CLIMATE CHANGE LEGISLATION IN

SAUDI ARABIA

AN EXCERPT FROM

The 2015 Global Climate Legislation Study

A Review of Climate Change Legislation in 99

Countries



Michal Nachmany, Sam Fankhauser, Jana Davidová, Nick Kingsmill, Tucker Landesman, Hitomi Roppongi, Philip Schleifer, Joana Setzer, Amelia Sharman, C. Stolle Singleton, Jayaraj Sundaresan and Terry Townshend

www.lse.ac.uk/GranthamInstitute/legislation/







Saudi Arabia

Legislative Process

Saudi Arabia is a monarchy based on Islam. The government is headed by the King, who is also the commander in chief of the military. The King governs with the help of the Council of Ministers, also called the Cabinet, which is drawn from 22 government ministries.

The King is also advised by a legislative body called the Consultative Council. The Council proposes new laws and amends existing ones. It consists of 150 members, who are appointed by the King for four-year terms that can be renewed. The country is divided into 13 provinces, each with a governor and deputy governor. Each province has its own council that advises the governor and deals with the development of the province. Because Saudi Arabia is an Islamic state, its judicial system is based on Islamic law (Shari'ah), with the King acting as the highest court of appeal.

Approach to Climate Change

The Saudi government occupies a difficult position in the debate on climate change. On the one hand, Saudi Arabia has the world's largest oil reserves and its economy is almost exclusively based on the export of fossil fuels, which are known to be one of the major drivers of climate change. On the other hand, Saudi Arabia with its arid climate is highly vulnerable to the adverse effects of global warming and other climate change-induced extreme weather phenomena. In addition, as a fast-growing economy, Saudi Arabia is experiencing a rapid growth in demand for energy, partly due to the country's heavy reliance on energy-hungry desalination, which in turn is driven by its need for water.

Under these pressures, the government has taken steps to reduce energy consumption through policy initiatives such as the launch of a National Energy Efficiency Programme (NEEP) in 2008 and the creation of the Saudi Energy Efficiency Centre (SEEC) in 2010. Also in 2010, a royal decree established the King Abdullah City for Atomic and Renewable Energy (KACARE). KACARE

conducts research and sets and implements national atomic and renewable energy policies.

Saudi Arabia has been a member of the Carbon Sequestration Leadership Forum (CSLF) since 2005; it joined the Global Methane Initiative (GMI) in 2013; and is actively involved in the "four Kingdoms" (UK, Netherlands, Norway, and Saudi Arabia) initiative for Carbon Capture Utilisation and Storage (CCUS).

Energy supply

In 2012, KACARE announced plans to launch an ambitious Renewable Energy Programme (REP) for Saudi Arabia. Its main target is to generate 23,900MW of renewable energy by 2020 which is set to increase to 54,000MW by 2032. The majority of this (41,000MW) will come from solar power generation, both photovoltaic and solar thermal projects. For the solar programme, investments in the order of USD109bn are projected. To attract investments of this scale – for comparison, total global investments in solar energy amounted to USD136bn in 2011 – the government supports foreign investors through its Industrial Clusters programme.

In 2013, KACARE issued a white paper containing a roadmap and description of policy tools for launching the REP. At the centre of these efforts will be a Competitive Procurement Process (CPP), under which producers of renewable energy will be invited to submit bids for 20-year power purchase contracts. The process will be divided into several procurement rounds. In an introductory round, 500-800 MW will be put out to tender. This will be followed by several full-scale rounds with a capacity of 2,000-4,000 MW. For the future, there are plans to replace the CPP with a feed-in-tariff system for renewable energy. However, although initially planned for 2013, the launch of the procurement process has been delayed.

Energy demand

The most important policy in energy demand is Saudi Arabia's NEEP. Launched in 2008, the NEEP defined eight objectives, including the introduction of energy audits, energy efficiency labels, standards for appliances, and a construction code. NEEP promotes more efficient use of oil and gas and provides technical management and training. The policy aims to increase energy efficiency.

The SEEC's main focus is on making households and industrial consumers more energy efficient. Measures under its demand-side management programme include the installation of low-efficiency air conditioning units and better insulation for new buildings.

Saudi Arabia's latest report under the United Nations Framework Convention on Climate Change (UNFCCC) lists several activities in the area of energy efficiency, including the creation of the Energy Conservation and Awareness Department as part of the Ministry of Water and Electricity. The Department imposes limits on the maximum power that can be used by electricity consumers.

