

International Voluntary Non-Binding Commitments

Features, Feasibility, Cost, and Merits

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Lessons from the International Action Programme for Renewable Energy Promotion and the Follow Up

3rd Draft

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1. Introduction: the IAP and its follow-up

Ministers and Government Representatives commit to work toward these objectives, individually and jointly, by undertaking the actions they have submitted for inclusion in the “International Action Programme” and through other voluntary measures. They agree that these measurable steps should be reported to the UN Commission on Sustainable Development (CSD) and that progress should be reviewed as foreseen in the Johannesburg Plan of Implementation. An appropriate arrangement for follow-up should be identified in a future meeting in preparation for CSD 14/15.

(paragraph 8 of the Political Declaration of the Bonn *renewables 2004* Conference)

The International Action Programme (IAP) is a major outcome of the International Conference for Renewable Energies (*renewables 2004*), that took place in Bonn, Germany, from 1 to 4 June 2004. The IAP contains 197 non-binding commitments, all of which represent concrete measures or projects (Actions) towards developing and promoting renewable energy. These Actions were put forward by diverse actors of all stakeholder groups upon invitation by the conveners. The collection of Actions was published as an official document of the conference.

(http://www.renewables2004.de/en/2004/outcome_actionprogramme.asp)

In a content analysis, the IAP Actions were categorised according to criteria (e.g. actor type, region, technology, financing) and expected effects (e.g. renewable energy capacity, investments, CO2 emission reduction, access to energy).

(http://www.renewables2004.de/pdf/IAP_content_analysis.pdf)

Less than two years after the Bonn Conference, REN21 was mandated by the Conference Conveners, the German Federal Ministry for Economic Cooperation and Development (BMZ) and the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), to follow up on the Actions.

At the same time, the Conveners invited the Actors to report on the implementation. While the reporting by the Actors was voluntary, the possibility to showcase the progress on the REN21 website provided an incentive.

Since March 2006, the REN21 Secretariat has carried out the follow-up. While more and more Actions were being reported on, two Interim Reports on Implementation of the IAP presented the progress made. One of them had been prepared for the CSD 14 meeting in May 2006, the other one for the 2-year anniversary of the renewable 2004 Conference, in June 2006: (http://www.ren21.net/pdf/IAP_InterimReport_060601.pdf)

Six months later, the follow-up is drawing to a close, and a final report on implementation is being prepared. As of 15 September 2006, some 70% of the Actions were reported on. The level of implementation is high (approximately 80%) and most of the remaining 20% are still under preparation. All submitted Actions and the respective progress reports are accessible on the internet: (<http://www.ren21.net/iap/iap.asp>)

This reporting initiative has pioneered practical ways for organising follow-up on voluntary Actions. In this brief document, the REN21 Secretariat therefore draws conclusions on the usefulness of such programmes of action-oriented commitments. Are non-binding commitments meaningful? What is their relevance for renewable energy development? What are the advantages of such a bottom-up approach compared to top-down diplomacy? This

document provides lessons learnt in the light of future rounds of voluntary commitments, be it for renewable energy or other goals.

2. Purpose and features of the IAP

The International Action Programme (IAP) is an outcome of the International Conference for Renewable Energies (*renewables 2004*), Bonn, June 2004. Both, the Conference and the IAP owe their existence to the dissatisfaction of many participants at the World Summit on Sustainable Development (WSSD) that took place in Johannesburg in 2002. Participants who had hoped for this Rio+10 Summit to achieve agreement on quantitative renewable energy market share targets criticised the lack of concrete commitments with regard to renewable energies.

The German government reacted to this disappointment with an invitation to a special conference devoted entirely to renewable energies (i.e. the above-mentioned *renewables2004*). At the same time, German Chancellor Gerhard Schroeder pronounced the challenge to use that upcoming event to make more specific renewable energy commitments than those agreed upon in the Johannesburg Plan of Implementation (JPOI), knowing that an international agreement on targets could not be attained. These were the core terms-of-reference for the designers of what was to become the IAP, which put it in contrast to the JPOI on the one side and to binding targets to the other side.

