Sustainable energy financing key to bright future for Africa’s poorest countries

Press Release

Dar es Salaam, 5 December 2016 - Access to finance is vital for Africa’s poorest countries to develop sustainable energy initiatives and build renewable power capacity, which would contribute to ending poverty, empowering women and building resilience. At a two-day meeting of sustainable energy experts, which opened in Dar es Salaam, Tanzania today, participants highlighted the need to scale up and speed up support to sustainable energy in Africa’s least developed countries.

Reliable and affordable access to energy has the potential to transform the daily lives of those living in the world’s poorest countries and is essential for education and health, private sector development, productive capacity building and expansion of trade.

“Two thirds of those living in Africa’s least developed countries do not have access to electricity yet the majority of African least developed countries are endowed with vast reserves of renewable energy resources. These opportunities, together with new technologies, offer many solutions for gaining energy access,” said Gyan Chandra Acharya, Under-Secretary-General and High-Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. “I hope that this event will inspire new ideas on accelerating reliable access to energy and mobilizing finance bringing swift benefits to Africa’s poorest communities.”

Over the next two days government representatives from African least developed countries, development partners, the United Nations, private sector and civil society will focus on practical, workable solutions in areas including access to finance for energy initiatives, energy investment and business plans, benefitting from global energy initiatives, project preparation skills to attract investment and partnerships for sustainable energy. Discussions from the event will feed into the global follow-up process following international commitments made in 2015, including those of the 2030 Agenda and the Addis Ababa Action Agenda and the Paris Agreement on Climate Change.

The event, co-organised by UN-OHRLLS and the Government of Tanzania, with support from UNDP Tanzania, will consider many of the main constraints to accessing finance for expanding modern energy. These include lack of scale, lack of substantial local investment, institutional capacity constraints, poor or non-existent credit ratings, as well as low project preparation capacities and skills to deploy financing models that encourage blended finance to attract more funds, private and public, domestic and international. National Energy investment plans will also be highlighted as playing a critical role in paving the way forward. Grid, mini-grid and off-grid
solutions will also be reflected in the discussions as each country’s transition to a sustainable energy involves a unique mix of resource opportunities and challenges.

“Sustainable energy is central to economic growth, social progress, and environmental sustainability, as recognized in the new 2030 Agenda for Sustainable Development, which includes a standalone goal on energy (SDG7) to ‘ensure access to affordable, reliable, and sustainable modern energy for all’. Says Mr. Alvaro Rodriguez, UN Resident Coordinator and UNDP Representative, he continues “Over the past two decades, UNDP has mobilized around a total of US$ 2 billion in grant financing and for sustainable energy projects in more than 110 countries and territories worldwide. Unleashing climate finance for sustainable energy is critical to achievement of the Paris Agreement and the SDGs. UNDP supports developing countries and its partners through a market transformation approach”

There are 48 least developed countries, 32 of which are in Africa. Least Developed Countries are at the bottom of the development ladder, with very low human development, low income and economic growth and high degree of vulnerability. As such they remain at the centre of global development challenges. Reliable access to sustainable energy stands to strengthen multiple elements outlined in the Sustainable Development Goals in areas including climate action, health, education, water and food security and women’s empowerment.

Further Information: http://unohrls.org/event/energy-ldc-meeting/

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