

Project objectives and expected outcomes

Economic And Social Commission For Western Asia



UNITED NATIONS

الاسواق

ESCWA

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Expert Group Meeting on Promoting Market-driven Access to Sustainable Energy Services in Rural Areas of the Arab Region

18-19 April 2016

UN-House, Beirut, Lebanon

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Expert Group Meeting on Promoting Market-Driven Access to
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Context

Why this emphasis on rooting rural communities in their land?

- In our region most urban economies are growing at lower rates than population growth; rural to urban migrations end up swelling existing poverty belts around cities;
- Need to slow down the rural-urban migration; to reduce pressures on urban areas
- Agriculture and other rural productive sectors contribute significantly to the national economy
- Food security
- Preserving social and political stability

How to strengthen the resilience of rural communities?

- More entrepreneurial opportunities/diversification
- Improved access to markets, more jobs, better services (education, health, roads, ...)

Context

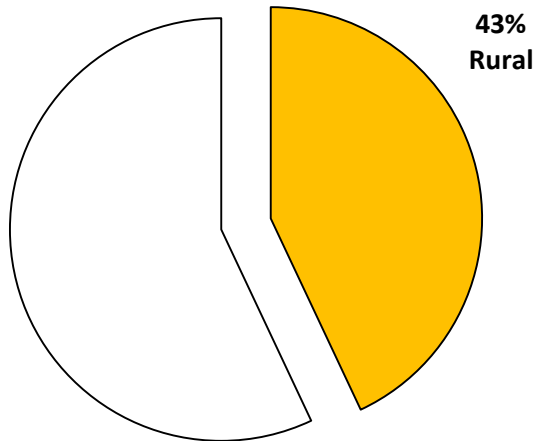
Where does energy fit in this problematic?

- Rural traditional production , demand/supply, managed with available traditional energy (biomass, low energy intensity fossils)
- Increased productivity and business diversification, however, require more energy than can be generated using traditional sources,
- Rural communities need sustainable access to modern energy services

