

**WORKSHOP
ON**

**“ENERGY EFFICIENCY: A STRATEGIC AGENDA
FOR GOVERNMENT AND INDUSTRY”**

**Monday, 9 November 2009
Amman, Jordan**

A Stakeholders Action Plan

Identifying practical steps to promote energy efficiency

Workshop Agenda and presentations can be downloaded from the following link:

<http://www.encharter.org/index.php?id=474>

CLOSING ROUNDTABLE: STAKEHOLDERS ACTION PLAN

Introduction

The workshop on *Energy Efficiency: A Strategic Agenda for Government and Industry*, came as part of the Energy Charter Secretariat's activities to promote the principles of the Energy Charter Treaty and process within Jordan and the region. Key among those is the need to promote energy efficiency.

The workshop concluded with a Roundtable of experts from government, business and international organisations.

Participants in the Roundtable were:

- o Ahmed Al-Salaymeh, University of Jordan, Jordan
- o Ammar Al-Taher, Euro-Mediterranean Energy Market Integration Project, Egypt.
- o Bassem Farradj, Jordan Europe Business Association, Jordan
- o Benoît Lebot, United Nations Development Program, Senegal
- o Dario Chello, Energy Charter Secretariat, Belgium
- o Hervé Breton, French Development Agency
- o Klaus Wenzel, gtz, Germany
- o Mahmoud Nasreddine, League of Arab States
- o Philipp Godron, Ministry of Planning and International Cooperation, Jordan
- o Raouf Dabbas, Ministry of the Environment, Jordan
- o Ross E. Hagan, US Agency for International Development, Jordan
- o Samir Hassan, Regional Center for Renewable Energy and Energy Efficiency, Egypt
- o Walid Shahin, National Energy Research Center, Jordan
- o Ziad Jibril Sabra, Ministry of Energy and Mineral Resources, Jordan

The Roundtable was chaired by Ambassador Jan-Meinte Postma, Special Energy Envoy for the Minister of Economic Affairs, the Netherlands.

The purpose was to identify practical steps that would promote energy efficiency in Jordan and the region.

The Discussions

In any discussion with such a range of experts, there is never complete agreement on all priorities. However, there was broad agreement on a number of key steps. These provide the basis for the following Stakeholders Action Plan – activities with wide support that should lead to significant and rapid improvement in energy efficiency in Jordan and the region. Other actions for further consideration are also included.

The participants call on government, industry and the international community to support rapid and effective action in these priority areas:

Priorities for Action

The following areas received wide support as first priorities for action:

Strengthened Institutions – Participants recognised the many useful energy efficiency activities already being undertaken by many government ministries and agencies. But they also called for a more structured and transparent statement of roles and responsibilities, as well as sufficient resources to achieve needed tasks. Major steps include:

- Facilitating access to information that outlines relevant ministries and agencies and their different responsibilities and activities, along with a listing of current and available international financial assistance sources together with their requirements. This could be achieved through a yearly published document and/or website, that could also set out the roles of non-government players, including universities and business.
- Clear sectoral strategies (eg residential, industrial, commercial, transport) identifying energy efficiency targets and responsibilities and a clear action plan to follow up on the required steps.
- Government commitment to continued and adequate funding to achieve required outcomes, allowing stable planning over the medium and long-term, together with ongoing information dissemination as part of a strategy to raise awareness of energy efficiency
- Regular inter-ministerial discussions to coordinate activities and facilitate cooperation
- Strengthening the capacity and expanding the mandate of NERC to ensure it can act as a Champion for energy efficiency and contribute to raising efficiency across the economy

Renewable Energy and Energy Efficiency Law – Participants recognised the importance of a sustainable energy law in Jordan. While a recent energy law did not pass in Parliament, participants called for the renewable energy and energy efficiency elements of this law to be reconsidered as a legislative priority to provide a strong basis for action. This could be achieved while discussion of other, more difficult energy policy issues continues.

Government-business dialogue – Given the central role of business in making energy efficiency investments, it is important that there be a formalized cooperative mechanism for government and industry to share experiences and develop joint objectives. A joint government-business forum held regularly (say, every 6 months) would help to ensure policies are well-targeted and business progress is regularly monitored.

