Statement

by

M. Gyan Chandra Acharya

Under-Secretary-General
High Representative
for the Least Developed Countries, Landlocked Developing Countries
and Small Island Developing States

Opening session of the Regional Meeting of the African Least Developed Countries on Sustainable Energy

Venue: Conference Hall of Bank of Tanzania

Dar es Salaam, Tanzania
5 December 2016
10:00 a.m. – 11:00 a.m.
Honourable Minister of Energy and Minerals of Tanzania
H.E. Mr. Hukka, Ambassador of Finland to Tanzania
Mr. Rodriguez, UN Resident Coordinator, Tanzania
Excellencies,
Distinguished Delegates
Ladies and Gentlemen,

I would like to extend a warm welcome to you all to this regional meeting of African LDCs on sustainable energy. I express my warm appreciation to the Government and people of Tanzania for hosting the Regional Meeting of the African LDCs on sustainable energy in Dar es Salaam.

I am particularly grateful to the senior officials from African least developed countries, who have travelled to join us here today. This demonstrates a strong national commitment and will to achieve energy transition and reliable and affordable access to modern energy.

I would also like to welcome the development partners, representatives of the private sector and civil society as well as representatives of international organisations and development banks. It is my hope that by bringing together all stakeholders, this meeting will accelerate the implementation of the Istanbul Programme of Action, especially in reaching the target on energy, while building synergy with Sustainable Development Goal 7 on sustainable energy as well as the ambitions of the climate change agreement.

Let me say a few words about least developed countries. There are 48 least developed countries in Africa and Asia, which are at the bottom of the development ladder, with very low human development, low income and limited economic growth and high degree of vulnerability. As such they remain at the
centre of the global development challenges. These countries together have approximately 900 million population. They would like to get out of the status as early as possible.

The Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020, has the overarching goal to overcome the structural challenges faced by the least developed countries in order to eradicate poverty, achieve internationally agreed development goals and enable half the number of least developed countries to meet the criteria for graduation by 2020.

This may sound ambitious, yet it is a worthy goal, that we should achieve as early as possible. In this day and age of globalization and interdependence, and with unprecedented global capacity and revolutions in science and technology, we should not lower our ambitions.

There is a solid reason for that. Most of the LDCs are rich in natural resources and human power. They will have to transform these resources into the productive sectors with strong national leadership and equally strong global partnership. LDCs put a premium on this global support and cooperation.

Energy is among the priority areas in the Istanbul Programme of Action. But as you know LDCs have the largest percentage of the total population without access to modern energy. This tells us very clearly that there is a direct and positive relationship between energy access and poverty alleviation and resilience. Sustainable energy is at the intersection of social, economic and environmental issues. It has strong linkages to structural transformation of economy, climate action, health, education, water and food security as well as women empowerment.
The Sustainable Development Goals, adopted last year, included for the first time an internationally accepted goal on sustainable energy. This Goal 7 is a golden thread that connects all SDGs. Therefore it targets to ensure access to affordable, reliable, sustainable and modern energy for all by 2030. It also makes a special reference to the expansion of infrastructure and upgrading of technology for supplying modern and sustainable energy services, in particular in the least developed countries and other vulnerable countries. Likewise the Paris Climate Change Agreement and the Addis Ababa Action Agenda underline the importance of sustainable energy and infrastructure development and map out necessary actions.

Despite the global efforts drawing attention on energy access as part of larger development frameworks, the situation remains daunting in least developed countries, where two thirds of the population still remain without access to electricity.

Access to electricity in the 34 African least developed countries increased slightly, from 25.3 per cent of the population having access in 2010 to 29.2 per cent in 2012. From 2010 to 2012, energy access grew 1.2% annually on average. The rate of growth has been higher for the rural population compared to the urban population (2.7% and 0.9%, respectively). But we have to look at the low base from where it started. Therefore, the gap in access to electricity between rural and urban areas remains vast: in 2012, only 13.4 per cent of the rural population had access compared to 59.3 per cent of the urban population.

These numbers are from 2012 and many countries have accelerated their progress since then. Yet, we are just scratching the surface. There is so much more work that needs to be done and therefore, our message is loud and clear, we need to scale up, speed up and make our success inclusive embodied with the principle of equity.
Let me also stress here that the role of energy in structural transformation of the African LDCs is critical. Energy access, together with infrastructure development, form the two founding pillars of structural transformation. Reliable and affordable access to energy is growth and development enabler: essential for private sector development, promoting industrialization, expansion of trade and enhancing productive capacities.

Excellencies,
Ladies and Gentlemen,
We are meeting at a time when the world is facing various kinds of shocks: devastating natural disasters, public health emergencies, conflict and post conflict situations, and the impacts of climate change continue to undermine the development prospects of LDCs. But there are positive developments as well.

As the youngest and fastest-growing continent, Africa’s population will double in the coming decades to some two billion people, and demand for energy will increase accordingly. This could bring remarkable opportunities as the Africa harnesses new technologies and ignite new growth and reforms. We must ensure that the growth is inclusive and sustainable, and that the 34 African LDCs are solidly on the path to rapid and inclusive growth together with others.

