



GOVERNMENT OF NEPAL



UN-OHRLLS



REGIONAL MEETING ON SUSTAINABLE ENERGY FOR ASIA-PACIFIC LEAST DEVELOPED COUNTRIES KATHMANDU, NEPAL | 22-23 MARCH 2017

Concept Note

INTRODUCTION

The acute energy gap faced by the least developed countries is a binding constraint on their structural transformation. Reliable and affordable access to energy is a key development multiplier with large transformative power. It is essential for private sector development, productive capacity building and expansion of trade and it also has strong linkages to climate action, health, education, water and food security and women's empowerment.

The Istanbul Programme of Action for the Least Developed Countries for the decade 2011-2020 (IPoA) recognizes that access to affordable, reliable and renewable energy and related technologies, as well as the efficient use and distribution of energy will be critically important for accelerating growth, improving livelihoods and advancing sustainable development. Therefore, access to energy is one of the priority areas for action in the IPoA, which includes 3 goals and targets related to energy:

- ✦ Strive to increase total primary energy supply per capita to the same level as other developing countries;
- ✦ Significantly increase the share of electricity generation through renewable energy sources by 2020;
- ✦ Enhance capacities in energy production, trade and distribution with the aim of ensuring access to energy for all by 2030.

Sustainable Development Goals included for the first time an internationally accepted goal on sustainable energy. This Goal 7 targets to ensure access to affordable, reliable, sustainable and modern energy for all by 2030. It also makes a special reference on expanding infrastructure and upgrading technology for supplying modern and sustainable energy services, in particular in the least developed countries and other vulnerable countries.

The Paris Climate Change Agreement entered into force on 4 November 2016. The Agreement reaffirmed the commitment to limit temperature increase to below 2 degrees Celsius, while pursuing efforts to limit the increase to 1.5 degrees. The agreement also established binding commitments by all parties to make "nationally determined contributions" and to pursue domestic measures aimed at achieving them. Focusing on energy efficiency and renewable energy technologies can help long way to achieve climate goals.



During the past four years, OHRLLS has actively advocated for enhanced energy access in the poorest countries. Only 34 per cent of the 900 million people living in the 48 least developed countries have access to electricity. These countries need accelerated reforms together with strong support from various stakeholders to make rapid progress in the energy sector. In this regard, OHRLLS has brought together the Leaders and Energy Ministers from these countries and discussed 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 these countries are eager to scale-up and speed-up their energy initiatives. Rapid transition to sustainable energy will require critical rethinking by LDC decision-makers and the goals need to be followed with well-planned and coordinated action based on national energy strategies. LDC governments need to create enabling policy and regulatory frameworks to promote commercial investments, get involved with a broad range of stakeholders, including reaching out to the poorest and supporting bottom-up approaches, and learn from successful initiatives.

Given the capacity and resource constraints of LDCs and the huge gap in access to modern energy, enhancement of targeted international support will be critical. Several instruments and support mechanisms exist already. However, their responsiveness to the needs, concerns and capabilities of the LDCs have to be ensured.

Access to finance remains a key challenge for LDCs. The main constraints for accessing finance include 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 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.” Project preparation facilities need to be strengthened and directed to support energy sector. This is crucial for de-risking and scaling-up the initiatives.

The regional meeting will convene senior officials and energy experts from the least developed countries of the Asia-Pacific region to discuss how to mobilize investment and improve project preparation skills to bring sustainable energy for the people living in the least developed countries. The discussions will be as practical as possible and draw on the recent success stories. The meetings will focus on the following topics:

- * The main challenges for accessing finance for accelerating energy transition, achieving SDG 7 and scaling-up the current initiatives;
- * Presentation of a case study from LDC that has already prepared its investment prospectus, analysing the investment requirements and identifying potential financing routes;
- * What are the financing initiatives and business plans that have been successful in bringing transformation in the energy sector of LDCs or other poor countries;
- * How can the least developed countries get due benefit from the global energy initiatives, including financing mechanisms? How to partner better with private sector, both domestic as well as international? How best can ODA be leveraged to effectively advance sustainable energy goals? How can international and regional finance institutions amplify their support to LDCs in a more coherent manner;
- * How to improve the project preparation capacities to build a robust project pipeline.



PURPOSE OF THE REGIONAL MEETING

The regional meeting aims at building national leadership on energy sector and creating stronger multi-stakeholder partnerships to improve access to finance. It will especially (1) showcase and discuss financing models and initiatives that have worked and could accelerate the energy transition in other LDCs as well, (2) enhance sustainable energy project development capacities in LDCs and (3) share experiences in preparing investment prospectuses and discuss best practices among LDCs. The discussions at the Asia-Pacific regional meeting will feed into the United Nations High-Level Political Forum (HLPF), which monitor the implementation of the 2030 Agenda and its global Sustainable Development Goals (SDGs), by bringing in unique views on how those furthest behind have embarked on SDG 7 implementation.

EXPECTED OUTCOMES

- a) Stronger partnerships between LDCs and all the stakeholders including the private sector and civil society established in order to achieve the targets on access to sustainable energy in LDCs;
- b) Project development and resource generation capacities of the senior officials working in the energy sector in LDCs strengthened;
- c) Lessons learnt and best practices on financing sustainable energy in the least developed countries shared and discussed in regional context to further advance the creation of enabling environment for sustainable energy through cross-sectorial policy framework and end-to-end business models.
- d) Stronger support in the energy sector from the international development partners and institutions.

PARTNERS AND PARTICIPANTS

This meeting will be organized jointly by the Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) and the Government of Nepal. The regional meeting will convene senior officials and energy experts from the Asia-Pacific least developed countries, UN system, regional organisations, international and regional development banks and development partners, both from the North as well the South. In addition, selected private sector partners from the energy and investment sectors, as well as relevant foundations and civil society representatives will be invited.