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Committee on Energy  
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Item 6 (d) of the provisional agenda

**ACTIVITIES FUNDED BY EXTRABUDGETARY SOURCES**

**Introduction**

1. In order to achieve the objectives of the programmes of work of the Economic and Social Commission for Western Asia (ESCWA) in the field of energy and respond to the consequent need for the development of the national capabilities of member countries in that field, a number of additional practical and field activities must be implemented. However, the approval and implementation of such activities requires additional, extrabudgetary sources of funding. Therefore, ESCWA has expedited efforts to prepare proposals for projects that are among the additional activities of the Sustainable Development and Productivity Division (SDPD) and has sought funding for them from various parties.
2. This document reviews the efforts expended by ESCWA in order to obtain extrabudgetary funding for the project to disseminate renewable energy applications in rural and remote areas of ESCWA member countries, which the Division prepared as one programme of the Renewable Energy Promotion Mechanism (REPM). The project proposal was presented to the Committee at its third session. A summary of project objectives, components and proposed funding sources is provided in annex I.

**The situation with regard to extrabudgetary funding sources for  
activities in the field of energy**

3. Funding from extrabudgetary sources is not currently available for energy programmes in ESCWA, with the exception of partial funding for the project to disseminate renewable energy applications to rural and remote areas of ESCWA member countries. The total cost of that project is estimated to be some US\$ 2.1 million, apportioned as outlined in annex I. Because that sum is greater than the funding available from its regular budget, ESCWA has expedited efforts to obtain funding for project activities from various relevant regional and international sources. Those sources include the following:

*1. The ESCWA Trust Fund\**

4. The Division was successful in obtaining funding for the project from the ESCWA Trust Fund. It presented the project as an integrated proposal to the Fund Committee, which approved it in principle and agreed to allocate the sum of \$70,000 in three years of the life of the project. It also requested that a proposal should be prepared for the first year of the project which, being the year in which project activities would be inaugurated would require additional sources of funding to be sought for the activities that would be

\* The Trust Fund was established by ESCWA with contributions from member countries in order to implement the activities funded by extrabudgetary sources. In its resolutions 45 (IV) and 79 (VII), ESCWA urged member countries to increase their financial contributions in order to enable the secretariat to respond to the growing need in this field.

implemented during that year. The Committee approved the Division proposal and allocated a total contribution for the first year of \$30,000, to be allocated to the following activities:

- (a) The development of project activities and the inauguration of implementation (\$2,000);
- (b) A survey of renewable energy applications (\$4,000);
- (c) National capacity-building in respect of wind energy (\$8,000);
- (d) Activities in the field of national capacity-building for the use of renewable energy in southern Lebanon (\$10,000);
- (e) Second regular REPM follow-up meeting (\$6,000).

## *2. Other sources of funding*

5. In an effort to supplement funding for the project, the Division prepared subsidiary proposals in order to obtain partial funding for project activities and presented them to various pertinent funding sources. Those included the United Nations Educational, Scientific and Cultural Organization (UNESCO), the African Development Bank (ADB), the International Labour Organization (ILO) and the United Nations Fund for International Partnerships (UNFIP), as outlined in annex II. Measures to obtain the additional financial support required from those and other parties will be followed up during the first year of the project.

## *3. Contributions from member countries*

6. The estimated value of contributions requested from member countries is some \$220,000, including local commitments to implement various activities and services requested by member countries.

7. In this regard, it is hoped that the Committee on Energy will consider supporting the efforts of ESCWA by promoting its activities in the field of energy and assisting it to obtain the financial contributions necessary for their implementation, with particular regard to services requested by member countries.

## Annex I

### **PROJECT SUMMARY**

#### **DISSEMINATING RENEWABLE ENERGY IN RURAL AND REMOTE AREAS IN ESCWA MEMBER COUNTRIES**

##### **Introduction**

1. Pursuant to ESCWA objectives in the field of energy, namely, increase the supply of energy to remote areas in order to ensure their development potential, and in view of the development of renewable energy technologies at applied level, particularly those which are used in rural and remote areas where it is difficult to supply fuel or electricity through existing networks, ESCWA has prepared a project proposal on the dissemination of renewable energy applications in rural and remote areas in ESCWA member countries. The objective of the proposed project is to support potential for sustainable development in rural and remote areas.

