



Economic and Social Commission for Western Asia (ESCWA)

Report

Webinar on “Lebanon’s Policy Regulatory Reforms and Financial and Legal Frameworks Needed to Promote Small-Scale Renewable Energy Technologies and Applications in Rural Areas”

15 April 2021 at 10:00 AM – 12:00 PM Beirut Time (EET)

Summary

The UN Economic and Social Commission for Western Asia (ESCWA) organized a webinar in Lebanon on 15 April 2021 titled a Webinar on “Lebanon’s policy regulatory reforms and financial and legal frameworks needed to promote small-scale renewable energy technologies and applications in rural areas”. The webinar aimed at supporting the development of a case study for Lebanon addressing the policy, regulatory, financial and legal frameworks applicable in the rural development context by integrating the energy, water, agricultural sectors and gender equity and entrepreneurial development through a holistic approach. The case study provides guidelines to conceptualize REGEND’s policy toolkit as regional strategic guidelines to improve the enabling environment for the private sector and women entrepreneurs to invest in income-generating activities by increasing the use of small-scale renewable energy technologies and applications in productive activities in the rural areas.

The webinar enabled the participants representing various institutions and sectors related to rural development in Lebanon to engage in constructive discussions focused on the presentation and analysis of policies and strategies, and alternative drivers, as well as regulatory, financial, and incentive frameworks for rural development, the promotion of small-scale renewable energy applications, gender mainstreaming, and entrepreneurship readiness. This resulted in the identification of the key barriers and challenges faced and paved the way for the formulation of solutions.

The webinar concluded with a series of recommendations that address strategic, institutional and regulatory reforms, awareness raising, capacity building, coordination, and financial and funding aspects. These recommendations aim to create the enabling environment towards improved rural development in Lebanon.

Note: This document has been reproduced in the form in which it was received, without formal editing.

Contents

I.	INTRODUCTION	3
II.	RECOMMENDATIONS	3
III.	MAIN TOPICS OF DISCUSSIONS	3
	A. CASE STUDY PRESENTATION	3
	B. PANEL DISCUSSION COVERING THE WATER-ENERGY-FOOD NEXUS, RURAL DEVELOPMENT, GENDER EMPOWERMENT, AND ACCESS TO FINANCE	4
	C. CLOSING SESSION	5
IV.	ORGANIZATION OF WORK	6
	A. DATE AND VENUE	6
	B. OPENING	6
	C. PARTICIPANTS	6
	D. AGENDA	6
	ANNEX I: AGENDA	7
	ANNEX II: LIST OF PARTICIPANTS	8

I. INTRODUCTION

1. The UN Economic and Social Commission for Western Asia (ESCWA) organized a webinar on 15 April 2021 titled a Webinar on “Lebanon’s policy regulatory reforms and financial and legal frameworks needed to promote small-scale renewable energy (RE) technologies and applications in rural areas”.

The main objective of the webinar was to support the development of REGEND’s case study for Lebanon addressing the policy, regulatory, financial and legal frameworks applicable in the rural development context by integrating the energy, water, agricultural sectors and gender equality and entrepreneurial development through a holistic approach. The case study provides guidelines to conceptualize REGEND’s policy toolkit as regional strategic guidelines to improve the enabling environment for the private sector and women entrepreneurs to invest in income-generating activities by increasing the use of small-scale RE technologies and applications in productive activities in the rural areas.

The webinar was attended by 23 participants representing various national, government and financial institutions, UN and international organizations, and national experts, representatives from the private sector, non-governmental organizations (NGOs), academia and local communities in Lebanon.

