



Background note for the High-level Event on Sustainable Energy for LDCs¹ (New York, 23 September 2013)

I. Introduction

Sustainable energy holds the key to resolving the two major challenges of our time, namely poverty and climate change. Many success-stories and best-practices of how this can be done are already readily available. These are inspiring and very promising for the future, and this event will hopefully highlight some of these stories.

At the United Nations Conference on Sustainable Development (Rio+20), Member States expressed their determination “to act to make sustainable energy for all a reality and, through this, help to eradicate poverty and lead to sustainable development and global prosperity”. The commitments expressed in Rio+20 are most critical in the context of the least developed countries (LDCs), which constitute the poorest and most vulnerable group of countries in the world.

Out of the 1.3 billion people who do not have access to electricity, more than half live in the least developed countries. Currently, 79% of people in LDCs lack access to electricity and 91% of people lack access to modern fuels. In LDCs, only 27% of urban dwellers have access to modern fuels, while a mere 3% of rural dwellers have access². These rates are much lower than for other developing countries, and demonstrate the large “energy gap” faced by LDCs.

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. The Sustainable Energy for All (SE4All) initiative has the potential to substantially contribute to IPoAs objectives in the area of energy. It sets the ambitious objective of ensuring access to energy for all by 2030.

An emerging concern is that some of the recent energy initiatives have not yielded the expected benefits for the poorest.³ Therefore, LDCs and their partners need to make sure that the specific energy needs of the poorest are taken into account and incorporated in the programmes of the various initiatives working to improve access to sustainable energy.

¹ This note is intended to assist discussions at the High-level Event on Sustainable Energy for LDCs co-chaired by the President of Benin, on behalf of LDCs, and the Prime Minister of Norway (New York, 23 September 2013). It was prepared by UN-OHRLLS. Contributions were received from the SE4All secretariat and the International Institute for Environment and Development.

² UNDP 2012.

³ Mary Robinson Foundation: Meeting the energy needs of the poorest – a role for social protection, Position Paper, July 2013.

To achieve this objective, a global goal on sustainable energy along with an implementation mechanism should be established as part of the post-2015 development agenda, as was highlighted in the Global Consultations and the High Level Meeting on Energy and the Post-2015 Development Agenda held in Oslo earlier this year.⁴

This paper aims to inform deliberations at the High-level Event on Sustainable Energy for LDCs.

II. Access to energy, a weapon to fight poverty

The case for energy as being crucial for ending poverty is well-known and documented. Electricity enables children to study after dark, water to be pumped for crops, and food and medicines to be refrigerated. There are strong gender and health imperatives, too. Modern fuels for cooking and heating relieve women and girls from the time-consuming drudgery, physical strain and danger of travelling long distances to gather wood. Replacing outdated cookstoves and open fires with modern cooking solutions could save lives and prevent life threatening diseases. Exposure to smoke from cooking causes approximately 4 million deaths per year, principally among women and children, making indoor air pollution a bigger killer than malaria or tuberculosis.

Energy access will, directly and indirectly, fuel economic growth. Energy is needed to increase access to information through ICT. Access to affordable, reliable and renewable energy could be a strong entry point for enhancing sustainable development in an integrated manner in vulnerable countries since it captures environmental sustainability and social and economical opportunities for all in a most effective manner. Done in a sustainable manner, energy for all can also be achieved while curbing climate change⁵.

The transition to sustainable energy will require critical rethinking by LDC decision-makers in terms of creating an enabling environment through supportive policies and regulatory frameworks, partnerships and the involvement of a broad range of stakeholders.

III. Key issues

1. Energy access and transition to sustainable energy

What are the key challenges and considerations to energy transition in the LDCs?

Without access to modern and affordable energy, the prospect for development will remain a distant dream for LDCs. Hence, of the SE4All goals and energy related goals in the IPoA, access is by far the most important for LDCs.

An improved, affordable and sustainable energy mix, in which renewables play an increasing role, can offer LDCs real opportunities for progress. LDCs also need to expand their power infrastructure and increase capacity for energy generation, especially renewable energy, which includes, inter alia, hydro power, geothermal, tidal, solar, wind and biomass energy.

Policies and actions for energy transitions in LDCs will need to address a number of key challenges:

⁴ <http://www.worldwewant2015.org/energy2015>.

⁵ The International Energy Agency, in its, World Energy Outlook 2011, predicts that CO2 emissions in the Energy for All Case will only be 0.7 percent higher in 2030 than in the New Policies Scenario.

