GLOBAL CONFERENCE
SCALING-UP ENERGY ACCESS & FINANCE IN LEAST DEVELOPED COUNTRIES
30-31 May 2019, Beijing, China
CONCEPT NOTE
INTRODUCTION

The Global Conference on Scaling-up Energy Access and Finance in Least Developed Countries organised jointly by UN-OHRLLS and Global Energy Interconnection Development and Cooperation Organisation (GEIDCO) will take place from 30 to 31 May 2019, in Beijing, China.

Least developed countries (LDCs) have made considerable progress in increasing access to electricity. While the average global electrification rate reached 87.4 per cent in 2016, the average access to electricity across LDCs hovered as low as 44.8 per cent, and more than half of the 1 billion people in the world without electricity live in LDCs. Reaching universal access to modern energy in LDCs by 2030 captures an opportunity for transformative change that will end energy poverty and contribute to reaching almost all Sustainable Development Goals in LDCs. Yet, this will require massive investment and a rapid change in action within the next years. Technological advances continue to generate new solutions and clean, green energy is more affordable and competitive than ever. If these advancements are combined with increased investments, least developed countries have a real opportunity to achieve SDG7 by 2030 and contribute to climate change action.

PURPOSE OF THE GLOBAL CONFERENCE

The Global Conference on Scaling-up Energy Access and Finance in Least Developed Countries will focus on concrete measures to accelerate energy access and enhance financing for sustainable and modern energy, as called for in SDG7. The Global Conference aims at building national leadership and creating stronger multi-stakeholder partnerships to rapidly scale-up access to sustainable energy. It will especially (1) showcase and discuss initiatives and financing models that can accelerate energy transition across LDCs, (2) share experiences in preparing national energy investment studies and discuss best practices among LDCs and (3) enhance regional collaboration for sustainable energy in LDCs.

The discussions at the Global Conference will feed into the Fifth United Nations Conference on the Least Developed Countries, the United Nations High-Level Political Forum (HLPF), which monitors the implementation of the 2030 Agenda and its global Sustainable Development Goals (SDGs), as well as into the Secretary-General’s Climate Summit to be held in September 2019, by bringing in unique views on how those furthest behind have embarked on SDG 7 implementation.

EXPECTED OUTCOMES

- Stronger partnerships between LDCs, their partners and the private sector established in order to achieve the targets on access to sustainable energy in LDCs;
- Enhanced knowledge on how country level sustainable energy investment plans can accelerate energy access in LDCs;
- Lessons learnt and best practices on financing sustainable energy in LDCs shared and discussed to further advance the creation of enabling environment for sustainable energy through cross-sectorial policy framework and end-to-end business models.
- Enhanced regional collaboration in the sustainable energy sector.
PARTICIPANTS AND PARTNERS

The Global Conference will be organised jointly by UN-OHRLLS and the Global Energy Interconnection Development Cooperation Organization (GEIDCO), with the support of the UN system, including regional commissions and development banks. In addition to the LDC representatives and their development partners, selected private sector partners from both the energy and investment sector, as well as relevant foundations and civil society will be invited to attend.

BACKGROUND

Least developed countries (LDCs) have made considerable progress in increasing access to electricity. Yet, more than half of the world’s 1 billion people without electricity live in LDCs. While the average global electrification rate reached 87.4% in 2016, the proportion of the population in LDCs with access to electricity was 44.8%. This data hides disparities between countries and regions, as well as urban and rural areas. In 2016, on average, 75% of the urban population in LDCs had electricity access, compared with only 31% of rural populations. These gaps are not only limited to electricity, since access to modern fuels for cooking and heating are even more restricted in these countries.

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 to reach most of the SDGs. 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. Considering the potential that sustainable energy has for the development of the least developed countries, accelerated action is needed in LDCs if Sustainable Development Goal 7 is to be reached by 2030 globally.

