



The survey: methodology and preliminary results

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Investment climate for energy efficiency and renewable energy in
selected Mediterranean countries

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Why the survey



- How to attract foreign investments?
- How to respect the international commitments against climate change?
- How to ensure the sustainability of State budget (i.e. Algeria)?

The main aim of the survey is to frame the economic and institutional context in which RES and EE companies* may operate in these countries (Algeria and Palestine).

*Companies that invest in Renewable Energy Sources (RES) and Energy Efficiency (EE)

The three step approach

Draft of questionnaires

ENEA staff developed a first draft of the questionnaires with the cooperation of the National Experts that supported in the identification of crucial issues to be included.

Focus groups

Discussion of questionnaires and their improvements with comment, debate and remarks from three focus groups:

- Public Authorities,
- National Public Companies, and
- National entrepreneurs & NGOs.

Participative approach

Engagement of relevant stakeholders to stimulate a debate on the survey topic answering to the questionnaires.

The survey was carried out through two questionnaires:

- a. public authorities;
- b. domestic and international companies

Questionnaire for public authorities

- Sections:
 1. Climate governance;
 2. Financial incentives for RES and EE;
 3. Standardization, licensing and planning;
 4. Market for electricity production;
 5. Electricity consumption;
 6. Promotion and information.

Questionnaire for companies

- Sections:
 1. Profile of companies;
 2. Investments in Renewable Energy and Energy Efficiency;
 3. Barriers to investment;
 4. Risk Transfer mechanisms;
 5. Reasons for the international expansion of your company in Renewable Energy and / or Energy Efficiency sector (targeted only to foreign companies).

Preliminary results



This is a view of preliminary results of ongoing work.

So, currently we have very few answered questionnaires...

Algeria:

- 5 authorities;
- 3 companies

Palestine:

- 7 authorities;
- 2 companies

Preliminary results: Public Authorities

1. Climate Governance

Algeria:

- desertification and soil degradation;
- climate variability and extreme weather events (i.e. food and water security, coast protection);
- National Climate Plan;
- National Energy Efficiency and Renewable Energy Program;
- Adoption of Paris Agreement

Palestine:

- desertification and soil degradation;
- different initiatives to promote RES (i.e. Palestine Solar Initiative; incentive, etc.);
- National RES and EE law;
- National Energy Efficiency Action Plan;
- National Adaptation Plan;
- Adoption of Paris Agreement

Preliminary results: Public Authorities

2. Financial incentives for RES and EE

Algeria:

- There are subsidies by National Fund for Energy Management Renewable Energies and Cogeneration for industrial, building, public lighting and transport sectors.
- Guaranteed tariffs for RES and EE are available.
- However local authorities complain the lack of availability of low interest rate.

Preliminary results: Public Authorities

2. Financial incentives for RES and EE

Palestine:

- The Bank of Palestine manages *green funds* with soft loans.
- Projects for RES are supported by AFD and EU.
- Tax exemption offered to RES and EE goods.
- Feed-in-Tariff for residential sector up to 5kW (guarantee for 20 year)

Preliminary results: Public Authorities

3. Standardization, licensing and planning

Algeria:

- RES installations respond to international standard. However the off-grid private installation depend on the manufacturer.
- Executive decree 17-98 aims to realize RES facilities generating 10 GWh to 20 GWh and sale the electricity production with a priority.

Palestine:

- RES characteristics are standardized; technical specifications are developed.
- Solar water heater equipment is conform with Palestinian standards.

Preliminary results: Public Authorities

4. Market for electricity production

Algeria:

- Small-scale renewable energy producers have priority in selling their generated energy
- There is a plan to increase RES capacity (+37% in 2030).

Palestine:

- RES development has the priority to sell all the energy they produce
- There is a preference to realize small power station (due to the high price of land)

Preliminary results: Public Authorities

5. Electricity consumption

Algeria:

- Monopolistic system
- Natural gas as primary energy, with a price well below the international price
- Cost of renewable energy is uncompetitive
- The full life cycle-cost doesn't reflect in energy prices
- Electricity bill is clear, but the consumers do not know how to read the bill

Palestine:

- Just distribution of electricity by different companies
- The full life cycle-cost doesn't reflect in energy prices
- The consumers can not choose among competitive electricity providers and can not opt to buy electricity from renewable sources
- The consumers don't understand the sub-cost in the bill

