



Mitigation Enabling Energy Transition in the MEDiterranean region  
Together We Switch to Clean Energy

# CONCEPT NOTE FOR THE CREATION OF AN INDUSTRIAL ASSOCIATION OF EE AND RES COMPONENTS' MANUFACTURING TO SERVE LOCAL MARKETS IN THE MEETMED TARGET COUNTRIES

Mashreq Countries



meetMED is funded by the European Union



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## Concept Note for the Creation of an Industrial Association of EE and RES Components' Manufacturing to Serve Local Markets in the meetMED Target Countries



The meetMED project is a two-year project funded by the EU and jointly carried out by the Mediterranean Association of the National Agencies for Energy Management (MEDENER) and by the Regional Centre for Renewable Energy and Energy Efficiency (RCREEE). Its main goal is to reinforce regional cooperation aimed at fostering the energy transition in Algeria, Egypt, Jordan, Lebanon, Libya, Morocco, Palestine and Tunisia under the umbrella of the UfM REEE platform.

The meetMED team in Brussels coordinates the project partners and experts in implementing the project activities, in the following areas of work: assessing EE and RES strategies and policies; advancing vocational training and public awareness; attracting sustainable RE and EE investments; supporting the UfM Renewable Energy and Energy Efficiency Platform.

The meetMED activities target and benefit a wide range of stakeholders, including policy makers, public authorities, investors and financial institutions as well as local communities and final customers. meetMED supports regional cooperation by building the technical capacity and raising the public awareness necessary to implement RE and EE projects and solutions, while creating synergies with other initiatives targeting energy transition in the Mediterranean region.



**MEDENER** is an international non-profit organization gathering agencies from the northern and southern Mediterranean countries in charge of implementing public policies on energy efficiency and the promotion of renewable energy sources, by implementing regional projects facilitating the sharing of know-how and best practices among its members and international partners, as well as accelerating the transfer of skills, methods and technologies in the field of energy efficiency and renewable energy.



**RCREEE** is an intergovernmental organization aiming at enabling the adoption of renewable energy and energy efficiency practices in the Arab region. **RCREEE** brings together regional governments and global organizations to initiate and lead clean energy policy dialogues, strategies, technologies and capacity development in order to increase Arab states' share of tomorrow's energy. Its key work areas are capacity development and learning, policies and regulations, research and statistics, and technical assistance.



# Credits

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## Acknowledgements

This meetMED report collects the results of questionnaires, interviews and field research in the meetMED target countries in order to assess the feasibility of the creation of an industrial association for EE and RES components' manufacturing to serve local markets in the meetMED target countries.

The data was collected and elaborated thanks to national experts and relevant stakeholders in Egypt, Jordan, Palestine and Lebanon.

The authors would also like to acknowledge the contribution of Dr. Maged Mahmoud, meetMED work package leader and Dr. Matteo Barra, meetMED Project Manager.



# 1. Background and Introduction

Gathering many growing economies, the Southern and Eastern Mediterranean (SEM) region experiences a steady increase in energy demand and population growth, which make its countries in constant quest to fulfill their energy needs. Therefore, considering the rapid depletion of natural resource, implementing EE measures and developing RE projects are sustainable solutions for these countries. Moreover, these are useful mitigation measures for climate change, especially since the region is deemed to be one of the main greenhouse gases (GHG) emitters. Otherwise, the GHG emissions will lead to a significant rise in temperature, thus to higher energy demand for cooling purposes.

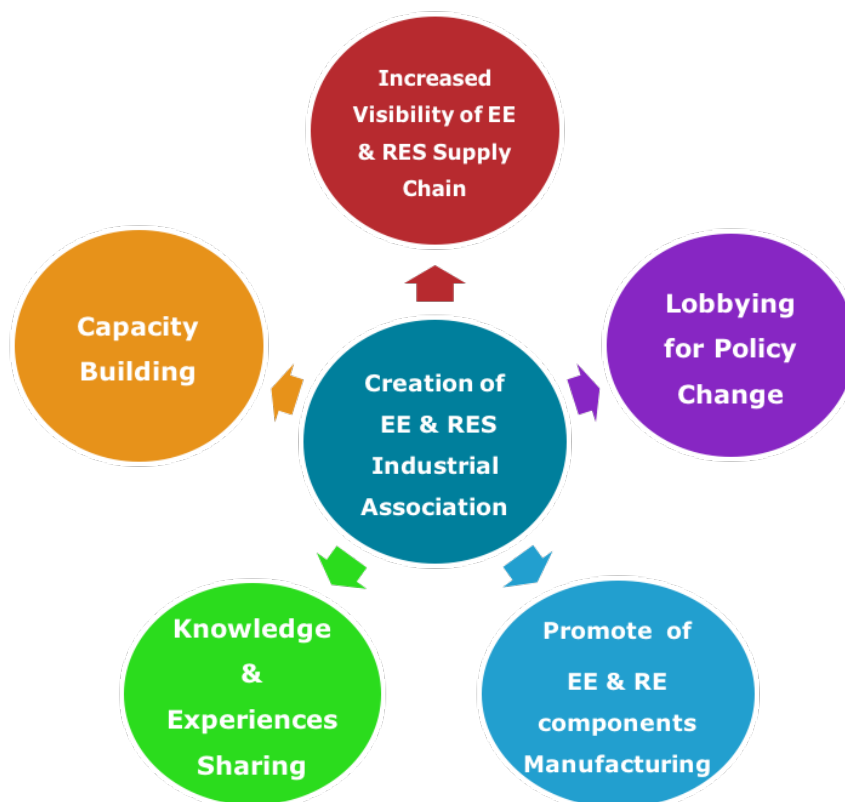
Deployment of energy efficient and renewable energy systems (EE & RES) usually involves different sectors. Hence, it requires cooperation and collaboration of different stakeholders in order to coordinate the efforts. The creation of a solid structure (e.g. Associations) at national and - potentially - regional level would serve along various manufacturing operations to develop and introduce renewable energy and energy efficiency measures, as well as to promote local production of RE and EE systems' components. They could also serve as an industrial and commercial lobby defending and promoting the development of a local market through a clear and efficient public policy for energy transition, including regulation and financing means.

## 2. Aim and Objective

This concept note aims at defining realistic options for supporting the creation of EE and RES associations at national or/and regional level in order to enhance cooperation between different stakeholders. Industrial associations at national or regional level will serve the local EE and RES markets and support several objectives, such as EE & RES promotion, increasing visibility at local level, lobbying for public policy change and improvement as well as capacity building and sharing of experience among members and partnerships creation.

The objective is to carry out a study to assess the potential and feasibility of the creation of EE and RES systems in the SEMCs.

**Figure 1: Main Objectives of the Creation of EE & RES Industrial Association**



## 3. Methodology and Project's Activities

The adopted methodology focuses on the identification of different aspects and parameters at national and regional levels, which have both direct and indirect impact on the creation of regional industrial association. This includes the identification of possible key stakeholders as well as screening of the EE and RE markets in SEM countries through the study of existing associations. Finally, the methodology and structure of the creation of an industrial association were proposed. The main steps of this methodology are described as follows:

### 1. Identification of the Research Question and the Activity Scope

This aims at clarifying which activities fall within the current scope and which are out of the scope. Brain storming and mind mapping sessions has been organized with key experts.

### 2. Desk Research

A desk research was performed to introduce the status quo in the different SEMCs and to get an overview of the existing EE and RE market structure and supply chain in each of the four SEM countries.

### 3. Stakeholders Identification

This is to identify key stakeholders within the scope of this activity in each country and their respective roles in the proposed industrial association.

## 4. Identification of the Existing National EE and RES Industrial Associations in SEMCs

This focuses on identifying the existing modalities of networking of EE and RES manufacturing entities in the countries (e.g. clusters, networks, associations).

## 5. Identification of the Composition of the Existing EE and RES Structures in SEMCs

The main objective is to identify the aim, activities, key stakeholders, and members of existing associations/networks as well as the source of funding and hierarchal structure.

## 6. Identification of Key Analysis Factors to Assess the Feasibility of Creation of Industrial Association

The key analysis factors for the assessment of the creation of an industrial association are listed below:

- a) Existence of a national industry.
- b) Existing chambers of industrial associations and/or importers.
- c) Suitable legal framework.
- d) Level of awareness of the people.
- e) Market size for appliances.
- f) R&D in RE and EE technologies.
- g) Regulatory authorities for EE and RE.
- h) Existence of policies, applied to enhance RE and EE usage, in residential and industrial sectors.
- i) International funds and action plans in cooperation with third parties.

## 7. Country Missions

The main purpose is to get a better understanding of the country-specific context, fill the identified data gaps and get first-hand information from consultations with key experts.

The selection of the countries targeted by missions was based on the following criteria:

- Countries with wide range of stakeholders (Egypt & Jordan); or
- Countries where we lack information and more data-gap filling is needed (Palestine & Lebanon); or
- Countries where there are more success factors, such as local industry and market maturity (Egypt).

