



South-South Cooperation and Universal Energy Access

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Structure of Presentation

- I. Opening remarks
- II. Main messages of LDCR 2017
- III. South-South cooperation for transformational energy access





I. OPENING REMARKS



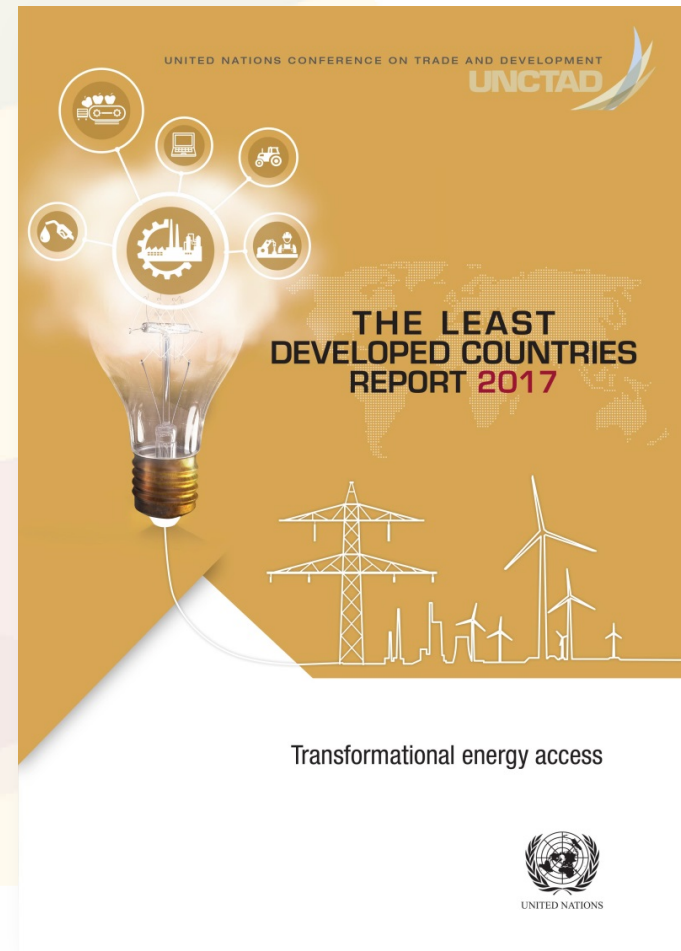
- Energy has central role in development
 - **SDG 7** has a central role in the achievement of all other SDGs
- Current focus overwhelmingly on **social** and **environmental** dimensions of *energy access* , UNFORTUNATELY
 - *encourages a minimalist view of SDG7*
 - *potentially skews development processes*

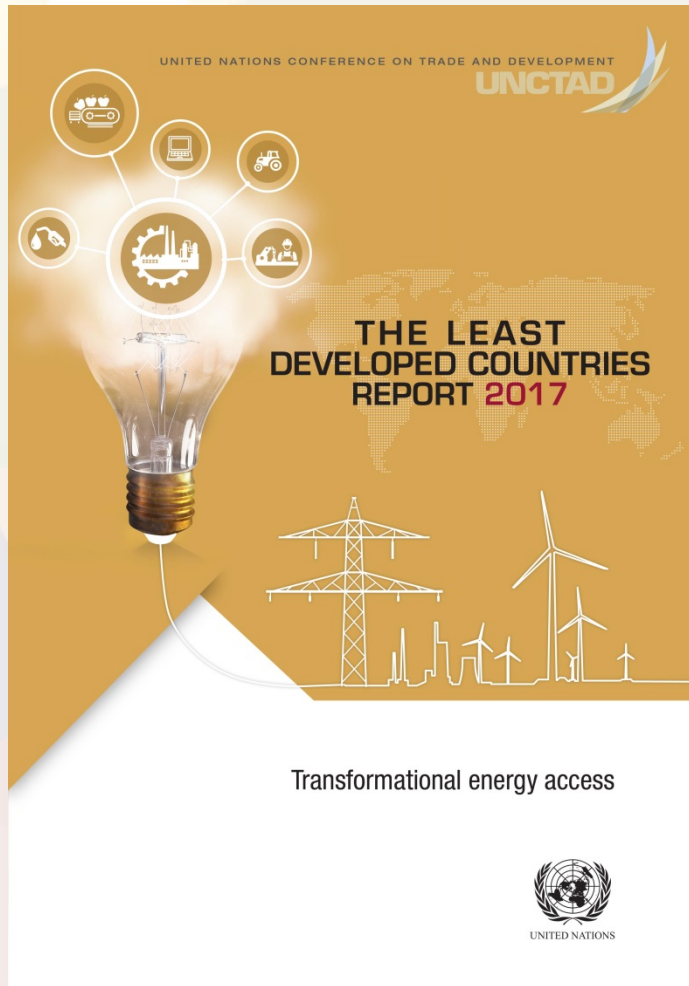


Cautions



- 3 main pillars of sustainable development are indivisible
- punitive consequences of not integrating the economic pillar in energy programmes, policies and projects





