



The AICS Environmental Fund

Forging a development tool contributing to
achieve the 7th SDG

Expo 2017 Astana

Italian Pavillon – Domenico Bruzzone

Italian Agency for Development Cooperation



AGENZIA ITALIANA
PER LA COOPERAZIONE
ALLO SVILUPPO

Intellectual Debt

The predicament of Mankind - Quest for Structured Responses to Growing World-wide Complexities and Uncertainties – A PROPOSAL, THE CLUB OF ROME - 1970

Human Appropriation of the Products of Photosynthesis,

Peter M. Vitousek, Paul R. Ehrlich, Anne H. Ehrlich, Pamela A. Matson
Reviewed work(s): *BioScience*, Vol. 36, No. 6 (Jun., 1986), pp.

For the Common Good: Redirecting the Economy toward Community, the Environment, and a Sustainable Future

Daly, Herman E.; Cobb, John B., Jr (1994) [1989]. Boston: Beacon Press. ISBN 9780807047057.

Received the Grawemeyer Award for ideas for improving World Order.

From needs assessment to fund objectives

- Identify specific issues related to energy in development policies
- Addressing priorities and needs of final users'
- Focusing on key sector development issues and human factor

Development policy needs

- Develop specific and innovative knowledge and management tools
- Introduce planning methods and solutions involving a wide range of stakeholders
- Identify and remove regulatory bottlenecks to trigger investments in clean energy production and energy efficiency
- Develop integrated solutions for rural areas in emerging countries
- Increase capacity and empowerment of local communities and develop local human resources

Final users' needs and issues

- Growing demand for services
- Weak, non-diversified power generation capacity structure
- Unreliable and poor quality services
- Access problems
- High environmental impact of energy production and distribution infrastructures
- Increasing loss of empowerment of local communities in provision, use and maintenance of energy systems

Key issues

Access to energy main issues in present debate:

- Use of appropriate and sustainable technologies
- Crafting complex financial tools
- Governing the interaction between different stakeholders
- Policies and regulatory framework fostering renewable energies and energy efficiency

Adding the human factor:

- The cross-cutting role of human capital: individuals – communities - Instances

The objective of the Fund

- Contribute to Sustainable Development Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all
- Address the energy challenge for achieving the Millennium Development Goals

Overall Objective(s)	Indicators	Sources of verification	Assumptions
<p>Contribute to foster socio-economic development (a.);</p> <p>Contribute to ensure that all citizens and businesses of the region have access to secure, affordable and reliable modern energy services (b.);</p> <p>And to support mitigation and adaptation to climate change in the world (c.).</p>	<p>Local statistical systems (provincial/municipal)</p> <p>Measured increase of human capital asset at the Community level (economical, environmental, social, infrastructural, human)</p> <p>Increased access to energy, Increased energy efficiency and use of renewable energy</p>	<p>Local statistical systems (provincial/municipal)</p> <p>Program/project monitoring data</p> <p>Evaluation ex-ante - Interim – ex post</p> <p>OCSE DAC sources</p>	
Specific Objective	Indicators	Sources of verification	Assumptions
<p>Ensure access to affordable, reliable, sustainable and modern energy for all</p> <p>-</p>	<ul style="list-style-type: none"> - AICS Board deliberations - MAECI AICS Communications - Measured in terms of : <i>Capacity – Duration – Reliability – Quality – Affordability – Convenience – Safety – Health – Legality - Services/ Activities –</i> - Specific consumption connected to the OECD/DAC criteria: <i>Relevance</i> (quantity / int'l standards) <i>Efficiency</i> (energy / investment) <i>Efficacy</i> (energy / addressed needs) <i>Sustainability</i> (costs / % income) - Contribution to regulatory systems and policy formulation that add to one or more of the three SDG7 dimensions Impact over local capacity building / ownership / empowerment locale (monitoring is carried out by a Third Party and referred to OECD/DAC) 	<p>Institutional Agreement: CDP MATTM ENEA Agenda of AICS Board</p>	<ul style="list-style-type: none"> - MAECI policies are upheld - Programming for 2017 is upheld - Financial resources made available - The Guidelines for Energy Projects in Development are formally adopted as a formal reference and framework for energy sector projects / programs to be associated to supporting Agenda 2030 and SDG7 - Italy's bylaws for public and public-private-partnership is adopted

The Expected Results

1. New project management and knowledge tools specifically tailored for development cooperation projects in the energy sector: guidelines, benchmarks, manuals
2. Capitalization of successful experiences: previous Italian projects' successful experiences are evaluated and best practices refined, to be applied in pilot initiatives.
3. At least 4 pilot initiatives are financed, focusing on: i) use of sustainable technologies, ii) optimization of local regulatory frameworks and, iii) development of human resources.

