

Inception Workshop Report
Pakistan Germany Renewable Energy Forum
(PGREF)

Suleman Ansar Khan
Allecto Consulting (Pvt) Ltd.
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Introduction

Under the bilateral cooperation agreement between the Federal Republic of Germany and the Islamic Republic of Pakistan, the Government of Germany has been providing technical assistance and support to the Government of Pakistan in the field of Renewable Energy and Energy Efficiency (REEE) through Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. Both countries concur that RE and EE play a pivotal role in ensuring sustainable socio-economic development of Pakistan.

Based on the existing bilateral cooperation agreement, which is dating back to 1973, both countries decided to intensify their cooperation in the areas of RE and EE and to work together in establishing Pakistan Germany Renewable Energy Forum (PGREF) to strengthened collaboration between the private sector of both countries. In this regard, a Declaration of Intent (DoI) has been signed on the occasion of the visit of H.E Mr. Nawaz Sharif, the Prime Minister of the Islamic Republic of Pakistan to the Federal Republic of Germany in October 2014.

The Governments of both countries are now focusing to enhance their bilateral development cooperation in the field of RE&EE by establishing PGREF with the ambition to meet the following objectives:

1. Promote the dissemination of RE&EE technologies in Pakistan such as solar, hydro, biomass/biogas and wind.
2. Provide a forum/body for interested stakeholders from Pakistan and Germany for the exchange of knowledge between the public and private sectors on RE&EE policies, projects and activities.
3. Promote advisory capacity and services on RE&EE technologies including business and human resource development between Pakistan and Germany.
4. Promote public-private partnerships on RE&EE between the Pakistani and German private sectors.
5. Promote education, training, consultation and documentation on RE&EE.

In this regard, an inception workshop was conducted on February 26, 2015 in Islamabad comprising of stakeholders from the public and private sectors of Pakistan and Germany. The aim of this workshop was to initiate a dialogue under the auspices of PGREF where interested stakeholders from both sectors can exchange knowledge and ideas on RE&EE needs and expectations of the industry and technologies, as well as the implementation challenges in Pakistan.

Details of Proceedings

The workshop commenced with opening statements from Mr. Peter Felten, Deputy Head of Mission from the Federal Republic of Germany and Mr. Asjad Imtiaz Ali, Chief Executive Officer from the Alternative Energy Development Board (AEDB). Both guests stressed on the importance of enhancing cooperation and partnerships between Pakistan and Germany's public and private sector in order to benefit the social and economic development of Pakistan.



Fig 1: Mr. Peter Felten (2nd from Left) and Mr. Asjad Imtiaz Ali (Left) opening the PGREF session

Consequently, the forum took this opportunity to exchange ideas and key pointers through discussions and presentations. Feedback from stakeholders included the following:

1. Government of The Federal Republic of Germany

The Declaration of Intent was presented by Ms. Almut Knop, First Secretary and Head of the Development Section of the Embassy of the Federal Republic of Germany, Islamabad, Pakistan. Ms. Knop stressed on the importance of building bilateral partnerships where German knowledge, expertise and experience can assist in RE&EE capacity building in Pakistan. This capacity building can be supported through experts from Germany who can assist in training and development and the dissemination of technologies across different industries and strata of society. Furthermore, Ms. Knop also informed the stakeholders present of her Government's desire to explore soft components related to RE (i.e. biogas and solar) since there is considerable demand and opportunity in Pakistan. She reiterated the German government's mandate to work with the public and private sectors of both countries in assisting Pakistan in exploring, developing and sustaining RE&EE interventions for the short, medium and long term and soliciting support from the German private sector.

The Representative of the Government of Germany proposed the following recommendations:

- a. Actively promote RE&EE through collaboration and engagement between the public and private sectors of Germany and Pakistan.
- b. Enhance capacity building through training of local RE&EE consultants by German experts.
- c. Encourage RE&EE investments on smaller plants in rural areas rather than concentrating solely on large plants.



Fig 2: Ms. Almut Knop (2nd from Right) addressing the participants

2. Government of the Islamic Republic of Pakistan

The AEDB is a key stakeholder in the drive to promote RE&EE across Pakistan and intends to play a proactive role in creating the required synergy between all stakeholders. A framework is currently under review that would facilitate the private sector by providing them with attractive incentives and a platform to launch innovative products and services.

