

BULLETIN

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Editors: Marcin Zaborowski (Editor-in-Chief), Agnieszka Kopeć (Executive Editor),
Łukasz Adamski, Beata Górka-Winter, Artur Gradziuk, Leszek Jesień,
Beata Wojna, Ernest Wyciszkievicz

Inaugural Assembly of the International Renewable Energy Association

Marcin Menkes

On 4-5 April 2011 in Abu Dhabi and amidst growing popular apprehension of nuclear energy and roaring oil prices, there gathered an inaugural session of one of the youngest international organisations with global aspirations—the International Renewable Energy Association (IRENA). This particular set of circumstances provides the organisation with a unique opportunity to more actively engage in public debate, which appears indispensable for attaining its goal of promoting the use of renewable energy sources.

Organisational background. In Berlin in April 2008, representatives of 60 states agreed upon the establishment of an organisation to address a growing global energy demand without contributing towards climate change. Parties agreed to pursue a goal of a low-carbon economy, which should be achieved without compromising economic growth and with a minimisation of social costs. The first organisation to be competent exclusively in the field of renewable sources was thus created. A year of preparatory work and consultation concluded 26 January 2009 in Bonn at a founding conference of the IRENA. Participating were 125 national delegations and 75 states, including Poland, which signed the organisation's statute. Participation of states such as the United Arab Emirates or Norway, whose middle-term economic interest does not coincide with the development of renewable sources, reflects the significance of the process. The organisation was created 8 July upon entry into force of its statute.

Since January 2009, the IRENA Preparatory Commission held five meetings. Abu Dhabi was chosen as its temporary headquarters, and Hélène Pelosse (France) was appointed as Interim Director-General. The Commission undertook organisational measures including financing and budgetary decisions, recruitment of functionaries, adoption of a working plan and establishment of an Innovation and Technology Centre (in Bonn) and a Liaison Office for contacts with other international organisations (in Vienna). On 3 April, the Preparatory Commission held its fifth and final summit during which it transferred powers to IRENA. Adnan Amin (Kenya) was appointed the first Director-General of the organisation.

Membership in the organisation is open to UN members and, subject to certain additional requirements, to regional economic integration intergovernmental organisations. Currently, 69 states (including the U.S., India and UAE) and the European Union are members of IRENA, while its statute gathered 149 signatories. Membership of the U.S. (given its impact on energy markets and its lack of accession to the Kyoto Protocol) and India (considering its prospective significance to the world's energy sector) merit particular attention.

Mission. By statute IRENA is bound to promote sustainable use of all renewable energy sources. In particular, these include bioenergy, geothermal energy, hydropower, ocean energy (including tidal, wave and thermal sources), solar and wind energy. The organisation shall constitute a facility for development of the said technologies, providing expert assistance and facilitating technology transfers. To those ends it was endowed with an autonomous budget. The 2011 core budget will amount to \$13.26 million, supplemented by UAE's contribution of \$4.5 million for organisation and conference expenses, a German contribution of \$3.1 million for the Innovation and Technology Centre as well as members' voluntary payments for the purposes of competence transfers from the Preparatory Commission to the organisation. As a reference point, the UN Framework Convention on Climate Change

2008-2009 biannual budget was more than \$54 million. Cooperation with IRENA is on a voluntary basis; the organisation will report annually to member-states on its activities.

IRENA. IRENA's institutional framework consists of an Assembly, Council and Secretariat. Sessions of the Assembly, at which all members will be represented and have one vote each, will be held annually. The Assembly may formulate recommendations to member states upon request. Decisions on matters of substance are usually adopted by consensus.

The first session of the Assembly was held 4-5 April 2011. Sultan Al Jaber (UAE) was elected President. The Assembly also appointed 21 members of the Council to two-year terms (Luxembourg will cede its post to Switzerland after the first year). Poland was chosen as a member. At the same time, parties reiterated the necessity to adjust the composition of the Council following the expected ratification of the statute by subsequent signatories, so that adequate geographical and economic-development representations of member states will be maintained.

The Assembly decided that the organisation will take over the assets and competences of the Preparatory Commission, chose Abu Dhabi as its headquarters and adopted an organisation emblem and colours. Also it agreed to an interim budget and privileges and immunities, and adopted a work plan for 2011.

New Opening. Supporters of the IRENA concept struggled with numerous obstacles throughout the entire process, for instance, facing the sudden death of one of its originators, German MP Hermann Scheer, complaints about a lack of transparency and bad management and controversies surrounding H el ene Pelosse's resignation from the Director-General post. The potential impact of the organisation upon the domestic energy policies of its member states raised the attention of states whose energy policies are traditionally based on non-renewable sources, such as the UAE, to which Germany (a driving force of the process) lost the race for the organisation's headquarters. The location of different bodies in three states will delay acquiring operational readiness and will have a negative impact on the efficiency of its work.

Despite those problems, the idea witnessed dynamically growing support from the international community, surprising to the founders who eventually agreed to establish a fully-fledged international organisation. The dramatic events in Japan gave new impetus to the discussion on balanced energy policy and the future of the organisation. About 1,000 participants, including some 80 ministry representatives of member states and cooperating state ministries, took part in the first session. Apart from formal and organisational matters, delegates expressed a considerable divergence of views upon matters, mostly about how IRENA will define its mission.

The activities of the organisation may focus on technical and financial assistance in technology transfers between highly developed and capital-importing states, which will constitute a priority for the Innovation and Technology Centre in Bonn. Support of the Centre for developing states could allow the latter to bridge the technology gap while maintaining high economic growth, skipping a "dirty production" period, which in highly developed states preceded the imposition of more stringent environmental norms.

IRENA may also focus on the convergence of regulatory standards in order to create a sound investment climate. On the one hand, entrepreneurial claims about unfair competition from producers from states with more liberal normative approaches towards the environment would thus be satisfied. On the other hand, the harmonisation of laws would diminish an important threat to the development of renewable energy sources related to a common willingness to enjoy the benefits of environmental protection not matched with the same readiness to bear the respective burdens. Lastly, the developing states will most likely attempt to use IRENA as yet another arena to approach highly developed states with investment claims in order to bridge the development gap. Both too high expectations of developing and using IRENA as a political battlefield by states whose economies are based on exports of non-renewable energy resources might paralyse the cooperation. Realisation of environmental goals requires a narrow interpretation of the organisation's mandate, which would otherwise lose its distinctive feature against other organisations competent in energy matters. From the EU's perspective, willing to take the global lead in the struggle against greenhouse gas emissions, promotion of regulatory convergence appears particularly tempting.