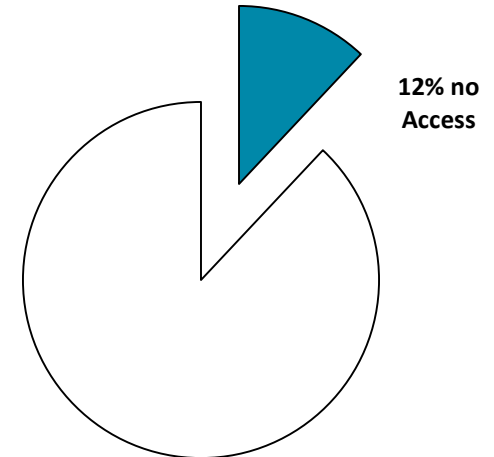
Introduction



Rural areas in the Arab region



Rural Population of Arab Region



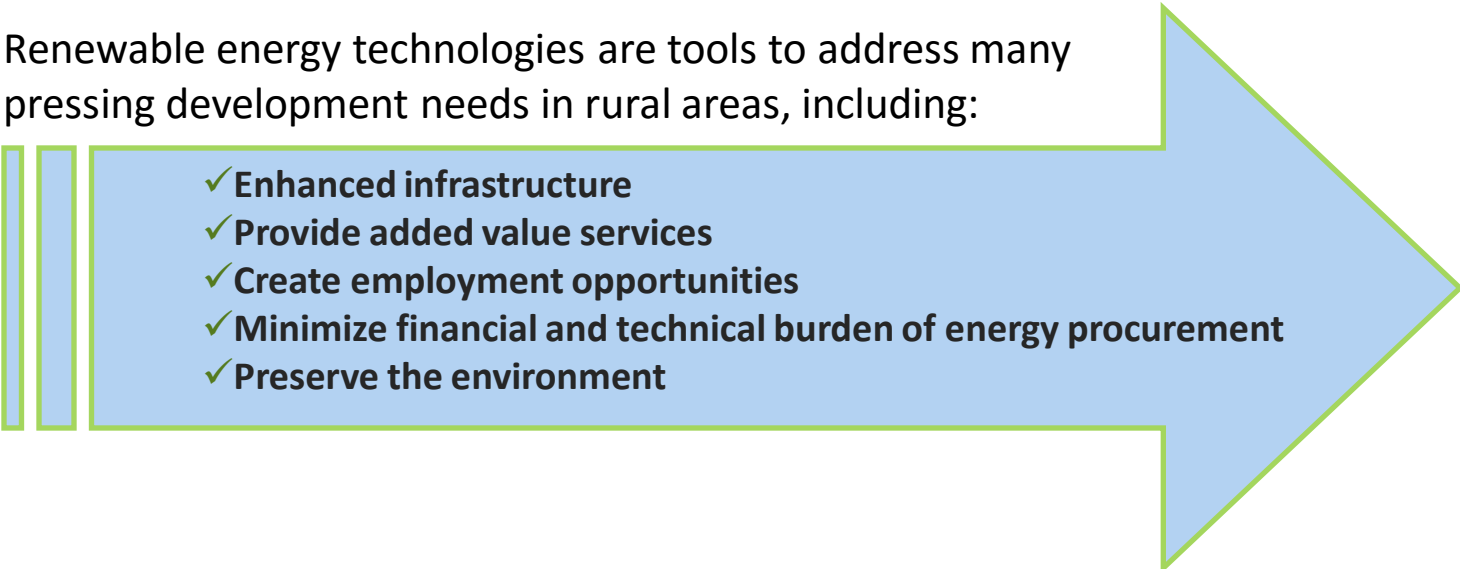
Electrical Access in Arab Region

- Rural socio-economic conditions :
 - Mostly politically marginalized
 - Poor infrastructure
 - High fertility rate
 - Increasing aridity
 - Growing water scarcity

Energy - *Renewable energy*

- Most rural communities in low and middle income Arab countries still rely on biomass to meet their energy needs.
- There are a number of promising energy options for increasing clean and modern energy supplies even in very remote areas, ranging from more efficient use of traditional fuels to modern renewable energy technologies (RET) based on renewable energy resources.

Renewable energy technologies are tools to address many pressing development needs in rural areas, including:

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- ✓ **Enhanced infrastructure**
 - ✓ **Provide added value services**
 - ✓ **Create employment opportunities**
 - ✓ **Minimize financial and technical burden of energy procurement**
 - ✓ **Preserve the environment**

Energy - *Challenges to RET dissemination*

Failure of the emergence of a market-driven RET dissemination in most rural areas in the Arab region can be attributed to several factors, mainly:

- Potential buyers lack information on value of energy services and prospective investors on RET applications
- Dispersed nature of rural communities reduces market size,
- High upfront cost of many RET,
- Weak local technical capacity,
- Inadequate regulatory and institutional frameworks,
- Lack of low-income financing mechanisms.

ESCWA project

“Building Capacities in
Developing Appropriate
Green Technologies for
Improving the Livelihood
of Rural Communities in
the ESCWA Region”



