

Energy and industrial policies to mainstream renewables



The energy transition makes for competitive prices and products. We must establish a long-term vision to develop industrial policies. There is no industry without energy.

“Energy and industry have been linked since the start of the industrial revolution,” said Jose Donoso, Chairman of the Global Solar Council. “We are moving from a capital-intensive energy system where a few countries hold the know-how and power to a more open and decentralised technology,” Donoso added.

In some regions, it is not about re-building the industry but rather about establishing it from scratch using renewable energy. We also must consider renewables in our short-term responses and not just the long-term. Resorting to fossil-fuels for short-term solutions while planning for the transition in the long-term only, locks in more emissions and maintains the status-quo of inequality and insecurity. It is high-time to question the existing economic models but also our trade rules. A trade policy is fundamental.

We must build a pool of talented and skilled professionals and share good practices. Uruguay demonstrated that the transition to 100% renewables is possible and it creates jobs and growth. The industry is structurally changing in Uruguay because it is now free from fossil fuel dependence and the resulting energy security is encouraging companies to be based there.

“We have combined different sources of renewables to overcome intermittent supply,” said Ramon Mendez Galain Former Energy Minister of Uruguay.



Building Energy Resilience: Large centralised vs. distributed systems

We all agree that there is no opposition between centralised and distributed energy systems: all solutions and sizes must be considered, each having limitations and benefits that must be considered. In light of the increasing number of shocks and stresses, we must acknowledge that past experiences and existing scenarios cannot be applied to a future that we are unable to anticipate.



This imposes a paradigm shift. Energy, while essential for development, is just part of a much broader and more complex system. Even more water management will be required, which will also be of high benefit for forestry or agriculture. Watershed management is an example of longstanding practices by indigenous communities. Multi-hazard systemic models help anticipate the interdependencies and domino effects that will affect different sectors. Today, working on improving the resilience of energy systems is considered a cost; but it must rather be seen as a long-term investment.



Electricity, Hydrogen and Low Thermal: The interplay

Policymakers are under pressure to resort to a wide choice of energy technologies. But the consumer perspective can weigh heavily in the interest of the energy transition, which is why building public support is essential. Various technologies must be used to complement one another to satisfy different needs spanning from industry to households.



Dialogue and open discussion about technicalities and politics are important policy drivers. Systemic reform is necessary to make green hydrogen dispatchable. Hydrogen is more achievable for industrial use. It is less likely achievable in heating due to low affordability for consumers. The emphasis is on local availability but international cooperation remains a necessity.

“Enough talking, sign contracts, and do final investment decisions,” said Thierry Leperco President of HyDeal.



End-of-life: Circularity in renewables

“Circularity is the journey through which we can reach the sustainable future that we are striving for,” said Deborah Ohui Nartey from Footprints Africa Limited. “Circularity, she added, is a means of living; it’s not just a concept. It is people, culture, fairness, and what it means to achieve social equality”. The panel stressed that circularity is about “thinking in systems,” applying the principles of Reduce, reuse, recycle, but also redesign. The objective is to design products and services aiming to consume less resources.



The panellists emphasised the importance of “producers' responsibility” and regulations to implement policies and market incentives and promote the circular economy, innovation, and technologies. They also addressed the need for multilevel action and policies and tackled the issue of critical materials needed beyond the pure technological perspectives. Talking about cost, they acknowledged that it is currently the largest barrier for circular solutions for renewables and that there is a need for enabling policies to add value to circular economy and account for the real cost of waste.



The Case of SMEs: Driving change outside globalised markets

Start-ups and small and medium-sized enterprises (SMEs) play key roles in innovation and bringing renewable energy technologies to the market. These organisations know local markets and can participate in small equipment manufacturing activities, installation, civil works, retail and maintenance.

This panel explored how the growth of renewables can catalyse new entrepreneurial ecosystems. It highlighted opportunities for SMEs, their importance in local value creation and how they can/should be supported. It also addressed some burning questions such as how the shift to renewables can harness the skills, local knowledge and innovation in small and medium enterprises (SMEs) and catalyse new entrepreneurial systems.

In a lively discussion, the panellists identified decarbonisation of SMEs as the next big challenge in the energy transition. Access to finance appeared as the main barrier to SME investment in the transition. The panel also took stock of the knowledge and skill gap at the SMEs level that is preventing them from taking action towards the energy transition. In a nutshell, SMEs need access to finance to be able to reduce costs and emit less.



Stopping the Exodus: How Renewables Can Make People Stay

There is a tough reality. Many countries are seeing exodus from villages to cities because conditions are more favorable. In Spain 80% of people live in cities which constitute only 16% of the total area.