2. The webinar spanned over two hours and consisted of two sessions. Section II of this report summarizes the webinar’s recommendations while Section III provides a summary of the presentations and the main topics of discussions held during each of the two sessions. Section IV reviews the organization of work, including information regarding the webinar’s agenda and participants. The full documentation of the webinar is available at the following address:

<https://stage.unescwa.org/events/lebanon%E2%80%99s-policy-regulatory-reforms-and-financial-and-legal-frameworks-needed-promote-small>

II. RECOMMENDATIONS

3. The webinar concluded with the following recommendations:

- a) Adopt a coherent perspective in strategy development, focusing on the inclusion of municipalities and local communities, and adopting a multi-participatory approach in consultations.
- b) Optimize the value chain through a holistic approach.
- c) Account for energy efficiency and renewable energy in water applications, irrigation and especially wastewater treatment, to ensure continuous water availability at crucial facilities.
- d) Remove the legal barriers for the deployment of small-scale renewable energy systems, through a distributed/decentralized renewable energy law.
- e) Establish the legal framework needed to enable community micro-grids, virtual net-metering, power wheeling and peer-to-peer electricity trading.
- f) Increase the financial viability of renewable energy solutions solutions to increase their feasibility and enhance their uptake.
- g) Adopt innovative financing mechanisms such as revolving funds, digital finance, crowd funding, and blockchain.
- h) Climate-proof projects to attract investments and ensure projects are sustainable throughout their lifecycle.
- i) Enable digital applications and capacity building in digitization for rural communities to ensure future growth.

III. MAIN TOPICS OF DISCUSSIONS

4. Presentations and discussions are summarized in the following sections which are organized according to the substantive sessions of the webinar.

A. CASE STUDY PRESENTATION

5. The session opened with an overview by ESCWA introducing the REGEND project, its objectives, main pillars, expected accomplishments, sustainability, and approach. The small-scale renewable energy pilot projects and capacity-building activities, to be implemented in Akkar, Lebanon were then detailed before setting the scene and briefing the participants about the webinar.
6. A presentation by ESCWA's national consultant presented a comprehensive case study analysis of policies and strategies, as well as regulatory, incentive, and financial frameworks for sectors impacting rural development and small-scale renewable energy development in Lebanon. It emphasized the role small-scale RE technologies and applications can play as enablers of rural development, and identified the various regulatory, legal, institutional and financial constraints and barriers faced. It also covered the various sectoral strategies impacting rural development, and the shortcomings in addressing the food-water-energy and climate nexus.
7. In addition, shortcomings in institutional, regulatory and legal frameworks were highlighted, including the fragmentation laws and regulations, and the insufficient coordination between the various institutions and local actors in light of a dedicated institutional capacity, and the lack of a consolidated policy and regulatory framework hindering the integrated planning of rural development. The presentation also covered the prospects of attracting investments amidst uncertainties and the historic trend of Lebanon in attracting more remittances and aid than foreign direct investments.
8. The session highlighted the regulatory, financial and capacity barriers as well to women economic empowerment in rural areas, in addition to the entrepreneurship readiness, the need for additional income, low appetite for risk, and the lack of rural incubators. In order to overcome the barriers, the role of small-scale renewable energy applications as enabling factors was assessed for a shift in the perception of what rural areas have to offer and the opportunity to create competitive advantages to develop rural areas. Subsequently, the presentation offered an analysis of challenges and opportunities of small-scale renewable energy in rural areas.
9. The current and alternative policy drivers were then discussed, allowing the deduction of policy objectives, guidelines and policy actions in order to achieve rural socio-economic growth, resource optimization, investments attraction, entrepreneurship promotion, technology-transfer and innovation, women inclusion and empowerment, enhanced competitiveness, deployment, and financing mechanisms optimization.
10. The presentation concluded with legal and regulatory, institutional, financial and capacity building recommendations enabling the development of rural areas through an integrated approach and with small-scale renewable energy as an enabler.

B. PANEL DISCUSSION COVERING THE WATER-ENERGY-FOOD NEXUS, RURAL DEVELOPMENT, GENDER EMPOWERMENT, AND ACCESS TO FINANCE

11. The panel included six speakers covering water, energy, agriculture, gender, finance and rural development.
12. An intervention by the Food and Agriculture Organization of the United Nations in Lebanon addressed the prioritization of increased food production in light of the current inability of domestic food production to cover more than 20 percent of the national needs and its impact on Lebanon's food security, as well as the optimization of exploitation of natural resources. The panellist also emphasized how former agriculture strategies failed to address climate change, which is getting more focus, and yet there is a risk that current strategies are lagging behind.
13. An intervention by the American University of Beirut highlighted the poor service in water and wastewater treatment, especially due to the poor access to electricity. The speaker mentioned that energy efficiency should be incorporated in water design, and renewable energy should be accounted for, especially in wastewater treatment, and better water allocation measures to be adopted for irrigation; especially in rural areas. The panellist echoed the earlier point on the implementation of strategies being an issue and either lagging behind or not being well-implemented.

