

# Results of Lebanon's National Energy Efficiency and Renewable Energy Action (NEEREA)

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Energy Efficiency Policies for the  
SEMED/ Arab Region  
Amman, Jordan- 15 April 2013

# Policy Framework

Government of  
Lebanon

- “ [...] The reduction in energy demand through the use of energy conservation measures and renewable energy applications”
- “[...] The setup of a national road map built on environmental concepts to reach **12% of renewable energy by the year 2020**”

Ministry of  
Energy and  
Water

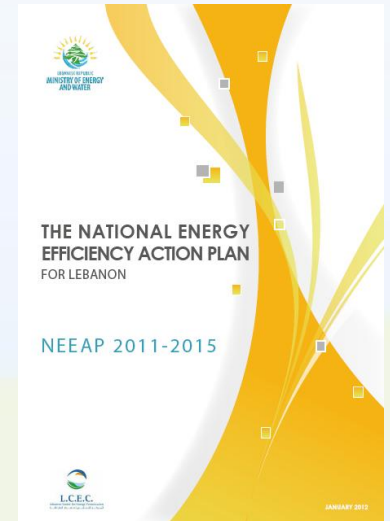
- “ [...] Demand growth control in order to save a minimum of 5% of the total demand”
- “[...] Commits to launching, supporting and reinforcing all initiatives to adopt the utilization of renewable energies to reach 12% of renewable energy”

LCEC

- “ [...] NEEAP includes 14 initiatives in the energy efficiency and renewable energy sectors for the period 2011-2015”

# Lebanon's NEEAP

- NEEAP approved by the Ministry of Energy and Water in December 2010, and the Council of Ministers in November 2011
- Lebanon's NEEAP includes 14 initiatives:
  - EE (4)
  - RE (6)
  - Finance, legal, and awareness raising (4)
- Initiative 11: Financing Mechanisms and Incentives
  - *"This initiative aims to provide proper financing mechanism in order to promote the use of energy efficiency and renewable energy. This is mainly linked to the collaborative work with the Ministry of Finance and the Central Bank of Lebanon."*



# NEEREA is the National Energy Efficiency and Renewable Energy Action

- NEEREA is a national financing mechanism initiated by the Central Bank of Lebanon in collaboration with the Ministry of Energy and Water, the Ministry of Finance, UNDP, the European Union (EU), and the LCEC.
- NEEREA allows private sector entities (individuals, SME's, or corporate bodies) to apply for subsidized loans for any type of EE and/or RE projects.
- NEEREA covers loans by any Lebanese commercial bank with 0.6% interest rate and a repayment period of up to 14 years, in addition to a grant amount released after the project is implemented.

# Architecture of NEEREA



- MEW sets the strategic guidance and priority in energy efficiency and renewable energy



- As the national financing institution, BDL sets the framework of operation and offers benefits to banks



- MoF defines the subsidies on interest rates for the different sectors of the economy