Based on activity budget and time schedule, it was decided to go for one country where there is big data gap (i.e. Lebanon) and a country of higher success factors (i.e. Egypt).

## 8. Surveys and Stakeholders' Consultations:

The interest of relevant stakeholders and their enthusiasm for the creation of the proposed association was assessed via the distribution of a stakeholders' questionnaire and survey that also covered different aspects including:

- Main aims and activities of the existing associations;
- Key stakeholders and members of the existing associations;
- Main challenges and obstacles facing these associations;
- Legal framework governing the creation and activities of the existing associations;
- Main activities of the local EE and RE components' manufacturers;
- Main role of industrial associations in the promotion of EE and RE technologies in the country.

## 9. Creation of Country Profiles for Mashreq Countries

At this stage, country profiles for different countries were developed in order to summarize the main results. This includes findings from desk research as well as inputs from the questionnaires.

## 10. Key Stakeholders' Consultation Workshop

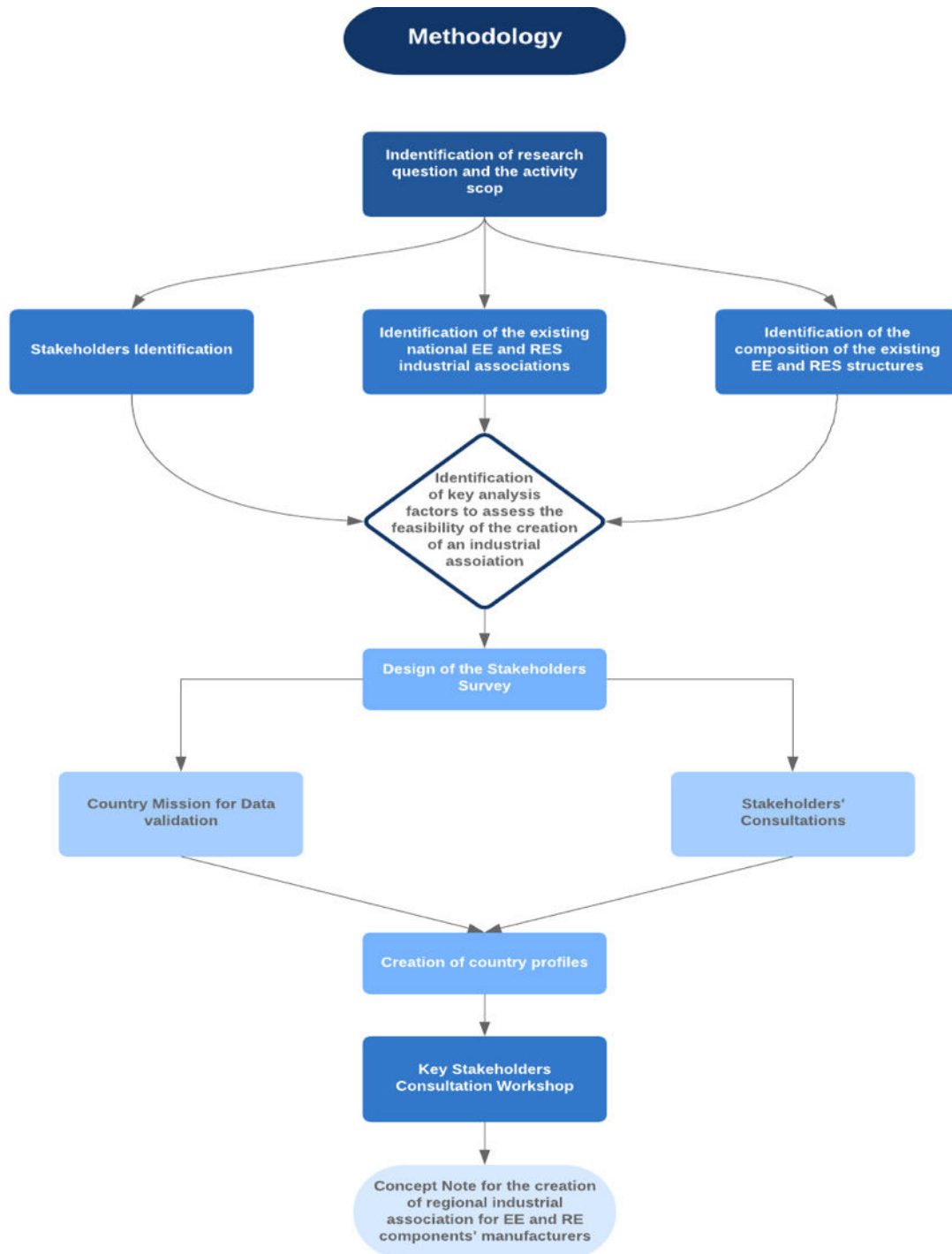
On 13 November 2019, a consultation workshop was organized in Cairo, Egypt in the presence of key stakeholders in the region. The workshop discussed the feasibility of the creation of industrial RE and EE associations in the Southern and Eastern Mediterranean region by focusing on the main drivers, possible 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. Finally, the main proposed concept and next steps were discussed and experts' comments and recommendations were gathered.

## 11. Draft of Concept Note

Finally, the obtained results were consolidated in a concept note that illustrates the different parameters influencing the creation of a regional industrial association for EE and RE components' manufacturers.

**Concept Note for the Creation of an Industrial Association of EE and RES Components' Manufacturing to Serve Local Markets in the meetMED Target Countries**

**Figure 2:** Methodology flow chart



## 4. Analysis and Results

This section summarizes the main findings obtained from desk research and consultations with key stakeholders. The first part covers the identification of the main goals and activities of the industrial associations existing at international and country level, whilst the second one includes the identification of the key stakeholders of these associations.

### 4.1. International Level

#### 4.1.1. Aims and Activities

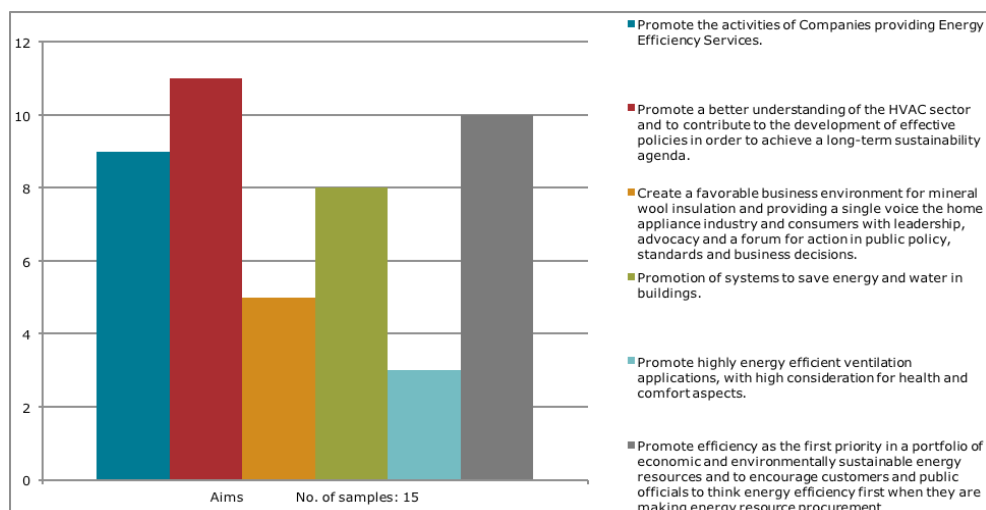
At the international level, Figure 3 shows that the main goals of the existing industrial associations concern the promotion of EE technologies and the support to the development of effective policies and regulations. Additionally, several international associations aim at promoting the use of sustainable energy resources and encouraging end users and public officials to adopt energy efficient equipment.

In this context, these associations are achieving their respective objectives through several activities, such as acting as networking point between members and stakeholders, supporting the members in solving different technical, administrative and financial issues as well as facilitating the business development.

