Climate Parliament

Green Energy Zones Dialogue

The Green Energy Zones Investment Dialogue was launched by the **Climate Parliament** and the **United Nations Industrial Development Organization (UNIDO)** with a global meeting in November 2024 in Istanbul. The Dialogue is being kindly supported by the **Green Climate Fund** as part of a project called Parliamentarians for Climate Finance. The Dialogue is beginning in 15 African countries with $7 million in GCF "readiness funds" over two years. The participating governments are: **Botswana, Côte d'Ivoire, Djibouti, Ghana, Guinea, Kenya, Nigeria, Rwanda, Senegal, Seychelles, Sierra Leone, Tanzania, Uganda, Zambia and Zimbabwe**. In 2025 we hope to expand the effort with similar regional projects in **Asia, Latin America, island states**, other **African** countries and, with separate funding, to **Europe** and **North America** as well.

GREEN ENERGY ZONES. The aim of the Green Energy Zones Dialogue is to help **increase the flow of green investment to participating countries, states and cities**, using the **high-level convening power of lawmakers**. A zonal approach can create the conditions to attract investment without having to revise national legislation, **saving time**. Cost efficiencies can be achieved by clustering industries and sharing infrastructure, **saving money**. The **Green Energy Zones and Corridors Pledge at COP29** highlighted the potential benefits. The Parliamentarians for Climate Finance project is focusing on Green Energy Zones, large and small, that meet three conditions.

1. **Powered largely or entirely by renewable energy**, delivered to cities or to green industries within the zone, they lead to significant emissions reductions.
2. **Respecting nature and ensuring resource conservation**, they minimise their impact on the environment while maximising climate resilience.
3. **Sharing revenues or profits**, they ensure that local communities benefit.

To make green investments secure, profitable and therefore bankable, Green Energy Zones need to include some or all of the following ten elements:

- **Excellent renewable energy** resources to deliver clean power, and green hydrogen to replace fossil fuels in industries such as steel and fertiliser.
- **Transmission and transport** connections to export power and products.
- **Investment guarantees** to reduce political, payment or currency risks.
- **A one-stop approval process** to speed up permitting.
- **Transparency** in auctions, contracting, reporting and public expenditures.
- **Circular economy** practices to minimise waste.
- **Job creation, skills training** and fair labour practices for local people.
- **Competitive** and cost-effective products and services.
- **Local supply chains** making products for global supply chains.
- **Robust monitoring mechanisms** for environmental and social performance.

COP29 PLEDGE. The **Green Energy Zones and Green Corridors Pledge** was signed by a globally representative group of 57 countries. It was also signed by a number of international organisations, including the **Green Climate Fund**, the **Asian Infrastructure Investment Bank** and the **Global Solar Council**. The signatories "commit to promoting green energy zones for tackling climate change, promoting economic growth and energy security, and improving the quality of life for local communities." They add that **"green energy zones serve as strategic zones that harness renewable and low-emission/clean energy to attract investment** through targeted incentives and policies, promote eco-industrial development, create employment opportunities, and foster sustainable economic growth through the development of eco-industrial parks and decarbonized sectors such as, inter alia, transport and ecotourism."

The governments and organisations express their intention to "**partner with public and private sector entities, as well as philanthropies, to facilitate investments** at subnational, national, regional and international levels." They emphasise the importance of "bilateral and multilateral **cross-border power trading** arrangements" through transnational green corridors.

The Pledge underlines the need for "**establishing or expanding multilateral platforms for stakeholder cooperation**" on these issues. The Green Energy Zones Dialogue is one such platform.

LEGISLATORS. **Parliamentarians** will play a central role both as convenors of the Green Energy Zones Dialogue and as legislators. Parliamentarians make the laws, amend and approve budgets, and oversee the work of the executive through committees. Because all government departments report to Parliament, the Members of Parliament are well-placed to help create **coalitions among different ministries**. As important players in national government, they have access to the highest levels, including ministers and heads of government. **Only high-level engagement can achieve the big step up in speed and scale** that is needed for a successful response to the climate crisis. As the Climate Parliament has shown many times, groups of Members of Parliament and Congress have huge **high-level convening power**.

OTHER PARTICIPANTS. That convening power will bring together around the table, among others: public investors from government, and from **bilateral and multilateral agencies**; **private investors** and developers; **ministers** and senior officials; **regulators**; and **experts** from academia and civil society. Parliamentarians will receive training to build their capacity to play a leading role. The Dialogue will involve **face-to-face meetings** in national and regional workshops and in global meetings before climate and environment COPs, combined with **virtual and in-person small-group conversations** throughout the year.