- **Making energy services broad-based.** *Go beyond a minimalist approach* in order to deliver energy for public services and productive activities, as well as basic needs, including the development of energy infrastructure.
- **Greater focus on the rural sector.** *Accord special focus on access*, especially the needs in rural areas and agriculture, which continues to be the key driver of LDC economies, where it accounts for between 30 to 60 per cent of the GDP and employs up to 80 per cent of the national workforce⁶.
- **Integrated approach.** *Take an integrated – or ‘cross-cutting’ - approach* so that energy initiatives are also designed to address other key priorities for LDCs, such as, increasing productive capacities, food and water security, land degradation, education and health, employment generation, women’s empowerment and resilience to climate change and shocks.
- **Sharper focus on universal access.** *Focus on a bottom-up and people-centered model* in order to achieve universal access. More focus should be directed to strengthening demand, national policy, institutions, capacity and financing frameworks. Access for the very poorest and most disadvantaged will depend primarily on public policy and finance in the first instance.

2. Sustainable energy goals

How to set ambitious but achievable sustainable energy goals and targets?

A key challenge is to set clear goals and targets as regards the energy mix, including in the post-2015 development agenda. While there cannot be a “one size fits all” approach, there are a number of common challenges, in addition to the goal of energy access reflected in the above chapter:

- **Increasing the share of renewable energy.** *Improve the energy mix* by reducing dependency on fossil fuels. While fossil fuels will continue to be an important part of the energy mix, greater reliance on renewables will help transform the LDCs’ energy systems. It can also decrease the fiscal burden of imported fossil fuels, as well as increase long-term energy independence. Renewables are well-suited for mini-grid and off-grid solutions in rural areas because the resource is often available locally and the technology requires minimum maintenance. In addition, costs for renewable energy have decreased over the past decade.
- **Increasing efficiency.** *Improve energy efficiency* through enhancing efficiency in the generation, transmission, distribution and use of energy, as well as making a shift towards energy efficient products and processes. These will create new economic growth opportunities and offer significant investment opportunities for private and public actors.
- **Investing in energy.** *Ensure that the energy sector receives priority in the budget and greater attention in ODA allocations, while making the business case for investments.* Investment needs for achieving universal access in LDCs will be considerable. The magnitude makes necessary the use of scarce public capital to leverage larger private investments. Partnerships between LDCs and their development partners, as well as between the public and private sectors will be key to overcome financing challenges. Capacities to design and implement innovative financing instruments including market-based mechanisms, business models and investment tools need to be strengthened. Private and public financing from both domestic and external sources will be necessary and should be seen as complements rather than substitutes.

⁶ UNCTAD, 2010. *Globestat*.

3. Sustainable energy action to achieve the goals

What needs to be done in order to achieve the sustainable energy targets?

To ensure that the goal setting is followed by action, LDC governments will need to play a catalytic role, supported by their development partners in delivering energy access to all. Priority areas of actions are:

- **Enabling policy and regulatory framework.** *Develop a strong political commitment and vision, and create an enabling framework, including support services. Adopt integrated energy security development policies, strategies and plans to build a strong energy sector.*
- **Involving all stakeholders.** *Involve broad range of stakeholders.* This includes LDC governments and their development partners from the North and the South, private sector and civil society. To ensure that local women, men and youth are properly involved and make informed choices, governments need to take a more people-centred approach, promoting ‘energy literacy’ and including communities in decision-making in a meaningful way. NGOs and the civil society can also play a role as service providers and developers, not least in the development of small-scale plants.

In reaching out to the poorest, social protection programmes may provide a potential means to deliver access to sustainable energy on a much greater scale, as the beneficiaries of these programmes include the chronically poor and currently have little or no access to energy.

- **Best practices.** *Share and learn from successful initiatives.* The LDCs would greatly benefit from sharing more information about best practices in addressing the key challenges in the various areas linked to successful energy transition.

4. Strong global partnerships

What steps are necessary to give effect to the actions by LDCs and their partners in the area of energy?

For LDCs to succeed in their efforts, international cooperation and partnerships will be essential. The international community must provide the necessary support to leverage financial resources and help LDCs’ actions to build capacity in order to seize the opportunity for transformative change that will scale up poverty eradication and sustainable development in these countries.

- **Role of development partners.** *Implement the actions under the Istanbul Programme of Action.* The development partners have agreed under the IPoA to support LDC’s efforts to develop the energy sector in generation, distribution and energy efficiency, including through renewable energy, other clean energy sources and natural gas through financial and technical assistance, transfer of technology, especially new and renewable energy technologies and by facilitating private sector investment.
- **South-South and triangular cooperation.** *Mobilize the contribution of emerging developing countries.* The IPoA emphasized the important complementary role of South-South and triangular cooperation by promoting initiatives that are beneficial to the LDCs. Promoting South-South and triangular cooperation, including regional and sub-regional co-operation, can help achieve LDCs’ energy security, better performance and efficiency and reduce overall costs.