Link pricing reform to EE – Participants noted that removal of energy price subsidies was an important step in promoting energy efficiency. It was noted that strong action on energy efficiency can also offset any social challenges from the removal of subsidies, by reducing required volumes while prices rise, so costs do not rise so much. However, it was also noted that prices alone are not enough to address all the barriers to energy efficiency, so further direct incentives (carrots, sticks or tambourines) were needed.

Large-scale building project – while there were many examples of successful sustainable building projects throughout the region, these were generally at too small a scale to have a noticeable impact. Therefore, participants called for a project that would cover an entire development or larger scale and would include residential and commercial buildings, trial application of advanced building standards, innovative financing and capacity building for tradesmen and professionals. The project, which could take place in Jordan or elsewhere in the region, could be financed from international assistance and with multinational cooperation. It would demonstrate how different technical and policy elements could be combined to ensure wide application of sustainable building practices.

“Smart” financing – While financing of energy efficiency projects was seen as an important issue, participants indicated it was not just the availability of financing that was the problem. Rather, it was ensuring that banks and other financial institutions had the capacity to understand and meet the needs of energy efficiency projects. It was therefore important to build the understanding and capacity of the financing industry with targeted assistance.

Regional Standards and Labeling Program for Appliances – Participants discussed the need for an effective standards and labeling program for appliances as a key element of effective action in the residential and commercial sectors. While Jordan’s development of labeling was important, there was also recognition that a region-wide program, linked with developments in the EU, was desirable. Therefore, participants called for a regional initiative to move toward harmonized labeling and standards; this initiative could be supported through use of national GEF funds coordinated with the UNDP.

Enhanced enforcement – While Jordan has developed good building codes and appliance labeling program, these efforts are undermined by limited enforcement. Additional resources for compliance are needed which may require cooperation with municipalities and customs agencies. Consistent, high-level messages emphasizing the importance of these measures are also required. There are also possibilities for regional cooperation to enhance compliance and enforcement.

Other Activities

The following activities were also identified as important areas for action, but did not receive such general support as priorities:

Business/University Cooperation – An increasing focus on energy efficiency requires development of new skills and technologies. Businesses and relevant parts of universities could engage in regular discussions to ensure the necessary education and R&D is forthcoming.

Better statistics on EE – National statistics currently have many details on production of energy, but relatively little on use patterns and energy efficiency and energy intensity. National statistical offices could work with NERC and other experts to determine the most useful data on energy efficiency for policy makers (eg list energy conservation as a source of energy) and develop statistics on these. These could be done as a regional or even global project.

Energy regulation – As energy markets are opened up to more competition, it is important that market regulations are designed to provide appropriate incentives (or at the very least no barriers) to the use of demand side management (DSM). Infrastructure regulation, for example, should encourage conservation rather than maximising the volume of sales.

Link international assistance to achieving EE objectives – Participants noted that renewable energy was also an important area for development. However, investment in renewable energy production will be unnecessarily expensive when end users have not been first made as efficient as practical. Therefore, assistance on the supply side should focus carefully on ensuring efficiency on the demand side is fully exploited to avoid unnecessary investment.

Broad regional cooperation on energy efficiency – it was noted that many countries in the region face similar challenges and constraints. Therefore, a forum to engage in a more regular regional discussion of energy efficiency policies, technologies, and progress could be valuable. This could be the forum to manage more specific projects, such as the regional standards and labelling program, or the large-scale building project mentioned above, could be managed.

Energy auditing – Participants expressed a view that most businesses are not aware of their energy use patterns or potential to save money and energy. While requirements for energy managers within larger firms was discussed, it was also recognised that information alone was not enough; it is also important that financial information related to energy use is brought to the attention of company decision makers, along with readily available options to improve efficiency.

Conclusions

Governments and businesses in Jordan have taken important steps to promote energy efficiency. However, concerns about energy security, economic competitiveness and environment all mean further action is required.

This document sets out key steps as part of an effective plan to promote greater energy efficiency in Jordan and the region. It is an important document representing the collective wisdom of a range of experts, and provides a strong basis for future cooperative action. All stakeholders are encouraged to actively support and promote the listed activities.