INVESTMENTS. To begin with the Dialogue will focus on **renewable energy**, and on new green industries running on that energy. Such industries might include, for example, **green hydrogen, steel, aluminium, fertiliser** and **aviation fuel, manufacturing renewable energy equipment,** or **data centres** powered by green energy. The agenda will gradually broaden to cover investment in **nature-based**

solutions and **adaptation** to global heating. In some places the focus may be on brownfield industries to help accelerate their shift to green standards and clean energy sources. Some Green Energy Zones will be government-sponsored and others may be led by the private sector or even by other institutions such as universities.

SPEED. Green Energy Zones offer a quick way for a country to compete for green investment and to build low-carbon infrastructure for the future. By taking a zonal approach, we not only avoid delays in revising legislation or regulation, we can also increase our ability to engage the limited supply of public funds available to offer **investment guarantees**. But any of the ideas that might be applied to Green Energy Zones could also be applied nationally in any country that wants to do so.

SCALE. The design and content of Green Energy Zones will vary from country to country, and much of this work needs to be done at the national, state or local level. At the same time, our hope is to create **models that can be replicated rapidly throughout the world**. In this way, Green Energy Zones could play a significant role in expanding green investment worldwide.

COMMUNITY ZONES. To have a major impact the strategy eventually has to be rolled out on a large scale, but this does not mean that every Green Energy Zone has to be large-scale. On the contrary, we will develop one model for a **Community Green Energy Zone**, involving local small and medium enterprises whose **jobs and profits stay in the local area.** Any MP can work on implementing such a zone in their own constituency. Based on discussions so far, we expect considerable interest in this from MPs, almost all of whom represent a particular state or district where they must seek to deliver economic benefits. A number of such small zones, based on a standard model, could be bundled together to attract climate finance. Such constituency Green Energy Zones might focus on putting solar panels on every roof in the community. The upfront costs would be financed from private or public climate finance, which is then paid back from household bills that are reduced compared to the previous bill for grid power or other energy sources. Solar roofs can be linked to form local minigrids which are connected to national distribution grids but can operate autonomously if the main grid fails. Rooftop solar can be combined with household batteries, and with a small grid-connected solar farm with battery storage as part of the Community Green Energy Zone. In a rural area in a developing country, for example, a small Green Energy Zone could help to power:

- **Clean cooking** using energy-efficient pressure cookers powered by local renewables.
- **Agricultural cold chain facilities** to prevent produce from spoiling in rising temperatures.
- **Local green fertiliser production**, which could gradually replace today's highly polluting fertiliser industry.

RESILIENCE. Those constituency-level zones could play a key role in strengthening local resilience to climate impacts. For example, in the last year we have seen **heatwaves in the tropics** which have pushed the limits of what humans can survive. As the thermometer rises, those limits will be crossed, and we will see

heatwaves killing ever larger numbers of people. Even in the French heat wave of 2003, estimates of deaths – mostly the very old and the newborn – were as high as 70,000. If people are to stay on their land in the tropics, they need air-conditioned spaces to retreat to when temperatures peak. As national grids often fail in extreme weather, the power needs to come from local renewables. **Every Community Green Energy Zone should include an air-conditioned community hall, combined wherever possible with household air conditioning.**

Likewise, clean cooking on renewable power can reduce deforestation resulting from the use of charcoal and firewood. That deforestation leaves communities more vulnerable to extreme weather impacts such as **flooding and desertification**. And as temperatures rise, the **agricultural cold chain** is increasingly important for farmers to get their produce to market. Food products, like people, need to be protected from the heat.

SMALL ISLAND STATES. In March 2025 we held our first **Green Energy Zones National Dialogue** in **Seychelles**. Learning from progress in other island states (notably the nearby Maldives) our aim is to pioneer in Seychelles **a model that can be replicated across the island states**. The discussion focused on tourism, the major industry in Seychelles and many island states, with a focus on powering hotels and infrastructure with renewable energy. There was also discussion of how island states could work together to expand the market for sustainable aviation fuel. In addition to MPs, the meeting was attended by the **President**, the **Minister for Agriculture, Climate Change and Energy** and senior officials. **CEOs** of energy and tourism companies and organisations also participated, including Air Seychelles, the Global Sustainable Tourism Council and Greening the Islands. The **World Bank** and **International Finance Corporation** presented their successful programme to accelerate solar deployment in the Maldives by attracting private investment, using a variety of investment guarantees. The outcome was agreement to develop a concept note for a Green Energy Zone encompassing one or possibly two islands. Here too rooftop solar will play a key role, as usable land can be in short supply in small islands. We will also explore the creation of a "coalition of the willing" of island tourist destinations to begin requiring a percentage of sustainable aviation fuel in visiting aircraft, as the EU now does. We envisage this as the start of a Green Energy Zones programme specially for island states across the world.

GREEN ENERGY ZONES ALLIANCE. We will build an alliance of Green Energy Zones, MPs, governments, investors and others. If membership offers economic opportunities, it will create incentives for industrial zones to go green.