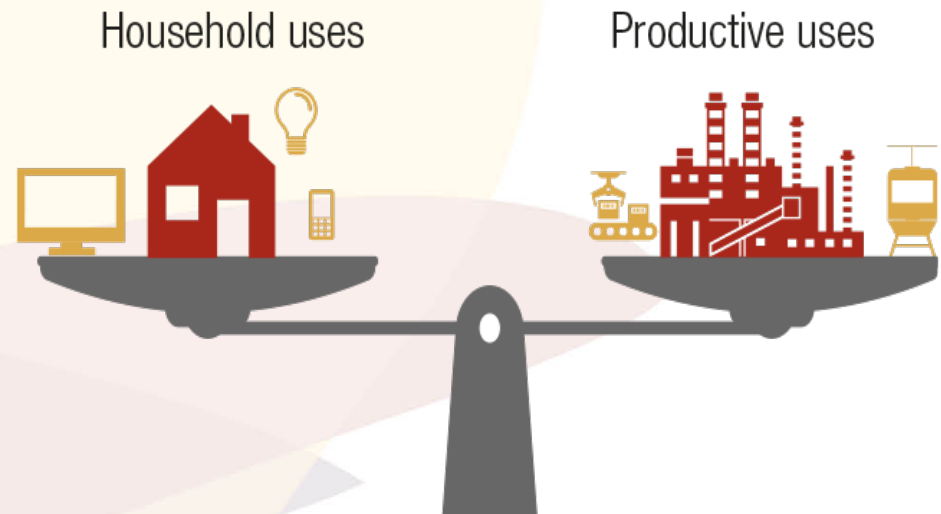
II. MAIN MESSAGES



Main Messages

(1) Quality of access not number of connections: structural transformation **out of reach** without *transformational energy access*

- ❑ productive use of energy is what turns universal access into economic development
- ❑ universal access to energy must go *beyond* meeting basic domestic needs and target productive uses
- ❑ favour broad-based economic development and the reorientation of LDC economies towards more modern activities
- ❑ unprecedented development opportunities offered by increased access and technological advances could largely be missed



Main Messages

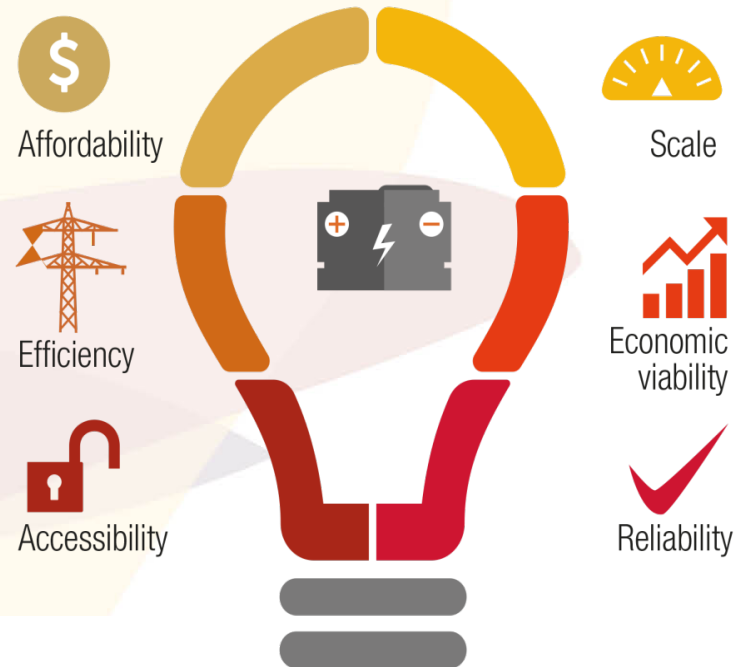
(2) Transformational Energy Access embodies key qualities of modern energy services

- ❑ Accessible to all - allows increased productivity, new technologies and production methods, and new products
- ❑ scale - quantity and quality of energy supply in line with diverse uses and industry
- ❑ reliable - well-maintained infrastructure delivers continuous and stable supply
- ❑ economic viability - adequate rates of return, efficiency in the production and distribution
- ❑ affordability - minimized cost to end-users, guarantees competitiveness

