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## **Economic and Social Commission for Western Asia (ESCWA)**

Experts Training Workshop on "Electricity Sector Reform and Restructuring in Syria"

Beirut, Lebanon 25-26 January 2017.

### **Information Note**

In an effort to support Syria in early recovery, livelihood and stabilization in a post-conflict situation, and to support the development of a strategic policy framework that would enable fast recovery and development of the electricity sector in Syria, ESCWA through the Sustainable Development Policies Division (SDPD) is organizing an expert training workshop on "Electricity Sector Reform and Restructuring in Syria" to be held on 25-26 January, 2017, in Beirut, Lebanon.

#### **I. BACKGROUND INFORMATION**

The electricity sector in Syria has passed through different phases of reforms. The latest was based on Law 32/2010 with three public entities under the Ministry of Electricity namely: Public Establishment for Electricity Generation (PEEG); Public Establishment for Electricity Transmission (PEET); and Public Establishment for Distribution and Exploitation of Electric Energy (PEDEEE). However, as institutional and organizational relationships between the three establishments and between these and the Ministry of Electricity were not clearly defined, operational efficiency and economic performance did not meet expectations. Inter-establishments contracts and agreements, processes, mechanisms, technical delimitations, prices, fees, financial transactions and accounts need to be defined, approved and followed. Moreover, coordination and concerted planning is also needed. On the other hand, human resources capacities require extensive training to adapt to fully unbundled operations leading to higher efficiency and performance in the power sector operations, management and planning.

The above mentioned problems were multiplied by the effect of the crisis, adding challenges to the operational, financial, technical conditions and human resources available capacities. The crisis has also left its toll on the electricity sector in terms of infrastructure, assets and human resources. While planning for recovery and reconstruction is an immediate requirement, reforms and restructuring is a medium-term process with main objective to streamline operational, managerial, regulatory and administrative processes leading to enhanced performance and reduced inefficiencies within the context of a holistic reconstruction plan for post-conflict Syria.

Based on previous discussions with electric power stakeholders in Syria, four main priority areas were identified for capacity building:

1. Electricity sector reform and restructuring
2. Enabling conditions and legal, regulatory, institutional and operational frameworks for private sector investments and PPPs in the electricity sector.

3. Technical and contractual requirements for Independent Power Producers (IPP) projects
4. Costing, pricing and tariffs of generated, transmitted, wheeled, distributed and supplied electricity.

While the results of these capacity building activities would have impacts at the medium-term, action plans to be developed during the workshops will help put together a long-term strategy as well as short-term plans that would support the recovery and reconstruction phase in Syria.

This workshop addresses the first priority area identified by the electricity sector stakeholders in Syria, i.e. electricity sector reform and restructuring. Topics to be discussed will identify challenges and solutions and will set the base for future interventions to support the sector in improving its economic and technical performance and attracting the private sector.

## **II. OBJECTIVES OF THE WORKSHOP**

This workshop is in line with the strategic framework of UNESCWA on supporting Member Countries to develop national policies for sustainable development. The workshop shall inform stakeholders on main components and criteria for establishing enabling regulatory conditions to attract private sector investments and way forward given the current conditions, which will pave the way for developing capacity building activities for the three other priority areas identified above.

It aims to increase the technical capacity of national experts to improve the decision-making process related to the development of electricity sector reform and restructuring in preparation for the post-war reconstruction phase.

The workshop will be conducted in a consultative participatory approach where Syrian experts will share their views and visions with regional experts having hands-on expertise on electric sector reform, restructuring and regulation in the Mediterranean region, and work collectively as a focused group on developing the key elements of an action plan for execution.

## **III. OUTPUTS AND EXPECTED OUTCOMES OF THE WORKSHOP**

- Identify the pros/cons and obstacles/difficulties of the different reforms and restructuring options.
- Gain knowledge on the requirements for the establishment of a national electricity regulatory authority.
- Identify different laws, regulations and decrees required for setting-up enabling conditions for attracting private sector investments in the electricity sector.
- Agree on a plan of action to move forward which will include the above items.

## **IV. FOCUS AREAS**

The workshop will review the existing electricity sector situation in Syria from regulatory, institutional, operational, financial and technical perspectives. Main challenges and constraints shall be identified setting the basis for deeper analysis and discussions on ways to enhance the sector performance. Moreover, the workshop shall identify main components and requirements for establishing a regulatory authority and setting enabling conditions for the private sector involvement. Building on the existing situation, and taking into account the requirements identified, the key components of an action plan shall be developed. This action plan should address capacity building needs that will enable the Syrian stakeholders

to develop realistic and executable plans leading to improved efficiencies and performance. The focus areas of the workshop include:

- Assessment of the current electricity sector situation in Syria and the needed organizational reforms;
- Existing institutional, legislative and financial structure as starting point for future regulatory body;
- Electricity Regulatory Authority (ERA): definitions, roles, responsibilities, structure and establishment requirements;
- Enabling conditions for private sector investments (in generation, distribution, O&M, and electricity services);
- Case studies and lessons learnt from other countries;
- Key components of an action plan to move forward, including future capacity building needs.

## V. PARTICIPANTS

The participants of the workshop will include experts from Syria on long-term strategies, policy-making, electricity sector reforms and restructuring.

## VI. ORGANIZATION OF THE MEETING

The workshop will be held at the UN-House in Beirut, Lebanon on 25-26 January 2017. Participants are kindly requested to arrive at the building at 8:30am on 25 January 2017 to secure their identification cards and access to the building.

The workshop materials will be presented in English and Arabic languages.

## VII. LOGISTICAL INFORMATION

Each participant shall undertake the following preparation related to her/his participation: Securing hotel reservation, and any other requirements for travelling to Beirut, Lebanon.

Any update information will be provided to participants in due course.

## VIII. CORRESPONDENCE

All correspondence related to the workshop is to be sent to either of the below addresses:

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