

Examples of Innovative private –public sector partnerships for clean energy transition in MENA



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Tipping Points shaping a re-think of RE financing and Investments as a factor for Social, Economic and Environmental development in MENA



Concerns of socio-economic inequality and rising youth unemployment

Awareness of scale and impact of subsidies to fiscal health of economies and social safety net (s).

Recognition of linkage of planetary crises to wellbeing including climate change and biodiversity loss

Drive against gender inequality, digital inequality and deployment of the digital revolution to critical services

Recognition of the needs of fragile, conflict- and crisis-affected contexts and necessity of building better resilience

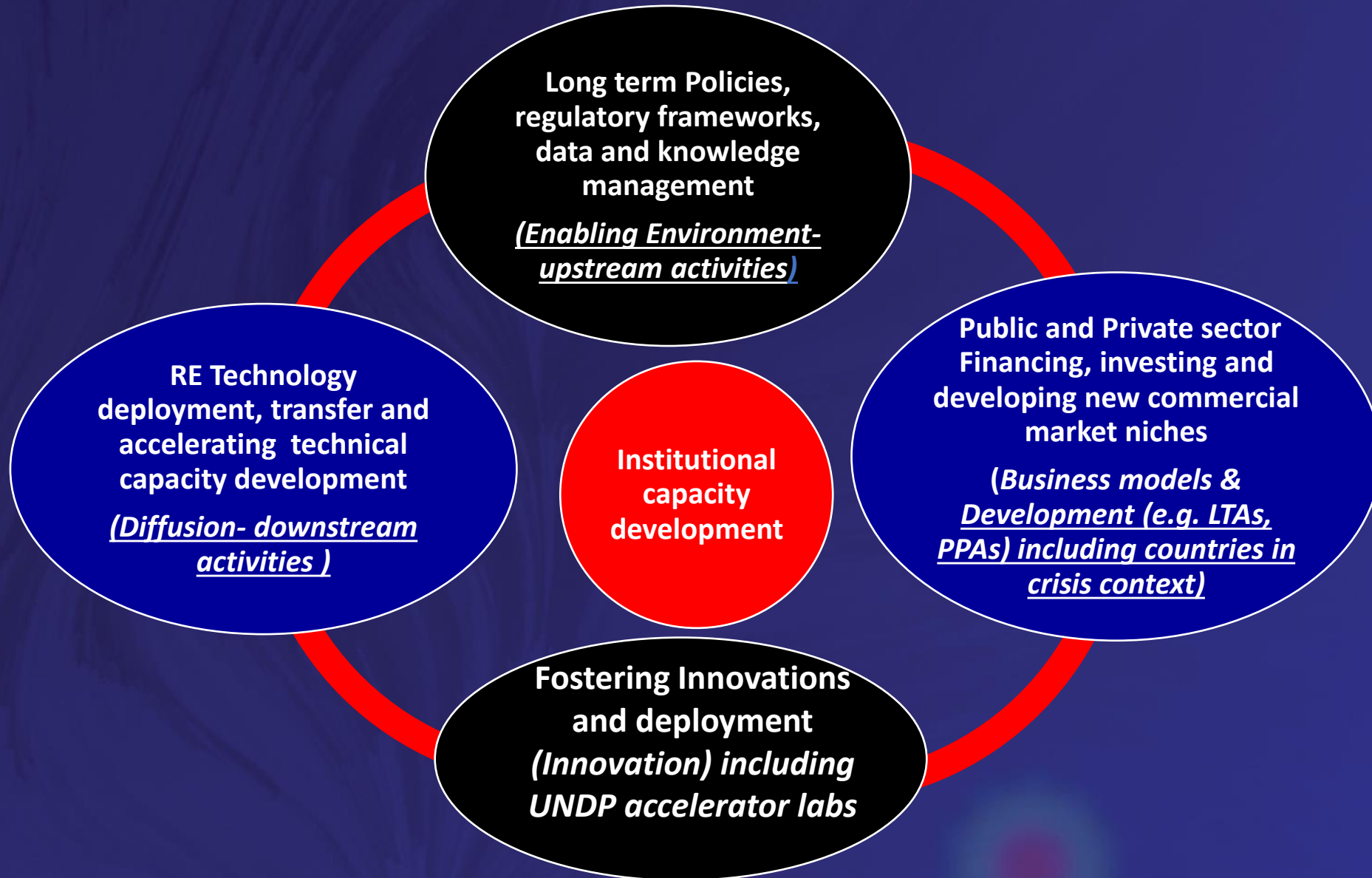
Awareness that oil price volatility, debt, capital flight and uncertain international trade supply chains is a threat to recovery

