

## **SIDS Ministerial Meeting**

### **‘Fostering Energy Transformation in SIDS through Lighthouses 2.0’**

Ninth session of the Assembly – 10 January 2019, 09:30 – 12:00

#### **Background**

*SIDS partners show leadership and reaffirm their commitment towards increasing the development of renewable energy through the new phase of the SIDS Lighthouses Initiative.* Since the launch of the initiative in 2014, the renewable energy uptake in SIDS has been impressive, and original LHI targets for 2020 have been met and exceeded three years ahead of schedule. Following an extensive consultation process, a new phase of the initiative, Lighthouses 2.0, was launched in September 2018, with new priority areas which reflect the drive to implement new global frameworks, such as the Paris Climate Agreement and the Sustainable Development Goals, as well as the prevailing and emerging challenges faced by SIDS.

*SIDS are among the most vulnerable to the effects of climate change* where energy is a major constraint to sustainable economic growth and development. Most of them 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 prices and supply volatility is exacerbated by the small size of local markets. In this context, the deployment of renewable energy technologies and efficient use of energy can have a transformational impact on the economic and social development of SIDS and can provide energy security and generate employment.

*LHI facilitates coordinated support for SIDS to transform predominantly fossil-based energy systems to renewable energy* through partnerships with stakeholders from public, private, intergovernmental, and non-governmental organisations. Island partners gained access to policy and regulatory advisory services; technical expertise in planning, identifying, structuring and executing projects; grant funding for feasibility studies, capacity building and policy and regulatory design studies; financing for investment projects; and a network to share information, knowledge and practices. As of November 2018, the initiative brings together 36 SIDS and 22 other partners including regional and international organisations, development partners, private companies, research and non-profit organisations. LHI works in coordination with other relevant organisations and SIDS related initiatives, with IRENA serving as the coordinator and facilitator.

*Renewables offer affordable and reliable solutions in SIDS but large potential still remains untapped.* The bold vision of SIDS, together with technology cost reductions and the support of a wide range of partners, accelerated deployment of renewables in SIDS. Around 3.4 GW of renewable energy capacity have been installed in all SIDS as of 2017, with the 36 SIDS partners of LHI accounting for about 2.75 GW, of which more than 400 MW were installed since the launch of LHI in 2014. Despite the significant progress made in the past few years, renewables still account for approximately 10 per cent of the total installed capacity in the power sector and most end-use sectors remain heavily reliant on



imported fossil fuels. One of the major barriers in SIDS is access to finance to support renewable energy projects or invest in necessary upgrades to aging generation, transmission and distribution infrastructure. In many cases, local equity and government funding are insufficient to achieve the level of renewable energy deployment envisioned and often the framework to attract foreign direct investments into renewables is not in place, or not effective. Furthermore, the institutional framework and limited capacity are other critical barriers to the further deployment of renewables in SIDS. More action is therefore needed to harness the benefits of a renewables-based energy transformation taking into account that each SIDS has its own needs and circumstances which require tailor-made solutions and responses.

***The new phase of the Lighthouses Initiative can significantly contribute to align the climate, economic and social objectives within the new international framework for cooperation.*** Political commitment from SIDS remains unwavering and almost all of them have set national renewable energy targets. Thirteen SIDS partners in the initiative have set high targets aiming for 80-100% renewable energy penetration, among which ten have set a target for 100% renewable energy in the electricity generation. In this framework, IRENA undertook a consultation process with LHI partners to maximise impact and identify challenges, opportunities, priority areas, and targets of the next phase of the initiative. Consensus emerged around the key areas of actions, which were endorsed during the official launch of LHI 2.0, held at the High-Level Roundtable in September 2018, during the UN General Assembly in New York which was attended by five Heads of State and Government, five Ministers, and senior officials from SIDS, development partners and regional partners.

***Building on its progress to date and responding with a holistic approach not only to the transformation of the power sector but also to the development and climate agenda, the new phase of implementation will focus on the following areas:***

- Support SIDS in reviewing and implementing Nationally Determined Contributions (NDCs) through technical assistance and capacity building;
- Extend focus beyond power generation to include transportation and other end-use sectors;
- Promote all renewable sources, including geothermal and ocean energy, along with stepping up work to integrate solar PV and wind power;
- Expand from assessment and planning to implementing effective, innovative solutions, with continued technical and regulatory advisory;
- Support development of bankable projects, fostering of access to finance and closer cooperation with the private sector;
- Link renewable energy uptake to climate resilience and more effective disaster recovery;
- Reinforce links between renewables and non-energy sectors, including agriculture, food, health and water, to foster broad socio-economic development as well as raising awareness about job creation, gender equality and women's empowerment through renewable energy development;
- Reinforce and expand engagement of partners and leverage synergies with other relevant SIDS initiatives;
- Strengthen institutional and human capacity development across the renewable energy value chain;
- Leverage synergies between renewables and energy efficiency;
- Enhance collection and dissemination of data and statistics, supporting informed decision-making and effective monitoring;



Furthermore, a new aspirational target for renewables deployment has been set for the next five years of the Lighthouses Initiative. Accordingly, the total renewable energy installed capacity is targeted to reach about 5 GW by 2023, resulting in doubling the deployment growth trend observed in the last five years.

### **Objective**

Building on the priority areas identified for the next phase of the Lighthouses Initiative, this high-level meeting will provide an opportunity to discuss the persisting and emerging challenges, the opportunities and practical solutions as well as to identify concrete and impactful actions to accelerate energy transformation in SIDS.

### **Guiding Questions**

- What are the prevailing and emerging challenges to the further development of renewable energy in SIDS?
- What renewable energy-based solutions and models have successfully been deployed in SIDS and how could they be scaled up?
- Taking into consideration the priority areas identified for LHI 2.0, what may be the immediate implementation focus for IRENA and LHI partners?
- How could partners of the Lighthouses Initiative further support SIDS in their energy transformation?