The Representatives of the Pakistan government proposed the following recommendations:

- a. Clearly define PGREF roles and responsibilities that would ensure flawless execution, monitoring and evaluation of short term, medium and long term RE&EE goals.
- b. Ensure that the German stakeholders develop a thorough understanding of the local culture and consumer mindset.
- c. Government of Germany should assist Government of Pakistan in developing customized RE&EE models that can work in Pakistan and provide a conducive environment for this sector to grow.
- d. Establish an Institute for renewable energies to promote dissemination of knowledge, expertise, technology and a trained workforce.



Fig 3: Mr. Asjad Imtiaz Ali sharing his insights, feedback and recommendations with participants

3. Private Sector of Federal Republic of Germany

The German private sector was represented by Mr. Joscha Rosenbusch, Representative of German Solar Association (BSW Solar), an organization that has been proactively representing the solar industry in the thermal and photovoltaic sectors for more than 3 decades. With more than 1,000 suppliers, wholesalers, installers that are actively cooperating with BSW Solar, the company and the RE industry are exploring opportunities to offer their services and technologies towards expanding market volumes and building capacity in the international market, Pakistan included. This sector is striving to forge partnerships with Pakistani organizations that can benefit both the German and Pakistani markets.

The Representative from the private sector proposed the following recommendations:

- a. Enhance discussions with the Pakistani public and private sector organizations to gain a better understanding of existing RE&EE policies and frameworks.
- b. Obtain a better understanding of the Pakistani market in terms of market size, business segments, business cases and profitability margins on existing RE&EE technologies.
- c. Understand the dynamics of how businesses function and the methodologies of conducting business in Pakistan.
- d. Business match making – identify potential local partners by increasing frequency of interactions with Government of Pakistan and prospective local investors.

4. Private Sector of the Islamic Republic of Pakistan

Organizations representing the private sector from Pakistan provided feedback on the opportunities and challenges that currently exist in the local market. The group unanimously felt that there was very limited capacity building through interventions such as training in RE&EE and lack of a skilled workforce resulting in numerous challenges for them, including inferior quality products available in the market. Furthermore, there was a desire to enhance support and cooperation with the German public and private sectors through a clearly defined government-supported RE&EE framework.

Representatives from the private sector of Pakistan proposed the following recommendations:

- a. Clarity required on the Pakistani government's policy on RE&EE and the financial and non-financial support they can provide to the private sector (i.e. credit lines, tax breaks)
- b. QA benchmarks need to be set; Quality and standard gaps need to be bridged. QA setups are required in private sector for the qualification & testing of local and imported RE equipment and products.
- c. Enhance Germany's involvement in providing technical support on existing equipment and technologies while focusing on various capacity building initiatives, especially in the areas of solar energy.
- d. ToTs would be required for setting up quality products like PV panels, long life batteries, mechanical structures with surface protections, wind turbines etc.
- e. Utilize German Grid technologies to identify areas in Pakistan that possess significant potential for RE&EE.
- f. German private sector should penetrate the Pakistani market through joint ventures/partnerships with local private sector firms.



Fig 4: Active and fruitful discussions from all participants.

The Way Forward

Subsequent to the fruitful Three hour discussion where ideas, opportunities and challenges were extensively debated, all stakeholders agreed to the following action items:

1. Define PGREF roles and responsibilities for the public and private sectors of Germany and Pakistan.
2. Define short, medium and long term goals for RE&EE implementation through development of a framework with extensive focus on QA.

3. Develop strategy and plan on capacity building interventions utilizing German expertise for skill enhancement, technical knowledge, QA benchmarking and manufacturing through different interventions including the creation of a RE&EE Institute.
4. Collaborate with German counterparts to develop RE&EE business models that are customized for the Pakistani market.
5. Create knowledge repository that includes framework on investment options and opportunities, market data, resource map and grid infrastructure in Pakistan.
6. Conduct Technical study on existing and potential Grids in Pakistan.



Fig 5: Ideas were shared by all participants and extensively discussed

Other Ideas Shared by Participants

1. Trainings required for industry standard software on RE&EE
2. Launch of lighthouse projects that are accessible
3. Establishment of RE parks for awareness
4. Provide certification of mini/micro turbine manufacturers as per international standards
5. Development and implementation of a National Solar Plan
6. Meetings with German private sector investors to invest in IPPs, Biomass
7. Encourage German investors to set up PV manufacturing plants and zero energy buildings in Pakistan
8. Establishment of technical labs to test the RE equipment that is installed
9. Design business cases on foreign companies working on RE in Pakistan, as well as success stories of German companies in the RE industry
10. Initiate capacity building of NTDC, Discos to understand Dos and Donts of solar and biogas
11. Initiate certification levels structure for solar workforce