

**Draft Co-Chairs' Summary**  
**Regional Meeting on Sustainable Energy for Asia-Pacific LDCs**  
**Kathmandu, 22-23 March 2017**

The Regional Meeting on Sustainable Energy for Asia-Pacific Least Developed Countries was 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, with support from UNDP held in Kathmandu from 22 to 23 March 2017. The meeting was attended by around 150 participants including senior officials and energy experts from the Asia-Pacific least developed countries, development partners, UN system, regional organizations, development banks, and selected private sector and civil society representatives.

During the meeting, financing models and initiatives that have proven successful and can accelerate the energy transition in LDCs were presented. Many lessons learnt and best practices were shared in this regard. Also, experiences were shared on preparing investment prospectuses and how to enhance project development capacities in LDCs. The processes and techniques of preparing bankable project for the energy sector was presented by the experts and practitioners in the regional meeting.

The following key messages are drawn from the two days of extensive discussions:

1. Energy is a key accelerator for sustainable development. Access to energy is not only an end goal in itself, but also a cross-cutting means to achieve the other goals and targets of the 2030 Agenda and the Istanbul Programme of Action (IPoA). It accelerates economic growth, productivity, employment, health and education. Access to energy, particularly clean energy, can foster the implementation of the energy-related goals and other goals and targets of the 2030 Agenda. This can also accelerate the graduation of LDCs from this category, which is an overarching objective of the Istanbul Programme of Action for LDCs.
2. The Asia-Pacific region is undergoing marked changes to its economy, energy consumption patterns and energy mix. It is critical that the Asia-Pacific least developed countries can effectively transition to using sustainable sources of energy and join the rapid pace of development and progress being achieved in the region.
3. The priorities of the IPoA have also been incorporated in the SDGs, which provides an opportunity to the international community to support LDCs. The key priorities in relation to sustainable energy are deeply rooted in the 2030 Agenda. It captures access, sustainability, efficiency, finance, technology and infrastructure building with concrete and time-bound targets, putting the special needs of LDCs at its center. Therefore, specific needs of LDCs on energy should be prioritized in all international and regional energy initiatives.
4. The UN SG's Sustainable Energy for All (SE4ALL) Initiative, launched in September 2011, was appreciated. The three objectives of the SE4ALL initiative, namely universal energy access, increased efficiency and renewable energy, including its Global Tracking Framework, can catalyze major new investments to speed up the transformation of the world's energy systems. The UN-OHRLLS is playing a commendable job in mainstreaming LDCs' priorities in the SE4ALL initiative.

5. The Asia-Pacific LDCs are facing urgent and complex challenges related to access, sustainability and efficiency of modern energy services. Nearly half of them do not have access to electricity. Energy intensity is also high in the Asia-Pacific LDCs. Urgent and scaled-up efforts are needed to address this energy gap.

6. Technical capacities and know-how to guide and prepare investment prospectuses and bankable project pipelines is very limited in LDCs. They are highly dependent on regional and international organizations in this regard, which affects the timeliness and efficiency of the preparation of the prospectus.

7. Project development should have clear goals and priorities in line with national development strategies and more funds should be allocated to project preparation. Capacity building and skills development of relevant authorities are vitally important. New and innovative business models need to be explored. Inclusive financial systems are crucial to reach last mile clients. Customized and affordable financial services need to be ensured to low income households including women for accessing clean energy services.

8. The launch of the Energy Assistance Initiative by the Global Energy Interconnection Development and Cooperation Organization (GEIDCO) is duly noted. Under this initiative, GEIDCO and UN-OHRLLS will conduct projects each year in one to two LDCs to improve energy efficiency, develop clean energy and promote sustainable development.

9. While the share of renewable energy in total final energy consumption in Asia-Pacific LDCs is higher than the global average of 18.3%, this is almost entirely due to the use of traditional solid biomass. The Asia-Pacific least developed countries are well placed to rapidly transition to renewable energy sources. However, this requires a confluence of efforts by all stakeholders including governments, development partners, private sector, international financial institutions and civil society to ensure the right blend of best practices, innovative financing instruments and creative solutions that can build momentum towards sustainable energy in these countries.

10. It is important to undertake comprehensive assessment of the renewable energy resources and potential renewable energy projects for development. Renewable energy resources mapping should include solar, geothermal, wind, small hydropower and biomass. It can also be beneficial for the LDCs to develop renewable energy master plans and to prepare feasibility studies on the renewable sources of energy.

11. The renewable energy system is highly technology-intensive. However, most of these technologies are under the patented control of the developed country nationals and enterprises. LDCs therefore need access to modern energy technologies, including low or zero emissions energy technologies, on a highly concessional and preferential basis. Development partners need to enhance their support to LDCs in this area. The Technology Bank for LDCs will also play a catalytic role in this regard.

12. The Asia-Pacific LDCs face serious constraints in accessing finance for expanding modern energy, which include lack of scale, low level of substantial local investment, institutional capacity, 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.

13. Sustainable energy solutions are highly capital intensive. Available funding from domestic and international sources does not currently meet the sustainable energy needs of LDCs. It is a matter of concern that despite growing needs and large potential, the energy sector still remains neglected in the existing global partnership framework.

14. With respect to external sources of concessional financing, the issue is both about availability of finance as well as accessibility to existing funds. There is a multitude of available funds and energy initiatives but many are small and the time between application and start of a project can be long. More funding for project preparation at the early stages is required.

15. Some of the windows of external funding often require meeting various criteria, which limits the accessibility by LDCs. There is also lack of information and knowledge on the types of finance available for specific country or group of countries for energy sector development.

16. The development partners must provide increased share of ODA to accelerate modern energy infrastructure including energy production, trade and distribution. Access to mainstream commercial financial products and services should also be made more readily available for LDCs.

17. In order to expand access to energy, the allocation of a significant share of the national budget is needed. Increased budget allocation demonstrates country ownership and leadership. In this context the effects of subsidies and taxes/tariffs for renewable energy equipment need to be carefully examined.

18. The transition to sustainable energy will require critical rethinking by governments, strong support from the development partners and active participation of the private sector and civil society together with the global initiatives like effective carbon pricing within the framework of the UNFCCC. This needs to be followed with well-planned and coordinated action based on national energy and development strategies. LDC governments need to create enabling and supporting 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 share and learn from successful initiatives.

19. LDC governments also need to undertake appropriate monetary and fiscal policy and regulatory measures to promote private sector development. Lower interest and tax system and investment guarantees can foster private sector investment in the energy sector by ensuring that projects are financially feasible. Otherwise, governments need to provide subsidies to encourage private sector investment.

20. Private sector can play a major role in ensuring energy access, especially in rural and remote areas through solar household and mini-grid and off-grid solutions. There should be a comprehensive service delivery mechanism that takes care of the entire eco-system of energy services, which is technology driven and built on entrepreneurship model including installation, funding, maintenance, employment and productive use.

21. Regional cooperation is an important tool to reach the needed economies of scale to attract investments and empower domestic “green energy” entrepreneurs to participate in regional and global manufacturing and service value chains. There is a strong need for enhancing the technical and financial capacities of regional organizations to support Member States effectively in addressing the barriers for sustainable energy markets, industries and innovation. Cross-border and regional agreements and regulations for energy trade and investment need to be enhanced.

22. Financing mechanisms for “last-mile access” as well as addressing energy poverty impacting women will need to be an integral part of the way forward. Sustainable energy and women’s empowerment are mutually reinforcing. The empowerment of women to become agents of sustainable energy will be key to achieving truly inclusive and sustainable development in Asia-Pacific LDCs.