"Farmers have to feed their animals and make water available everyday no matter what, no vacations, no nothing, which is very tough. People in cities have easier lives," said Leonard Hervas from CIDE Association. The good news according to Hervas is that 87% of renewables are generated in rural areas of Spain saving 44 million tons of emissions.

"Self-consumption is growing in Spain. Both households and companies are installing renewable energy," Hervas said.

The bad news is that the future of electric cars seems bleak, only 29% want electric cars because there is no public charging of electric cars. Nigeria, Sub-Saharan Africa, Korea and Tunisia are similarly facing mass exodus. There will be definite impact on food security when farmers will be too few to provide the products needed and consumed in cities. But to keep rural areas attractive, we need to invest massively in education, health care and economic opportunities outside the cities.

"During the COVID-19 Pandemic in Nigeria, healthcare workers had to travel for hours to vaccinate people in rural areas. Because of energy poverty and lack of refrigeration, healthcare workers had to travel back and forth every day; they couldn't stay in the villages to avoid spoiling the vaccines," said Mohammed Jibril Programme Lead of Energizing Agriculture in Nigeria.



Community Events



- **¿Las ciudades hacen de su parte?**
Greenpeace, Ecologistas en Acción, WWF España, Amigos de la Tierra y SEO/BirdLife
- **Launch of the Global Landscape of Renewable Energy Finance 2023**
International Renewable Energy Agency (IRENA)
- **Technology pathways for decarbonization of energy-intensive industries**
United Nations Industrial Development Organization (UNIDO)
- **Stakeholders' Role in the Electricity Grid Infrastructure Planning**
Renewables Grid Initiative (RGI)

CLOSING CEREMONY

Continuous acceleration to be 2050-ready



SPIREC concluded today after three days of intense and deep discussions about what is needed to accelerate the renewable energy transition and make sure that it caters to people's needs. Clearly, the path to 2050 is still long but the key role of renewables as a driver of economic growth and energy security is now well recognized by a broad diversity of players.

This momentum for building shared answers in a more integrated and effective way was fully exploited by the SPIREC participants and reflected in the Declaration adopted today. In her closing speech, Raquel Sanchez Jimenez, Ministry of Transport, Mobility and Urban Agenda of Spain reiterated her country's commitment to drive the energy transition in Spain and Europe and her excitement to work with the Government of Australia and South Australia to make the **next International Renewable Energy Conference, AUSIREC (taking place in Adelaide from 7 to 11 April 2024)**, to keep pushing the renewable energy agenda across the world.



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make **AUSIREC2024** an even better experience!

SPIREC Declaration

23 February 2023

Preamble:

1. Ministers and Government Representatives, representatives from the private sector and civil society including NGOs, academia, business and industry as well as international organisations from 110 countries gathered in Spain, Madrid, 20-23 February 2023 for the Spanish International Renewable Energy Conference (SPIREC).¹
2. Participants at SPIREC recognised the ongoing validity of many of the principles enunciated in earlier IREC Declarations, most notably the importance of a global, just, equitable, distributed and inclusive energy transition; the catalytic role of sustainable energy to reach all SDGs; the crucial role of citizens and communities; the transformative opportunity of advancing gender equality through energy efficiency and renewable energy; need to stimulate innovation and frame markets with a view of generating the desired sustainability outcomes. Key conclusions from SPIREC panels and discussions are contained in the Conference Report.
3. Based on the ever more undoubtable scientific evidence of the progression of climate change, SPIREC participants were united by a sense of urgency to speed up the delivery of renewables and by the need to ensure secure, stable and affordable energy supply globally.
4. Given climate related catastrophes occurring globally and the need to ensure secure, stable and affordable energy supply globally. SPIREC participation united with a sense of urgency to position renewable energy as the solution to accelerate the shift to renewables.
5. SPIREC participants agreed that shifting from an incremental uptake of renewables to a transformational change and acceleration is crucial. Moreover, considering the increasing need for energy security exacerbated with the Russian cut of oil and gas exports, participants pointed out that renewable energy is now an even higher and urgent need.
6. SPIREC participants acknowledged that the current polycrisis is highly disruptive; at the same time, they saw that it creates opportunities for change. The downsides of fossil fuel-based economies have become clearer. The key role of renewable energy as economic driver and driver for energy security is now increasingly recognised by a broader diversity of players, which creates a momentum for building shared answers in a more integrated and effective way.

¹ SPIREC, the 9th meeting in the series of the International Renewable Energy Conferences (IRECs), builds upon successful outcomes of KIREC 2019 (Seoul/Korea), MEXIREC 2017 (Mexico City/Mexico), SAIREC 2015 (Cape Town/South Africa), ADIREC 2013 (Abu Dhabi/UAE), DIREC 2010 (Delhi/India), WIREC 2008 (Washington DC/US), BIREC 2005 (Beijing/China) and renewables 2004 (Bonn/Germany).

