INFORMATION NOTE

The economic and Social Commission for Western Asia (ESCWA) is organizing, in collaboration with the Tunisian Agency for Energy Conservation (ANME), the Energy Department of the League of Arab States (ED LAS), and the Regional Centre for Renewable Energy and Energy Efficiency (RCREEE), a regional policy seminar focusing on policy reforms to promote financing of energy efficiency (EE) investments with the aim of strengthening the capacity of national and local policymakers in the region. The Policy Seminar will be held in Tunis, Tunisia, on the 14th and 15th of April 2014.

1. Background information

This regional policy seminar is an activity scheduled in the Development Account (DA) project on “Promoting Energy Efficiency Investments for Climate Change Mitigation & Sustainable Development” designed to promote energy efficiency investment projects in the region.

When examining the evolution of energy consumption in the Arab countries in the last decade, some drastic patterns are observed. According to annual reports of the Organization of Arab Petroleum Exporting Countries (OAPEC), total primary energy consumption in Arab countries has steadily increased over the last decade, at an average rate of 6.3% (2001-2010), with a notable acceleration in the last five years of that decade (6.9% during the last five years versus 4.6% during the first ones). The part of the total primary energy production devoted to satisfy the Arab countries local energy needs, evolved from about 25% in 2001 to 27% in 2006 and 36% in 2010, indicating a sharp increase in energy consumption in the Arab region during the last five years of that decade. Alarming patterns are again observed when examining the electrical sector. Indeed, when compared with the 2010 figures, peak electrical demands are expected to practically double by 2020, calling for a comparable increase in power plants’ capacities, and the electric energy generated is also expected to increase by the same order of magnitude during the same period. It is worth noting that in 2010, about 40% of primary energy consumption in the Arab region was used to produce electricity.

Furthermore, Arab countries are using about twice the amount of energy that European countries use to produce the same amount of Gross Domestic Product (GDP); indicating a tremendous potential for energy efficiency in the Arab region. However, low conventional energy prices, maintained by substantial direct and indirect subsidies (1% to over 15% of GDP and around 4% to 40% of government spending as recently as 2006), and the still weak institutional and policy framework to promote energy efficiency investments, are largely contributing to these unsustainable trends of energy consumption that can lead to a critical energy situation in the region for both hydrocarbons’ exporting and non-exporting countries.
This project was designed to provide capacity building for the development of energy efficiency investment projects. Furthermore, the project is an inter-regional initiative involving the five UN Regional Commissions: the Economic Commission for Europe (ECE), the Economic and Social Commission for Asia and the Pacific (ESCAP), the Economic Commission for Africa (ECA), Economic Commission for Latin America and the Caribbean (ECLAC), and the Economic and Social Commission for Western Asia (ESCWA) with a contribution from the UN Department of Economic and Social Affairs (DESA), with a leading role played by the UN-ECE, to benefit the other RCs of the experience acquired by UNECE from EE projects that combines technical assistance in design and implementation of investment projects, advice on policy and institutional reforms, and direct links with financial institutions (e.g. banks and investment funds) in order to establish mechanisms, which are able to fast-track the development of self-sustained markets for energy efficiency. The project will replicate this experience in different regions of the world through cooperation between the UN Regional Commissions, as well as cooperation within the UN-Energy framework.

In fact, energy efficiency has been widely recognized to be the most cost effective way to reduce excessive reliance on fossil sources and ensure energy security, including by Arab countries where the Energy Department at the League of Arab States has recognized the importance of EE in the Arab energy context. The most important achievement was the official adoption of the Arab Guideline for improving electricity efficiency and rationalizing its consumption at the end users level by the Executive Bureau of the Arab Ministerial Council for Electricity (AMCE) in November 2010. The Guideline presented a systematic EE planning approach for the Arab countries by urging them to develop National Energy Efficiency Action Plans (NEEAP) according to a unified template. Moreover, AMCE chose the 21st of May of each year to be the Arab EE day. The energy department produced two versions of the Arab RE&EE guide which included a comprehensive data base on EE sector in the Arab region. It’s worth mentioning that EE file is managed by EE group that reports to RE&EE expert committee which report to AMCE.