##### *1. Project objectives*

2. The objective of the project is to build national capacities in the field of renewable energy and disseminate renewable energy applications, particularly in rural and distant areas. Such applications are a means of providing those areas with the basic components for economic and social development and the alleviation of poverty. They may also reduce the burden on women through: (a) ensuring local energy services in poor areas, thereby contributing to the improvement of production potential and health and education services; (b) increasing clean, local sources of energy and enhancing development opportunities for women and reducing their suffering; (c) conserving the environment by reducing the use of polluting energy sources and converting to the use of clean sources; (d) providing the private sector with the opportunity to establish small projects in this field, through campaigns to increase the awareness of those concerned with the investment opportunities available in the field of renewable energy; (e) local and national capacity-building with regard to the production, assembly and operation of renewable energy equipment; (f) creating employment opportunities for local workers by increasing training activities in the marketing, installation, operation and maintenance of equipment.

##### *2. Basic project activities*

3. Project activities focus on four main areas. The subsidiary activities in each main area vary according to the potential for achievement of the desired objectives. The main areas of activity are as follows:

(a) A survey to evaluate application potential and volume of demand for various renewable energy applications;

(b) A regional awareness campaign on renewable energy and the potential for achieving sustainable development;

(c) A local and national capacity-building project in the various fields necessary to support the dissemination of renewable energy and the establishment of small factories and maintenance companies for equipment;

(d) The implementation of a number of practical projects in rural Yemen, as a model for targeted areas.

##### *3. Duration and required budget*

4. The project will be implemented over four years and it is estimated that total budget of some \$2.1 million will be required, to be obtained from the following sources: (a) an ESCWA contribution of \$255,000, including \$165,000 from the regular budget and \$90,000 from the ESCWA Trust Fund; (b) contributions from other donors to the value of \$1.605 million; (c) \$220,000 from beneficiary member countries; and (d) a further \$40,000 to be provided by end-users.

## Annex II

### **PROPOSALS FOR SUBSIDIARY PROJECTS AND RELATED ACTIVITY SUBMITTED TO DONORS**

Donor	Subsidiary project title	Area of concern of funding sources and beneficiaries	Project activities related to donor invest <sup>a/</sup>
UNESCO	Dissemination of renewable energy applications in remote villages in ESCWA member countries	Support for research, the raising of awareness and building practical training capacities, particularly in fields relating to the international programme for solar energy supported by UNESCO	Activities (b) and (c) and in particular, those relating to the dissemination of knowledge and academic capacity-building in this field
ADB	Improvement of the situation of women and poverty alleviation through the dissemination of alternative energy services to remote areas in the ESCWA region	Strengthening rural development, eradicating poverty and increasing income  The bank has responded in principle to a programme for funding energy services to systems with limited capacities; project activities are consistent with the activities of the proposed project, which it approves	Activity (b), with regard to rural women in particular; activity (c) with regard to increasing income; activity (d) with regard to small projects to respond to the needs of rural areas
ILO	Capacity-building in small and labour-intensive energy production institutions in rural areas	Creation of employment opportunities and capacity-building for small and medium-sized enterprises in order to increase family income and support local capabilities	Activity (c), with particular regard to the establishment of small industries and service companies for the maintenance of equipment; activity (d), with regard to training workers in connection with pilot projects
UNFIP	Dissemination of renewable energy applications in remote villages in ESCWA member countries	Child health; and environmental protection and women's issues  Alleviating poverty in remote areas by providing basic needs for sources of energy, particularly electricity	Activities (a) to (d) and all their objectives
EU	Dissemination of renewable energy applications in remote villages in ESWCA member countries	The development of renewable energy sources and their applications	Activity (a), with particular regard to the assessment of the available markets; activities (b) and (c), with regard to training activities and the establishment of small industries; activity (d)

<sup>a/</sup> Activities are referred to using the letters employed in annex I.