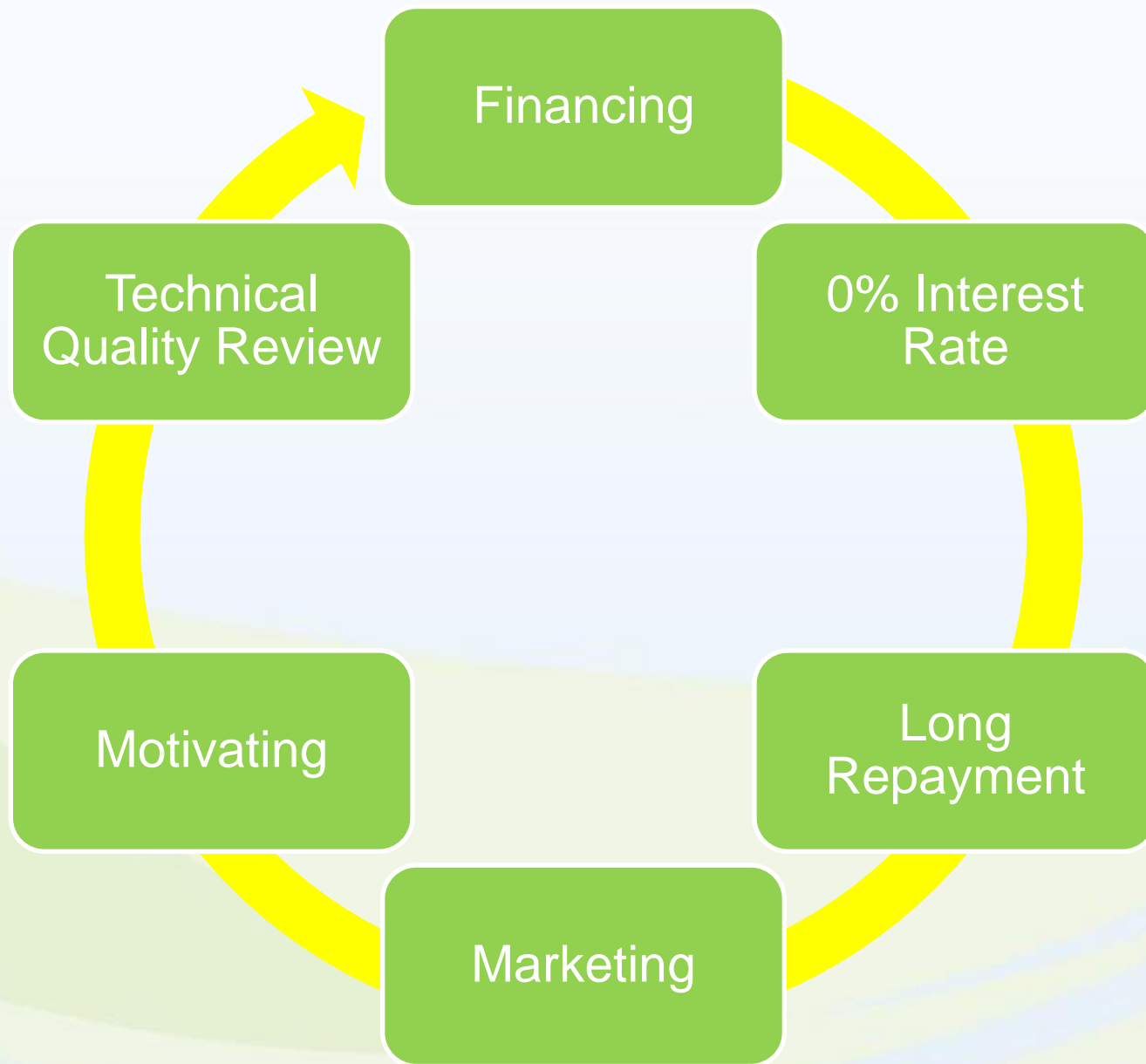
- EU has offered BDL a grant of 12 Million Euros to encourage SME's in applying for NEEREA



- UNDP partnered with BDL to offer technical support, training, marketing, and awareness raising activities



- LCEC is the technical consultant to BDL, reviewing loan applications, and setting quality control criteria



Momentum, Initiative, Action.. NEEREA

# Notes and History

- **A need for Parents:** NEEREA is a national momentum including many players
- **A comprehensive approach:** NEEREA is not only about financing, it is also about marketing, training, and motivating
- **Tailored to fit:** NEEREA was built on existing financing mechanisms, but was modeled to the EE and RE sectors

## Circular 197

- In 2009
- Environmental Loans

## Circular 236

- In 2010
- Energy and Environmental Loans

## Circular 313

- In 2013
- Energy with focus on energy efficiency, certified green buildings, and renewable energy

# Timeline for Energy Audits

2006

Energy Audits  
100% funded by  
UNDP

2008

70% by UNDP  
30% by Beneficiary

2009

50% by UNDP  
50% by Beneficiary

Starting 2010

100% by  
Beneficiary, **but  
can be included in  
the NEEREA loan  
application**





International College, Beirut,  
Educational  
Loan amount: 22 Million USD  
LEED Gold (first LEED certified  
building in Lebanon)



ACE Engineering  
Headquarter, Sin El Fil,  
Commercial  
Loan amount: 3.7 Million USD  
LEED Gold



Khauli Building,  
Hamra,  
Residential  
Loan Amount: 2  
Million USD  
EE and RE