Current trajectory of Operational RE Projects (excluding hydro) in the Arab region, as a reflection of finance and investments



Source: AFEX 2019, RCREEE

Typologies of UNDP focus: Developing an Ecosystem for private sector financing and investments in energy transition



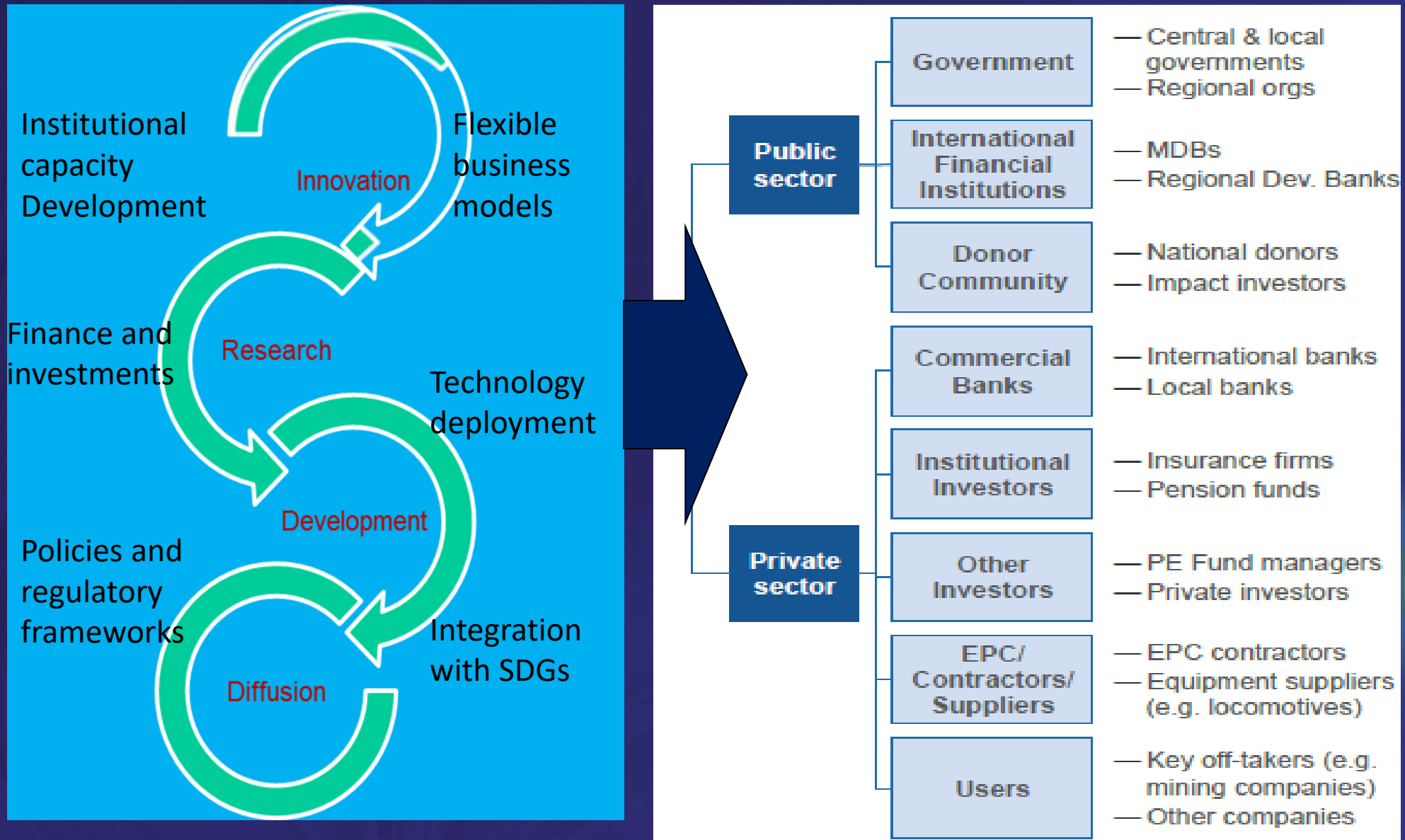
UNDP Focuses on Building Ecosystem for Energy Transition