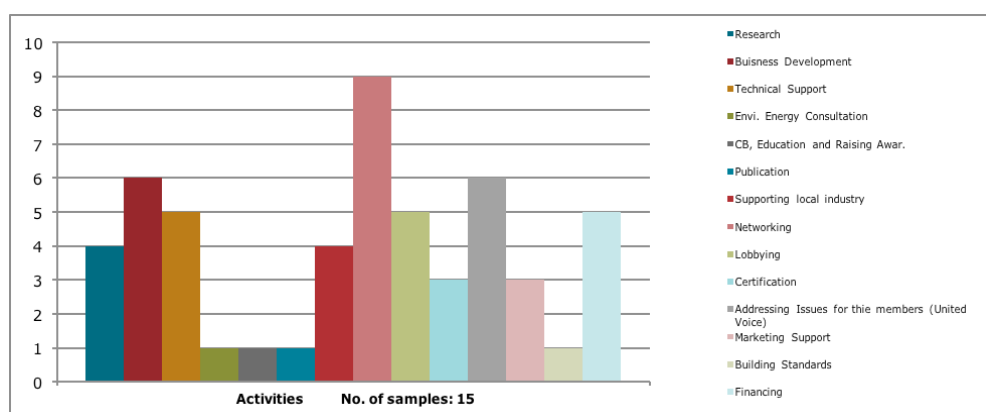


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**Figure 3: Main aims of international industrial associations**



**Figure 4: Main activities of international associations**



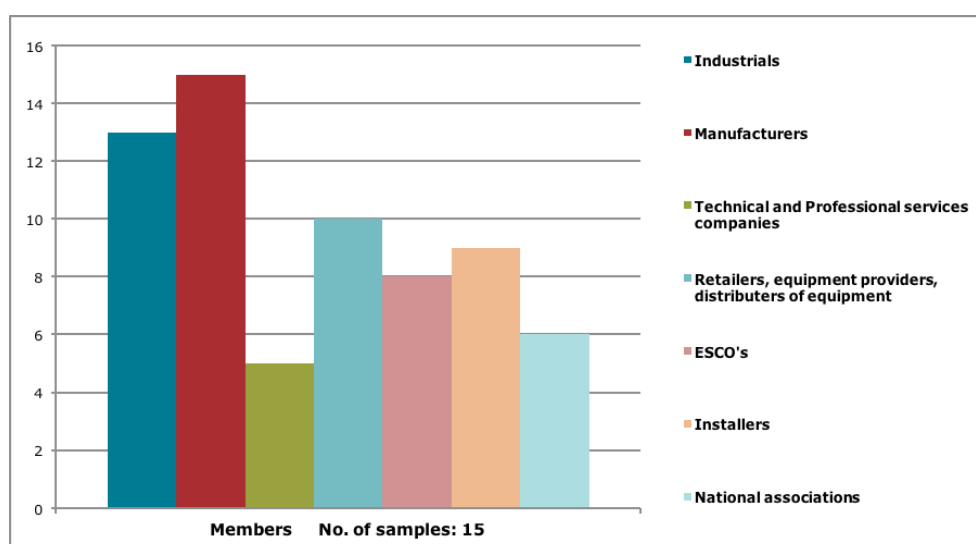
### 4.1.2. Stakeholders and Members

Obviously, manufacturers and industrials are the main members in every RE and EE industrial association. Figure 5 shows the main members of the identified industrial association. It can be seen that, in addition to manufacturers, retailers and equipment providers are also active members in several industrial associations. It is also important to mention that several international associations have national associations among their members as it is the case for APPLiA (Home appliances association in Europe).

**Concept Note for the Creation of an Industrial Association of EE and RES Components' Manufacturing to Serve Local Markets in the meetMED Target Countries**

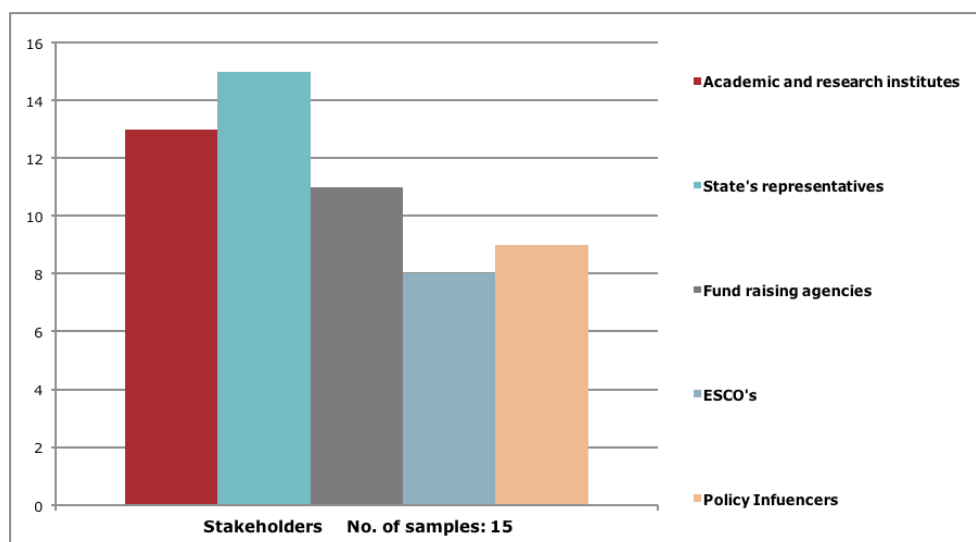
Another important element for the study of any association is the identification of different stakeholders. It is worth highlighting all the identified international industrial associations are considering State representatives as the key stakeholders, followed by academic and research centers for 13 out of the 15 associations. Moreover, fundraising agencies represent a very important stakeholder for most of the associations as they generally contribute to the financial sustainability of such structures.

**Figure 5:** Main members of international industrial associations



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**Figure 6:** Key stakeholders of international industrial associations



## 4.2. Country Level

### 4.2.1. Egypt

The government of Egypt has set different legislations, policies and strategies in order to support RE and EE technologies in Egypt. These regulations aim mainly at promoting private investments in the sector, enhancing the contribution of locally manufactured products and setting RE and EE action plans and strategies.

Egypt is considered as an industrial leader in the Middle East and African markets, and it can leverage its mature steel, glass and cable industries to produce solar and wind components locally, enabling the country to meet up to 80% of the market demand via local manufacturing. Several local players including cable manufacturers and engineering, procurement and construction (EPC) contractors have been active within the renewable energy market and hold a considerable market share for all renewable energy technologies. Additionally, Egypt's local industrial sector includes a large number of electronics and home appliances manufacturing companies. There are more than 40 air conditioning and cooling manufacturers registered in the Federation of Egyptian Industries.

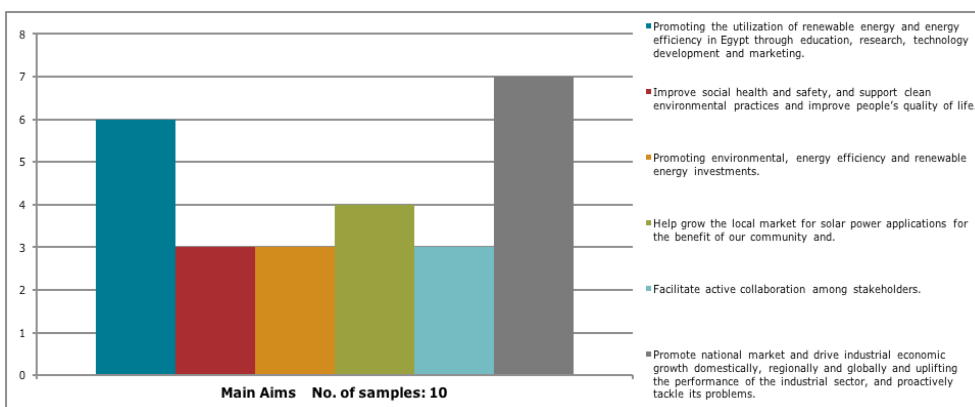
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**4.2.1.1. Aims and Activities**

This dynamic market led to the clustering of different stakeholders through the creation of several industrial associations of RE and EE technologies manufacturers. As shown in Figure 4, these associations aim at promoting local market and uplifting the performance of the industrial sector. Furthermore, the promotion of the utilization of RE and EE technologies is also considered as one of the main objectives of the existing associations.

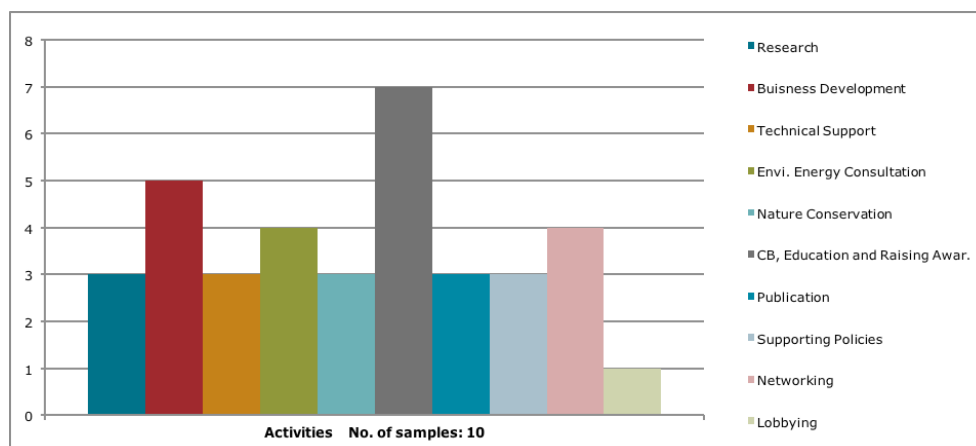
Furthermore, based on Figure 6, it is worth mentioning that capacity building education and awareness raising in the field of RE and EE are the main activities performed by the existing associations in the country. Additionally, these associations organize several events and meetings in order to ensure lobbying between members and stakeholders as well as to contribute to the business development.

