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Expert Group Meeting in Tunis on Financing Renewable Energy Projects in North Africa

Promoting Innovative Financing Mechanisms Is Key to Boost Renewable Energy

In its endeavour to support the efforts of Member States for the development of renewable energy (RE) in North Africa, the Office for North Africa of the United Nations Economic Commission for Africa (ECA) launched in 2011 a project on innovative and sustainable financing of renewable energy (RE), which aims to establish a knowledge base on these mechanisms and strengthen regional cooperation.

A study on "Innovative financing mechanisms for renewable energy in North Africa" conducted by the Office underlined the inadequacy of existing regulatory measures which remain unattractive, as well as the limitations of conventional financial systems, especially when it comes to small scale social projects. Highlighting the main experiences that have been undertaken in the region, as well as lessons learned from international experience, the study has also identified the good practices that have been implemented in this area by some countries, while offering a range of options which are tailored to the specificities of North Africa region.

The study called also for funding based on Public-Private Partnership, and for the mobilization of financial resources that are predictable and stable through specific mechanisms that combine different incentives, according to the nature of the projects and the level of risk they would entail. It also emphasized the importance of technical and financial partnership to meet the needs of local industrial development (in terms of research, technology transfer, local capacity building), which is part and parcel of the strategies that have been developed so far to promote the renewable energy sector.

In order to share the findings of this new study with various stakeholders, and exchange information and views on the good practices that have been identified, the ECA Office for North Africa is holding an ***Expert Group Meeting in Tunis (Tunisia), from 3 to 5 October 2012 (Novotel Hotel)***, expected to bring together experts from North Africa region, as well as representatives of national institutions, regional and international organizations, regional projects and various banking and financial institutions. The private sector, the UN system and development partners will also be represented.

The specific objectives of the meeting are:

1. To analyze the challenges of financing renewable energies in the region and share successful experiences in this field, through broader consultation between public and private operators, financial institutions, and development partners who are involved in this sector;
2. To formulate concrete recommendations for the adoption of innovative financing instruments on the basis of the good practices showcased in this study, the various experiments to be expounded during the meeting and the discussions that will take place.

It is to be recalled that in the framework of this same project on innovative financing mechanisms for renewable energy in the region, the ECA Office has published a landmark study on the situation of renewable energy in North Africa that highlighted the important potential the region boasts in this area, as well as its contribution to the energy mix which is still marginal, though.

Additionally, the study focused on challenges experienced by this sector, but also on the crucial breakthroughs and the economic, social and environmental dividends they have generated. The study called upon countries in the region to sustain the reforms they have already undertaken so as to create the necessary conditions for a greater involvement of the private and banking sectors in financing renewable energy projects, and the establishment of a regional market.

It is within this context that ECA's Office for North Africa intervenes. Its aim, as stated by its Director Mrs. Karima Bounemra Ben Soltane, is to "work towards creating a regional cooperation dynamics through this promising sector of renewable energy, which needs further boosting within the broader perspective of regional development that is integrated and sustainable."