Economic and Social Commission for Western Asia

2022 Sustainable Development Transformation Forum
Accelerating the recovery from the COVID-19 pandemic and the full implementation of the 2030 Agenda for Sustainable Development at all levels

Incheon City, Republic of Korea
25 – 28 October 2022

Theme: *SDG 7 – Affordable and Clean Energy*

Enabling the Just and Inclusive Energy Transition in the Arab region

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Shared Prosperity **Dignified Life**

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Shared Prosperity Dignified Life

ESCWA Core Functions

To serve as the:

- Think Tank of the Arab region – by undertaking innovative research and supporting quality data collection and analysis for evidence-based policy;
- Advisor to the region – by providing regional, sub-regional and national capacity building and technical advisory services to member States; and
- Voice of the region – by creating regional platforms for deliberation and consensus building that feed global fora and transform the aspirations of Arab citizens into commitments for action.

The Arab region here includes the Maghreb (Algeria, Libya, Morocco and Tunisia), Mashreq (Egypt, Iraq, Jordan, Lebanon, the State of Palestine and the Syrian Arab Republic), GCC (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), LDC (Comoros, Djibouti, Mauritania, Somalia, the Sudan and Yemen).

KEY FACTS IN NUMBERS – Are we on track in achieving SDG7 ?

Electrification

- **90.3%** of the Arab region is electrified, almost the same as in 2019.
- **42 million** still remain without electricity access, mainly in rural LDCs and in conflict areas.

Renewables

- Total RE share in final energy consumption stood at 4.6% in 2019
- Solid biofuels account for the largest share (78%)

Clean cooking

- Access to CFTs is encouragingly high in the Arab region with **87%**.
- **78%** of the population still lack access to CFTs in rural areas, mainly in LDCs and conflict areas

Efficiency

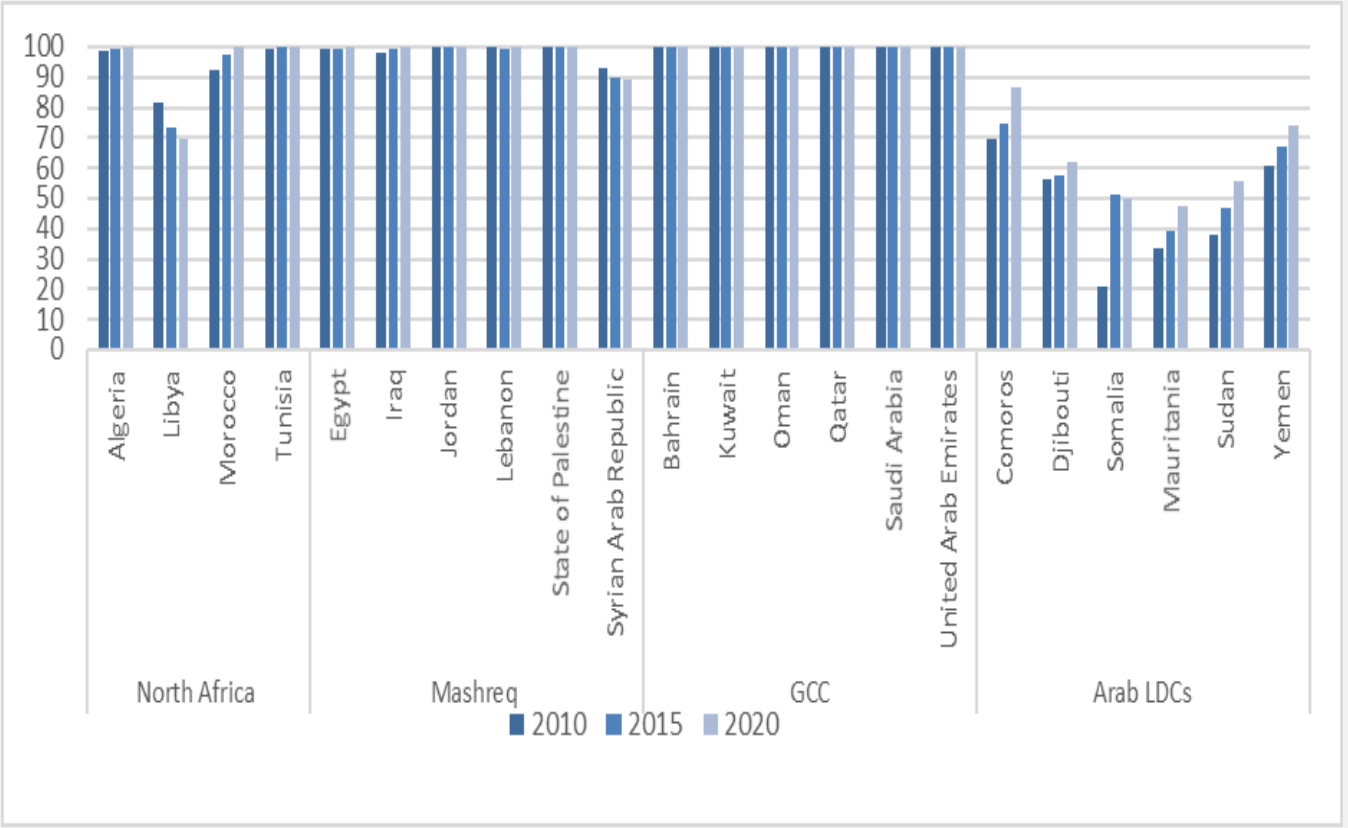
- 2nd lowest energy intensity of the world's regions, energy intensity progress rate has improved over the past four years, reaching 4.9 MJ/constant 2017PPP-GDP

