

# **GROUP EXERCISE**

## TO DETERMINE SPECIFIC FOCUS OF AE-NETWORK IN 2016

### **GROUP THREE**



## GROUP 2 - ENERGY EFFICIENT PRODUCTION: DRIVING A MORE SUSTAINABLE INDUSTRIALIZATION

- 1 Read introduction text about theme
- 2 Read and discuss “Why is this a Business Case and Why Should Business Organisations Engage”
- 3 Read and discuss Sample Solutions
- 4 Rate the Sample Solutions to find the most important
- 5 Brainstorm, discuss and describe in detail how the AE-Network in 2016 can work with the selected, most important solution
- 6 Present suggestions for AE-Network in plenum (5 min. per Presentation)
- 7 In plenum: Vote to find the specific focus on the AE-Network in 2016

## GROUP 2 - ENERGY EFFICIENT PRODUCTION: DRIVING A MORE SUSTAINABLE INDUSTRIALIZATION

### INTRODUCTION TEXT

#### ENERGY EFFICIENT PRODUCTION: DRIVING A MORE SUSTAINABLE INDUSTRIALIZATION

Industrial production is a key area of human activity. Due to its multi-dimensional importance, it is strongly linked to the three pillars of Sustainable Development: economic competitiveness, social importance (employment, quality of life), and environmental impact. Because of its immense importance, it plays a particularly important role in green transition of our societies.

One goal of industrial ecology has been argued to be to change the linear nature of our industrial system, where raw materials are used and products, by-products, and wastes are produced, to a cyclical system where the wastes are reused as energy or raw materials for another product or process. Needless to say, this requires numerous processes and involves many challenges – but also significant opportunities for society and companies alike.

Recognizing the importance of sustainable industrialization the UN included this as one of the SDGs, number 9. This goal includes ambitions of employment creation, financial service creation, scientific research enhancement, infrastructure development and much more.

The room for improvement is always the largest room – but how to best tackle the sustainable industrialization in the MENA?

### WHY IS THIS A BUSINESS CASE AND WHY SHOULD BUSINESS ORGANISATIONS ENGAGE?

US Energy Secretary Steven Chu has stated that energy efficiency is one of the lowest cost options for reducing US carbon emissions. *“There are indeed 20-dollar bills lying on the ground all around us. We only need the will – and the ways – to pick them up”* he says. One way is increasing the usage of solar and wind energy. These do not need water for cooling and produce no emissions. Moreover, installations producing renewable energy can be directly set up in those regions that need it, and thereby makes a widespread transmission infrastructure superfluous.

Late Hermann Scheer, member of German parliament, who spearheaded Germany’s feed-in tariffs for renewable energy said, *“The conclusion is inescapable: investments in renewable energy today are the only chance to reach a cost-effective energy supply for everyone everywhere.”*

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### CASE: A NEW GREEN INVESTMENT FUND IN DENMARK

The Danish Green Investment Fund was established in 2014 as an independent state loan fund with the purpose of co-financing economically viable projects that facilitate and support the sustainable development of the Danish society. Privately held companies, non-profit housing associations and public sector companies and institutions (with budgets separate from the municipalities, regions and the state) can apply for a loan from the fund. The fund seeks to bridge the gap between traditional bank financing and equity capital. The individual loans have a maximum maturity of up to 30 years, and the fund is generally able to finance up to 60 per cent of the total costs associated with the given project. The fund was established as part of the agreement “A Greener Denmark” from 2014 and has a net capital of up to DKK 200 million (around 30m USD) as well as a state guaranteed lending limit of up to DKK 5 bn (around 730m USD) in capital to co-finance projects within following areas:

- Environmental savings
- Renewable energy sources
- Resource efficiency

Individual projects are evaluated on the basis of four funding criteria: green effect; healthy economy, scalability; socio economic return.

The fund is already very popular amongst Danish companies. After only a few months of dialogue with companies and other stakeholders, the fund has established that the total financing need amounts to 0,5bn DKK (73m USD).

## SAMPLE SOLUTIONS

**Boost green finance:** governmental commitment is essential in a green transition. Business organisations have an important role as they can advocate for enhancement of existing financial instruments or establishment of new ones. Moreover, business organisations play an important role in informing their members about existing instruments.

**Push for energy management standards:** using energy efficiently helps organisations and companies to save money and as well as helping to conserve resources and tackle climate change. ISO 50001 supports organizations in all sectors to use energy more efficiently, through the development of an energy management system (EnMS). This can amongst other things help to develop a policy for more efficient use of energy, fix targets and objectives to meet the policy, measure results and continuously improve energy management.

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**Supporting energy generation from waste:** There are massive investment to be made from waste-to-energy projects. Denmark was the first country in Europe to introduce a ban on landfilling of waste suitable for incineration. This has proven to be a major benefit to the Danish economy and the environment. The municipalities are responsible for the management of all waste. They control the flow of commercial and industrial waste to assigned treatment and disposal facilities – this sorting is top priority to gain from the resources from the waste. The residual waste is either incinerated at waste-to-energy facilities or, as the last resort, landfilled. A ground-breaking total of 93% is recycled or incinerated at waste-to-energy plants. Environmentally friendly electricity and district heating are produced from this waste, corresponding to the energy consumption of approximately 400,000 households. The existing legislation on environmental protection, heat and electricity supply ensures favourable framework conditions for waste incineration in Denmark. This has made Denmark the country in Europe that incinerates the greatest amount of waste per capita—under very strict environmental regulations.

### RATING

WHAT IS THE NEXT CRUCIAL STEP IN FIGHTING MENA CITIES' AIR POLLUTION? GIVE YOUR RATING FOR THE ANSWERS BELOW AND SHARE YOUR THOUGHTS IN THE COMMENTS.

Solution	Rating (1-5)	Comments
Boost green finance		
Push for energy management standards		
Supporting energy generation from waste		

SELECTED SOLUTION: \_\_\_\_\_

## BRAINSTORM, DISCUSS AND DESCRIBE

HOW CAN THE AE-NETWORK WORK WITH THE SELECTED SOLUTION IN 2016 TO FIGHT THE AIR POLLUTION IN THE CITIES ACROSS MENA?

- **Brainstorm:**

- Considering what is realistic within one year and considering the capacity and mandate of the AE-network, what would be the most valuable way for the AE-network to work with this topic?
- How can AE-members share knowledge and best practice in this field?
- What would be the desired output and outcome of the work of 2016 of the AE-network? Please be specific.

- **Discuss:**

- Should the AE-network work with this through service provision to its member companies and/or through development of a common policy position?
- How should the AE-members work together on this?
- How should the action be communicated and promoted?
- Which action could give good business benefits?

- **Describe (to be presented in plenum):**

- What concrete action do you suggest for the AE-network 2016?
- What would be the concrete goal/objective of this action? (within 2016 and on the longer run)
- Who should be the lead on this action?
- What should be done by members and the Secretariat respectively until next working group meeting?
- Other considerations



*You should write your work on a laptop. Arabic or English.*

*Please prepare for your presentation in plenum, which should take no more than 5 minutes.*