Reaching universal access to modern energy in LDCs by 2030 will require massive investment and a rapid change in action within the coming years. Technological advances continue to generate new solutions and clean, green energy is more affordable and competitive than ever. If these advancements are combined with increased investments, least developed countries have a real opportunity to achieve SDG7 by 2030 and contribute to climate change adaptation and mitigation.

A recent estimate puts the cost of achieving universal access to modern energy in LDCs, from US$12 billion to US$40 billion per year. Yet, financing remains limited. A 2017 UN-OHRLLS report on promoting investment for energy access in LDCs found that between 2010 and 2015, investment in sustainable energy, including from development finance institution programme support, was markedly uneven. A large majority of sustainable energy investment made in developing economies are towards non-LDCs and even within the LDCs investments are highly uneven; a large majority of sustainable energy investments go to a handful of countries. LDCs face specific challenges in mobilizing long-term financing for sustainable energy. They can rarely benefit from larger financing schemes in the same way as other developing countries because of the scale, lack of substantial local investment and institutional capacity constraints. The main obstacles regarding financing for sustainable energy in LDCs include high costs inherent to the energy sector (starting from project preparation to high initial investment costs), limited access to funding due to poor or non-existent credit ratings and lack of domestic and foreign private sector partners understanding of the business case that exists in LDC energy sector.
These factors, combined with challenges in the regulatory framework and capacity restrictions, make it difficult for the LDCs to tackle their energy challenges. Therefore, a key question to consider is what it will take to attract significant financing in the energy sector, including by the private sector with catalytic contributions of public and development financing.

The main constrains 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, national energy investment plans play a critical role in paving the way forward.

Considering the ambitious global policy objectives and acute energy gap in LDCs, rapid energy transition will require a strong push from all stakeholders, massive investments and deployment of new technologies. Building on the lessons learnt and best practices, the least developed countries will need further support in achieving this transition and the global goals on energy.

The Global Conference on Scaling-up Energy Access and Finance in Least Developed Countries will focus on concrete measures to accelerate energy access and enhance financing for sustainable and modern energy, as called for in SDG7. It will aim to accelerate the achievement of global goals and targets set in various intergovernmental agreements and documents, as highlighted below.

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.

The Sustainable Development Goals adopted in 2015 included for the first time an internationally accepted goal on sustainable energy. The Goal 7 targets to ensure access to affordable, reliable, sustainable and modern energy for all by 2030. It also makes a special reference to expanding infrastructure and upgrading technology for supplying modern and sustainable energy services, in particular in the least developed countries and other vulnerable countries. The SDG 7 is closely linked with the United Nations Decade of Sustainable Energy for All (2014-2024). Pursuant to resolution A/RES/69/231, and the Political declaration of the Comprehensive High-level Midterm Review of the Implementation of the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020, special attention should be given to the least developed countries throughout the United Nations Decade of Sustainable Energy for All (2014-2024).
UN-OHRLLS

The United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) supports groups of vulnerable countries in the United Nations System. The 47 Least Developed Countries, 32 Landlocked Developing Countries and 58 Small Island Developing States have their own special challenges. Least Developed Countries represent the poorest and most vulnerable segment of the international community. Due to an over reliance on few primary commodities as a major source of earnings, they are typically highly vulnerable to external trade shocks.

UN-OHRLLS helps coordinate and implement the Istanbul Programme of Action which assists least developed countries in areas including economic growth, poverty reduction and meeting targets laid out in the Sustainable Development Goals.

GEIDCO

The Global Energy Interconnection Development and Cooperation Organization (GEIDCO), with its permanent office in Beijing, China, is a non-governmental, non-profit international organisation. The purpose of GEIDCO is to promote the establishment of a global energy interconnection system (GEI), to meet the global demand for electricity in a clean and green way, to implement the United Nations Sustainable Energy for All and climate change initiatives, and to serve the sustainable development of humanity.

GEIDCO will promote the concept of GEI, formulate GEI development plans, promote the creation of a GEI technical standards framework, organise concerted and collaborative efforts in researches and innovations, key studies, international communication and cooperation, engineering project implementation, provide consulting services, and lead the development of GEI.