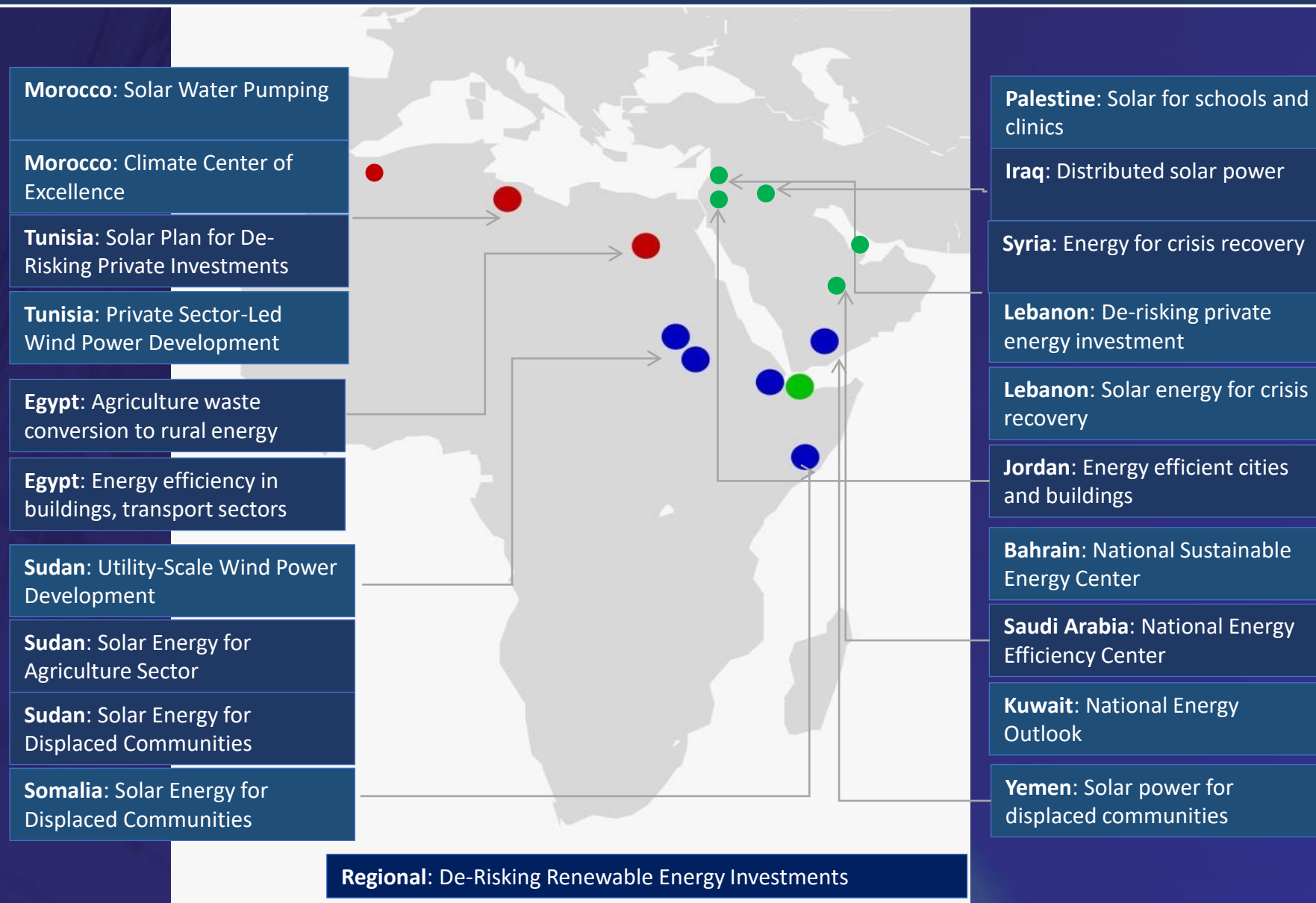
Focus areas include:

- **Best practices in energy transitions** on energy market design, energy security and the role of fossil fuels
- **Foster private investment** by enabling policies and regulatory frameworks that reduce investor risk, including National renewable Energy Action Plans (NREAPs)
- Stimulate innovative financing, including green bonds, leverage MDBs and multilateral climate finance institutions
- **Accelerate innovation in sustainable energy technologies** to be SDG aligned, through research and development
- **Scale-up renewable energy** by **accelerating deployment of renewables** in transport, heating/cooling and industry etc.

Creating the right Ecosystem for Attracting Private Sector Renewable Energy finance and investments



Examples of Climate Mitigation and Sustainable Energy projects in UNDP portfolio in Arab region



2) Examples of De-risking Sustainable Energy projects in Middle Income Countries

UNDP supports Governments develop capacities for new national policies that reduce private investor risk so that flows of private finance for renewable energy can expand, in a way that brings co-benefits across SDGs.

- In **Tunisia** and **Lebanon**, UNDP has supported de-risking of renewable energy investments, elaborating the policies needed to: reduce policy risks to potential investors, increase results through lower retail tariffs for consumers, open new credit-line facilities for banks to lend to renewable projects, and promote decentralized solutions through capitalization of feed-in tariff funds.
- In **Egypt**, UNDP has supported new regulations for energy efficient buildings along with industry partnerships to expand green investments in banking, hotel and food sectors, as well as new waste-to-energy facilities for rural farmers.

Improving the energy efficiency of Lighting and other Building Appliances (IEELA), Egypt



The UNDP and the Project Steering Committee made an innovative decision for allowing the private sector access 25% grant resources.

The grant financial mechanism provided financial and technical support.

Series of pilot projects were implemented by the private sector including:

- Commercial Bank of Egypt.(*)
- - Alexandria Bank.
- - JW Marriott & Conrad Hotels.(*)
- - Metro Super market one of the largest chain of super markets of Egypt.(*)

