



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



Committee on Energy  
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**Round-table discussion: regional priorities in the field of energy  
for the period 2021-2025**

**Summary**

The present document serves as a background paper for a round-table discussion on regional priorities for the period 2021-2025 in the field of energy. It provides an account of the challenges that the Arab region is facing in the areas of sustainable energy and extractive industries, the green and circular carbon economy, and the potential of hydrogen as a driver for sustainable development. It also stresses the need to expand access to renewable energy in rural areas, study trade-offs between renewables and biodiversity, upscale energy efficiency in the buildings sector, improve water, energy and food security, and enhance resilience to climate change.

The Committee on Energy is invited to engage in the round-table discussion and enrich its content by discussing national challenges and ideas for the future.

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## **Introduction**

1. The present document was prepared as guidance for a round-table discussion on regional priorities for the period 2021-2025 in the field of energy. It provides an overview of the challenges currently facing the Arab region, and proposes strategic directions for the work of the Economic and Social Commission for Western Asia (ESCWA) with regard to sustainable energy, extractive industries, the green and circular carbon economy, and the potential of hydrogen as a driver for sustainable development, energy efficiency in the buildings sector, improving food, water and energy security, and enhancing resilience to climate change.

### **I. Challenges in the Arab region**

2. Energy plays a key role in achieving social and economic development. However, the Arab region is witnessing enormous challenges that stand in the way of ensuring that current and future generations have access to affordable, modern and reliable energy services, and of achieving Sustainable Development Goal 7 (SDG 7) of the 2030 Agenda for Sustainable Development. These challenges include the following:

(a) A large gap in the levels of social and economic development between Arab countries, and disparities in their ability to access affordable, modern, reliable and sustainable energy;

(b) Absent or ineffective demand-side management, contributing to the inefficient use of energy resources and leading to a spiralling demand for energy that has doubled in the Arab region since 1990;

(c) High dependence on fossil fuels, both as a source of revenue for oil and gas-producing countries and as a source of domestic energy supply, which will prove more costly in the long run;

(d) Variation in energy prices, in part due to subsidies, driving rapid demand growth and thus remaining an important tool for curbing demand in the medium and long term;

(e) Despite the almost universal access to energy in the region, the most basic and essential electricity services are still cut off from large segments of the rural population, particularly in the Arab least developed countries (LDCs), equating to roughly 45 million people in 2019. This will have far-reaching effects on achieving SDGs other than SDG 7;

(f) Underutilization of renewable energy resources, which are abundant in the Arab region;

(g) Slow progress on reducing energy intensity and improving energy efficiency. The buildings sector accounts for more than two thirds of the total annual consumption of electricity in the region;

(h) A lack of readily available financing mechanisms, lax enforcement procedures, and a shortage of skilled specialists that slow progress on delivering SDG 7.2 and SDG 7.3, with the region already lagging in renewable energy and not on track to meet energy efficiency targets;

(i) Governance deficits and a lack of economic diversification, social investment and long-term planning expose Arab countries, especially export-dependent countries, to price volatility;

(j) Political instability and conflict have undermined government plans to seriously initiate and follow through activities in the energy sector, aimed at developing sustainable energy systems and addressing socioeconomic developments;

(k) Environmental degradation, growing carbon footprint and ambient air pollution remain a serious health concern, placing the Arab region among the most polluted globally.

## **II. Programmes and partnerships for a transition to sustainable energy systems**

3. ESCWA is responsible for promoting inclusive and sustainable development in the Arab region. It issues studies, develops interactive policy simulation tools, provides evidence-based policy support, and builds the capacity of Governments to formulate and implement sustainable development policies.
4. The ESCWA secretariat works with member States on integrated natural resources management for sustainable development. Over the period 2021-2025, it will focus on improving energy performance by promoting energy efficient buildings, and providing support to identify and attract potential financing sources for energy transition programmes. In addition, it will strengthen the capacity of member States to develop integrated policies for increased water security, sustainable agriculture for increased food security, and informed action on climate change. The ESCWA secretariat will provide support to coordinate the integrated management of natural resources at the regional level through intergovernmental mechanisms and the Arab Centre for Climate Change Policies.
5. ESCWA will further consolidate its strategic and historic partnership with the League of Arab States on regional priorities, including monitoring and reporting on progress made in implementing the 2030 Agenda, the Paris Agreement and regional strategies. The two organizations collaborate on the normative and capacity development dimensions of regional economic integration and sustainable development, including with regard to energy, electricity, water, food security, environment, meteorology, climate change and other transboundary and regional development challenges.
6. ESCWA also partners with the Islamic Development Bank, which plays a significant role in the region. The partnership on regional energy priorities covers a number of areas, including transport corridors as trade facilitators leading to increased economic activity and job creation; mainstreaming climate action in national development plans; and the role of parliaments in promoting and monitoring the implementation of the 2030 Agenda.
7. The transition to more sustainable energy systems in the Arab region requires changes in the energy mix, and the provision of finance to fill the shortfall in current energy investments. The ESCWA secretariat supports member States in developing policies that promote energy efficiency and encourage investment in renewable energy. It reviews the financing status of energy efficiency and renewable energy projects in member States, and highlights policy reforms that have contributed to transforming relevant markets in the region. Such efforts enable member States to improve the economic feasibility of projects, and thus meet eligibility requirements for obtaining financing from banks and other sources.
8. During the period of 2021-2025, the ESCWA secretariat will provide advice to member States on the tools available to finance the transition to sustainable energy systems, build their capacity to obtain financing, and identify appropriate ways to benefit from international financing opportunities for clean energy projects. The ESCWA secretariat will also make efforts to facilitate partnerships with research institutions and United Nations entities, strengthen coordination among stakeholders, and assist member States in addressing distortionary price mechanisms by appropriately removing energy subsidies, introducing carbon emission taxes, and providing incentives for clean technologies, such as renewable energy for extraction and carbon capture, utilisation and storage (CCUS).
9. In addition, the ESCWA secretariat will assist member States in accelerating the adoption of a circular carbon economy framework (CCE), and incorporating circular economy and green economy principles into nationally determined contributions (NDCs) to promote resource efficiency and sustainable production and consumption measures alongside the uptake of sustainable energy.