SDG7 Tracking report, 2022

A noticeable slowdown in the rate of modern energy access despite near universal electricity access in the Arab region

- Access to electricity rates remained on par with population growth rates, signalling a positive momentum towards universal access.
- Electricity access in Arab LDCs showed an improvement of 3.8% from 2018 to 2019 but it was only 1.1% from 2019 to 2020.
- **Rural-urban divide.** 98% of urban areas had access to electricity but only 82% of rural areas did. In LDCs urban electricity access was 83% while in rural areas it was only 47%.
- **Quality,** Reliability a**nd affordability of electricity supply of electricity** is a major challenge .

Share of population with electricity access (%)

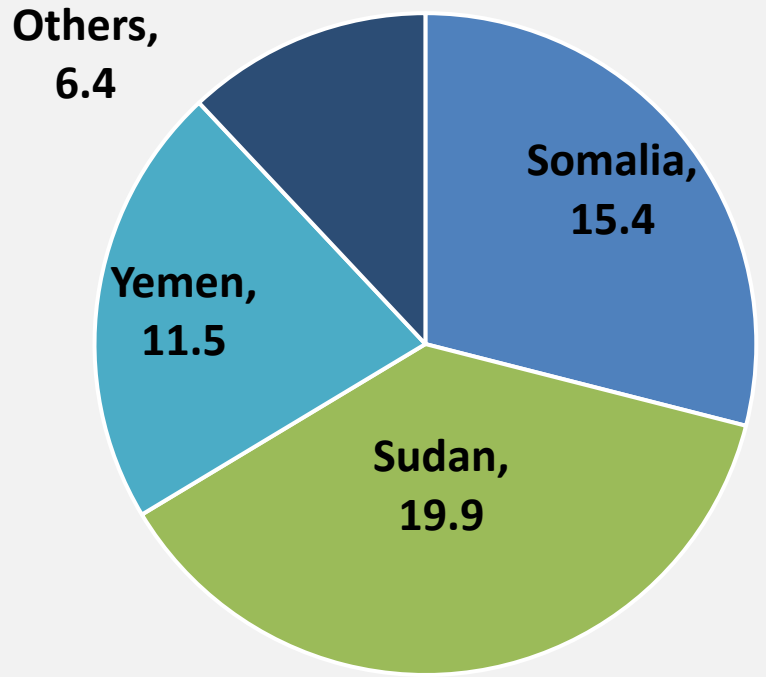


SDG7 Tracking report, 2022

A noticeable slowdown in the rate of modern energy access especially with rural access to clean cooking fuels and technology

