbeing of SIDS, as well as in providing energy security and generating employment.

The time for action on renewable energy in SIDS is ripe, with the existence of proven solutions, declining technology costs, better business models, and the availability of financing. Growing understanding of the need to decarbonize energy to address climate change provides further support. Most importantly, there is strong political commitment, creating a momentum of opportunity that must be seized. The outcome of the Third International Conference on SIDS, the S.A.M.O.A. Pathway, urges all stakeholders to join forces in supporting SIDS in the development and implementation of their national, regional and interregional sustainable energy plans and strategies. The SIDS Lighthouses initiative, introduced at the Abu Dhabi Ascent, provides a framework for action for SIDS and partners, to move away from a piecemeal approach and transform their energy system through a structured, holistic and sustainable approach, taking into account medium and long-term requirements and impacts.

Therefore, in the spirit of the S.A.M.O.A. Pathway, SIDS are promoting renewable energy as a vital component of their sustainable development and climate mitigation and resilience efforts. SIDS can become a lighthouse for the possibilities that renewable energy offers, by showing that their energy demands can be satisfied to a large extent or entirely from indigenous renewable sources.

Within the Lighthouses initiative, the partners herewith pledge to work together on accelerating the SIDS transition to a sustainable energy future, and invite others to join the effort.

### **LIST OF PARTNERS**

SIDS Partners: Antigua and Barbuda, Bahamas, Barbados, Cape Verde, Cook Islands, Federal States of Micronesia, Fiji, Grenada, Guyana, Kiribati, Maldives, Mauritius, Nauru, Niue, Republic of Marshall

Islands, Palau, Sao Tome and Principe, Samoa, Seychelles, Solomon Islands, St. Vincent and Grenadine, Tonga, Trinidad and Tobago, Tuvalu, Vanuatu.

Other Partners: ENEL, European Union, France, Germany, Indian Ocean Commission, IRENA, Japan, New Zealand, Norway, SE4ALL, United Arab Emirates, United States of America, UNDP, The World Bank Group

Any parties interested in joining the Lighthouses initiative can contact IRENA at e-mail [EPress@irena.org](mailto:EPress@irena.org).

## Action Plan

The SIDS Lighthouses is a framework for action aimed at a programmatic deployment of renewables to enable their energy system transformation, by moving away from developing projects in isolation to a holistic approach that considers all relevant elements spanning from policy and market frameworks, through technology options to capacity building. Within the initial five (5) year timeframe, the SIDS Lighthouse initiative will focus on the power sector with the aim to achieving the following:

- Mobilize USD 500 million
- Deploy 100 MW of new solar PV
- Deploy 20 MW of new wind power
- Deploy significant quantities of small hydropower and geothermal energy and a number marine technology projects in progress
- Ensure all participating SIDS develop renewable energy roadmaps

IRENA will act as a hub for the SIDS Lighthouses, provide advice and support to SIDS as needed, and facilitate targeted engagement of stakeholders and mobilization of funding.

SIDS partners will prioritise the deployment of renewables and, with support of IRENA as needed, lead the assessment of their plans, strengths and needs, to create an enabling environment for accelerated deployment of renewables. Development partners will provide technical, financial or other assistance, as needed. This support will target priority areas, which development partners will provide bilaterally or in partnership with other stakeholders.

Progress will be assessed on an annual basis in IRENA's regular meetings, and a high-level meeting would be organised in 2018 to assess progress and assess whether the initiative is on track to deliver its goals.

### SIDS Lighthouses: Priority Action Areas

#### 1. The institutional framework

Government leadership and political support for energy transition.



A good understanding of policy priorities. These may include access to modern energy services, lower electricity tariffs, lower oil import dependency and job creation.

Close cooperation and coordination between government and private sector, notably the electricity sector utilities and government departments responsible for energy policy.

An institutional nucleus charged with transition planning and implementation.

## **2. The knowledge base**

A good understanding of technology options, their level of maturity, appropriateness and economics.

A strategy for resource assessment:

- Use of broad assessments and existing studies to assess the suitability of a given resource. Focus on priority resources.
- Use broad assessments (satellites, models) to identify 'hot spots', and focus on the hot spots for validation purposes.
- Make the case for resource validation: Identify if the scale of investment requires carrying an assessment for a large area, or focus on a few projects. Are public funds required, or can it be supported by the project developer?

Assess grid stability for high shares of RE integration and develop integration strategies.

Quantify the benefits of hybrid power systems for consumer electricity tariffs.

A database of best practice cases for sharing of knowledge to facilitate an effective and coherent strategy for successful RE deployment (incl. PPAs, policy frameworks etc).

A strategy for timely and accurate statistical data collection and estimation:

- Identification of statistics necessary for capturing recent base year situation (e.g. installed capacity, energy balance etc).
- Metrics developed for the tracking of progress towards renewable energy targets.
- Institutional mechanisms developed for an annual reporting process (including development of roles and mandates, data sharing agreements and timelines).
- Development of staff technical capacity for data collection and estimation methods.
- Platform developed for renewable energy data management including data sharing, storage and documentation.

Nexus issues understood and trade-offs agreed upon amongst the key stakeholders.

Demonstrate new technologies under island conditions.

## **3. RE transition planning**

Setting energy policy priorities.

For small power systems, a clear plan on how to expand renewables use.

For larger power systems, proper market design and grid access, with enabling legal and regulatory frameworks.

Clarify land ownership issues as community ownership is in many cases a barrier for project development.

Identify potential for transportation sector transition.

Develop energy efficiency and renewable energy jointly.

Selection of equipment driven by technical appropriateness in a specific setting, and not only cost or other consideration.

Adoption and enforcement of quality standards, and development of an appropriate national quality infrastructure. Where possible, harmonize regional quality standards to facilitate market access and create economies of scale.

#### **4. Financing**

Use an energy roadmap as the framework for funding priorities - “many partners, one team” approach.

Develop a business model that ensures long term sustainability and where revenues enable re-investments.

Wherever possible, cluster projects to reach a scale that reduces transaction costs and fosters investment.

Develop bankable project proposals that meet quality criteria of leading international financial institutions.

#### **5. RE deployment and operation**

Developer and technology selection criteria.

Local contractor and project management capability.

Sustainable business plan that allows for reinvestments.

Planning for operation and maintenance.

#### **6. Human capacity building**

Strengthen human and institutional capacity, notably in ministries and utilities for energy transition planning and management.

Build and sustain capacity to operate and maintain equipment.

Build capacity to develop project proposals.

Build capacity to conduct effective tender processes.

#### **7. Regional and international cooperation**

Strengthen regional cooperation of power utility associations, regional energy organisations and regional academia.

Increased regional and international coordination and cooperation in target areas, such as standardisation and quality control, or bulk purchase of equipment.