

Public Private Partnerships relating to trade and sustainable development

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SUSTRA

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Partnerships for Sustainable Development – Germany’s Renewable Energy Initiative

The World Summit on Sustainable Development (WSSD) in Johannesburg (South Africa) produced some concrete new targets and partnerships in important policy sectors like energy and water. Yet, it failed to address the world’s biggest challenge: the reconciliation of the principle of sustainable development with the rapid process of economic globalization. This “mixed bag” of results is both a reflection of the lack of political will in the world’s capitals to put the concept of sustainability at the top of their policy agenda, as well as a manifestation of the serious deficiencies in our current structures of global governance.

Without doubt, the sustainable development community will continue to work with what has been achieved. In those areas in which the Political Declaration of Heads of States during the Summit as well as the Johannesburg Plan of Implementation do in fact reflect substantial progress, today’s challenge is to make sure that implementation is not simply handed over to unaccountable actors and mechanisms.

The Johannesburg Summit produced two sets of outcomes:

- Policy objectives and specific targets as described in the Johannesburg Plan of Implementation.
- A catalogue of proposed “Type II” partnerships, especially in the water and energy sector.

The WSSD Secretariat’s initiative to call for “Type II” partnerships between governments, local authorities, business, and civil society organizations was based on the recognition that international treaties and regimes can only set the frame for sustainable development initiatives. Implementation has to be achieved by and in cooperation with actors from all sectors – public, private and civil society. At the same time, the “Type II” partnership concept was intended to link sustainable

development projects of different size and a variety of actors to the politically agreed objectives of the Johannesburg Plan of Implementation.

From my point of view, the challenge for governments as well as regional or global intergovernmental organizations in the years ahead will be to set the legal and political framework for such partnerships. Such a framework will have to include lean but effective reporting and monitoring requirements as well as access to information on “Type II” partnership projects for affected parties and the interested public. “Type II” partnerships should not be allowed to become purely private endeavors, as they are, by their very nature, political animals that play an important role in the emerging system of global environmental governance.

Long before the Johannesburg Summit, companies, civil society groups, local authorities and other major groups have agreed to form innumerable partnerships on a regular basis. The concept of public private partnerships as well as cooperative efforts by industry and NGOs are therefore no invention of the Johannesburg Summit. What makes the WSSD “Type II” partnerships different is the linkage between those agreements and the more or less specific policy objectives of the Plan of Implementation.

Some examples may illustrate that link:

- The E.U. and U.S. water initiatives, as well as other proposed partnerships in the water sector, are meant to specifically focus on the two agreed targets on water and sanitation in the water chapter of the Johannesburg Plan of Implementation.¹
- Energy-related “Type II” partnerships should refer to the less specific energy language of the Plan of Implementation. However, they should embrace the qualitative policy objectives that were agreed upon, as for example the support for renewable energies in Southern countries, as well as improved access to

¹ Halve, by the year 2015, the proportion of people without access to safe drinking water (reaffirmation of Millennium Development Goal). Halve, by the year 2015, the proportion of people who do not have access to basic sanitation.

energy services, more sustainable market structures, and energy efficiency programs.²

Germany's Chancellor Gerhard Schröder announced with his speech at the WSSD a new "strategic partnership" with developing countries that might go far beyond other partnership initiatives, as well in substance as in funding. Schröder announced a global initiative for renewable energies, some elements of the initiative of which will also support energy efficiency strategies. With his speech, Chancellor Schröder invited the World to Germany to an International Conference on Renewable Energy. The joint declaration of the like-minded countries, "The way forward on renewable energy", that was put out for signature after negotiations on a renewables target in the Johannesburg Plan of Implementation failed, underlines this intention. In the meantime, more than 100 countries now support this resolution. Large countries like Brazil and even oil exporters like Mexico and Venezuela have voiced their support for the initiative.

The different elements of the German government's renewable energy initiative, and how preparations are developing, are described in the following:

1. An International Conference For Renewable Energy

The plans for the International Conference are already developing. The conference will probably take place in Bonn in 2004. It will not only be a governmental conference, but also include Parliamentarians, NGOs and business. The focus of the conference will be North-South cooperation in supporting and gaining market access for renewables. The conference will not only focus on technical and financial cooperation but also on research and development as well as legal and political models for energy market reform that have proven to be successful from a climate

² Renewable energy: Diversify energy supply and substantially increase the global share of renewable energy sources in order to increase its contribution to total energy supply. Access to Energy: Improve access to reliable, affordable, economically viable, socially acceptable and environmentally sound energy services and resources, sufficient to achieve the Millennium Development Goals, including the goal of halving the proportion of people in poverty by 2015. Energy Markets: Remove market distortions including the restructuring of taxes and the phasing out of harmful subsidies. Support efforts to improve the functioning, transparency and information about energy markets with respect to both supply and demand, with the aim of achieving greater stability and to ensure consumer access to energy services. Energy efficiency: Establish domestic programs for energy efficiency with the support of the

policy point of view. Energy efficiency issues will be included into the conference program, but the clear focus will be on renewables. As the Bonn water conference, that is being followed by the upcoming Kyoto water conference, the German government intention is to initiate a process of regular international consultations on renewables.

2. The Foundation of an International Renewable Energy Agency

The German government intends to propose the establishment of an “International Renewable Energy Agency (IRENA)”, based on the existing global network of energy agencies and loosely modelled after the International Atomic Energy Agency (IAEO). The Bonn conference could provide a starting point for this initiative.

As the IAEO, this agency will offer education and training services to build human capacity for the use of renewable energy technologies as well as for implementing the legal and political preconditions to get renewables off the ground. Other tasks could be the collection of data, statistical services as well as providing a network between members, business actors and NGOs.

3. Funding for a strategic partnership on renewables and energy efficiency

Chancellor Schröder also announced at WSSD that the German Government would spend one Billion € for energy projects in developing countries within the next five years: 500 Million € for Renewable Energy and an additional 500 Million € for Energy Efficiency measures. These announcements made sure: Germany will promote an urgent and continual process and review of the Johannesburg Plan of implementation.

The funds that Chancellor Schroeder has announced for the next five years were neither a smart "accounting trick" nor a radical change in policy: in 2001, Germany already spent 100 Million Euros for Renewable Energy and almost 100 Million Euros for Energy Efficiency measures in developing countries. For the next five years, this is more or less a consolidation of the budgetary means. Nevertheless, it is a large amount of money in a very difficult economic situation.

international community. Accelerate the development and dissemination of energy efficiency and energy conservation technologies, including the promotion of research and development.

4. Germany's export initiative for renewable energy

For the German export initiative for renewable energy, the Government through the German Energy Agency has taken the first steps towards achieving this goal. Small and medium sized businesses will be supported in the export of their technologies and offered new markets.