Yarze 1674, Yarze, Residential  
Loan amount: 2.3 Million USD  
BREEAM Very Good



# Till date...

- More than 70 loans approved with a total of 90 million USD
- Around 20 projects in the pipeline with a total of 48 million USD
- 3 types of loan size:
  - Tower XYZ: 22 Million USD
  - Mall XYZ: 13 Million USD
  - Geitawi Hospital: 230,000 USD
  - Hotel XYZ: 214,000 USD
  - Residential houses: ranging from 5,000 to 24,000 USD

# Moving Forward

- In January 2013, BDL has dedicated 90 Million USD to the NEEREA
- In March 2013, the amount was increased from 90 to 150 Million USD
- A new credit line by EIB and Afd with a total of 65 Million Euros will be initiated in 2014

# NEEREA for Solar Water Heaters

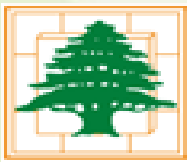
Policy and Finance

Info & Marketing

Technical and Pilot Projects

Quality Control

CoM Decision No. 59-  
10 March 2010

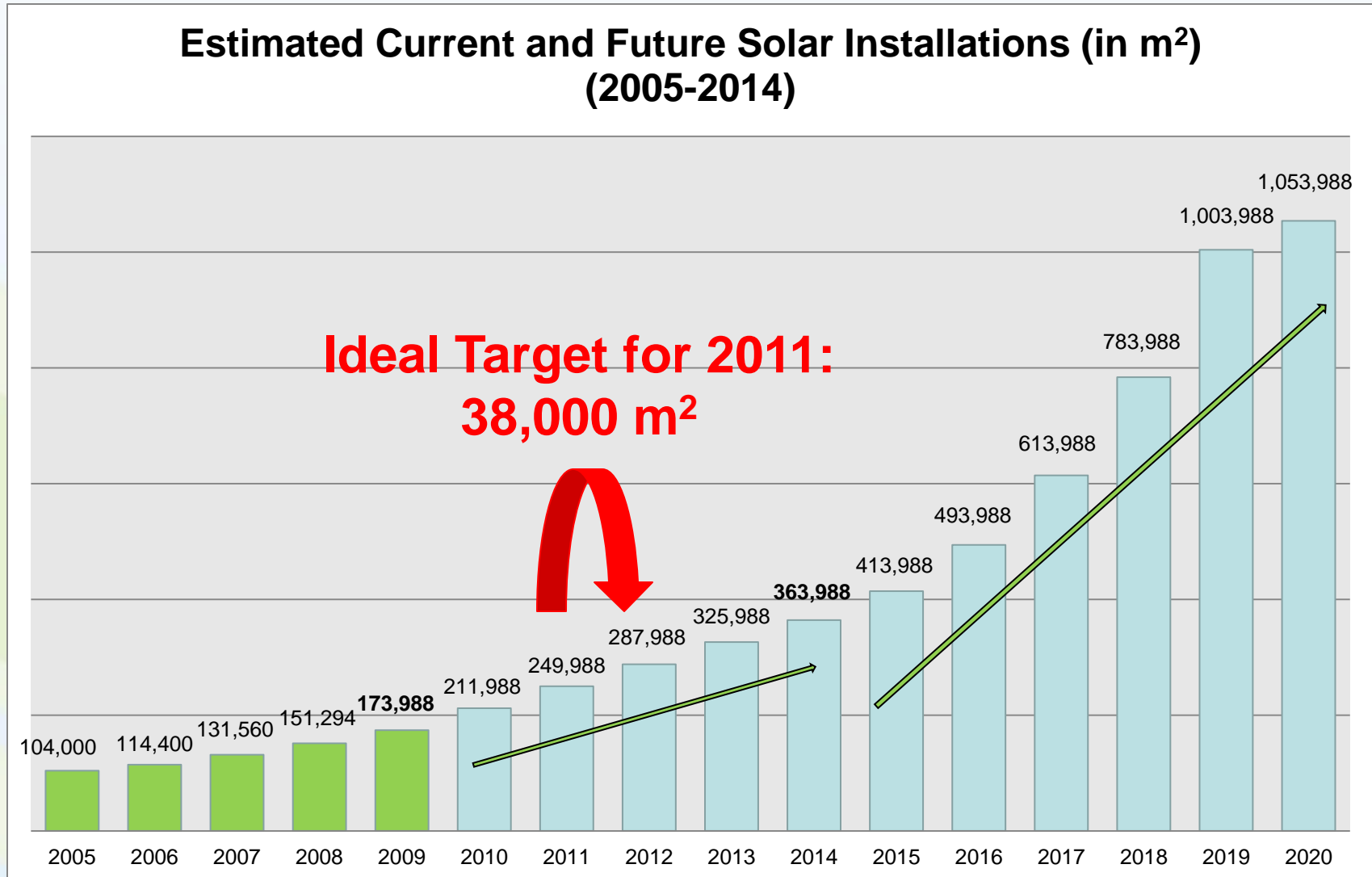


SWH Loan with 0% int.- 5 years  
200 USD Grant Subsidy



List of Qualified  
Companies

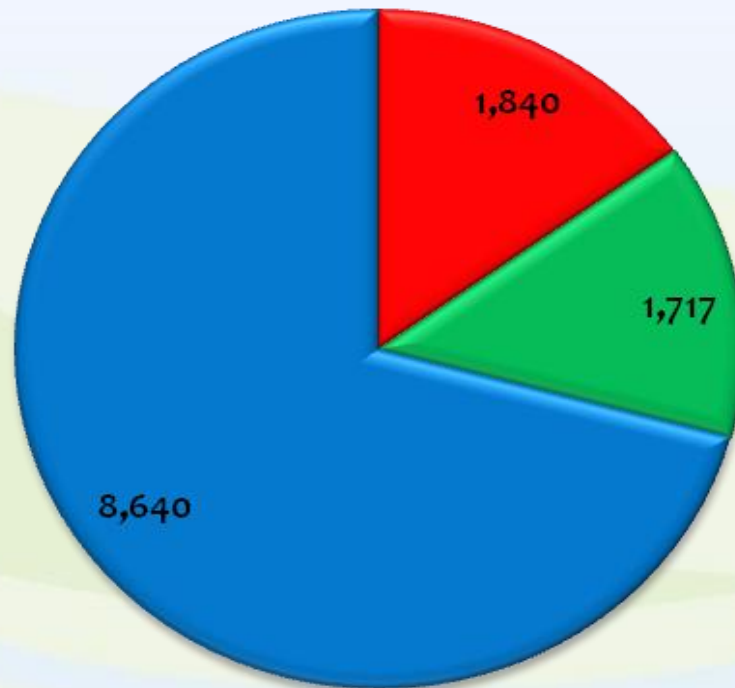
# Ideal Projected Estimations



**12,197** solar water heaters are installed in the residential sector of Lebanon in 2011.

The estimated market value for solar water heaters in Lebanon reached **18,131,183 USD** in 2011.

■ Loan ■ Loan with Subsidy ■ Cash Payments



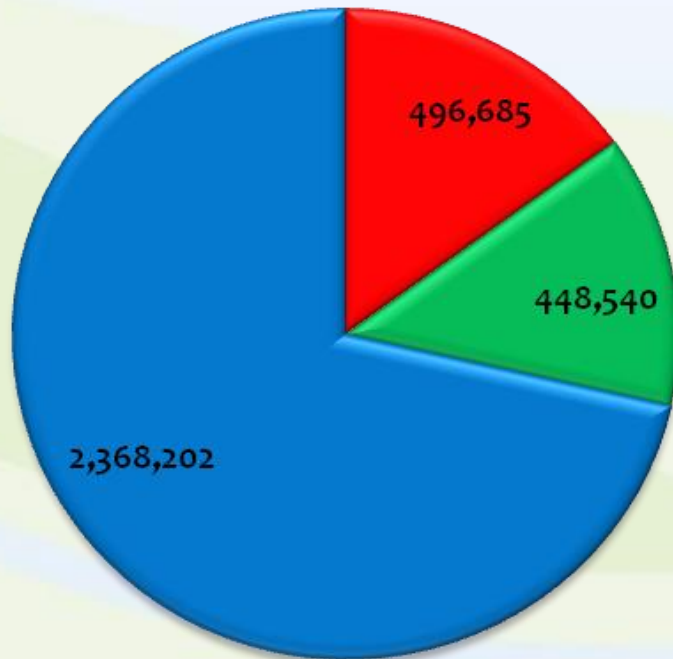
**3,557 citizens**  
benefitted from  
interest-free loans