14. An intervention by the United Nations Development Programme voiced the need to remove the barriers for the implementation of small-scale renewable energy technologies, including the legal barriers, as only the net-metering policy is currently in force, although it remains legally disputed since the state-owned electricity utility, Electricité Du Liban, has monopoly over electricity generation. The panellist also tackled the importance of community micro-grids, virtual net-metering, power wheeling, and peer-to-peer trading, and how they need a solid legal framework to become legal and applicable. The intervention lastly covered the need for a price-rate restructure in both water and electricity, to recover the electricity generation costs, account for fair and equity considerations and promote efficient use of energy.

15. An intervention by the expert on gender highlighted the need for pressure to remove the legal barriers for women's mobility, security and economic participation and highlighted success stories in local media. The panelist highlighted how the economic crisis and the need for additional income is creating a more favourable environment and more acceptance of women's inclusion in the workforce. The panellist stressed on the need to promote new roles for women and present them with new opportunities, as well as the role of responsible businesses and technology in exports and the provision of decent work conditions for workers of both genders. The panelist also covered the need for evidence-based research towards gender mainstreaming in all policies, and ensuring there are high-performance gender focal points across ministries.

16. An intervention by the expert on microfinance started by demonstrating success stories of small loans leading rural development. The panellist stressed on the need to make solutions financially viable and reflected on the current high transaction costs with low returns, and the negative impact that the current banking crisis in Lebanon is imposing on microfinance. The panellist also covered the role of donors in the provision of loans supporting microfinance schemes for renewable energy applications.

17. An intervention by the Central Bank of Lebanon, Bank Du Liban, explored innovative solutions such as revolving funds, harnessing digital finance, blockchain and platforms to increase transparency. The panellist stressed on the need for digital applications and proper financial education to enable future growth.

18. An intervention from the Akkar Network for Development NGO promoting rural development in Akkar governorate in Lebanon covered the risk that various strategies could overlap in the absence of a coherent perspective and mechanisms for data-sharing and inclusion. The panellist highlighted that existing tools that were developed for monitoring and coordination across NGOs through the Lebanese Syrian Crisis Response Plan could be re-used for rural development. The need for extensive capacity building for rural development was also highlighted. The panellist also flagged the absence of a legal structure for rural development and the need for inclusion of municipalities and adopting a multi-participatory approach.

19. Finally, an intervention from the University of Balamand highlighted the role of education and schools and the need to reform public schools which most rural students attend. The panellist also called for implementing renewable energy applications across health facilities and clinics and educational institutions and drew the attention that poor infrastructure in rural areas are an obstacle to development.

C. CLOSING SESSION

20. The workshop sessions were closed by Ms. Radia Sedaoui, Chief of the Energy Section, Climate Change and Natural Resources Sustainability (CCNRS) Cluster at ESCWA. The closing statement emphasized the fruitful discussions during the webinar and the intention to continue coordinating and collaborating with the represented stakeholders.

IV. ORGANIZATION OF WORK

A. DATE AND VENUE

21. The webinar was held online on 15 April 2021 from 10:00am to 12:00pm Beirut time.

B. OPENING

22. The webinar was formally opened by Ms. Radia Sedaoui, Chief of the Energy Section, CCNRS Cluster, ESCWA. The draft case study report, prepared by REGEND, was shared with all the represented stakeholders for their input and feedback prior to the webinar.

C. PARTICIPANTS

23. The webinar was attended by 23 participants representing various national, government and financial institutions, UN and international organizations, and national experts, representatives from the private sector, non-governmental organizations (NGOs), academia and local communities in Lebanon.