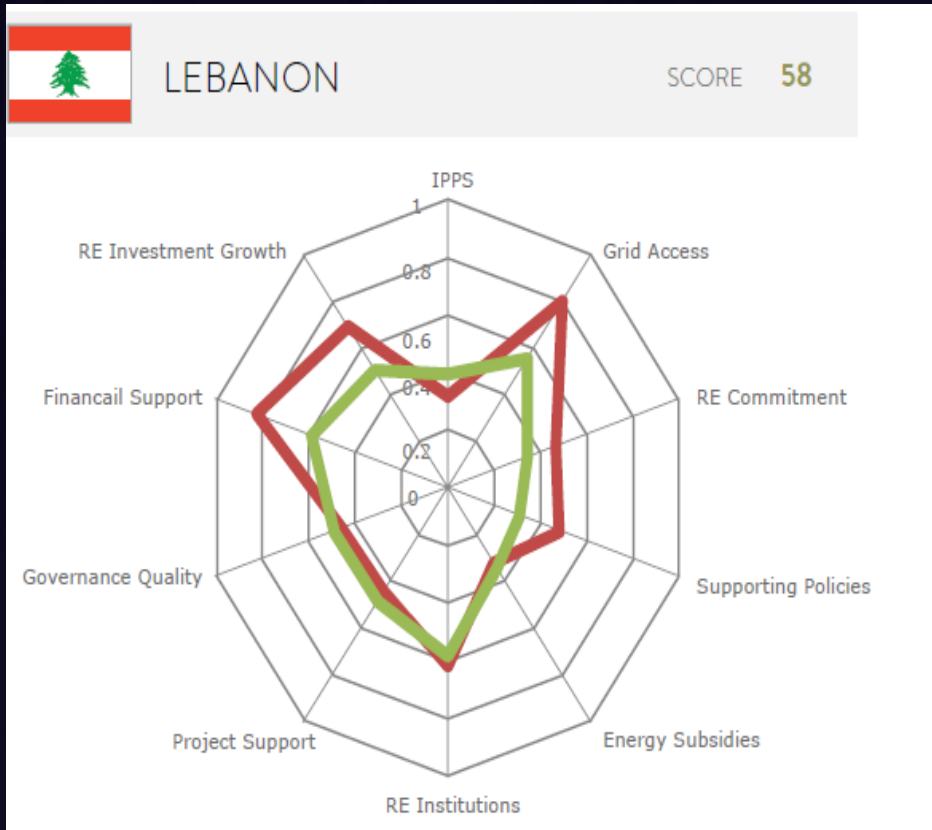
Investment payback period (less than 6 months).

Figures on savings and CO2 emissions



- **Total project cost \$19.505 million** (GEF \$4.45m, UNDP \$0.4m, Egypt Government and other partners \$14,655)
- Total Impact of lighting systems improvement (nationwide LED roll-out) resulted to a **energy saving in 2017 of 4.35 TWh, and 5.4 TWh in 2018** (estimate) of electricity.
- Reduction of **electricity consumption by about 4%, or a demand equivalent of 1,040 MW**, which is the equivalent of a full-sized cold-fired plan.
- The IEELA project implemented and co-financed a **total of 43 pilot projects**
- The total financial contribution of the project was based on 25% cost-sharing for the private sector and 50% for the first phase of the project
- The success stimulated replication by the private sector and the up scaling of EE lighting projects in the sector.

Country Energy Efficiency and Renewable Energy Demonstration Project for the Recovery of Lebanon (CEDRO)



- In **Lebanon**, UNDP has supported de-risking of renewable energy investments, elaborating the policies needed to:
- reduce policy risks to potential investors,
- increase results through lower retail tariffs for consumers,
- open new credit-line facilities for banks to lend to renewable projects, and
- promote decentralized solutions through capitalization of feed-in tariff funds.
- Approximately 1664 tons of CO₂e emissions annually (directly), and pave the way for replicability and more CO₂ savings (indirectly), assisting Government of Lebanon (and Ministry of Environment's) INDC targets.
- Savings are estimated at 273,690 Euros in diesel fuel imports per year

Sustainable Energy Acceleration Platform Project (UNDP, IRENA and RCREEE Partnership)



Sustainable Energy Acceleration Platform

1

Increase financing and investments

of clean energy transition,
Special focus on de-risking
sustainable energy financing
and investments by IFIs, the
public and the private sector in
a way that will:

2


Enhance integration

of sustainable energy with
other sustainable
development priorities

3

Close the energy gap

faced by the growing number
of poor and displaced
communities in the region
while advancing women's
empowerment through the
use of decentralized
sustainable energy solutions.



Sustainable Energy Acceleration Platform (cont'd)

- increased actions related to policies,
- regulatory frameworks and
- institutional capacities of Governments and municipalities,
- strengthened data and knowledge management and
- enhanced readiness for finance and investments in the sustainable energy sector.

Thank You