

# Speed-dating, solar panels and the importance of process



by Jo Spratt and Terence Wood

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The sun has set on the **Pacific Energy Summit** but will the heat generated be channelled into sustainable development? This is the **635 million** New Zealand dollar question.

Co-hosted by New Zealand and the European Union, the Summit brought together donor agencies, Pacific Island leaders and renewable energy companies. The goal was to help Pacific Island countries and territories move towards a target of generating 50% of their electricity from renewables. If, like us, you weren't at the summit in person, you can watch the sessions online [here](#). In effect, the Summit was speed-dating of sorts, bringing together:

- Pacific Island countries and territories (PICTs) in need of renewable energy but without the financial resources, or technical and policy know-how;
- donors with the resources (in the form of concessional loans and grants) and the ability to offer policy advice; and
- renewable energy companies with the technical expertise to create and build the infrastructure.

This was speed dating with a cause though. Aimed at tackling a very real problem. As the UNDP's Helen Clark **emphasised** in her talk at the summit, "the Pacific has the highest petroleum fuel dependency of any region or sub-region in the world ... This heavy reliance on fuel imports exposes the islands to a high degree of price volatility, and takes away resources from important development priorities." What the Summit did was respond to PICTs' need for capital and technology. PICTs brought along a total of 79 renewable energy project proposals, and then it was up to donors and companies to make a date, matching themselves to projects. By the close of the Summit, over half of these projects had been committed to. This is impressive.

The focus on investment was deliberate. NZ's Foreign Affairs Minister, Murray McCully, **opened** the Summit with a reference to his impatience arguing that we have the resources, we understand what is needed, but we are taking too long to

deliver solutions. This is fair enough and we share his desire for results on the ground. But impatience brings the risk of failure. In the complex contexts of developing countries hasty aid is often wasted aid.

Already the Pacific is littered with malfunctioning renewable energy projects: solar panels that don't work in Kiribati health clinics; broken generators damaging solar batteries in Tuvalu. There is a lot to learn about how to ensure that investments in renewable energy are sustainable. Yet, the Summit's emphasis on selling renewable energy technology meant that, although there were many policy and technical specialists in the room, public discussion of the most important questions was scant.

Questions like: What are the exact pathways from renewable energy to human development? What else is needed to make sure the former leads to the latter? What level of investment in renewable technologies is warranted in each country? Who needs power most, and will large-scale, grid-connected infrastructure really meet their needs? What are the best ways to deal with the maintenance issues that sustainability relies upon? And do PICT governments have the capacity to negotiate with private providers or to manage large scale technical infrastructure? The answers to these questions are important and the summit missed an opportunity in not affording them more prominence. It was encouraging to hear Dominican Ambassador Vince Henderson **speak** eloquently on his country's experiences of some of these challenges, but there needed to be a lot more of this.

The Summit was also problematic in that its focus on the goal of achieving renewable energy targets meant it overlooked an issue inherent in such targets. The easiest way for a country to meet a target of having a high proportion of its electricity come from renewable sources is often to devote most of its resources towards replacing non-renewable with renewable technology on the already existing electricity grid. Such an agenda ignores the need to widen access to electricity through expansion of the grid or smaller-scale off-grid rural electrification. For many PICTs, this means neglecting people that live in rural and remote areas – the very people who are more likely to be poor and to whom aid should be directed.

The focus on renewable funding projects and meeting energy targets also distracts from other important issues. One is the need for sound regulatory arrangements that determine pricing, and which consider affordability for poor households. Success in this area requires the navigation of complex institutional challenges.

Also, focusing on enhanced renewable electricity sources via big infrastructure projects may well mean neglecting the need for more action on energy efficiency – often a far cheaper way to reduce dependence on fossil fuel consumption.

Of course, many of these tricky issues can be addressed behind the scenes, by the experts employed within aid agencies. To do this well they need time and political support, something that looks to be lacking in the case of New Zealand at least. **Closing** the Summit Minister McCully claimed that, “Our great enemy is the triumph of process over outcomes”.

But process matters if renewable energy is to succeed in the Pacific. Indeed, process is essential for the careful design and implementation of renewable energy projects using a development lens that considers broader energy access and regulatory issues. Speed-dating creates connections, but if the relationship is to last, simply selling the technology and providing the funding is not enough.

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