**Figure 7: Main aims of the existing associations in Egypt**



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**Figure 8:** Main activities of the existing associations in Egypt



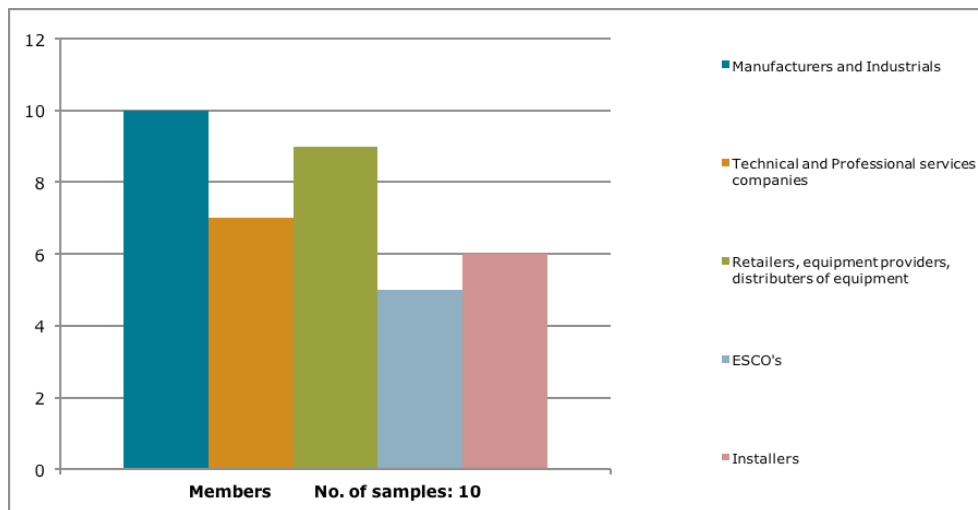
### 4.2.1.2. Stakeholders and Members

Regarding industrial associations members, RE and EE components manufacturers are considered as the main members of the existing associations in the Egyptian market. Additionally, assemblers, importers and equipment providers are also members of different industrial associations as most of the existing clusters are targeting companies in different segments of the RE and EE supply chains.

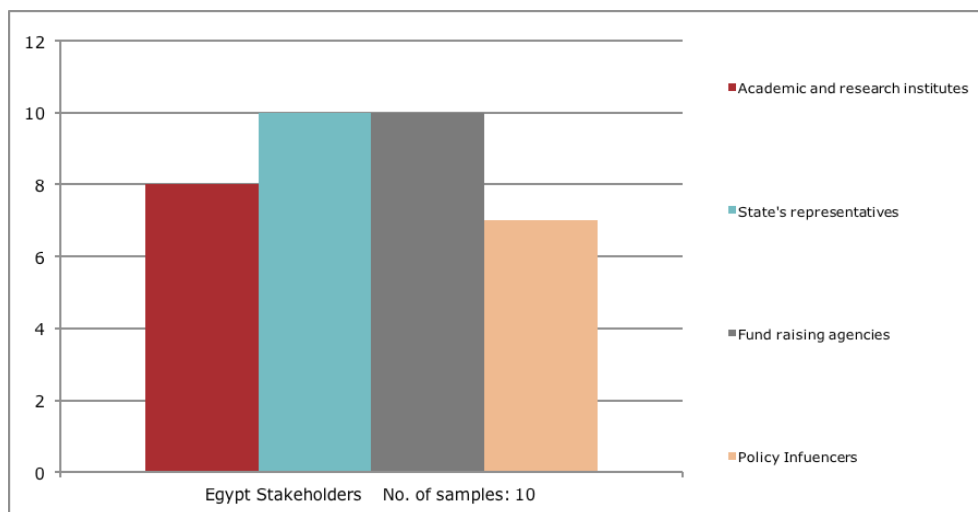
On the other hand, as shown in Figure 10, these associations collaborate with different stakeholders, such as State representatives, policy makers/influencers, academic and research institutes as well as fund raising agencies.

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**Figure 9: Main members of industrial associations in Egypt**



**Figure 10: Key stakeholders of the existing associations in Egypt**



## 4.2.2. Lebanon

In order to support the manufacturing of RE technologies in Lebanon, the government has set different policies and strategies covering several segments of the supply chain, such as subsidized interest rates, financial incentives, taxes and customs exemption.

However, the main actors in the RE and EE fields in the country are importers and retailers rather than manufacturers. In fact, there is no operating industrial facility to manufacture or assemble PV modules. Lebanon's manufacturing sector is facing several challenges, such as the high manufacturing cost mainly due to high energy-costs, the need to import raw materials, strong competition with imported equipment at highly competitive prices.

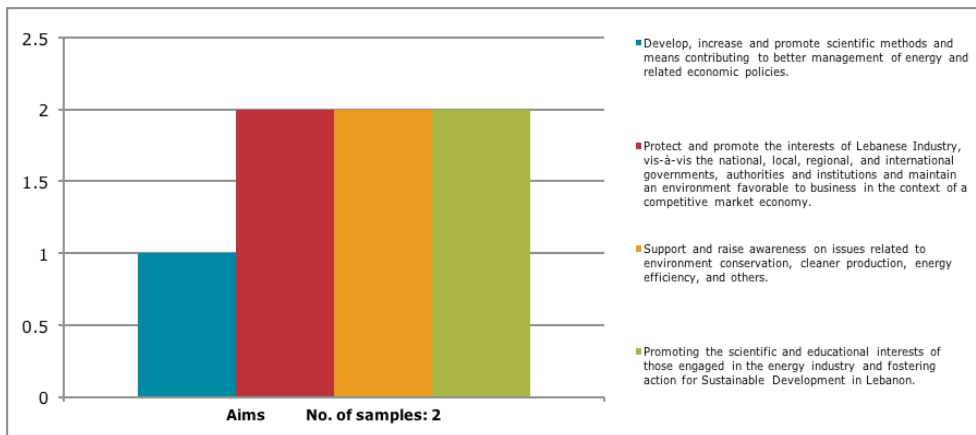
In terms of appliances, Concord Home Appliances is the only appliances assembler/manufacturer in Lebanon. Concord is specialized in the manufacturing of refrigerators, freezers and bottle coolers and the rapid growth of Concord in manufacturing, marketing and sales brought direct impact and new changes to this industry in the region in terms of energy efficient appliances.

### 4.2.2.1. Aims and Activities

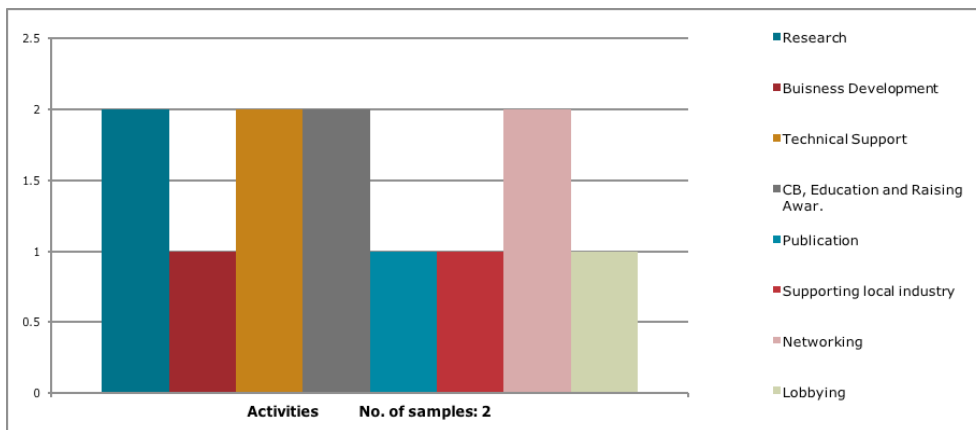
Based on the characteristics of the Lebanese RE and EE markets, no industrial association was identified in the country. However, similar associations that are mainly gathering importers, retailers and RE & EE equipment providers represent the main existing structures. The established clusters aim mainly at defending the interests of their members vis-à-vis national authorities in order to ensure a favorable environment for business. Moreover, they contribute to raising the awareness on issues related to the environment and clean energy production as well as they support the promotion of R&D in the field of RE and EE. Furthermore, as illustrated in Figure 12, the existing Lebanese associations are conducting several activities in order to serve their members, such as research and development, business development, capacity building and technical support as well as networking for different members.

