

# GLOBAL CONFERENCE SCALING-UP ENERGY ACCESS AND FINANCE IN LEAST DEVELOPED COUNTRIES



Session II

30 May 2019

14:00 – 15:30



## SESSION II

### NATIONAL ENERGY INVESTMENT STUDIES AS CHANGE MAKERS

*This session will discuss the main challenges in accessing finance for accelerating energy transition, and the role national sustainable energy investment studies can play in accelerating energy transition in LDCs.*

The 47 least developed countries (LDCs) represent the poorest and weakest segment of the international community and therefore the success of Agenda 2030 is dependent on the development of LDCs. LDCs have made progress in increasing access to energy from 12 per cent in 1990 to 45 per cent in 2016. Despite this progress, LDCs access to energy is considerably lower than the global average of 87.4 per cent, with 540.9 million of the world's 1 billion people without electricity living in LDCs. The expansion rate is still far from what is needed to achieve universal energy access by 2030.

Access to electricity in LDCs varies by regions within and across countries. In 2016, the Asia Pacific LDCs reached an average electrification rate of 73.6 per cent, while the rate in African LDCs was much lower at 30 per cent.

Considering the ambitious global policy objectives on sustainable energy and acute energy gap in LDCs, closing the gap will require strong and concerted efforts from all stakeholders, a higher level of investment in infrastructure, including a combination of off-grid / mini-grid and decentralized grid-connected solutions and deployment of new technologies to attain more hard-to-reach populations. The energy gaps are not limited to electricity, since access to modern fuels for cooking and heating is still more limited in these countries, which also require strengthened focus.

Unleashing the development potentials of sustainable energy and unblocking investment will require strong political will and a reconsideration of options by LDC decision makers. LDC decision makers must set clear goals followed by well-planned and coordinated action based on cross-sectorial national energy and development strategies. LDC Governments need to create an enabling environment with policy and regulatory frameworks that promote commercial investments. Also, improving the operation and management of public utilities through a strong institutional framework and norms and policies that promote transparency and accountability and protect customer interests will be crucial for ensuring the financial viability of larger projects in the sector. These reforms will require joint efforts from a broad range of stakeholders, including reaching out to the poorest and supporting bottom-up approaches.



Technological advances continue to generate new solutions and clean, green energy is increasingly more affordable and accessible. If these advancements are combined with increased investments, the possibility of LDCs achieving SDG7 by 2030 and contributing to climate change mitigation increases.

National sustainable energy strategies and investment studies are considered essential in increasing investment in sustainable energy to accelerate energy transition. Investment studies should be designed to provide an approach for operationalizing national sustainable energy plans and strategies towards achieving SDG 7, by identifying a set of implementable programmes and projects, including their investment requirements, that can then be presented to potential private and public investors.

This session will discuss how sustainable energy investment studies can kick start the energy transition by analysing the investment requirements and identifying potential financing routes. Sharing experiences, success stories and lessons learnt will help these countries in accelerating progress and therefore countries that have already prepared their investment studies will present their experiences. Also, the crucial role of data in preparing national plans will be discussed.

## KEY QUESTIONS TO BE ADDRESSED IN THIS SESSION

How have countries integrated national energy strategies into their medium and long-term national development planning? What are the guiding principles for success?

What have been the main challenges in preparing the investment study? What are the key lessons learnt from this process?

What is the recommended methodology for preparing national investments studies?

How can investment plans better incorporate a multi-stakeholder approach and engage with prospective financiers in regard to investment opportunities?



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