# Ideal Versus Real

**Ideal Target for 2011:  
38,000 m<sup>2</sup>**

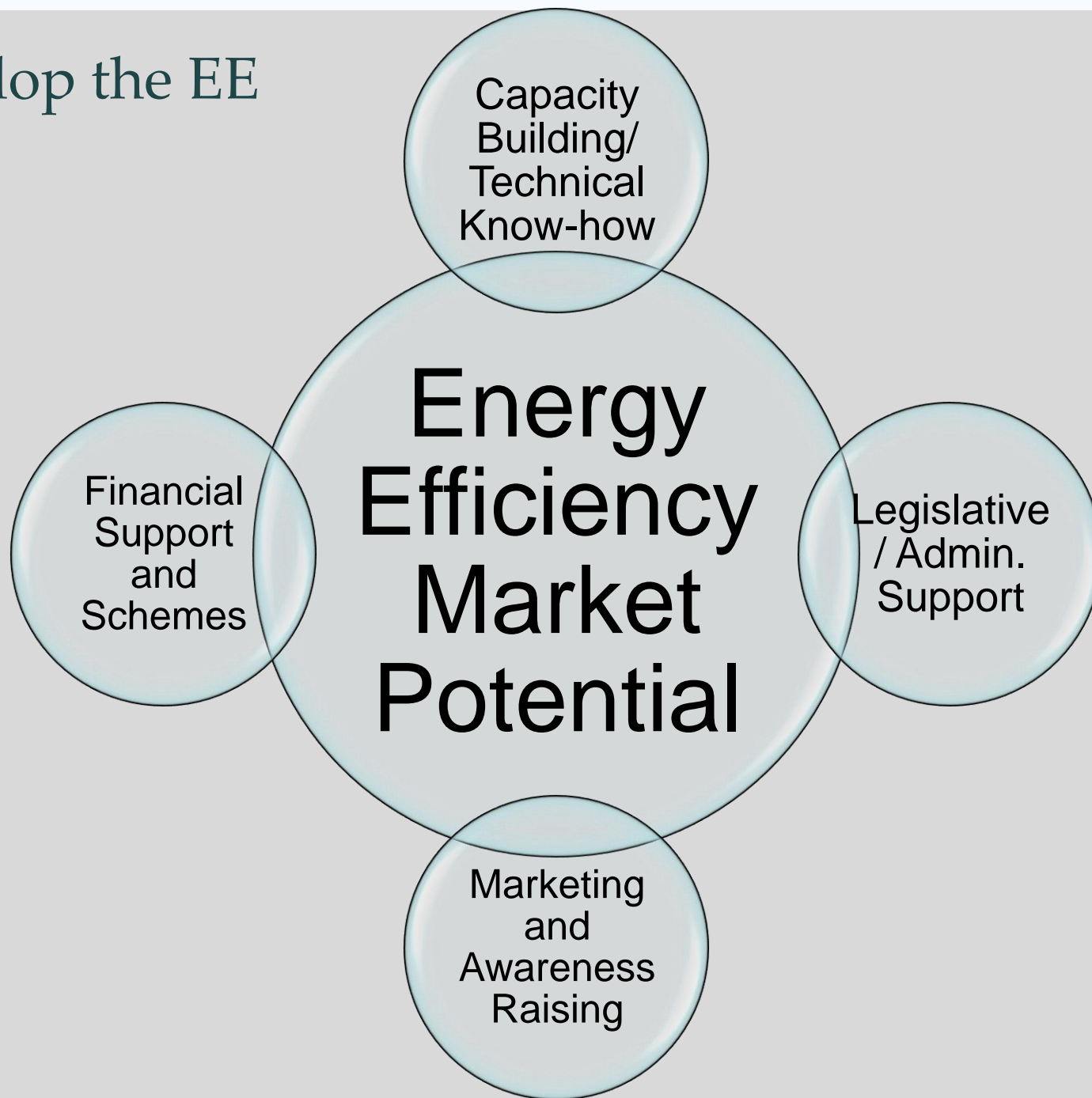
**Actual Real  
Target in 2011:  
43,500 m<sup>2</sup>**

■ Loan ■ Loan with Subsidy ■ Cash Payments





To develop the EE  
market:





# Conclusion

Since 2008

National economy driver is **real estate**

For the next years...

Lebanon's economy driver would (probably) be **green energy**

# Thank You!

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