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**Figure 11: Main aims of the industrial associations in Lebanon**



**Figure 12: Main activities of the industrial associations in Lebanon**



**4.2.2.2. Stakeholders and Members**

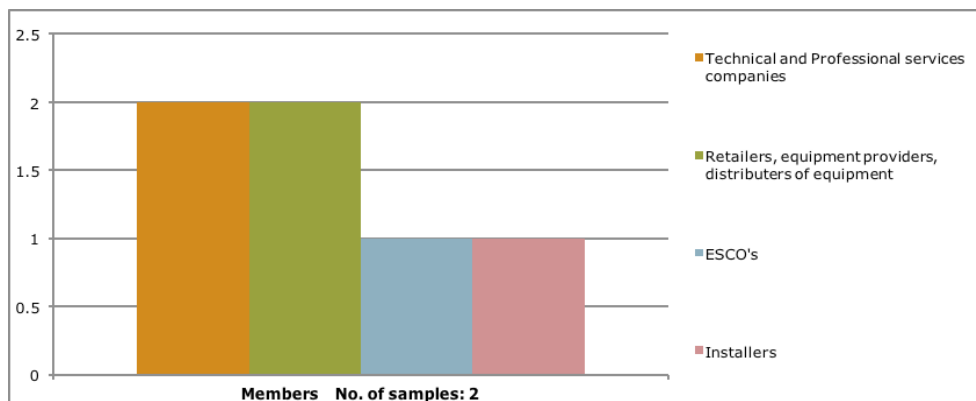
As mentioned above, RE and EE components importers and retailers are considered as the main members of the existing associations in Lebanon. Additionally, technical and professional services companies are also among the major players in such associations in the country.

On the other hand, as illustrated in Figure 14, most of the associations collaborate with different national and regional stakeholders, such as State representatives, policy makers/influencers, academic and research institutes as well as fund raising agencies.

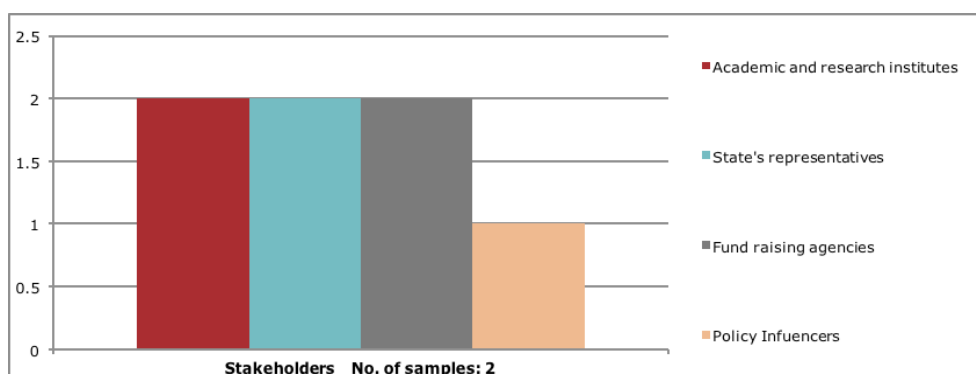


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**Figure 13:** Main members of the industrial associations in Lebanon



**Figure 14:** Key stakeholders of the industrial associations in Lebanon



### 4.2.3. Jordan

Jordan is characterized by a well-structured legal and regulatory framework that supports the promotion of RE and EE in the country. The government established different policies and strategies in order to support the manufacturing of RE technologies aiming at enhancing local contribution of locally manufactured products, promoting regional cooperation, supporting private investments and taxes exemptions.

Nevertheless, Jordan's renewable energy industry is still not mature enough as there is only one local PV modules manufacturer (Philadelphia Solar). The

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manufacturing sector faces significant challenges, such as: limited R&D, limited local market, lack of expertise in the manufacturing of several components, especially related to CSP and wind, high land cost, and high energy cost.

In terms of appliances, the appliances manufactured locally do not account for a major share of the home appliances market and the sector is mainly monopolized by imported brands that account for almost 80% of the market.

#### 4.2.3.1. Aims and Activities

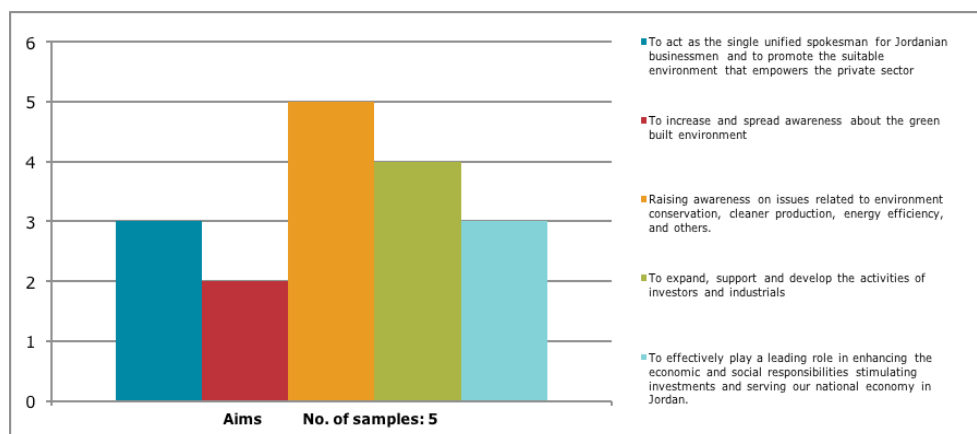
The Jordan Chamber of Industry, which is the only body that brings all Jordanian manufacturers under one official umbrella, contributes to the development of the national industrial process through participation in the formulation of the industry's public policy and takes care of the interests of the enterprises besides the promotion of the cooperation between the industrial chambers and the unions and chambers of Arab and foreign industry. While there are many associations active in the sector of RE and EE, they cannot be considered as industrial associations.

Based on a statistical sample of five associations, Figure 15 summarizes the main aims of the existing associations in the country. This shows that awareness raising on issues related to environment and energy savings as well as supporting and developing activities of local investors and industries are the main aims of these associations.

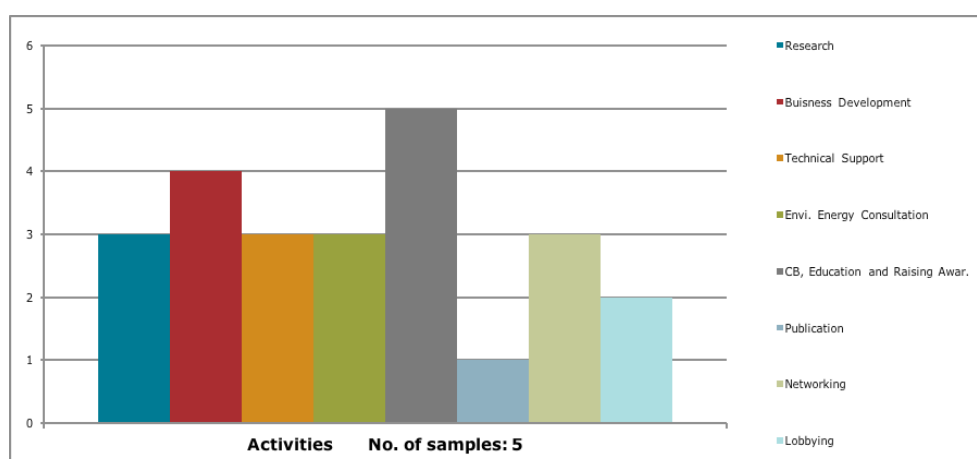
Furthermore, and in order to reach their targets, the existing associations are conducting different activities in cooperation with different stakeholders. Figure 16 illustrates the main activities of the existing "industrial" associations and it can be concluded that capacity building and business development are the main covered axes.

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**Figure 15: Main aims of industrial associations in Jordan**



**Figure 16: Main activities of industrial associations in Jordan**



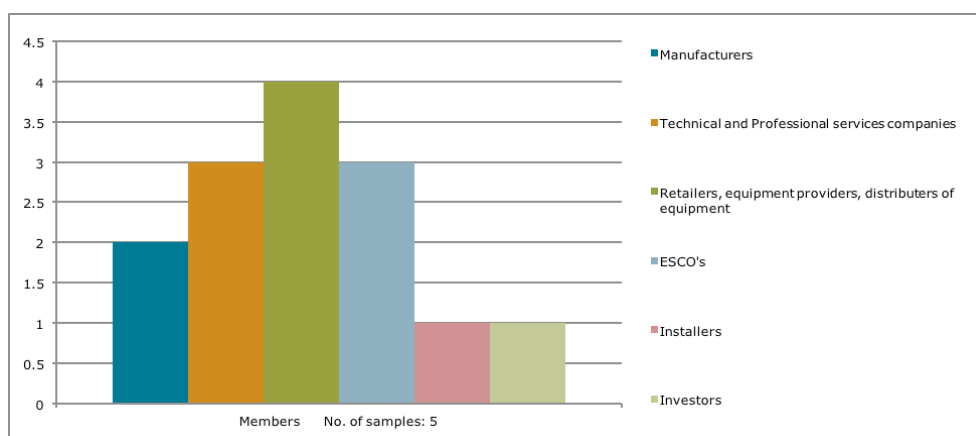
**4.2.3.2. Stakeholders and Members**

Based on the conducted desk research and consultations with stakeholders, it was concluded that the main members in the existing associations are retailers, distributors and importers followed by technical and professional services companies, which might include installers and repairers. Considering that RE and EE industry is still not well-developed in the country, the existing local manufacturers are part of large structures that gather a wide range of actors from different industrial and commercial sectors.