REDD+ and LULUCF

In the 2011 National Communication to the UNFCCC, an afforestation project to plant 500,000 trees in the city of Jeddah is mentioned.

Adaptation

In the 2011 National Communication to the UNFCCC adaptation measures in the following areas are mentioned: sea-level rise (spatial planning, sand nourishment, dune management, salt marsh management, sea grass beds and sea dikes); water resources (more accurate hydro-meteorological projections; ecosystem protection and restoration; and demand management); desert ecosystems; and biodiversity. However, according to the latest Notre Dame Global Adaptation Index, Saudi Arabia continues to have a low readiness score.

Saudi Arabia: Executive portfolio

Name of Policy	Royal Decree establishing King Abdullah City for Atomic and Renewable Energy 2010
Date	17 April 2010
Summary	The decree established the King Abdullah City for Atomic and Renewable Energy (KACARE). As an institution, KACARE is responsible for conducting research setting and implementing the Kingdom's atomic and renewable energy policies. Major KACARE initiatives include:
	 A project aimed at measuring and mapping renewable energy resources in Saudi Arabia The establishment of a Nuclear Holding Company (NHC), responsible for building and operating nuclear power plants. Plans to introduce a sustainable energy mix to Saudi Arabia.

Name of Policy	National Energy Efficiency Programme 2008
Date	2008
Summary	The National Energy Efficiency Programme (NEEP) launched in 2008 defined eight policy objectives. These include the introduction of energy audits, energy efficiency labels, standards for appliances and a construction code. Furthermore, NEEP promotes a more efficient use of oil and gas and provides technical management and training. The policy's overall aim is to increase energy efficiency (electricity) by 30 percent from 2005 levels by 2030. Also, the NEEP contains provisions to reduce state subsidies on electricity prices.

Sources

- Alyousef, Y and Abu-ebid, M., 2012. Energy Efficiency Initiatives for Saudi Arabia on Supply and Demand Sides, in: Zoran Morvaj (Ed.) Energy Efficiency: A Bridge to Low Carbon Economy, pp. 279-308.
- Center for Strategic and International Studies, 2012. Saudi Arabia's Energy Policy [http://csis.org/publication/saudi-arabias-energy-policy]. Accessed 17 November 2014.
- Chadbourne and Park, 2012. Saudi Arabia: The Future Solar Leader
 [http://www.chadbourne.com/files/Publication/ff11568b-5854-4f7d-b7dc-ab04252784ee/Presentation/PublicationAttachment/3a257684-4205-4bd4-ada2-b1e64a76ca09/SaudiArabiaSolarLeader_Steyn-Norman_Nov12_2.pdf]. Accessed 20 November 2014.
- Chatham House, 2011. Burning Oil to Keep Cool: The Hidden Energy Crisis in Saudi Arabia [http://www.chathamhouse.org/sites/default/files/public/Research/Energy,%20Environmen t%20and%20Development/1211pr lahn stevens.pdf]. Accessed 17 November 2014.
- King Abdullah City for Atomic and Renewable Energy [KACARE], 2013. Proposed Competitive Procurement Process for the Renewable Energy Program [http://www.kacare.gov.sa/cpp/]. Accessed 17 November 2014.
- Kingdom of Saudi Arabia, 2011. Saudi Arabia's Second National Communication under the United Nations Framework Convention on Climate Change [http://unfccc.int/national_reports/non-annex i natcom/items/2979.php]. Accessed 7 November 2014.
- King of the Kingdom of Saudi Arabia, 2010. Royal Decree establishing King Abdullah City for Atomic and Renewable Energy, No. A/35.
- Ministry of Economy and Planning, 2010, Brief Report on the Ninth Development Plan (2010-2014)
 - [http://fanack.com/fileadmin/user_upload/Documenten/Links/Saudi_Arabia/Report_Ninth_ Development_Plan.pdf]. Accessed 18 November 2014.
- National Industrial Clusters Program, 2013. Solar Energy Cluster [http://www.ic.gov.sa/en/industrial-clusters/solar-energy-cluster/]. Accessed 17 November 2014.
- Norton Rose, 2012. Renewable Energy in Saudi Arabia [http://www.nortonrosefulbright.com/knowledge/publications/61454/renewable-energy-in-saudi-arabia]. Accessed 17 November 2014.
- Oxford Institute for Energy Studies, 2014, Mainstreaming Climate Policy in the Gulf Co-operation Council States, OIES Paper: MEP 7, February 2014.