7. SPIREC participants acknowledged that shifting to a renewables-based energy system must build on energy saving, energy efficiency, renewable energy supply, infrastructure (including storage) and digitalisation.
8. In addition, SPIREC participants underlined the necessity of increasing the use of renewables in industry, buildings and transport, paired with a parallel reduction in the use of fossil fuel energy, and the evolution of “business as usual”.
9. SPIREC participants also acknowledged that any change must build on an integrated approach putting people into the centre and securing public support for the acceleration of the transformation.
10. SPIREC participants recognised that renewable energy has the potential to build value chains, stimulate local economic development and create jobs. The transition requires massively scaling-up renewables, industrial development, building up manufacturing and the skilling of people (in manufacturing, deployment, finance etc) to ensure that we collectively move beyond “business as usual”. In terms of investment, existing patterns and industry sectors need to be adapted, building stock needs to be modernised.
11. SPIREC participants signalled the importance of the implication of the local communities to decisively advance towards a 100% renewable future. Creation of local jobs along with other positive impacts for the local communities are crucial for an effective renewable energy implementation.
12. However, SPIREC participant raised their concerns that the necessary efforts to accelerate the shift to renewable energy are currently insufficient and need to be reinforced by targeted and increased investments. In particular, they highlighted that the response to short term and geopolitical concerns should be aligned with the opportunities that renewable energy for development can bring for all.
13. SPIREC participants highlighted the need to build a new and inclusive energy order around renewables: securing energy supply and the supply of materials and technology; developing infrastructure; and strengthening global, regional and local supply chains, building on just and inclusive governance structures, social and gender equity from the outset.

Political Commitment

1. SPIREC participants are committed to broadening the conversations, decisions, policies and strategies on advancing sustainable energy beyond the usual stakeholder groups, to break down silos, foster innovation, and create an enabling environment for structural transformation to happen.
2. SPIREC participants are committed to working towards ensuring broad societal support for renewable energy through knowledge, dialogue, communication, and developing the supporting policy frameworks.
3. SPIREC participants commit to jointly strengthen narratives around the value of renewables to society so as to firmly position renewables in the public debate.

4. The COVID 19 pandemic and the consequences of the Russian invasion of Ukraine have resulted in a huge disruption in the energy markets. All the participants and the host country, SPAIN commit themselves to strengthening efforts to ensure that energy security is based not only on renewable but also indigenous resources to accelerate the energy transition.

Outcomes

1. To create a continuous drum beat for renewables, SPIREC participants agreed to build on the momentum created by the converging occasions of SPIREC, the SDG7 review, the COP28 and AUSIREC 2024. SPIREC participants proposed to make 2023 the *Year of Renewables: From SPIREC to AUSIREC* endeavouring to accelerate the energy transition, increase renewable generate capacity, with the objective to inspire, mobilise, and create societal support for the energy transition.
2. Various groupings of SPIREC participants agreed to move forward on developing continuous nexus dialogues to bring together stakeholders from different sectors and encourage the integration of sectoral policies and strategies.
3. UNDP, in collaboration with the REN21 multistakeholder community, agreed to develop a *Renewable Energy for Development Academy* to shape the narrative of renewable energy as an enabler for sustainable development. The objective is to support developing countries with capacity building and trainings that showcase multi-sectoral approaches for advancing energy in productive use/economic development, thus demonstrating the fundamental business case of renewable energy for all countries.
 - Decisionmakers from sustainable mobility and renewable energy sectors discussed convening a continuous dialogue on the renewables transport nexus.
 - Decisionmakers from energy efficiency and renewable energy discussed about how to build up and convene a continuous dialogue to strategically link efficiency and renewable energy, making it a priority to strengthen developing country multi-stakeholder voices.
4. In this context, scaling up communication around renewables is critical. SPIREC participants agreed to explore developing an integrated narrative to raise the overall profile of the value of renewable energy in having a secure energy supply, robust economies and societies. Energy for development, or energy for productive use concepts can be a useful framework for joint engagement.
5. The Government of Spain (host of SPIREC 2023) and the Commonwealth of Australia, the Government of South Australia and the Clean Energy Council (hosts of AUSIREC 2024), committed to work together with the REN21 multi-stakeholder community to strengthen the IREC process.
6. Participants expressed special thanks to the Government of Spain and REN21 for the excellent preparation and execution of the Conference and the warm hospitality extended by the Spanish authorities to all participants.