The IAP can be described in **general terms** as follows: The IAP is a set of non-binding commitments by Actors from different stakeholder groups worldwide, who at the occasion of an international conference and at the initiative of one government, voluntarily pledged to carry out, in the foreseeable future, individual measurable Actions to promote a common purpose, and to cooperate in reviewing and progress reporting. In fact, the implementation of the IAP has been followed-up by self-reporting organised by an informal type-2 partnership, i.e. REN21.

The following discussion and table of **specific features of the IAP** in comparison to features of other commitments leads to a better understanding of the IAP.

The IAP is **intrinsically related to *renewables 2004***. It had the function to assure a tangible outcome of the Conference. Without such an outcome, the purpose of the Conference – i.e. the promotion of renewable energies worldwide – would have been achieved to a lesser extent and the effort would be less justified.

The renewables 2004 Conference with its IAP provides a new policy-making format, which is a departure of the traditional UN policy process. Instead of being mandated by the international community, the invitation to the Conference came from one country, Germany, and the IAP was equally compiled by Germany. Thus, the IAP is part of a more **informal process**, in which countries participated on a voluntary basis, along with numerous other stakeholders in renewable energy. The Conference, the IAP, and the subsequently established REN21 Network (embraced in paragraph 9 of the Political Declaration), are part of a **new and informal type of international policy development institution**.

Features	International Action Programme	Typical UN agreements ¹
Framework	Conference convened by one country	Multilaterally convened conference at UN level
Subjects (Actors)	Stakeholders of various types, individually or in groups	States
Type of commitments	Various self-defined actions, programmes, policy measures, or targets for increased RE development Measurable, tangible	Commonly agreed actions, targets, or declarations of intent , e.g. Plan of implementation of (unspecified) action)
Type of actions committed	Policy measures or framework, financing programmes, R&D, technology development, capacity building...	Policy measures or framework, public investment, government R&D, technology transfer
Time frame	Depends on commitment taken, often imminent, implementation short-term Impact medium and long term	Fixed for all (long term) in case of targets Impact unspecified
Formulation of commitments	Voluntarily self-defined by actors	Multilaterally negotiated
Legal obligation, bindingness	Non-binding, without sanctions	Generally Binding, with or without sanction
Accountable to	Public, peer group	Public, institution in charge of arrangement
Incentive structure	Positive, demonstration, dynamic new departure	Obligation
Level of commitment	Different levels, depending on subject who declares commitment	Government level
Programme coherence	Bottom up: aggregation of individual commitments to common goal Not entirely comprehensive, but internally non-contradictory	Top down: individual commitments derived from overall objective
Additionality (to business as usual)	Additionality desired, but not necessarily assured	Additionality not always assured, more or less ambitious targets
Compliance monitoring	Voluntary self-reporting	Obligatory reporting and official review

The apparent lack of legitimacy (due to the fact that this was not a UN-invited event) was counter-balanced by a high effectiveness, significance and relevance. The participation of 3600 participants from 154 countries made the conference significant and globally relevant. The consent of governments and other stakeholder groups to the political declaration established the competence of the Conference. This in turn lent relevance also to the IAP, the

¹ Note that the UN may also introduce non-binding commitments in the form of 'soft law' documents. There have been a number of soft law, 'aspirational' documents approved at UN level (e.g. the Johannesburg Plan of Implementation - JPoI). In this table, however, we are comparing voluntary IAP-type commitments to *binding* commitments (treaties) as generally agreed between signatory countries at the UN level.

significance of which was further underlined by the high number of Actions submitted and the sum of their impact.

All types of stakeholders participating in the Conference were entitled to submit commitments. The character of Actions to be submitted was not narrowly defined, so that the choice was all with the submitters. Furthermore, one stakeholder could submit several commitments, and commitments could be submitted jointly by groups of stakeholders.

A wide variety of Actions was included, establishing projects, programmes, or targets in the areas of policy, financing, R&D, technology development, and capacity building.

