

meetMED workshop on the Creation of Regional Industrial Associations for the Manufacturing of EE and RES Components – MASHREQ Focus

Workshop final report
13 November 2019 – Cairo, Egypt

On 13 November 2019, RCREEE has organised the meetMED workshop on the “Creation of Industrial Association for the manufacturing of EE and RES Components” in Cairo, Egypt. The workshop discussed the feasibility of the creation of Industrial RE and EE associations in the Southern and Eastern Mediterranean (SEM) region by focusing on the main drivers, possible stakeholders, challenges and available funding. Experts from Egypt, Jordan, Palestine and Lebanon presented their national case studies in creating national industrial associations and setting their goals. Regional experiences were presented as well, and the discussion focused on sharing successful experiences and the lessons learnt. The workshop activity will result in preparing a concept note for creating a regional industrial association that benefits the EE and RE market regionally and locally.

Overview of the meetMED activity on EE and RE Industrial Associations

The meetMED project aims at facilitating the implementation of RE and EE policies in the SEMCs. The activity focusing on EE and RE Industrial Association is part of the work package aimed at enabling sustainable energy investments and integrating EE markets.

The objective of this task is to propose a concept note for a regional structuration of industries involved in EE and RE (with a focus on air conditioning and appliances)

Industrial associations at national and/or regional level that can serve local EE and RES markets could support several objectives, such as: (i) EE and RES promotion / increased visibility at the local level; (ii) Lobbying for public policy change and improvement; (iii) capacity building, sharing of experiences among members and creation of partnerships.

Discussion Highlights

The workshop discussion mainly focused on:

- The definition of RE and EE industrial association; which industries and sectors it should involve and which should be excluded.
- The drivers behind the creation of industrial associations in the SEM region with a focus on the adopted approach for their creation.

Two possible approaches were discussed:

1. Top-down approach: governments take the initiative of creating an industrial association in order to mobilize the EE and RES market components;
 2. Bottom-up approach: industrial associations are created by the industry-owners and manufacturers based on the need to support their businesses.
- The identification of who shall be involved in the creation of an industrial association and who are the possible stakeholders and members of the association.
 - The identification of the main goals and activities of the association.
 - The identification of the proposed set-up and structure of the industrial association
 - The identification of how the association can have a long-lasting existence and sustainable means of funding

Workshop Key messages

- The creation of local industrial associations in the SEMCs aims at supporting the market and local industries in EE and RES through the whole RE and EE value chain.
- One of the added values to have an industrial association is giving a voice to this community in order to address the public authorities on the concerns, the needs and the development aspects.
- Creating an association, which operates all across the Mediterranean region makes it easier to extend its application at the national level than one strictly operating within the national borders. Furthermore, it helps share experiences and make the voice of the whole region louder worldwide.
- Ensuring sustainable funding means is key for the creation of the proposed industrial association.

Presentations of Mashreq and Maghreb Countries

Mashreq Countries

The presentation summarized the methodology and main outputs of the conducted investigation on the feasibility of the creation of a RE and EE industrial regional association in the Mashreq countries. It gave an overview of the meetMED project and the activity, followed by an explanation of the followed methodology by identifying the main parameters affecting the creation of industrial associations.

Furthermore, the country profiles were presented in order to provide an overview on the main goals, activities and stakeholders of the existing national industrial associations in each of the four Mashreq countries.

This served as a basis for the elaboration of the proposed concept note on the creation of a regional association and the provision of the main recommendations and necessary future steps.

Maghreb Countries

The presentation summarized the main objectives of the study conducted in the Maghreb countries in the framework of this activity. This included interviews with key stakeholders. Based on these interviews, it was concluded that the existence of a national industrial association would entail a robust and a stable regulatory framework for the RE and EE sectors. On the other hand, regional industrial associations were proved functional to promote synergies between the countries, facilitate technology transfer, share knowledge, channel funds for members and mutualize means.

International Experiences

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Relevant international experiences were discussed, such as the one of the Global Lighting Association, which is the “voice of the lighting industry” at a global scale. Then, the impacts and benefits of these associations have been illustrated in order to show their contribution to mobilizing the EE and RES market. A proposal for the structure and set-up of a regional industrial association was presented along with the main possible funding options.

Finally, future implementation steps summarizing the key issues to be taken into account for the creation of a regional RE and EE industrial association were proposed.

Regional Experiences

SHAMCI Network

As part of SHAMCI, the regional certification scheme for solar water heaters, the SHAMCI network is gathering local manufacturers and suppliers from different countries along with representatives from different public and private organizations working in the fields of quality and standards.

The main lessons learnt from the international association of the solar thermal industry have been summarized during this presentation. Finally, a set of recommendations has been provided including a concept note on the creation of an Arab regional solar thermal industrial association.

Reflections on the creation of industrial association

Several questions related to the feasibility of the creation of an industrial association were raised and the most suitable approach for the creation of an association (Top-down vs Bottom-up) was discussed. Subsequently, the main findings and recommendations of a previous study (The road-mapping for supporting SMEs who work as renewable energy service providers in

Egypt) on the creation of both consumers and technology providers associations were shared with the participants.