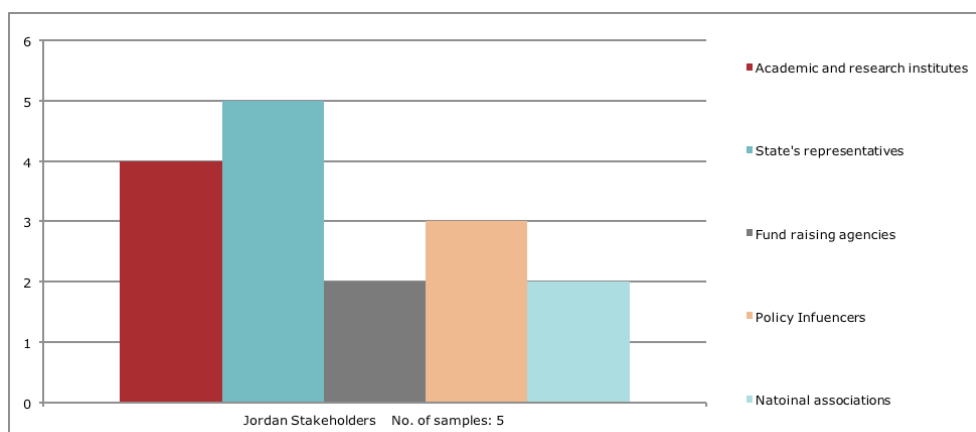
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As for the stakeholders, Figure 17 illustrates that Jordanian associations are not different than the others within the region as the key stakeholders are Government representatives, academic and research centers as well as fundraising agencies.

**Figure 17: Member of the existing industrial associations in Jordan**



**Figure 18: Key Stakeholders of the existing industrial associations in Jordan**



## 4.2.4. Palestine

### 4.2.4.1. Aims & Activities

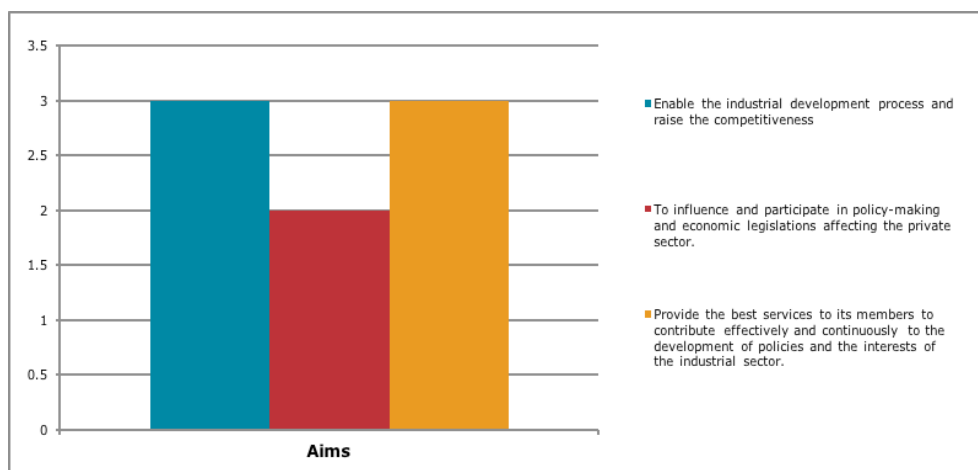
In Palestine, there is only one association that focuses on RE and it is currently

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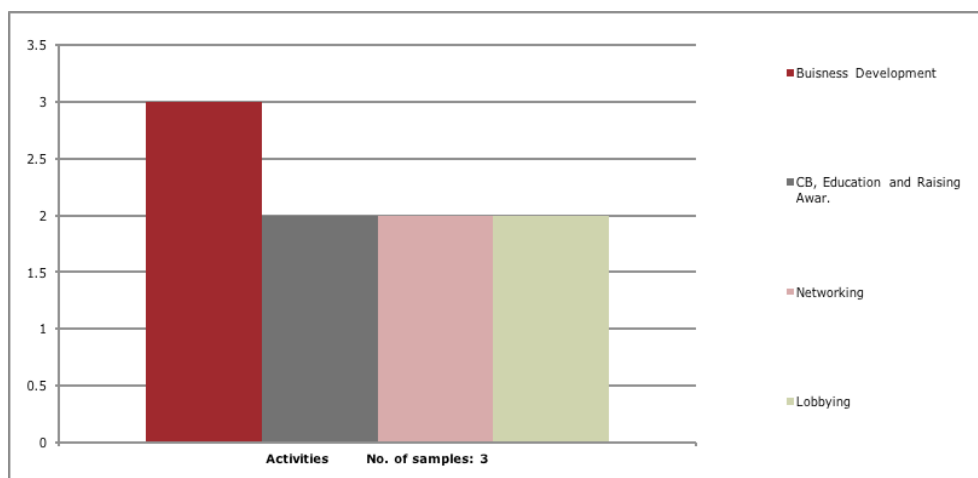
under development. However, the existing RE and EE companies are active players in sectorial chambers under the umbrella of national federations.

The main goals and objectives of these federations are developing the local industry and raising competitiveness as well as developing favorable policies for scaling up the industrial sector. Furthermore, these associations/federations provide several opportunities for capacity building, business development, networking and lobbying. Figures 19 and 20 represent the main aims and activities of the existing associations in Palestine.

**Figure 19: Main aims of the industrial associations in Palestine**



**Figure 20: Key Main activities of the industrial associations in Palestine**



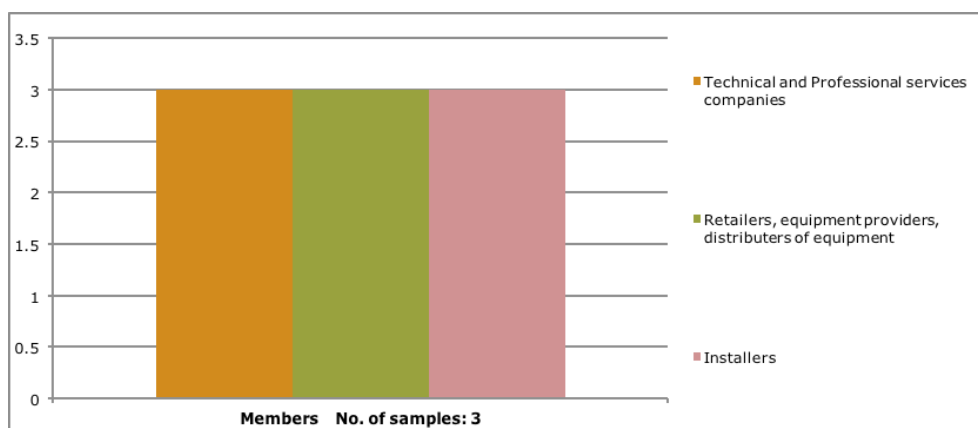
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**4.2.4.2. Stakeholders and Members**

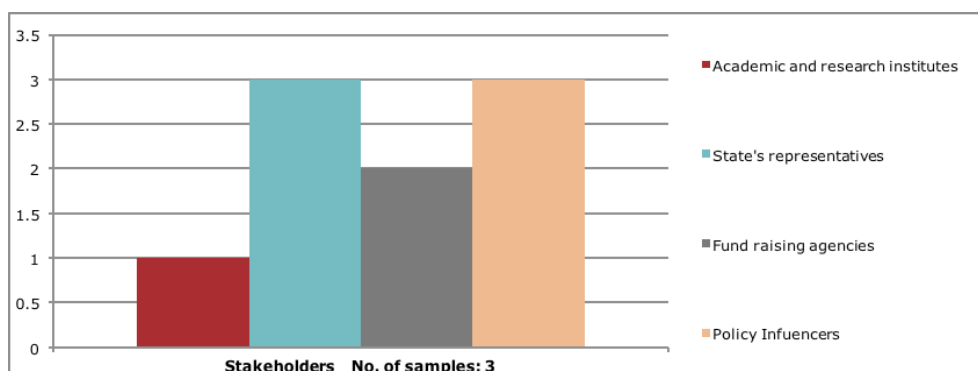
RE and EE systems importers and retailers are considered as the main members of the existing federations in Palestine. Additionally, technical and professional services companies are also one of the major players in these associations. On the other hand, as illustrated in Figure 21, most of the associations collaborate with different national stakeholders, such as State representative, policy makers/influencers as well as fundraising agencies.

Figures 21 and 22 illustrates the main members and stakeholders of the industrial association in the country.

