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The European Union and PENRA host the final workshop of the study for the restructuring of the Hydrocarbon sector of Palestine

The European Union and the Palestinian Energy and Natural Resources Authority organized today the final workshop of the study for the restructuring of the Palestinian Hydrocarbon sector. The workshop was held at PENRA office in the presence of the PA Energy sector stakeholders and donor community.

Through this 19-month EU funded project, the Palestinian Authority roadmap for the restructuring of the hydrocarbon sector has been designed and discussed. This roadmap comes in line with the Palestinian Authority priorities that were also adopted by the EU Strategic Support Framework 2014-2016 for Palestine. The roadmap identifies clear roles, responsibilities and mandates for the different hydrocarbon sector institutions. This ensures a framework that is harmonised with the most recent institutional set up and operationalization of the electricity, renewables and energy efficiency subsectors.

"*Palestinian energy security is and will continue to be a concern for the European Union. We believe that an efficient Palestinian energy sector is crucial for Palestinian development and economic prosperity. An increase in the diversity of energy resources, suppliers, and routes available will enable the Palestinian Authority to provide reliable and affordable services to Palestinians" said the* ***EU Head of Cooperation Alessandra Viezzer*** *"In the last few years, the EU has supported a number of initiatives in the energy sector including the institutional set up and operationalization of the Palestinian Authority Electricity Sector, and the update of the Sustainable Energy Strategy 2015-2020. Today we are concluding the study for the restructuring of the Hydrocarbon sector of Palestine. PENRA is presenting a major achievement of the study which is the Sustainable Energy draft law. This Law sets a legal framework for the Energy sector and identifies the roles, mandates and responsibilities of the different entities involved in the sector. This comes in line with our continuous support to the energy sector in Palestine.* "

PENRA, in the aim of consolidating the policy and legal framework of reference for the Energy sector, has also worked together with the EU technical consultants to update the Energy Strategy 2011-13 to ensure that all aspects of the newly designed hydrocarbon sectoral reform are included. The draft of the updated Energy Strategy has the horizon 2020 and has been enhanced with

recommendations for new policies, incentives, mechanisms adequate to the sustainable and integrated planning of the Energy Sector.

The sectoral planning could be assisted by a planning and analysis tool and information management system, whose technical specifications were also developed during the assignment. As of August 2015, PENRA jointly with all relevant PA institutions, among them the Ministry of Finance and Planning and the Environmental Quality Agency, are working on drafting the Sustainable Energy Law.

The energy situation in Palestine differs from the situation in other countries in the Southern and Eastern Mediterranean due to the limited availability of primary energy resources, financial constraints, and the particular political considerations in the area. In addition, Gaza's isolation presents technical challenges in transporting, storing, importing and exporting energy. Palestine is heavily dependent on Israel for meeting its energy requirements. Almost all petroleum products and most of the electricity are imported from Israel and the possibility of diversifying the energy imports from other countries is currently limited. Moreover, the difficult access to energy reflects on the PA debt sustainability, its capacity to ensure uninterrupted provision of basic services to its citizens, and critically affecting the level of response to the Gaza energy and water crisis.

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