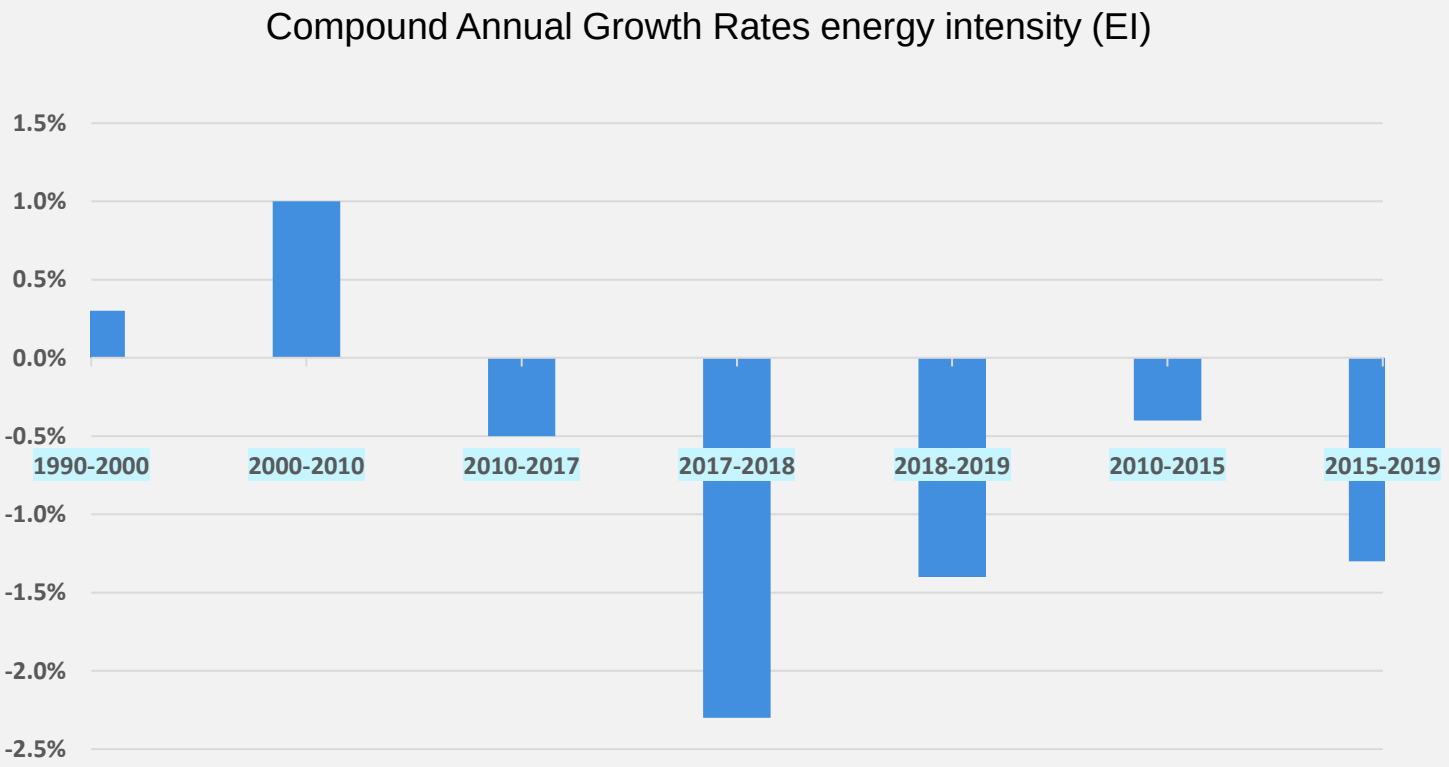
- Marginal increase in the number of people who do not have access to clean cooking between 2019 and 2020.
- **LDCs. 47 million** people who did not have access to clean cooking were located in LDCs: Sudan, Somalia and Yemen.
- **Urban-rural divide.** Only **35%** of the people in Arab LDCs had access to clean cooking while other countries had full or almost full access.

Clean cooking access-deficit in population numbers



SDG7 Tracking report, 2022

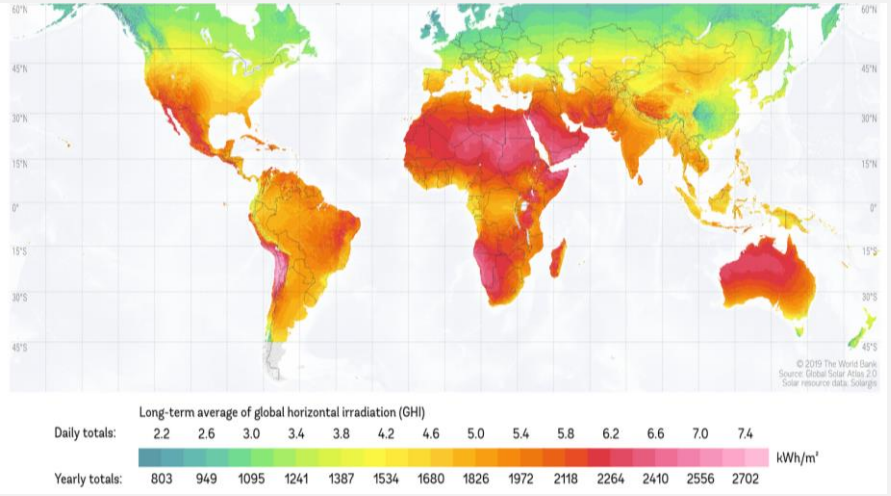
Energy efficiency sectoral trends:
signs of economic activity decoupling from energy use



