

Roundtable

The Potential of Global Value Chains of Renewable Energies as Regional Integration Tool

Date: **22 September, 09:00h – 13:30h**

Venue: **Berlin**, Gesellschaft für Internationale Zusammenarbeit (GIZ),
Köthener Str. 2, room “Buenos Aires” (6th floor)

Background

The **Economic Policy Forum (EPF)** is an alliance of think tanks from emerging economies as well as from selected developed economies, including Germany. The key objective of EPF is to provide a platform for knowledge sharing and collaborative, policy-oriented research on key economic policy challenges faced by emerging economies, in particular on the stability of the world economy and the quality of growth. By feeding research findings into domestic and international reform processes, EPF seeks to contribute to better-informed policy making, in emerging economies and globally. In addition, EPF aims at strengthening the capacity of think tanks to shape policy making processes. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, the German agency for international cooperation, has initiated EPF and coordinates the network by acting as its secretariat.

EPF is organized as a flexible network of selected member think tanks from emerging economies, Germany and other developed economies. These core members decide on topics of common interest by forming Policy Initiatives, in which they jointly work on policy recommendations with relevance to their respective countries and their national and international reform agendas.

The **Policy Initiative “Regional Integration”** focuses on designing inclusive regional integration processes in the face of hegemonic regional powers. The aim of the Policy Initiative is to develop policy recommendations that contribute to ensuring that the regional integration process is attractive and beneficial for all countries, especially the smaller ones, in a region.

The reasons to engage in regional integration are diverse and often driven by the larger countries in a region. These encounter different challenges along the way. South Africa struggles to promote intraregional trade. India has already taken steps towards strengthening its position in the region with preferential and free trade agreements. For Russia, trade imbalances are a major impediment to pursuing a regional economic union. The question arises, how emerging economies can effectively drive regional integration processes. In this Policy Initiative, think tanks from Brazil, China, Germany, Russia and South Africa jointly develop research papers and policy recommendations on the priority issues indicated above.

Building on German experiences in Europe can be helpful, while the European integration path is not necessarily the proposed trajectory for all regions. Therefore, EPF-Member Think Tank Fundação Getulio Vargas (FGV) from Brazil, represented by Prof. Renato Flôres, decided to explore innovative and perhaps more effective formats to reach similar outcomes of institutional

agreements such as trade agreements, tariff unions and political unions. In partnership with EPF, FGV is currently conducting a research on the potential of global value chains as new means to achieve regional integration. The methodology used is a case study on the newly flourishing industrial segment of renewable energies in South America.

The analysis and the drawn policy recommendations will be peer-reviewed by experts from Chile, Colombia and Germany. The output of the joint EPF-FGV research project will be a final paper to be published by December 2016 which will include an in-depth analysis of the wind power and solar power value chains in the region, as well as policy recommendations.

Objectives

The workshop aims at exchanging concepts and experiences on how the development of value chains of renewable energies fostered integration between economies in Europe and South America so far and which conclusions can be drawn from this for future policies. The evolving discussions are therefore based on inputs prepared by the participants representing different stakeholder groups and expertise from different regions, followed by comparative discussions and the co-creation of innovative regional approaches.

The invited participants are asked to share thoughts on the following questions:

- Can a regional production-supply-nexus or other bottom-up approaches facilitate political and juridical integration processes?
- From your experiences, which economic, political and social dynamics arise from the growth of production and consumption of energy derived from wind, solar, geothermal and biomass?
- What framework conditions should be built up by policy makers to foster cross-border innovative and low-carbon value chains?
- How can value chains in this industry be created?

It is a core goal of EPF to enable peer-to-peer learning, exchange between experts from emerging countries and industrialised countries, comparing the regional approaches which serve as a source of inspiration and innovation for invigorating and energizing sustainable economic development processes 'at home'. Therefore, this roundtable as well seeks to feed in perspectives from Germany and Europe into the EPF-FGV project as well as offer insights into recent developments in the area of climate-friendly industries in Brazil and the whole region.

Participants

Invited are senior experts and policy advisors on the policy framework and industry of renewable energies, including representatives from German and international governmental institutions, Think Tanks, research institutions and the business community. The overall number of participants is expected to be between 8 and 12. This rather small exchange format has been chosen to enable an open and lively debate and to jointly develop ideas.

Organizers

The event is organized by Deutsche Gesellschaft für Internationale Zusammenarbeit, in conjunction with the Economic Policy Forum and Fundação Getulio Vargas, on behalf of the German Federal Ministry of Economic Cooperation and Development (BMZ).

Fundação Getúlio Vargas (FGV), founded in 1944, is a world renowned center for quality education dedicated to promoting Brazil's economic and social development. With eight schools, two research institutes, technical assistance projects and a publishing unit, FGV is ranked one of the top higher education institutions in the world and top think tanks, namely FGV tops list of Penn's 2014 Global Go To Think Tank rankings for Latin America. Professor Flôres is special advisor to FGV's President and heading the International Intelligence Unit, managing FGV's international institutional partnerships. A specialist in international political economy, Mr Flôres has significantly contributed to the Asian dimension of FGV activities; at present, he is involved in projects on the competitiveness of Brazilian exports, patterns of international risk and new formats for integration agreements. He is — or has served as — a member of the board of several research centers and international societies and associations, such as the Brazilian Centre for International Relations, EUBRASIL, and the International Forum for Clean Energy. Prior to his academic career, Renato Flores held positions in the Brazilian government at the federal and state levels.

Agenda

22 nd September	Roundtable
09:00h – 09:10h	Welcome Note by EPF
09:10h – 09:40h	Kick-off presentations on the design and results of the research project by FGV
09:40h – 10:40h	Inputs by representatives of governmental institutions, think tanks and business, followed by discussion
10:40h – 11:00h	<i>Coffee Break</i>
11:10h – 12:15h	Discussion on policy recommendations for South America and other regions
12:15h - 12:30h	Wrap-up & next steps

Afterwards, we kindly invite you to a lunch buffet on the GIZ terrace (5th floor of the same building).

Further Information

The draft research paper of FGV will be disseminated amongst the participants beforehand.

The workshop language will be English.

GIZ will cover the travel expenses of the participants, including hotel, if necessary. The participations will not be remunerated.

For further inquiries, please contact:

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