Recognizing the importance of EE, RCREEE has also developed some related programmes and undertaken several EE promotion activities. RCREEE is currently participating in the elaboration and the implementation of NEEAPs “National Energy Efficiency Action Plans”, had launched several studies related to energy indicators and energy efficiency parameters and evaluation in Arab countries such as: the AFEX EE “Arab Future energy Index-Energy Efficiency”, Energy Data Indicators for RCREEE Member States2, Adaptation of e-QUEST Software for EE Building Compliance, Energy Efficiency Indicators in the Southern and Eastern Mediterranean countries and the Energy Efficiency Measures Monitoring and Evaluation templates.

The Tunisian Agency for Energy Conservation (ANME) has been leading Tunisia’s efforts to implement strong institutional and policy frameworks to promote national EE programmes and measures. These efforts lead to the design and implementation of several instruments, including an operational dedicated national fund and specifically tailored financing mechanisms to enable the development of EE in the country.

ESCWA, RCREEE and ANME are joining efforts in this seminar, with the contribution of LAS’ Energy Department, to provide a platform for dialogue and exchange of experiences about the needed policy reforms to promote financing of energy efficiency (EE) investments with the aim of strengthening the capacity of national and local policymakers in the region.

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1) UN-Energy is the principal interagency mechanism in the field of energy to help ensure (a) coherence in the UN system's multi-disciplinary response to WSSD; and (b) collective engagement of non-UN stakeholders.

2) RCREEE Member States include Algeria, Bahrain, Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, Palestine, Sudan, Syria, Tunisia and Yemen.
2. **Objectives and topics of the Seminar**

The objective of this regional seminar is to focus on policy reforms that can promote financing of energy efficiency investments with the aim of strengthening the capacity of national and local policymakers in the region. The participants in the seminar will consider case studies for three countries from the Arab region to develop a better understanding of their positioning in the international investment market for energy efficiency projects. The Tunisian Agency for Energy Conservation (ANME) will present the Tunisian experience in setting up a favourable institutional and policy framework and they will identify the required or desirable changes to existing policy/legal/regulatory frameworks leading to a more favorable investment climate for EE projects.

The regional seminar will focus on the following topics:

a- Policy reforms to promote financing of energy efficiency investments with the aim of strengthening the capacity of national and local policymakers in the region, where the Tunisian experience will be used to illustrate some of the considered reforms.

b- Presentation of 3 case studies conducted by ESCWA in 3 countries to develop a better understanding of their positioning in the international investment market for energy efficiency projects, as well as brief presentations of experiences conducted in other Arab countries (Lebanon, Morocco, etc.). The three ESCWA case studies are as follows:

i. Egypt: Transport sector
ii. Kuwait: Building sector
iii. Tunisia: Industry sector

c- Update of recent work developments in the Arab Region related to EE, including NEEAP design and implementation and key analysis studies results (RCREEE recent analysis related to EE indicators and AFEX EE, etc.).

d- Identification of required or desirable changes to existing policy/legal/regulatory frameworks leading to a more favorable investment climate for the EE projects.

In order to engage a dialogue between public institutions in charge of developing and implementing energy efficiency policies in their respective countries and national & international financial institutions, participants will be invited from public institutions/concerned ministries in ESCWA’s 17 member countries (including RCREEE’s Member States), in addition to participants from concerned private sector institutions.

3. **Participants**

ESCWA will seek the participation in the seminar of at least one participant from the public sector, from each Member Country, but ESCWA welcomes the participation of additional representatives, and participants from the concerned private sector. Participants from regional and international organisms wishing to take part of this seminar are also encouraged to attend.

Participants are encouraged to propose working papers related to experiences carried out in their own countries that are associated with the topics of this seminar.

4. **Date and Venue**

The seminar will be held in Tunis, Tunisia on the 14th and 15th of April 2014. The exact place of the venue will be communicated in a separate correspondence.
Registration is on the 14th of April 2014 at 9:00 a.m., and the opening session shall be at 09:30 a.m. same day.

5. **Language of the Seminar**

Seminar materials will be presented in either Arabic or English. Simultaneous translation from and to each of the two languages is available.

6. **Accommodations and Entry Visas**

Each participant shall undertake the following preparation related to his/her participation: Securing hotel reservation in the venue location, visa, and any other requirements for traveling to Tunis.

Participants can obtain their entry visa into Tunisia from the Tunisian embassy to their respective countries.

If necessary, ESCWA may assist in obtaining the entry visa into Tunisia. For those interested, please send a clear scanned color copy of the passport, to include all essential personal data, to the concerned at ESCWA.

7. **Correspondence**

All correspondence related to the seminar is to be sent to either of the two addresses:

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