Preliminary results: Public Authorities

6. Promotion and information

Algeria:

- Lack of information dissemination campaign
- Single company informs for single project
- Energy Efficiency Fund supports information dissemination by mass media

Palestine:

- The government promote by marketing campaigns the use of PV energy and information on RES incentives
- Results of specific projects are disseminated by mass media

(..Very) Preliminary results: Companies

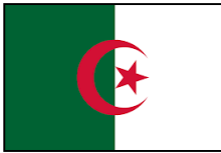
Algeria:

- ✓ 66.7% part of group of enterprises;
- ✓ 66.6% are service company
- ✓ RES investment 5-10 million €/year
- ✓ EE investment less 1 million €/year

Palestine:

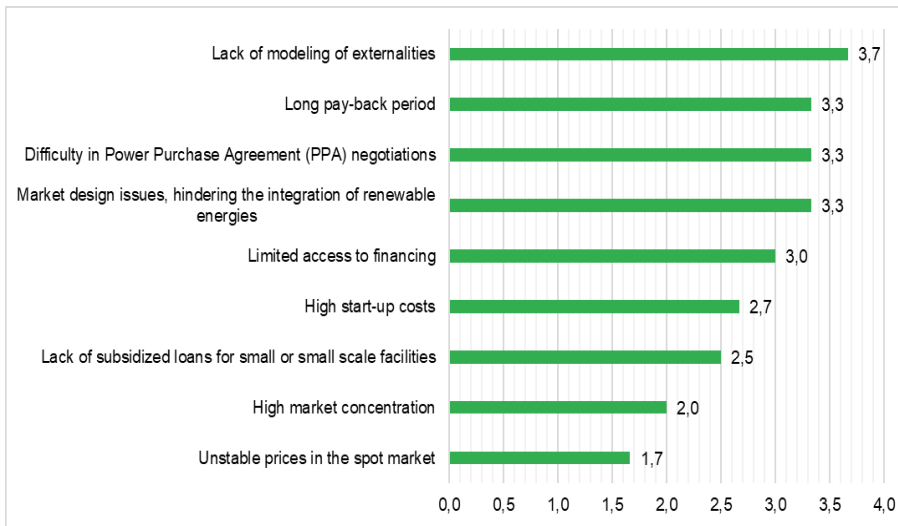
- ✓ Most domestic enterprises are not part of a group
- ✓ No domestic companies in EE field
- ✓ More investment in RES is for PV system and solar water heaters.

Very preliminary results

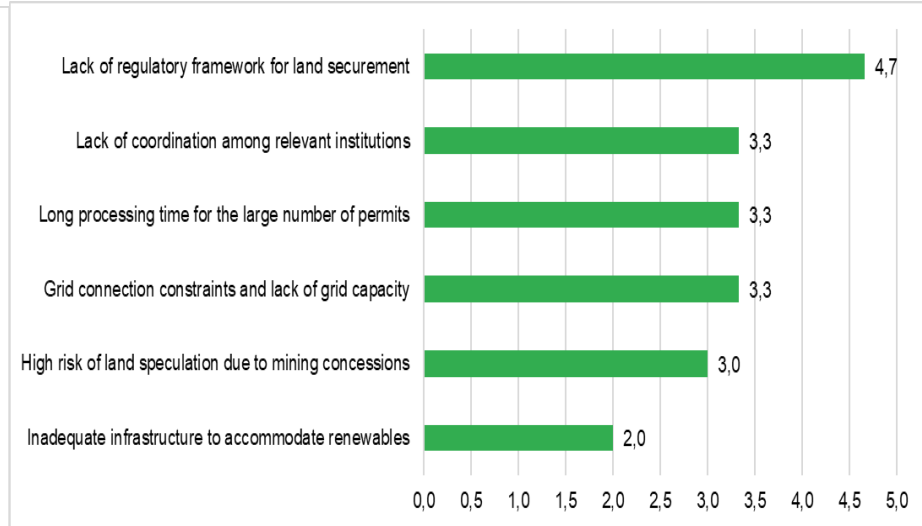


Barriers to investment

Economic and financial barriers to investments



Institutional and Regulatory barriers



Score: 1 “Not significant”; 2 “Slightly significant”; 3 “Moderately significant”; 4 “Very significant”; 5 “Extremely significant”.

Contact us!



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