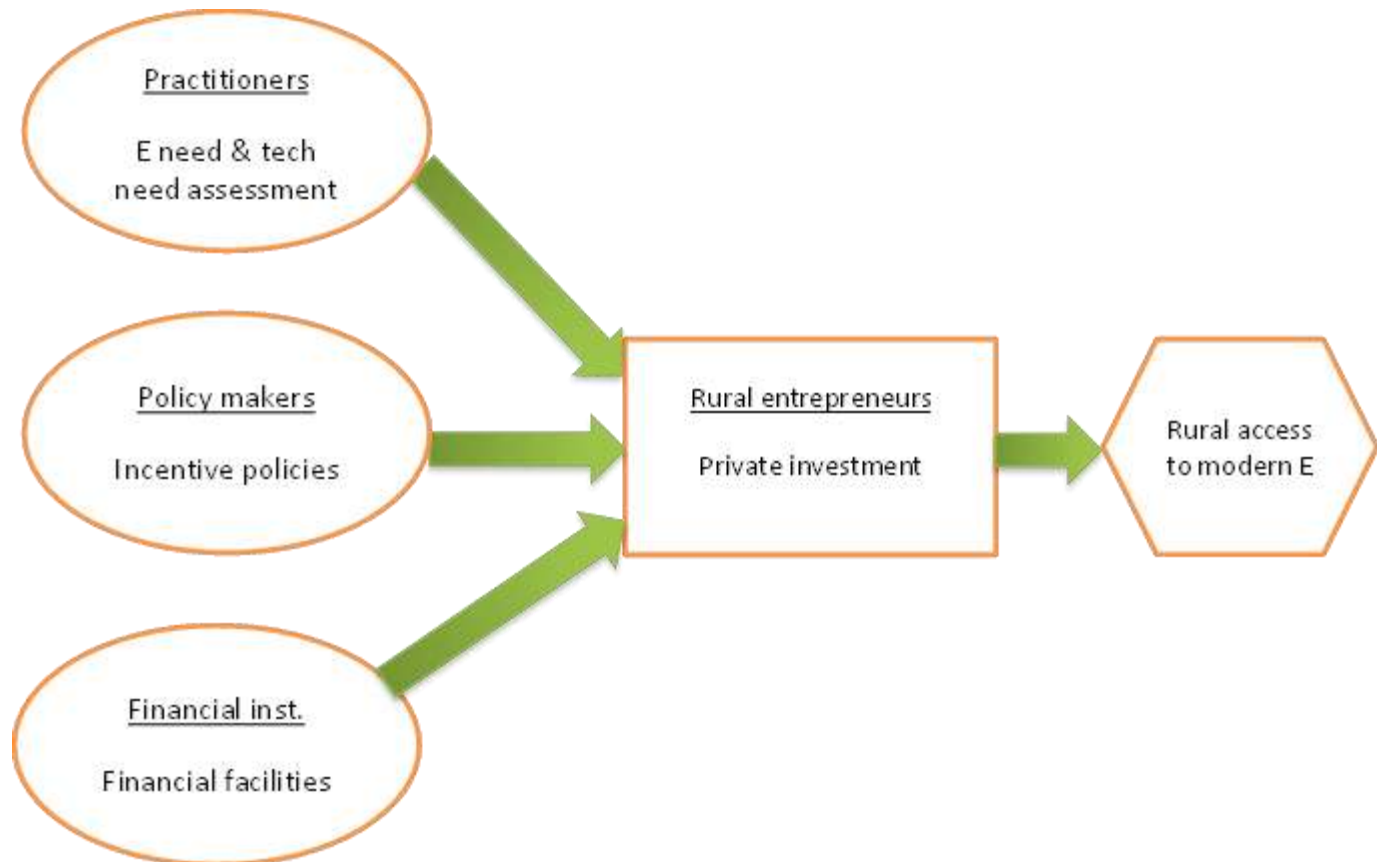
ESCWA project

Objective

To improve
access of rural
communities in
the Arab Region
to appropriate
pro-poor green
technologies



Objective – *Analysis of the objective*



Approach



**Market Forces are not
aligned with rural
disposable income**

=

Market failure

**Shift focus from RET
supply chain to value
chains in the rural
productive sectors**

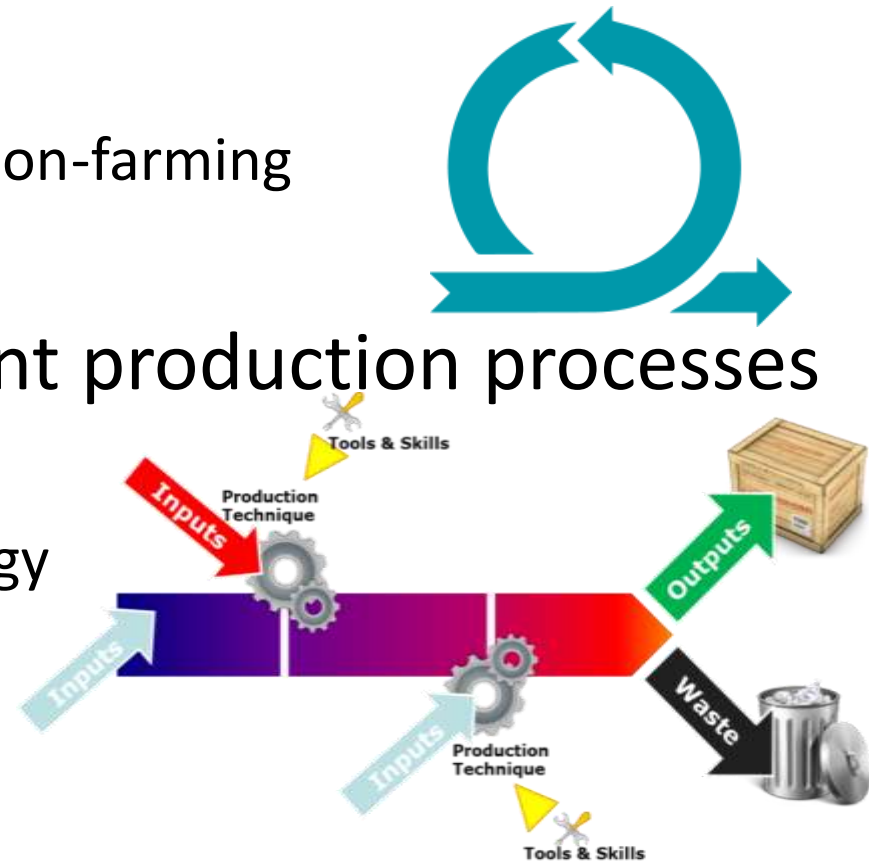
Methodology for practitioners

- **“Value Chains”**

Analyze value chains of farming and non-farming income generating activities;