IN EACH COUNTRY, STATE OR CITY the process will include the following five elements:

1. DIALOGUE WITH INVESTORS AND GUARANTORS

- ***Global***. Each year, immediately before climate and environment COPs, Members of Parliament or Congress from each country will participate in a global Green Energy Zones Dialogue, together with governments, investors, development agencies and potential customers for Green Zone products.

- ***Regional and national***. Between the COPs, MPs will participate in a similar three-day Dialogue bringing together 3-6 countries from their region. While some sessions will include participants from all the countries, a substantial part of the time will be devoted to parallel national roundtables where MPs and governments can engage in detailed discussions with public and private investors about possible Green Energy Zones in their country. Investors will learn about national priorities. MPs, ministers and officials will hear from investors about the barriers to investment that need to be resolved to create successful Green Energy Zones.
- ***Online and in person.*** Throughout the year, the Climate Parliament will convene ad hoc small-group discussions, mostly at regional and national level, between MPs, investors, and ministers or senior officials. The more investors and guarantors express interest, the more governments will be interested in creating Green Energy Zones.

2. ONLINE GREEN ENERGY ZONE RESOURCE CENTRE. With input from these discussions, we will create a steadily expanding Green Energy Zone Resource Centre. The Resource Centre will provide a "tool kit" containing:

- **Check-lists** of information that needs to be gathered in each country.
- **Models** for different kinds of Green Energy Zones for different industries or nature-based solutions.
- **Examples of legislation** for each type of zone.
- **Examples** of successful zones in other countries.
- **A draft Concept Note** that countries could adapt and submit to the Green Climate Fund or other agencies to request substantial funding to develop Green Energy Zones.
- **Practical information** about how to maximise the benefits, for example how Green Energy Zones can help producers to avoid paying the EU's carbon border adjustment fees.

We will draw on extensive work that has already been done by **UNIDO**, the **World Bank Group**, and Germany's **GIZ**. Their ***International Framework for Eco-Industrial Parks*** report is a key resource, and they can provide governments with valuable technical advice.

3. DEVELOP PROPOSALS FOR SPECIFIC GREEN ENERGY ZONES. With a combination of national and international staff support, we will build the capacity of MPs to help governments to:

- ***Develop Green Zone proposals***. This includes assessing possible locations locally or nationally, and any legislative, regulatory or budget measures needed.
- ***Ensure the participation of local communities.*** Mechanisms to ensure that local communities have real input into decision-making, and that local people benefit from a share of the profits, will be an essential ingredient of Green Energy Zones. Some zones may be created specifically for smaller local businesses whose profits remain in the community.
- ***Advance parliamentary action*** in support of national, state or local Green Energy Zones.

4. CONCEPT NOTE TO APPLY FOR FUNDING FROM DEVELOPMENT AGENCIES. The Climate Parliament team and UNIDO will work with ministers and officials to help develop specific concept notes for the Green Climate Fund, the World Bank Group, regional development banks or other agencies to develop one or more Green Energy Zones. Potential guarantors and private investors will be encouraged to express their willingness in principle to invest in the zone. **The concept notes for donor agencies will come from the executive branch in each government, and it is ultimately up to the government to decide on the content of the proposal. The Climate Parliament and UNIDO team will provide support and assistance in this process, guided by the government.**

5. GOVERNMENT ACTION. Once funding is secured, the Climate Parliament MPs and Secretariat will support and work with ministers and officials in each state or country to ensure that Green Energy Zones are demarcated and auctions organised to ensure that the necessary energy, transmission and transport infrastructure is built. In parallel, efforts will begin to attract private investment into the Green Energy Zones. Through their budgetary powers, legislators can, where appropriate, support governments in putting at least some public money on the table, which reassures private investors. As part of their parliamentary oversight role, MPs will monitor progress to make sure that the essential ingredients of a genuine Green Energy Zone, including community participation, are fully implemented.

LEADING THE WAY

. Special economic zones have been used for many years to promote development. What is needed now is to apply the idea to green investment, by creating new Green Energy Zones or retrofitting existing industrial parks with a green energy supply. Some countries and states are already applying a zonal approach to green development, and much can already be learned from their experience. A few examples:

- **Vietnam** has created a number of “eco-industrial parks.”
- **Queensland** is developing renewable energy zones in Australia.
- **Nigeria** is developing the Evergreen Industrial City to be a regional hub for manufacturing renewable energy equipment.
- **South Africa** has established the Atlantis Special Economic Zone (ASEZ) for Green Technologies, initiated by Western Cape province.

The Climate Parliament aims to ensure that the approaches being pioneered in projects like these will be used to bring green investment to every corner of the world. Donors are welcome to fund this work in additional countries, states or cities, or to help expand the effort in one of the first 15 countries in Africa. *For more information, please contact info@climateparl.net*