**Figure 21: Main members of the industrial associations in Palestine**



**Figure 22: Key stakeholders of the industrial associations in Palestine**



## 4.3. Comparative Analysis

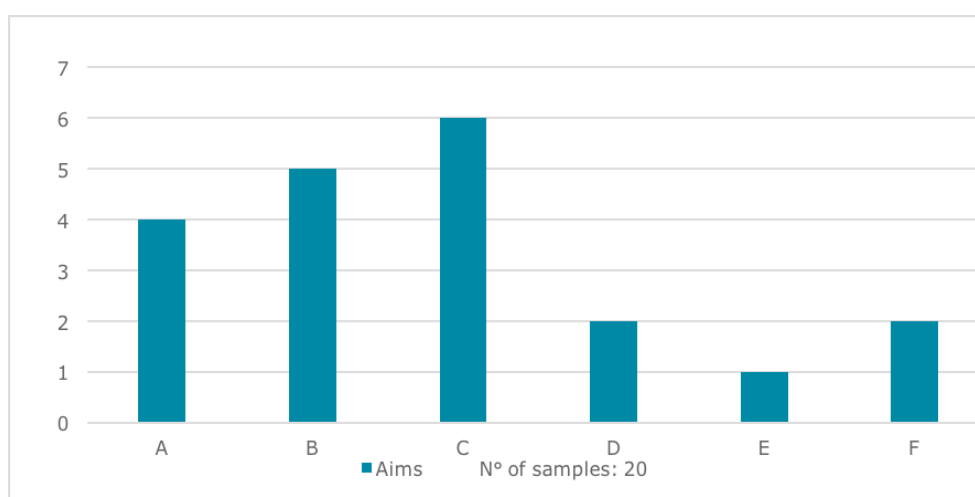
### 4.3.1. Aims and activities

In this section, we summarize the main aims and activities of the identified industrial associations – within the four studied countries in the region- in order the point out the most common ones.

As illustrated in Figure 23, the existing industrial associations aim mainly at promoting national markets; at driving industrial economic growth domestically, regionally and globally; at promoting environmental, energy efficiency and renewable energy investments; and finally, at supporting and raising awareness on issues related to environment conservation, cleaner production and energy efficiency.

As for the activities, most of the existing associations focus mainly on capacity building and technical support as well as on supporting their members in business development processes. Additionally, associations ensure a favorable environment for networking and lobbying to defend the interests of the industrials.

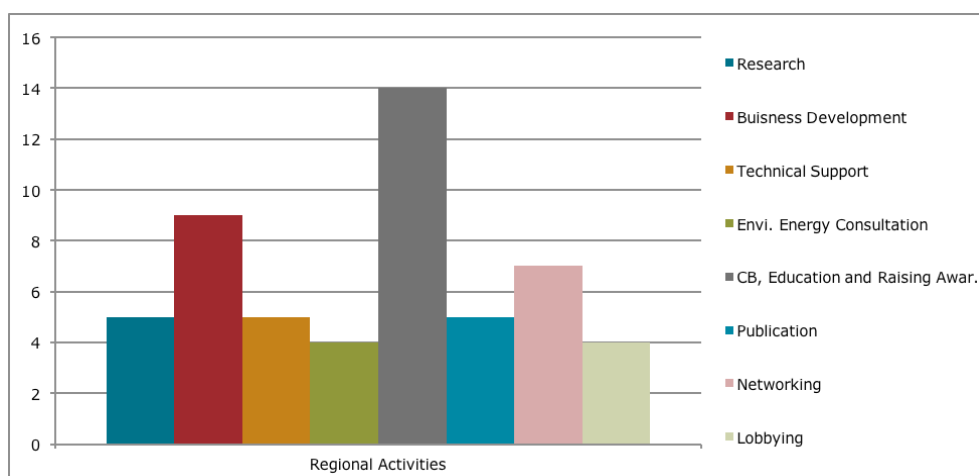
**Figure 23:** Main aims of the industrial associations in the Mashreq countries



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A	Support and raise awareness on issues related to environment conservation, cleaner production, energy efficiency, and others.
B	Promoting environmental, energy efficiency and renewable energy investments.
C	Promote national market and drive industrial economic growth domestically, regionally and globally and uplift the performance of the industrial sector, and proactively tackle its problems.
D	Improve social health and safety, support clean environmental practices and improve people's quality of life.
E	To cultivate an environment where innovative solutions for energy and water independence and environmental conservation emerge.
F	Facilitate active collaboration among stakeholders, represent the interests of the engineering and industry companies and seek to develop strategic RE industries.

**Figure 24:** Main activities of the industrial associations in Mashreq countries



#### 4.3.2. Stakeholders and Members

The summary of previous results related to the main members and stakeholders of the existing associations in Mashreq countries is illustrated in Figures 25 and 26.

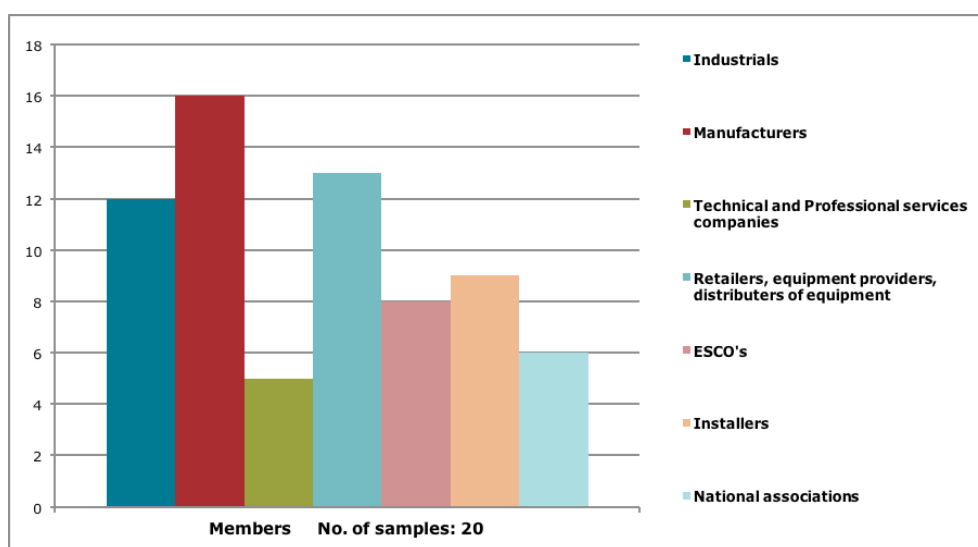
It can be concluded that manufacturers, industrials and equipment providers (including importer, retailers, and distributors) are the most common members in all the studied associations. It is worth mentioning that professional services companies and ESCOs are also considered as active members in different clusters.



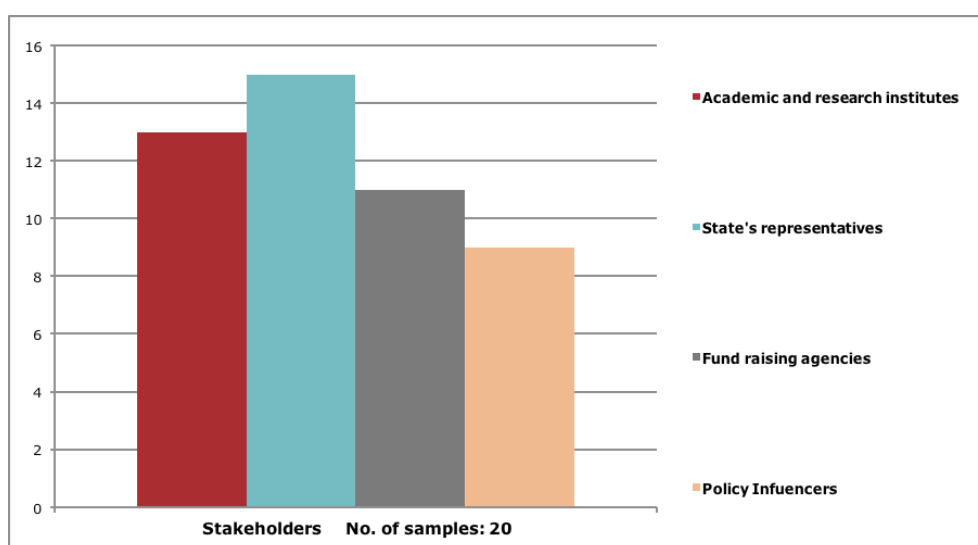
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Furthermore, all the described industrial associations consider state representatives and policy influencers/makers as key stakeholders, due to the importance of building bridges between the industrial sector and governments. Additionally, in order to pursue the technological development at national and international level, several industrial associations collaborate with R&D centers in different RE and EE issues. Finally, ensuring the financial sustainability of these associations requires strong partnerships with fundraising agencies and organizations.

**Figure 25:** Main members of the industrial associations in Mashreq countries



**Figure 26:** Key stakeholders of the industrial associations in Mashreq countries



## 4.4. Identification of Sources of Funding of Existing National Association

This study shows that fundraising, donations, and member fees are typically the main sources of funds for the existing industrial associations in the Mashreq region. Further sources of finance include capacity building through training and workshops, but also providing consultancy services to external parties. However, most of the existing associations are facing serious challenges in ensuring their financial sustainability due to the unavailability of stable and permanent sources of finance.

## 4.5. PESTEL Analysis at Country Level

In this section, a PESTEL analysis is used as a tool to help assess the readiness of the countries under investigation for the development and creation of industrial associations and clusters. In order to assess the success of the proposed association, the analysis covers different aspects that might have direct or indirect impacts on the association's performance, including the political, economic, social, technological, legal and environmental aspects as shown in Table 1 below.