Criteria for Actions

The designers of the IAP wanted to avoid, however, that the IAP becomes a document of pure activism. They therefore set some **criteria** for admissible Actions:

- Actions should have measurable effects and a **lasting impact** on the development of renewable energy.
- All Actions had to really be foreseen to be undertaken during the months following the Conference. Action implementation should not strongly depend on external conditions. In the submission format, the conveners therefore asked for a high degree of **concreteness as to financing and time frame**.
- Information should be provided about the **monitoring** planned for each Action. Beside this *internal* monitoring, it was decided in the Conference's political declaration, that progress with the IAP should be *externally reviewed and reported*, possibly to the UN CSD.
- The conveners wanted to push for **increased activity** for renewables, thus asking for the Action to be *additional* to the ongoing activities (see chapter 3 for a closer look at additionality).

These criteria were not always easy to meet in the given time frame after IAP had been announced: Significant Actions cannot be decided upon spontaneously by most stakeholders, but generally require some internal lead time for preparations.

Bottom-up Approach

Built of individual Actions submitted to the Conference, the IAP is a **bottom-up approach** to a common goal. Its Actions were compiled to list, categorised, and appreciated with respect to political goals. This bottom-up approach, which starts at the lower end of the logical impact chain, distinguishes itself from most joint plans or programmes.

In the majority of cases, international commitments are developed *top down*, i.e. starting from a joint objective, and subsequently broken down into individual responsibilities. In some cases, such as the Millennium Development Goals, global quantitative targets are adopted. In other cases, like the Kyoto Protocol, targets related to the objective are agreed by each participant for his constituency, based on an objectively verifiable indicator value (e.g. a certain level of specific emissions at a certain point in time). Once agreed, achieving these targets is up to the respective participant. In a similar way, though in an established supranational framework, the EU countries have agreed to certain market shares of renewable energy in the electricity generation. In other cases again, like JPoI or the Gleneagles Plan of Action of the G8, the participating actors in an international commitment pledge to work in

broadly defined ways towards the objectives in certain areas. All of these sets of commitments are elaborated top-down, in a method by which commonly agreed objectives (sometimes specifying quantitative targets, sometimes just describing qualitatively the direction of policies), through suitable strategies and means, are expected to lead to specific individual action. In many cases, however, this impact chain is interrupted and does therefore not lead to the desired action in the end.

Voluntary but not without effect

In line with the informal character of the *renewables 2004* Conference, the committing of Actions was **voluntary**. The conveners asked for Actions to be submitted but did not make it a condition for participating in the Conference. Nobody was obliged to submit an Action. The prospect of “missing” in the IAP, though, as well as possibly the perceived pressure to be a “thankful guest”, may have exerted some informal pressure. And the opportunity to showcase one’s dedication to the cause of renewable energy may have been a positive incentive. In summary, informal pressure and positive incentives may have been conducive to deliver something, but not something specific. The choice was up to the committing party.

Non-binding but exposed

Though **legally non-binding**, there is **a certain degree of accountability** involved in the IAP commitments. The pledges are made publicly during an internationally visible event and are published. The public exposure is enhanced by the agreement in the political declaration to review and report on progress made. Furthermore, the effective follow-up work including online publication of progress reporting maintains accountability. By agreeing to follow-up and reporting on their Action, the IAP partners demonstrate to others their seriousness about their commitments in spite of their non-binding nature.

No tedious negotiations

The Actions were submitted by the IAP partners and assembled by the organisers in one move, at one conference. Though the efforts were heavy at that point in time, they were little on the whole. The dynamics, in fact, were quite constructive and entirely different from a drawn out negotiating situation. The nature of voluntarily and self-defined pledges left the IAP **process free from negotiation**. This distinguishes the IAP from binding multi-party agreements which presuppose possibly lengthy negotiations that bear the risk of failure and insignificant outcome.

IAP is a Programme

Although the IAP is a collection of individual Actions which differ in type and scope and many other ways, it is nonetheless considered a **programme** - first and foremost because of its **overarching objective**: all the Actions included in the IAP had to be designed to promote renewable energy. The immediate goals of the each Action were stated in the submission form. This enables – at least in principle – to build the logical connection of the Actions to the overall objective, demonstrating the cause-effect relationship.

Furthermore, the Actions are **synchronous**, with the intended measures designed to be carried out more or less simultaneously, i.e. in the short or medium term after the Conference.