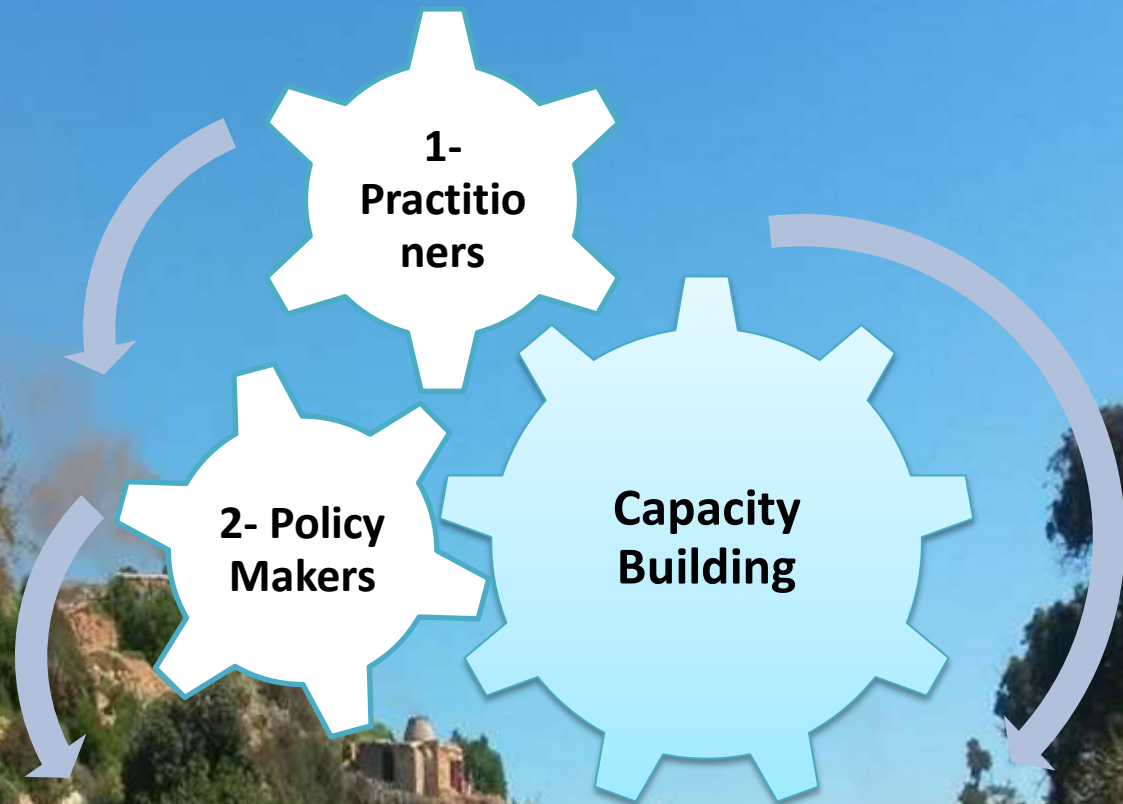
- **Energy perspective: Current production processes**

Analyze processes for potential productivity improvement using energy input; assess energy need; identify appropriate RET (locally available and sound from a business perspective).



ESCWA project

Activities



Activities

- Development of a methodology for assessing appropriate RET need in rural productive sectors, and mapping of RET appropriate for the Arab region (Dec. 2014);



Activities

- Workshops in Jordan (17-18 May), Sudan (8-9 June), Oman (14-15 June) and Morocco (27-28 July) to build capacity of public and private rural development practitioners and local energy experts on applying methodology;



Activities

- Study tour organized with WISE, Pune in India, on “Providing Energy Access through Renewable Energy in Rural Areas”; stakeholders are energy sector policy makers from Jordan, Mauritania, Morocco, Oman and Sudan (Oct, 2015).