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**Table 1:** PESTEL Analysis for 4 SEM countries

Analysis Category	Factors	Egypt	Lebanon	Jordan	Palestine
<b>Political</b>	<ul style="list-style-type: none"> <li>· Political Stability</li> <li>· Strong political will (e.g. International Agreements)</li> <li>· Lobbying by interest groups</li> </ul>	H	M	H	L
<b>Economic</b>	<ul style="list-style-type: none"> <li>· Availability of local industry</li> <li>· Availability of financing schemes for EE and RE</li> <li>· Market Demand for RE and EE components</li> <li>· EE and RE industries prospects in the country</li> </ul>	H	M	H	L
<b>Technological</b>	<ul style="list-style-type: none"> <li>· Availability and access of RE and EE technologies</li> <li>· Availability of skilled labor (Know How)</li> <li>· Utilization level of EE and RES technologies</li> </ul>	H	H	H	M
<b>Social</b>	<ul style="list-style-type: none"> <li>· Demographics and population trends</li> <li>· Public perceptions</li> <li>· Media views</li> <li>· Education levels</li> <li>· Potential for knowledge exchange</li> </ul>	H	H	H	M
<b>Environmental</b>	<ul style="list-style-type: none"> <li>· Commitment to Environmental issues (Climate Change Agreement, GHG Level)</li> <li>· Existence of environmental policies and regulations</li> </ul>	M	M	M	L
<b>Legal</b>	<ul style="list-style-type: none"> <li>· Existing laws and legislations for EE and RE</li> <li>· Existence of regulatory bodies for EE and RE technologies</li> </ul>	H	M	H	H
<b>Total</b>		<b>17</b>	<b>14</b>	<b>17</b>	<b>10</b>

Score Scale	Symbol
Advanced level	H
Medium level	M
Below Satisfactory level	L

In the above PESTLE analysis, several key factors were identified for each of the 6 analysis categories. Thereafter, each of the 4 countries were assessed for these factors and a country score was assigned accordingly. For this concept note, the scoring scale only includes 3 levels (High - H, Medium - M, and Low - L) for simplicity.

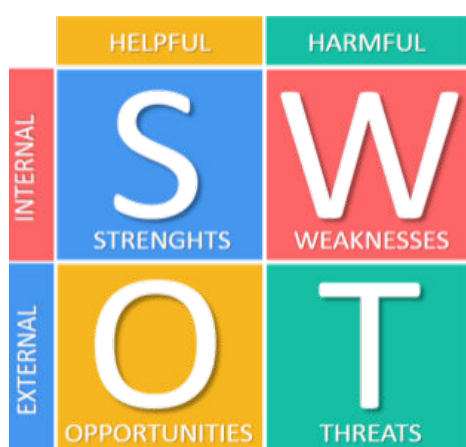
Based on the conducted analysis, it is concluded that regarding the political factors, Egypt and Jordan emerge as leading in the region in terms of existence of political will to support RE and EE projects as well as political stability.

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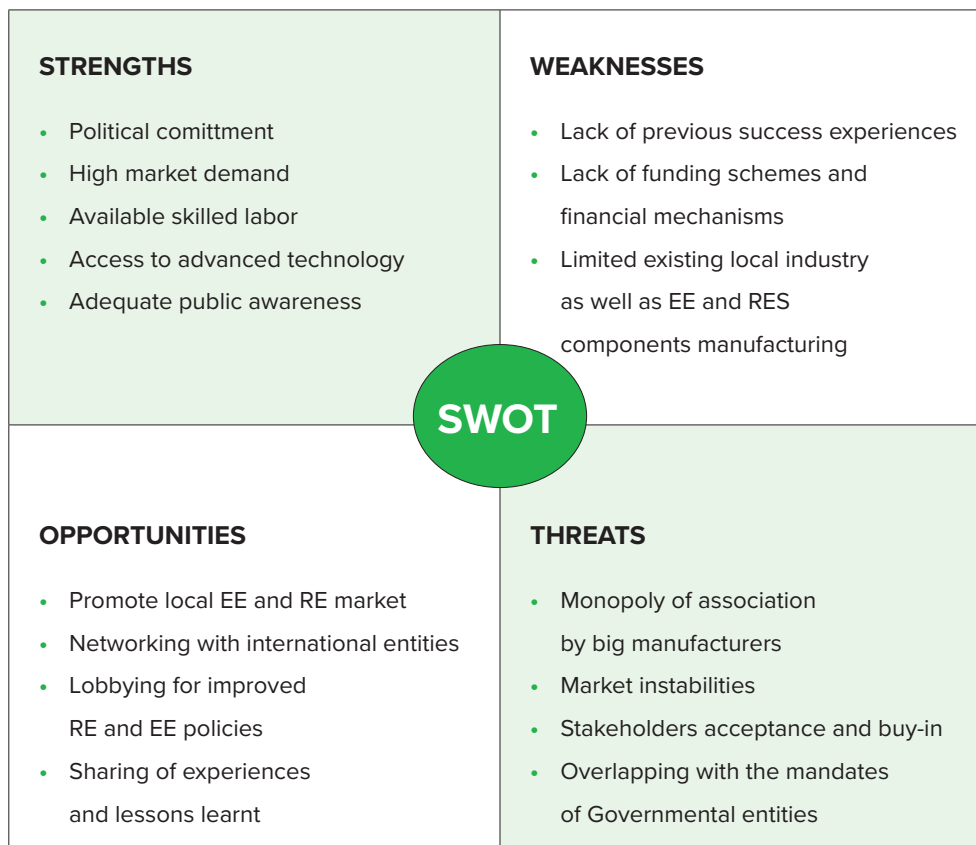
Similarly, and regarding the economic factors, Egypt and Jordan stand as advanced in the region in considering the availability of national industry, financial schemes and high market demand for EE and RES components. Furthermore, with respect to both the technical and social factors, Lebanon, Egypt and Jordan are all advanced in terms of availability of RE and EE components, skilled labor, adequate education levels and positive media/public perception towards RE and EE projects. Conversely, regarding the environmental factors, such as the existence of relevant policies and commitment to international agreements, it is found that all countries under this study have not yet adopted advanced measures and policies towards environmental topics related to the deployment of RE and EE projects. The preliminary findings of the PESTEL analysis shows that – based on the current countries' status - all countries can benefit from the creation of local industrial associations for EE and RES components. Egypt and Jordan emerge as more advanced and better prepared for the creation of the association, followed by Lebanon and finally Palestine.

## 4.6. SWOT Analysis for creating a Regional Industrial Association for EE and RES

In order to get a high-level evaluation of the feasibility of the creation of an industrial association for EE and RES, a SWOT analysis was conducted as a tool to help assess the possible advantages, weaknesses and threats for the creation of the proposed association.



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## 5. Recommendations and Proposed Action Plan

### 5.1. Recommendations

1. 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.
2. The main activities identified for industrial associations include supporting local industry, capacity building, technical consultation and assistance for business development.
3. Identified members of industrial associations include manufacturers, distributors, retailers and service providers.
4. Key stakeholders for industrial associations include state representatives, fundraising agencies, policy stakeholders and national associations.
5. It is recommended to start with the creation of national associations/networks in order to have strong foundation for the establishment of a regional one (bottom-up approach).
6. 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”.
7. Innovative means of funding for industrial associations should be identified.
8. Provision of reasonable financing mechanisms has proven to be the main incentive: lack of finance means lack of business.
9. Competition with existing associations should be avoided.

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10. It is important to stimulate the interest of manufacturers in ensuring solid bases for the association.
11. Focusing on specific projects that benefit members and society will ensure the sustainability of the associations.
12. Effective communication with members is to be ensured via the use of advanced communication means and digital tools.
13. Creating strong partnerships with international associations will be valuable for the association in terms of sharing of expertise and provision of support.
14. The development of an annual plan - including training, promotion, organizing exhibitions, etc. - for industrial companies and entities is recommended.
15. 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.
16. The cluster governance model 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.

## 5.2. Action Plan

Starting from the main study findings and stakeholders' consultations, the proposed action plan is as follows:

- Follow a bottom-up approach by starting with the creation of national EE and RE industrial associations that would later expand to the regional level.
- Identify key stakeholders and possible members (i.e. who would be involved in the association?) at the national level in order to get their buy-in and collect their inputs and opinion on the proposed association.
- Conduct a detailed market study for EE and RES components at national level in order to identify the mission of the proposed association and what it needs to address (i.e. what is the main aim of the association?).
- Conduct consultation sessions with key experts and stakeholders in order to define the set-up and structure of the association (i.e. what is the structure of the association?)
- Conduct consultation sessions with key experts and stakeholders in order to identify possible funding means for maintaining the association (i.e. how will the association maintain its existence?)
- Network with regional and international industrial associations to exchange knowledge and share experiences.





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