

ARAB FORUM FOR ENVIRONMENT AND DEVELOPMENT ANNUAL CONFERENCE

Sharjah, 28-29 October 2013

RECOMMENDATIONS

The Arab Forum for Environment and Development (AFED) held its sixth annual conference on 28-29 October 2013 at the American University of Sharjah, UAE, under the patronage of H.H. Sheikh Dr. Sultan Bin Mohammed Al Qasimi, Member of the Supreme Council of the UAE and Ruler of Sharjah. The conference, dedicated to discuss AFED's annual report on Sustainable Energy, has brought together 600 delegates from 52 countries, representing 160 institutions from the private and public sectors.

The Conference agreed with the findings of AFED report, generally that Arab countries can foster the sustainability of their energy sectors by making crucial strategic choices, which entail high economic potential while at the same time securing balanced resource management. These choices include improving energy efficiency, exploiting the huge potential of untapped renewable energy resources, and harnessing oil and gas reserves in cleaner and more competent ways. Revenues from oil exports need to be utilized to build regional capacity in developing and acquiring clean energy technologies. The conference endorsed the following recommendations:

1. Policymakers should mobilize sufficient investment in production capacity to maintain the region's role as a global production leader over the coming decades and provide for the effective use of oil and gas revenues to diversify the region's economics away from continued reliance on a single source, and the management of domestic energy demand and supply.
2. Policymakers need to reform gas and related energy product pricing mechanisms in such a way as to drive a shift to a sustainable energy system where natural

gas can play a greater role in the Arab energy transition and future economic development.

3. Policymakers should establish the appropriate enablers for private sector participation in energy supply infrastructure investments, including well-defined policies and a sound regulatory framework. They should build on the already established IPP model with modifications to address a few key limitations. By establishing prudent long-term government liabilities management, building capable regulatory institutions, and deploying methodical project tendering processes, Arab governments can leverage limited public funds to attract significant private sector investments.
4. Policymakers need to facilitate the mobilization of local equity and debt financing through supporting the establishment of third-party investment funds, developing more flexible legal instruments (e.g. partnership flips and sale leasebacks), and granting infrastructure developers better access to corporate bond/Islamic Sukuk markets.
5. Policymakers/regulators should enable comparability across projects and countries through increased transparency regarding factors influencing investment decisions, including projected investment plans, fuel supply allocations, and remuneration mechanisms.
6. Policymakers should address phasing out energy subsidies and reform energy pricing policies in order to incentivize the rapid deployment of energy efficiency and better utilization of energy resources and use of clean and renewable energy technologies. Such reforms would result in limiting wasteful consumption and realizing better energy efficiency, by rationalizing inefficient energy subsidies in a way that protects the most disadvantaged. Combined with rational pricing, this will encourage investment in the sector, while enhancing social equity.
7. Policymakers should effectively address energy poverty which affects over 50 million people in the Arab region, by providing them with reliable energy services. Regional cooperation is crucial to achieving this goal.
8. Policymakers should effectively implement the Arab Energy Efficiency Guidelines, adopted in 2010, by establishing national

energy efficiency strategies with qualified targets, timetables, and supporting policy measures. Governments should also provide public awareness and incentives for adoption of energy efficient technologies and practices. This should take local conditions into account, combined with appropriate social package.

9. Policymakers, in addressing climate change mitigation and adaptation in the energy sector, should:
 - Systematically assess and monitor energy systems to ensure that they are robust enough to adapt to anticipated climate-related impacts.
 - Mainstream climate impact assessment into environmental impact assessment (EIA) and strategic environmental assessment (SEA) for new energy systems' expansion plans.
 - Address energy poverty as an integral part of adaptation strategies.
 - Promote shifting toward decentralized, renewable energy supply system in remote and rural areas.
 - Implement energy efficiency and demand management as an adaptation measure.
 - Develop a new holistic approach to deal with the energy-water-climate nexus in the Arab region.

10. Policymakers should embrace cutting-edge sustainable energy technologies, research and education, as a means of economic and developmental leapfrogging, for business innovation, and for manufacturing of hardware and software, geared towards widespread deployment.

The Conference thanked H.H. Sheikh Dr. Sultan Bin Mohammed Al Qasimi for his patronage, the American University of Sharjah for hosting the event, co-organizers Crescent Petroleum and Petrofac, and all sponsors, together with speakers and delegates.