The IAP is not an entirely comprehensive programme. The logical connection between Actions and their immediate objectives and the overall goals of the programme was not explicitly and consistently established. There may be missing links. The IAP is, however, much **more than a sum of random pieces**. The Actions are directed to some immediate objectives which are obviously directed to the superior goal. The Actions are not contradictory between each other but rather offer each other **synergies**.

Follow-up furthers the Actions' impacts

The review provision in the *renewables2004* political declaration paved the way for an **effective follow-up** which was carried out two years after the conference. The conveners invited REN21, the type-II partnership created at the same time as the IAP, to organise the public monitoring in the form of self-reporting on the REN21 website.

3. Feasibility, quality, costs and benefits

At the outset of the discussion on costs and benefits of the IAP, it is pertinent to clarify that the IAP was initiated and designed as an alternative to a multilateral agreement on targets, which - with the experience from the WSSD in 2002 - was considered unachievable. In other words: At the time the IAP was assembled, the first choice of internationally binding quantitative commitments of governments to renewable energy was not available.

In this chapter, we are therefore not endeavouring a comparative analysis. The discussion of costs and benefits of the IAP is a discussion in its own right: What were the costs, benefits, and merits? Was it worth the effort?

3.1 Feasibility, quality, and cost of IAP

The existence of the IAP proves its **feasibility**. Considering the effective content of the IAP demonstrates that it is possible to establish a **significant global catalogue of actions**. Almost 200 Actions from approximately the same number of Actors have come together. The IAP is far from containing *all* the measures that are intended for renewable energy promotion. It is rather a **cross-section of measures** representing the diversity of measures, regions, and stakeholder groups. It is worth mentioning that some large countries have participated, who – for constitutional or political reasons – tend to be very restrictive on the matter of pledges.

The IAP follow-up in the year 2006 showed that the Actions were **implemented to a high rate**: as of 30 November 2006, almost 80% were under implementation or have already been concluded. Most of the remaining 20% were under preparation, with only 3% abandoned.

The IAP was established in a rather **short period of time** requiring only a **very limited amount of resources**. To the organisers, the preparation and creation of the IAP took a few months and a peak of intensive work during and right after the conference.

The intention to collect commitments was communicated at a series of preparatory conferences organised in various world regions in the run-up to *renewables 2004*.

Once gathered, it was a rather straight-forward process to list the Actions in a simple database. For the Actors, too, costs were low, as they only had to formulate the intended measure in a simple submission format.

As negotiations between submitters were unnecessary and transaction between conveners and submitters was kept to a minimum, the transaction costs of the IAP were very low.

The content analysis, which was undertaken on the basis of the consolidated IAP, i.e. the systematic list of actions, was also rather straightforward.

To the surprise of many, the **follow-up**, too, was very straight forward, proving effective and feasible. It was also not very resource and time-consuming. As with the submission, the costs for the reporting Actors were in the magnitude of a couple of workdays at the very most. The total cost of the follow-up may amount to approximately 500 work days.

3.2 Benefits of the IAP

Impacts

The IAP is not universal and all embracing, but a considerable body of **far reaching commitments with an enormous scope** and global reach. As the content analysis shows, the *potential* effects are **very significant**: If all IAP Actions were to be carried out, renewable energy supply capacity would grow by 163 GW, which corresponds to more than 300 million USD of investments, and entails 1.2 billion tons of annual CO₂ emission reduction in 2015. Two-and-a-half years after *renewables 2004*, an intermediate reassessment is underway to measure the *effective* impact based on the actual progress made in the different Actions.

Additionality

The content analysis did not make a distinction between those actions which were entirely or partly initiated by the Conference and its call for actions, and those which were already decided or under preparation in any case. A screening was foreseen but the delineation between what was “base line” and what was “additional” could not be strictly applied at the moment of the registration. Taking into account the necessary lead times for decisions within organisations or governments, and the time between the call for submissions and the Conference, it can be presumed that many or even most of the Actions included in the IAP were not motivated by the Conference. The identification of additionality has also not been done ex-post yet. The required information seemed too complex to include the respective questions in the submission form for the follow-up undertaken through 2006.