Expected results	Indicators	Sources of verification	Assumptions
<p>ER 1: Specific Project Cycle Management methodologies are developed and adopted of energy projects in AICS partner Countries</p>	<p>Technical addressing of Guidelines Specific monitoring system for energy projects Additional Environmental and Impact Assessment tools are adopted from international practice, and adapted to local regulatory frameworks A sectoral white-paper is produced</p>	<p>Projects Concept Paper Project identification documents Project formulation documents LF of projects Sectoral analyses National strategic plans AICS sector- and theme-analyses</p>	<ul style="list-style-type: none"> - Proposed tools and methodologies are adopted by AICS and disseminated in networks where The Italian Government is a stakeholder (e.g. The Union for the Mediterranean Energy Platforms); - SEA and EIA proposed methods, reformed over local regulatory systems are adopted and included into bilateral agreements
Expected results	Indicators	Sources of verification	Assumptions
<p>ER2: Pilot initiatives are formulated and implemented in AICS priority Countries, featuring:</p> <p>a.) multi-stakeholder approach; b.) operational and financial structure innovation; c.) capitalization of best practices and success stories;</p> <p>Pilot initiatives must focus on:</p> <ul style="list-style-type: none"> - Improving access to energy access through appropriate and sustainable technologies; - Foster adaptation of regulatory frameworks to to incorporate on- & off- grid renewable energy - Capacity Building components for local training / empowerment 	<ul style="list-style-type: none"> - Projects blueprint budget - Projects structure complies with: <ul style="list-style-type: none"> • 30% of resources devoted to energy access for Rural Communities, and linked to a relevant sector or subsector; • 30% of resources devoted to TVET for energy; • Each project has a pertinent regulatory framework dimension; • Three project are formulated accordingly with Guidelines criteria; • Fifteen project concepts are produced; • The Community capital asset is increased; 	<p>Approval of new versions of Guidelines for formulation and evaluation;</p> <p>Approval by the Board of pilot projects</p> <p>Guidelines for EIA approved by AICS in websites of regional platforms</p>	<ul style="list-style-type: none"> - MAECI policies are upheld - Programming for 2017 is upheld - Financial resources made available - The Guidelines for Energy Projects in Development are formally adopted as a formal reference and framework for energy sector projects / programs to be associated to supporting Agenda 2030 and SDG7 - Italy's bylaws for public and public-private-partnership is adopted

Main activities

1. Development of specific guidelines, benchmarks, manuals, including guidelines for energy projects formulation and evaluation and adapted EIA and SEA
2. Previous Italian projects' successful experiences are evaluated and best practices refined, to be applied in pilot initiatives, *in cooperation with WB ESMAP*
3. At least 3 pilot initiatives financed, focusing on: i) appropriate and sustainable technologies, ii) optimization of local regulatory frameworks and, iii) development of human resources and, iv) empowerment of local communities
4. Support the introduction of renewable energy and energy efficiency topics into other relevant AICS development programs
5. Foster the adoption of best practices developed by Italian projects in other multi-lateral development facilities

The innovations

1. **Multi-stakeholder platform:** it is a step beyond both traditional cooperation and PPP: AICS, other ministries and public agencies, regional authorities, research centers, private enterprises, NGOs create result-oriented task groups to develop and implement projects
2. **Full application of the feedback principle:** previous Italian initiatives are evaluated with a new, specific tool for energy projects, regardless of the source of financing, i.e. including private facilities of energy companies. The new projects are built upon the best practices
3. **Full application of subsidiary financing principle:** Successful initiatives are scaled up or adapted to different situations, embedding the limited resources off the Fund with other resources of different origin
4. **Use of Fund resources as matching or complementary resources** to facilitate the access to larger multilateral facilities or development banks financial facilities and to **harness** their use towards identified best practices

The challenges

1. **Wide range of stakeholder:** cooperation between numerous stakeholders with different status (public bodies, for-profit and non-profit entities, research centers), sometimes in competitions between them will be difficult
2. **Following the wishes, going beyond consolidate practice:** coordination between different development subjects is always is preached, seldom applied. The fund resources will be primarily addressed to build upon proved successful stories, rather than to compete for flag pilot projects
3. **Scouting for matching and additional resources:** The Fund will work to convey additional resources from different existing facilities (Italian, UE, multilateral, private etc.) towards initiatives that proved useful or successful towards the achievement of project objectives. The Fund will support actions able to catalyze much larger investments.
4. **A complex program me management structure:** the multi-stakeholder platform approach calls for a complex governance, which will require a PMU managed by a specialized public body, but co-staffed with AICS personnel, a consultation committee with different key actors, a continuous coordination and cooperation with a number of external actors (multilateral facilities as WB ESMAP, Development Banks, National and supranational bodies, different UE facilities etc.)

A dramatic sunset scene with a large body of water in the foreground. The sky is filled with dark, heavy clouds, with a bright golden light breaking through near the horizon. The sun is partially obscured by the clouds, creating a shimmering effect. The water in the foreground is dark, reflecting the sky and the golden light of the sunset. The horizon line is dark, showing the silhouettes of trees and buildings. The overall mood is serene and majestic.

GRAZIE MILLE!

көп рахмет