PROMOTING MARKET-DRIVEN ACCESS TO SUSTAINABLE ENERGY SERVICES IN RURAL AREAS OF THE ARAB REGION

The objective of the EGM is to elicit fresh thinking on the issue of appropriate green energy technology access in rural areas in the Arab region focusing on the rural productive sectors.

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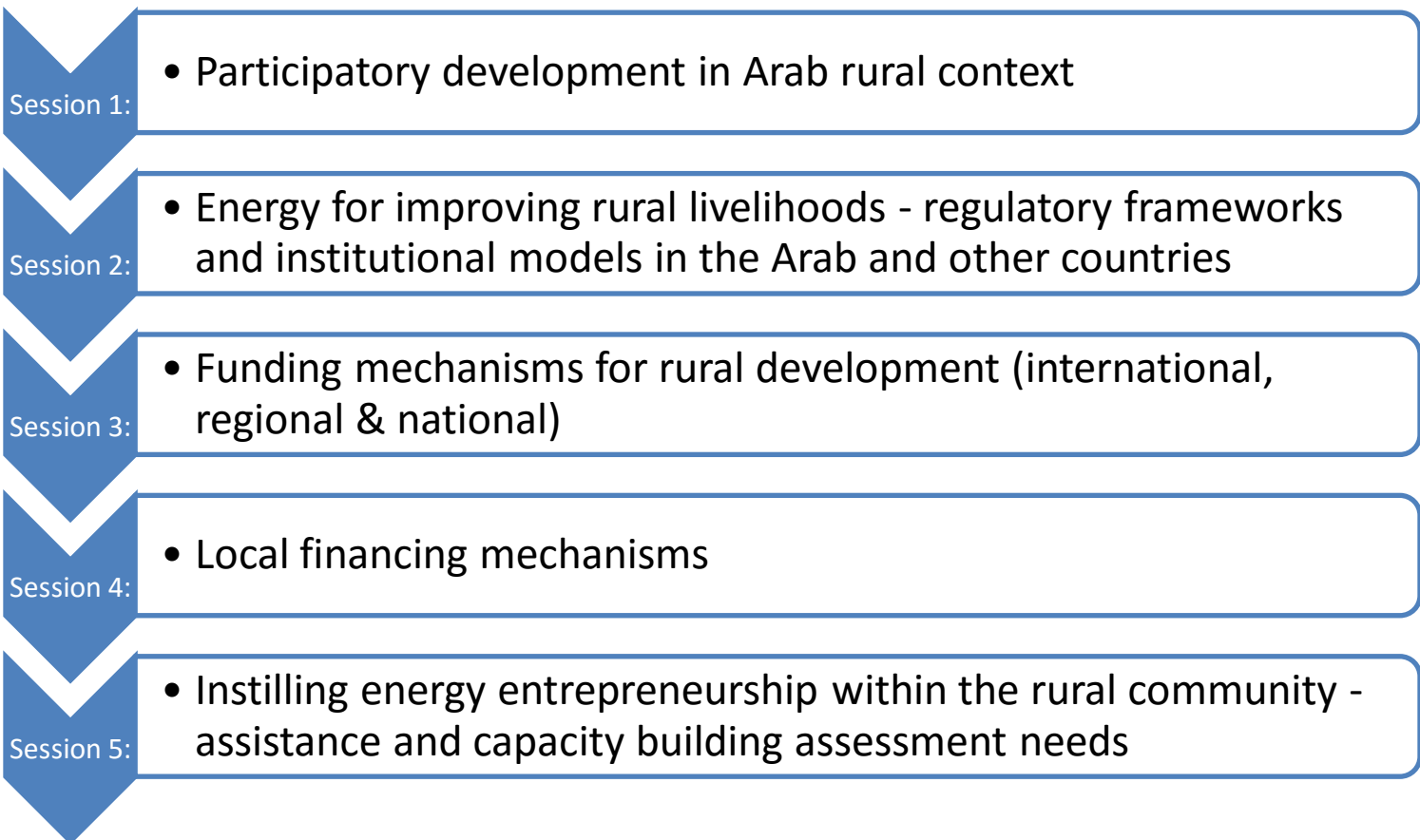
Identify the **roles** of public and private sectors, civil society groups, and the financial sectors.

2

Determine **drivers**, notably financial ones, that would incentivize the emergence of a RET market in rural areas

PROMOTING MARKET-DRIVEN ACCESS TO SUSTAINABLE ENERGY SERVICES IN RURAL AREAS OF THE ARAB REGION

The EGM is consists of five sessions:



THANK YOU FOR YOUR ATTENTION

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YEARS