Catalyst and Amplifier

However, while the IAP cannot claim to be the prime reason for most of its Actions to have been initiated, many of the included Actions were concretised in scope, quality, and time schedule to fit into the IAP and give a ‘good impression’. The invitation to submit intended measures has thus operated as a **catalyst**. It created incentives - or pressure - to present something significant. The invited Actor, in particular the representative of a government, considers carefully what should be presented.

Some countries have decided to use the opportunity for announcing a significant national renewable energy programme, which happened to be under discussion. That is the case of

China. In some cases, countries have accelerated the process of elaborating and launching significant programmes. Other actors may have seen the Conference and the connected IAP as an opportunity to seize interest, including for external support. Some countries have voluntarily put forward market share targets. Some multilateral and also bilateral financing organisations may have shaped their programmes in a way that they endorse and support the conveners' intention.

The Conference and IAP may therefore have served as an **amplifier**. There is also likely a considerable effect in the *implementation* of the actions included in the IAP. The monitoring and the possibility for anyone to follow the development of an Action may have Actors pay increased attention to the measures taken. This may motivate extension of the projects beyond their initial phase, or at least prevent them from dwindling along and dying a 'slow death' for lack of interest. Furthermore, market analysts and developers have noticed the inclusion of projects and policies into the IAP, and have adjusted their respective risk appreciation.

Exchange of experience and source of inspiration

The follow up and on-line presentation of the Actions in the IAP provides an opportunity for exposing good practices and successful policies as well as studying recent experience in policies. This **exchange of experience** can provide the basis for new partnerships to be forged between Actors with related projects. Thus, an instrument like the IAP is valuable as a first information and overview for interested parties in particular investors, financiers, consultants and researchers.

This information-sharing may **inspire other Actors**, help identify potent partners, and ultimately trigger more Action for RE policy-making.

Added value and attention for the Conference

The IAP has **rendered the conference itself more effective**. The IAP is the central outcome of *renewables 2004*. For participants and observers, the successful combination of Conference and Action Programme has given new impetus to renewables. *Renewables 2004* – of course - is not an objective in itself but continues to bear fruits through its outcomes: IAP as well as REN21.

The media coverage of the Conference – the success of which was attributed largely to the IAP as its substantial outcome – made renewables globally relevant and noticed. Not being part of an established international convention within the UN system, the Conference would not have received the media attention it did had it been without the IAP.

The synergies of the action programme with the conference were considerable: assembled at such a highly visible and broadcasted event, it provided the opportunity for submitters to interact directly with regard to their actions, both with one another and with observers.

Programme approach makes synergies work

Organising and publishing the Actions in a *programme* makes the Actors part of a large group of like-minded stakeholders who enter in a silent agreement in a climate of mutual promise. This **mutually assures** everyone that they are not alone in that venture, which entails a dynamic positive effect in general. This will motivate more – and more courageous – measures.

- Even without a direct relationship between Actions there is often an effective liaison. Those who become active have good prospects to be supported by other stakeholders: For instance, if Actor X makes a commitment to increase financing for RE, it is easier for Actor Y to make a commitment to employ more RE. Even when Actions are non-binding, the mere promise to act gives a certain security as to the Actions of others. This mutual assurance is especially important in a multi-stakeholder environment, where, e.g. if governments decide on a change of law, the industry will invest, and the NGOs will win public support.
- Many Actions are interdependent and require synergies to work. For such Actions, the assurance provided through the fact that commitments are made *jointly* is often essential to undertake them in the first place.
- The monitoring prolongs the mutual assurance and support into the future.

Reference of policy measures and follow-up

The published IAP is a **reference catalogue for policies and programmes to be expected** in the near future. It complements the information on the status of renewable energy development as provided through the REN21 Global Status Report and existing policy information as provided through the IEA Policies and Measures Database.

The follow-up and online publication of IAP entries and the monitoring by REN21 keeps the information available and up to date. The web pages on the IAP of REN21 have been visited around 3000 times per month during the follow up period from April to September 2006.

The setting up and monitoring of the IAP has established a **reference methodology**, which can be studied and applied in further international policy processes related to renewable energy or beyond, for review and reporting. The successful follow up in itself might encourage an effective monitoring scheme to follow up other existing and future programme outcomes of international conferences.