National Experiences

Different national experiences were shared with the participants, including those of the Lebanese Solar Energy Society (LSES), the Amman Chamber of Industry (ACI) from Jordan and the Benban Solar Developer Association (BSDA) from Egypt. The objective of these national case studies is facing the energy challenges by enhancing the EE and RE industry.

Benban Solar Developers Association (BSDA)

The BSDA in Egypt has seven members elected among developers. The presentation showed that the association aims at organizing and ensuring cooperation among its members. Moreover, it aims at implementing a Community Social Investment (CSI) strategy to improve the community life in Benban (i.e. a locality in Upper Egypt, near which the Benban Solar Park is established).

Solar Energy Development Association (SEDA)

The SEDA is considered as one of the earliest Egyptian industrial associations. It was established in 2008 gathering a wide spectrum of stakeholders. It was funded by GIZ in order to ensure awareness, lobbying and capacity building in the field of sustainable energy. In his presentation, the SEDA Chairman recommended a bottom up approach ensuring the creation of a solid industrial association. It was also recommended that funding should be guaranteed from external sources in order to “lead the market not to be led by the market”.

Amman Chamber of Industry

The representative from the Amman Chamber of Industry introduced their recent initiative of creating an Energy Efficiency Network in the Industrial Sector in Jordan. Established in 2019 by the Jordan Chamber of Industry in partnership with GIZ, this network works to support the principle of “joint work in energy efficiency” in the factories, the exchange of experiences, knowledge and best practices for energy-efficient applications.

The structure of the two energy efficiency networks that will be established was also discussed. They will be namely: (i) a Sectoral Network, which is an efficient network in the same industrial sub-sector and includes factories from the same sub-sector and (ii) a Regional Network that is a network of factories from different sub-sectors and within a relatively close geographical area.

Lebanese Solar Energy Society

The representative from the Lebanese Center for Energy Conservation (LCEC) shared with the participants the experience of the Lebanese Solar Energy Society (LSES). The presentation gave an overview of the main objectives and activities of the association and identified its members and key national and international stakeholders. It also highlighted that the main objectives of the LSES are providing a platform for professionals and individuals to support RE, developing educational and training programs and creating awareness among the public on renewable energy matters.. Finally, the main projects and available sources of funding for the LSES including those coming from donors, development and fundraising agencies were presented.

Group Discussion

The final session of the workshop consisted of a group discussion and small questionnaire that was distributed to participants. The main issues discussed included:

- Working on the creation of industrial associations, starting off with national industrial associations to be subsequently expanded to the regional level.
- Emphasis on explaining that creating national and regional industrial associations is not contradictory, but rather complementary because experiences and support are shared.
- The advantage of starting from an already existing association and building on it by including among the aims the promotion of EE or RE, before creating a new one with this sole aim.
- The importance of working on the establishment of both associations for the EE and RES components as well as product-based industrial associations (i.e. refrigerants association)
- The advantage of adopting a regional framework of actions and initiatives that national frameworks can align to.
- Regional industrial associations would focus primarily on the regional market, rather than on the single national markets, that will encourage investments and the promotion of higher quality products and services.
- The creation of industrial associations - either nationally or regionally - facilitates lobbying decision makers, thus influencing the local industry.

Recommendations

Based on all presentations and group discussions, the main workshop conclusions and recommendations are the following:

- The main objectives identified for creating a regional association are promoting RE and EE collectively and individually, enabling the industrial development and linking the public and the private sector.

- The main activities identified for industrial associations include supporting local industry, capacity building, technical consultation and assistance for business development.
- Members of industrial associations include manufacturers, distributors, retailers and service providers.
- Key stakeholders for industrial associations include state representatives, fund raising agencies, policy stakeholders and national associations.
- Starting with the creation of national associations/networks is recommended in order to have strong foundation for the establishment of a regional one (Bottom-up approach).
- Fundraising agencies and donors would help ensure the sustainability of the association during the first phases. Thereafter, the association shall ensure its own resources by establishing a sustainable “business model”.
- Innovative means of funding for industrial associations shall be identified.
- Provision of reasonable financing mechanisms has proven to be the main incentive: lack of finance means lack of business.
- Competition with existing associations should be avoided
- It is important to stimulate the interest of manufacturers in ensuring solid bases for the association.
- Focusing on specific projects that benefit members and society will ensure the sustainability of the associations.
- Effective communication with members should be ensured via the use of advanced communication means and digital tools.
- Creating strong partnerships with international associations will be valuable for the association in terms of sharing of expertise and provision of support.
- The development of an annual plan including training, promotion, organizing exhibitions...etc. for industrial companies and entities is recommended.
- Main challenges to the creation of industrial associations include important issues, such as developing the local market, facilitating closer research-industry interlinkages and cooperation, training, improving competences and qualifications as well as promoting internationalization.
- The cluster governance model that is based on a mother organization (e.g. FEI/ECO) that ensures the administrative competencies and backup could be adopted. The model could also have a chairman and a board of members, including the main stakeholders.

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