### III. Suggested work in the field of energy over the period 2021-2025

10. The ESCWA secretariat will support intergovernmental and expert groups to foster regional exchange and consensus building on regional challenges that affect the ability to formulate and deliver on climate change commitments at the national and global levels. Access to regional climate datasets, geographic information system tools and technical materials for integrated climate action will be facilitated through the Arab Centre for Climate Change Policies and the Regional Knowledge Hub of the Regional Initiative for the Assessment of Climate Change Impacts on Water Resources and Socio-Economic Vulnerability in the Arab Region (RICCAR).

11. ESCWA will establish a platform for de-risking renewable energy and energy efficiency investments (DREEI), which will involve coordination between the private sector, multilateral development banks, and Arab Governments for de-risking sustainable energy investments.

12. ESCWA will advise member States and build their institutions' capacity to establish frameworks and programmes to disseminate proven energy efficiency measures in the buildings sector. It will provide support in implementing large scale retrofitting programmes to raise energy efficiency in all economic sectors, by improving and replacing old low efficiency equipment and appliances, so as to improve energy sustainability in the existing buildings stock.

13. ESCWA will expand access to renewable energy through renewable energy and energy efficiency field projects empowering women entrepreneurs, with direct benefits for gender equity, affordable and reliable access to clean energy, and the application of sustainable water, food and environmental practices, building on the successes of the Regional Initiative to Promote Small-Scale Renewable Energy Applications in Rural Areas of the Arab Region (REGEND) and its outcomes that have been supported by the Swedish Government since 2017. The follow-up phase of REGEND will continue to ensure the sustainability of the regional initiative and its impact to support inclusive small-scale renewable energy applications.

14. ESCWA will establish a regional multi-stakeholder platform on biodiversity to consider trade-offs and risks to biodiversity when expanding capacity for renewable energy generation from solar, wind and biofuels.

15. ESCWA will implement capacity-building for government institutions through its online learning platform to support retraining and reskilling programmes for the empowerment of women and young people in green jobs; and through the Arab Centre for Climate Change Policies to support training on its circular carbon economy framework.

16. ESCWA will conduct a study on implementing the circular carbon economy framework in the region to support ongoing transformation plans of its extractive industries' value chains, and to support member States in developing national sustainable energy strategies for transition to sustainable energy.

17. ESCWA will facilitate the intergovernmental process and support expert bodies by undertaking the following:

(a) Provide substantive servicing of the ESCWA Committee on Energy and its Group of Expert on Fossil Fuels;

(b) Expand the work of the Group of Experts on Fossil Fuels to implement the Secretary-General's calls for action on transforming extractive industries at the regional level,<sup>1</sup> and support the upcoming global working group on extractive industries;

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<sup>1</sup> United Nations, [Transforming Extractive Industries for Sustainable Development](#) (May 2021), pp. 16-18. Note in particular calls 16 to 18 on page 18 on regional and global collaboration.

(c) Provide substantive servicing of the Arab Ministerial Council for Electricity and its Committee of Experts on Electricity in Arab Countries and the Committee of Experts on Renewable Energy and Energy Efficiency;

(d) Hold meetings of ad hoc expert groups on water, energy, food security, climate change, and other various issues related to the management of natural resources for sustainable development.

18. Service seminars and workshops for capacity development on energy, water and food security, climate change, and other issues related to the management of natural resources for sustainable development.

19. Develop policy briefs and reports on energy as well as technical materials on issues related to the management of natural resources for sustainable development and climate change.

#### **IV. Topics for discussion**

20. The round-table discussion aims to identify priorities for the Arab region in the coming years in the field of energy, so as to guide collective work at the regional level and the work of the ESCWA secretariat.

21. All the above-mentioned topics can be discussed, with a focus on the following:

(a) Energy policies in Arab countries, including on regulatory reform, green and circular carbon economy, innovation and new technologies, and empowering women, young people and entrepreneurs;

(b) Specific challenges facing Arab countries in those areas and the means to overcome them;

(c) Proposals for ESCWA future work in that regard.

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