3.3 Conclusion

A great variety of positive effects can be associated to the IAP, although it is impossible to estimate precisely its benefits. It is difficult to determine to what extent exactly the IAP has increased the number, the scope, or the depth of the measures included, or improved their timing, or which other positive effects it has had. The theoretical analysis hints to some significant impacts. The overall net effect of wider scope, advanced timing, and increased media attention to the actions, as well as effective implementation follow-up and experience-sharing, was probably quite significant.

The anchoring of an action programme such as the IAP into an international conference makes both more powerful, but also somewhat prevents the distinction of cause-effects and allocation of effects to the IAP.

The other key conclusion from the experience is that such a programme is feasible and does not incur very significant costs. The low cost of this IAP – which is certainly a result of its association to the conference - clearly made this a very worthwhile exercise.

4. Recommendations

The experience made with the renewable energy IAP as a case of an international voluntary action-oriented non-binding commitments programme shows that such programmes can have very significant effects.

This does not mean however, that it should be repeated without considering a number of improvements based on the lessons learnt.

First of all, it has to be recalled, that the IAP was conceived and implemented as a second-best option under the impression that a multilateral binding agreement was not feasible. The international political conditions might have changed, and a multilateral system of renewable energy targets should not be pre-empted.

Thus, the first recommendation would be to clarify, whether, within the appropriate multilateral framework, a multilateral arrangement of binding RE targets might be feasible. In view of the time schedule it is obvious that such an agreement cannot be established within CSD 15, i.e. by May 2007. However, CSD 15 might approve the principle of such an agreement, which then would be negotiated in a given time frame.

If the stalemate vis-à-vis a multilateral binding agreement on RE continues, or if a meaningful binding agreement with significant targets would require a long and expensive negotiation process with uncertain outcome, the voluntary commitments appear again as the alternative.

Two questions arise:

1. Would it be worth the effort to undertake again a similar voluntary approach like with the IAP?
2. What must be done - or could be done better - in order to improve the benefit-cost relationship?

A satisfying answer to the second question would entail a more positive answer to the first one. So starting with the second question, we can build the basis on which the first question can be answered.

Specific recommendations:

- **Associate the programme to an important international event!**

It is much more complicated and much less effective to organise an IAP-like programme as a stand-alone programme. The recommendation is to associate the instrument to a conference that is taking place in any case.

If in 2008 another international conference after Bonn and Beijing is held, that would be the ideal opportunity to assemble the Actions. The announcement of an important international RE conference by a global player (other than Germany and China) would send a very strong signal to all stakeholders that RE has great prospects, and induce a new dynamic into all actors. That would create new motivation to genuinely rethink the

policies and come up with new additional policies, programmes and even with new targets.

- **Begin preparations more than one year before the official event!**

In order to enable actors to elaborate meaningful commitments with lasting and significant impacts, they need significant lead time, in particular if actions are to be additional to the existing policies. A series of preparatory conferences should be used to raise awareness and start the call for actions and collecting process.

- **Include all stakeholders in the commitments!**

The mutual benefit of the actions is much more significant, if not only governments, but also NGO, private sector, and - in particular - financial institutions participate in the programme. The Actors and types of commitments should be defined in a similar way than in the IAP of Bonn.

- **Separate the new commitments entirely from the existing ones in the IAP, but build on existing frameworks!**

A clear time frame for both the assembling of the actions in a one-step process and the undertaking of the actions is crucial. It is not advisable to assemble actions which are undertaken in different periods of time and assembled in a drawn out process and under different conditions. At the same time, however, a new set of actions may be another occasion to highlight the commitments of the first IAP again, and give new impetus to the ongoing action.

This IAP is time-indexed, and a new version should be related to another time period and agreed at another point in time. A good delay between new programmes may be about four years.

Even when an entirely new programme is designed, the existing experience can be applied, as well as the existing institutional arrangement of REN21.

- **Foresee and inform participants about a monitoring or follow-up arrangement!**

Further recommendations, which make the commitments and procedures of follow up more effective, are described in the report on the implementation.