D. AGENDA

24. Presentations and discussions were made over two sessions. The agenda of the webinar is summarized below:
- a) Opening session and setting the scene
 - b) Case study presentation
 - c) Panel discussion covering the water-food-energy nexus, rural development, gender empowerment and access to finance
 - d) Questions and answers
 - e) Closing remarks and way forward

ANNEX I: AGENDA



Webinar on “Case study on Lebanon’s policy regulatory reforms and financial and legal frameworks needed to promote small-scale renewable energy technologies and applications in rural areas”

15 April 2021 – 10:00 AM to 11:45 AM Beirut Time (EET)

AGENDA:

Setting the Scene and Moderator (5 mins): Ms. Radia Sedaoui, Chief of the Energy Section (ES), Climate Change and Natural Resource Sustainability Cluster (CCNRSC), ESCWA.

Case Study Presentation: Ms. Jessica Obeid, National Consultant, ESCWA . (15 mins)

Panel Discussion: (60 mins) covering the water-energy-food nexus, rural development, gender empowerment, and access to finance

- Mr. Nadim Farajalla, AUB
- Ms. Marie-Louise Hayek, FAO
- Mr. Hassan Harajli, UNDP
- Ms. Hania Chahal, Gender and Economic Expert
- Ms. Nadine Saba, Akkar Network for Development
- Ms. Rima Younes Khatib, BDL
- Ms. Ilda Nahas, Microfinance Expert
- Ms. Sabine Saba, University of Balamand

Q&A (20 mins)

Closing Remarks and Way Forward (5 mins)

ANNEX II: LIST OF PARTICIPANTS

Ministry of Environment, Climate Change Unit

Mr. Vahakn Kabakian
Climate Change Advisor and Portfolio Manager
Beirut, Lebanon

Ms. Lea Kai
Head of Climate Change Unit
Beirut, Lebanon

Central Bank, Banque Du Liban (BDL)

Ms. Rima Younes Khatib
Vice Director
BDL
Beirut, Lebanon

Food and Agriculture Organization of the United Nations (FAO)

Ms. Marie Louise Hayek
Project Manager
FAO
Beirut, Lebanon

United Nations Development Programme (UNDP)

Mr. Hassan Harajli
Energy Advisor and Project Manager
UNDP
Beirut, Lebanon

Ms. Carla Nassab
Project Officer
UNDP
Beirut, Lebanon

American University of Beirut (AUB)

Dr. Nadim Farjallah
Program Director, Climate Change and Environment- Issam Fares Institute
AUB
Beirut, Lebanon

Mr. Marc Ayoub
Program Coordinator, Energy and Security- Issam Fares Institute
AUB
Beirut, Lebanon

University of Balamand (UOB)

Dr. Sabine Saba
Director for the Environmental and Energy Economics
Balamand, Lebanon

Greenpeace

Mr. Julien Jreissati
Program Director
Greenpeace Lebanon
Beirut, Lebanon

Akkar Network for Development (AND)

Ms. Nadine Saba
Director
AND
Akkar, Lebanon

Lebanese Microfinance Association (LMFA)

Mrs. Ilda Nahas
Executive Director
LMFA
Beirut, Lebanon

Experts:

Ms. Hania Chahal
Gender Expert
Beirut, Lebanon

Ms. Laury Haytayan
Energy Expert
Beirut, Lebanon

ESCWA:

Ms. Radia Sedaoui
Chief
Energy Section (ES)
Climate Change and Natural Resources Sustainability Cluster (CCNRSC)

Mr. Jil Amine
Sustainable Development Officer
ES, CCNRSC

Mr. Omar Kaaki
Research Assistant
ES, CCNRSC

Ms. Jessica Obeid
National Consultant
ES, CCNRSC

Mr. George Saliba
Individual Contractor
ES, CCNRSC

Ms. Carol Chouchani Cherfane
Chief,
Water Resources Section (WRS)
CCNRSC

Mr. Ziad Khayat
First Economic Affairs Officer
WRS, CCNRSC

Mr. Daniel Griswold
Associate Economic Affairs Officer
WRS, CCNRSC

Ms. Sarah Daniel
Consultant
Food and Environment Policies Section (FEPS),
CCNRSC

Ms. Lina Fleifel
Research Assistant
CCNRSC

ESCWA Mailing Address:

United Nations Economic and Social Commission
for Western Asia (UN-ESCWA)
UN House
P.O. Box: 11-8575
Riad El-Solh 1107 2812
Beirut, Lebanon
Tel.: (+961-1) 981501/2
Fax: (+961-1) 981510