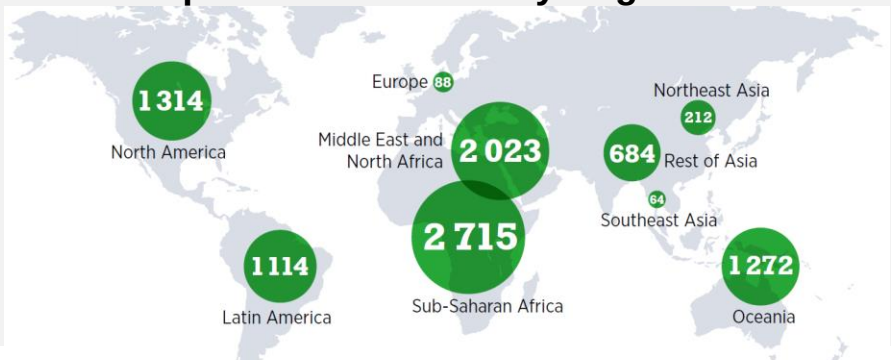
- Transport EI is highest of the world's regions, while demand for mobility is increasing
- Industry sector is still operating below international EE benchmarks (energy intensity growing rather than declining)
- The building sector requires separate attention, especially as demand for cooling is expected to rise
- Energy price reform is likely to play an important enabling role for more EE.

High technical potential for RE and clean hydrogen in Arab countries present an attractive way to diversify their economies

Solar Irradiation



Technical potential for clean hydrogen



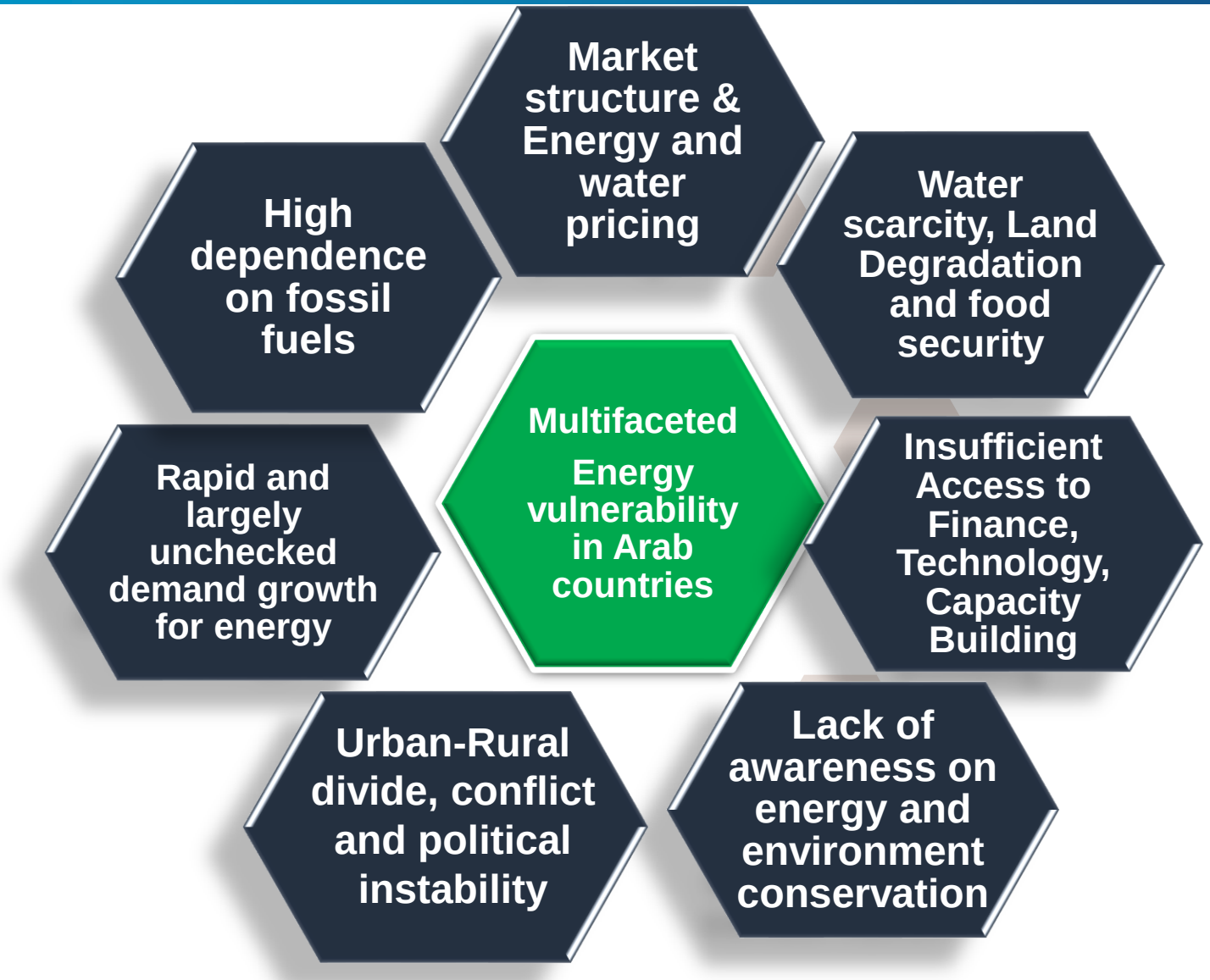
Nearly all Arab countries have revised their committed to increasing the share of RE in the national energy mix:

- Morocco committed to over 50% RE by 2030 and 100% by 2050.
- Egypt has a target of 42% RE by 2035.
- Oil producing states such as Qatar committing to 20-30% within the next twenty years.
- Saudi Arabia targets 30% by 2030
- The UAE targets 50% clean energy by 2050, including nuclear power, with RE.
- Oman targets 30% by 2030 and Bahrain 10% by 2035.

The region is also making progress…

- The last couple of years saw three global record low bids for solar PV, all of which were in the Arab region - (Qatar: USD 0.0157/kWh, UAE: USD 0.0135/kWh and Saudi Arabia: USD 0.0104/kWh)
- Renewable generation in the region set to grow by around 120x between now and 2050, more than any other region. (IEA, SD scenario)
- Fossil fuel exporters can leverage established energy infrastructure, a skilled workforce and existing energy trade relations in the ramp up of **clean hydrogen**

Business As usual is Not an Option……
Transformational Actions are needed to Enable the Just and Inclusive Energy Transition



PRIORITY ACTIONS TOWARD SUSTAINABLE ENERGY SYSTEMS

- **Integrate** energy, climate and environmental goals more closely into socioeconomic development targets and **build bridges between sectors** and institutions by establishing **clear dialogue** through a participatory approach
- **Set** ambitious GHG reduction targets and **integrate** sustainable energy action plans and their **financing requirements** into development strategies with SDG targets
- **Adopt** a comprehensive long-term **subsidy reform** plan; phase-in price increases over time; depoliticize energy pricing by building in automatic pricing mechanisms; and provide targeted subsidies to protect the poor; while transparently communicating the impact of reforms to public.
- **Provide** micro loans or one time subsidy for modular decentralized solar home systems or solar lanterns/LED (with charging points) to households based on income criterion.
- **Establish** voluntary **carbon markets** (VCM), and gradually link domestic and international carbon markets.
- **Reaffirm** longer term trends of responsible energy consumption and **reorient** policies toward **large-scale EE** in all economic sectors
- **Increase** regulatory transparency to remove barriers for **private sector** participation in clean energy **local content manufacturing**
- **Build** institutional capacity, transparency and accountability and **strengthen** local governance and communication
- **Strengthen evidence base, information quality, disaggregated data** collection by putting in place data management protocols, with monitoring, accountability measures and clear performance indicators to **address trade-offs and enhance synergies** between sectors.
- **Enhance** interregional cooperation and **partnerships dedicated to just transition** for greater resource mobilisation and energy security

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Thank you