The majority of African LDCs are endowed with vast reserves of renewable energy resources. This, together with new technologies, offer many new solutions for gaining energy access. The recent growth in solar and wind energy is a good example. Solar and wind energy have grown at a much faster rate compared to the other sources of renewables: from 2012 to 2014, solar energy generation (GWh) grew on average 36 per cent annually, and its capacity installed (MW) 35 per cent
annually; for wind energy, electricity generation grew 62 per cent annually and capacity installed, 39 per cent annually. This is very encouraging.

Excellencies,
Ladies and Gentlemen,
In the past four years, my Office has been carrying out activities in the area of sustainable energy to promote it in vulnerable countries. We want to make sure that LDCs will also achieve the global goals on energy. In this regard, OHRLLS has brought together the Leaders and Energy Ministers from LDCs together with development partners to discuss the challenges they face in enhancing their energy access. It has clearly emerged from these discussions that the national ownership and political will for energy transition is there, and LDCs are eager to scale-up and speed-up their energy initiatives. We are looking at access, efficiency, sustainability, finance, technology and capacity building and inclusiveness in an integrated manner.

Nevertheless, access to finance remains a key challenge for LDCs. The main constrains for accessing finance for expanding modern energy 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. In this regard, energy investment plans play a critical role in paving the way forward. The plans need to aim at increasing the viability of energy investments, lowering the associated risks and making the initiatives more “bankable and rapidly scalable”.

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If we want to achieve the goals by 2030, we need US$50 to 80 billion a year investment in Africa alone. We are nowhere near it. There is a big gap that we have to fulfill and fulfill quickly.

For this reason, we are convening this regional meeting, together with the Government of Tanzania and with the support of UNDP, to bring together key stakeholders in the African energy sector and highlighting ways to effectively put energy finance in motion for least developed countries and deliver life changing benefits to vulnerable communities.

We are meeting here in a country which has laid a great emphasis on promoting energy and has taken a number of important initiatives. We are greatly appreciative of the national commitment of Tanzania to energy sector development.

This meeting provides a unique opportunity to discuss, share experiences and best practices with colleagues and delegates from countries facing similar development challenges. We are pleased that we are joined here today by delegates from the Ministries of Energy as well as Ministries of Finance and Development and Planning.

The sessions in the next two days will discuss and offer practical, workable solutions on financing sustainable energy in the least developed countries. These will be discussed in the regional context to further advance the creation of an enabling environment for sustainable energy through cross-sectorial policy frameworks and end-to-end business models. Grid, mini-grid and off-grid solutions will be all reflected in the discussions as each country’s transition to a sustainable energy involves a unique mix of resource opportunities and challenges.

The sessions will particularly focus on:

- investment prospectuses;
- financing models and initiatives that have worked and could accelerate the energy transition in other LDCs;
- how LDCs could better benefit from the global and regional energy initiatives, and;
- sustainable energy project development capacities and requirements.

In addition, we are going to have an interactive dialogue with private sector companies and a high-level Roundtable organized jointly by UN-OHRLLS and the Africa Energy Forum on mobilizing investment and innovation for sustainable energy in Africa.

Excellencies,
Ladies and Gentlemen,

I hope that after two days of debate and discussions, the LDC delegates will return home with new ideas on how to accelerate energy access, mobilize finance and bring light to their people. I also hope that LDC governments have benefitted from interactions on creating enabling and supporting policy and regulatory frameworks to promote commercial investments, involvement of a broad range of stakeholders, including reaching out to the poorest and supporting bottom-up approaches, and sharing and learning from successful initiatives.

I appreciate the strong support that the development partners and the international and regional financial institutions have been providing to promote our collective energy goals in these countries. I hope that the development partners and private sector representatives will be energised to further expand and deepen their operations in the least developed countries.

My Office will bring back the key messages of this meeting to New York, to the United Nations High-Level Political Forum, which monitors the implementation of
the 2030 Agenda and its global Sustainable Development Goals (SDGs). This is crucial for ensuring that the specific views of those farthest behind on implementation of SDG 7 are heard at the global level and that support and resources are directed to where it is most needed with specific focus.

As you all know, the SE4All initiative launched in 2011 by the UN Secretary General is a multi-stakeholder initiative, and it is steered by an Advisory Board of high-level members from the public and private sectors and civil society. The Advisory Board is co-chaired by UN Secretary-General Ban Ki-moon and World Bank Group President Jim Yong Kim. Other members include CEOs and Heads of international organisations, Ministers from developed and developing countries and civil society representatives.

As a Member of the SE4All Advisory Board, I will also bring the main messages from LDC representatives in this meeting to the next advisory board meeting. My Office will ensure that the challenges you face in accessing finance are communicated together with the solutions that have proven to work. I will also emphasize the potential that the African least developed countries have in the energy sector and how contributions from all stakeholders are vital to end the energy poverty in African LDCs.

Before concluding, I would like to thank the Government of Finland for its generous support for the organisation of this conference. And I also thank UNDP for providing the support for organizing the conference here.

I look forward to fruitful discussions over the next two days.

Thank you for your kind attention.