TRANSFORMATIONAL ENERGY ACCESS

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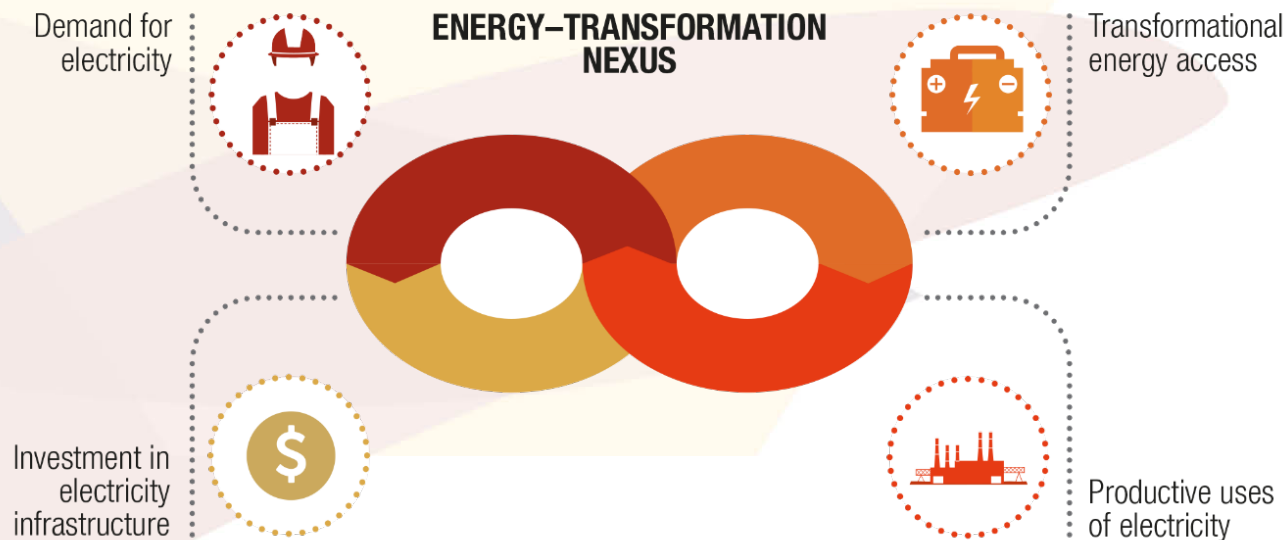
sufficient, reliable and affordable energy for all types of productive use



Main Messages

Transformational Energy Access requires fostering two-way nexus between economic transformation and energy demand: **energy-transformation nexus** central to system viability and sustainability

- ❑ The viability of investments in electricity infrastructure depends critically on demand...
- ❑economic transformation (i) generates demand directly in production processes, and (ii) strengthens domestic demand by raising household incomes



Main Messages

(4) Transformational energy access is as much important for rural development as for industrial development

- ❑ Rural development is critical to addressing poverty in LDCs
- ❑ sacrificing financial viability not answer but affordability cannot be relegated to a secondary goal
- ❑ scalable nature of renewable energy sources such as solar PV and wind make them particularly well suited to situations in which **demand** is initially relatively low...
- ❑ limited supply **scale** risks proliferation of low-productivity household-level microenterprises rather than transformative development





III. South-South Cooperation for Transformational Energy Access



Benefits of Regional Cooperation

Interconnected grids and power pooling recognised as:

- Cost-effective (shared costs and potentially lower prices)
- Relieves shortages
- Diversifies energy mix



Potential Benefits for TEA

Case for cooperation in electrification in Africa reinforced by vulnerability to climate-change, supply shortages, low demand and high cost of renewables solutions implementation

- Adequate and sophisticated infrastructure
- Institutional and implementation capacity
- Smooth and coordinated transition to clean energy
- Flexible and tailored renewables solutions
- Enhanced focus on transformational energy access



Plugging infrastructure gaps:

- ❑ Stretch public funding and leverage regional markets to enhance the impact of FDI
 - rural electrification
 - improved investment incentives (demand)
 - trigger energy-transformation nexus (demand, ability-to-pay, **scale**)
 - mitigates false dichotomy between on-grid and off-grid solutions (**reliability and stability**)



Strengthens national institutions and capabilities if enhances:

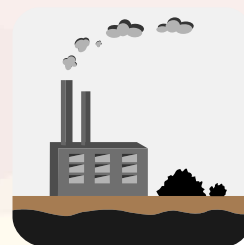
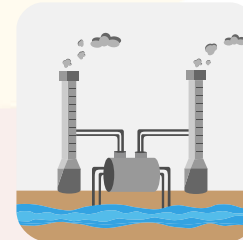
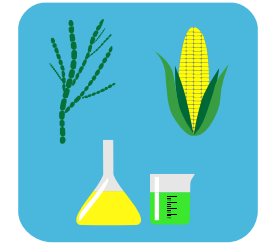
- ❑ long-term system-wide planning and regulatory coordination, policy consistency
- ❑ Skill sharing, diversity, and skill investments
- ❑ Builds capacities for incorporating gendered approaches into energy programmes

A HOLISTIC AND COORDINATED APPROACH
is essential to the delivery
of transformational energy access



Allows tailored and smooth transition to clean energy if fosters:

- ❑ Implementation of diversified and appropriate solutions (grid expansion and upgrading, off-grid, centralized and decentralized solutions)
- ❑ Technology selection in line with local conditions and future needs



Enhances focus on transformational energy access if targets:

- A balance in cooperation and competition in energy trade
- Fosters national ownership of regional plans
- structural transformation and dynamic economic integration as the priority end
- Integrates energy trade and development policy

