



UNECE

Geneva, 29 September 2017

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## SDG 7 ENERGY

**“Energy is vital to our lives given that energy in today's world comes from many sources that contribute to climate change.**

**The world must take urgent action to ensure that everyone has access to clean, efficient and affordable sources of energy.”**

**António Guterres**

**United Nations Secretary General**



# UNDP's Approach

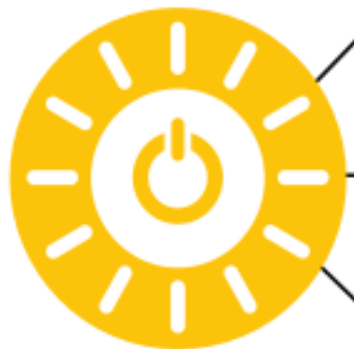


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## I. UNDP's new Sustainable Energy Strategy 2017 – 2021

Aligned with SDG 7, integrated with CC (SDG 13); linked to most other SDGs

### 3 action areas:



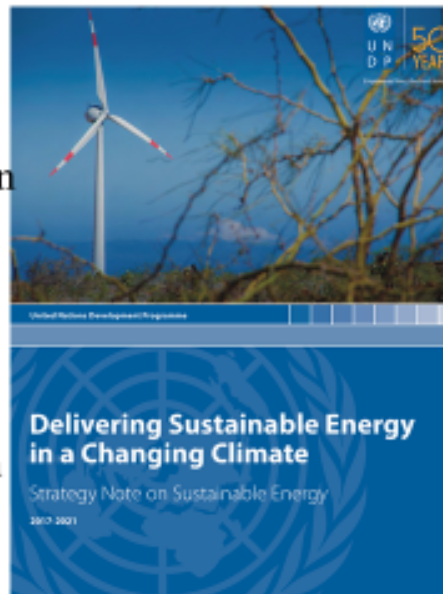
The global rate of improvements in energy efficiency

Access to affordable, reliable and sustainable energy

The share of renewable energy in the global energy mix



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Context matters

Deployment policies for technologies and applications

Promotion of sustainable energy sources

Integration of social, economic and environmental dimensions

Climate and disaster risk-informed

Technical excellence

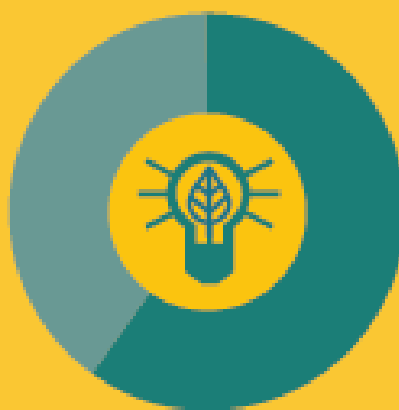
# Insufficient electricity poses a serious threat to the provision of public services and human development



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## Direct and indirect jobs from renewables, worldwide

In millions



**Energy efficiency** can potentially contribute **almost 40%** of the energy sector GHG emissions reductions required by 2050 to limit global temperature increase to 2°C

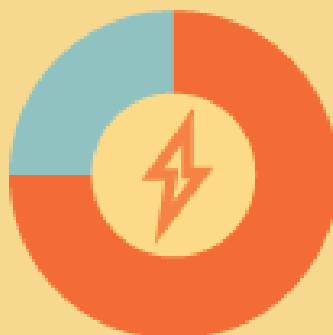
**UNDP** works to enhance development gains through delivery of modern energy services; energy is a means not an end in itself

**Objective** is to create investment conditions in which countries can access large quantities of low-cost financing for sustainable energy

**\$ 1 trillion**

is needed annually to achieve universal access to energy as per the SE4ALL objectives.

Source: SE4ALL Finance Committee Report, 2015. SE4ALL Global Facilitation Team, Vienna.

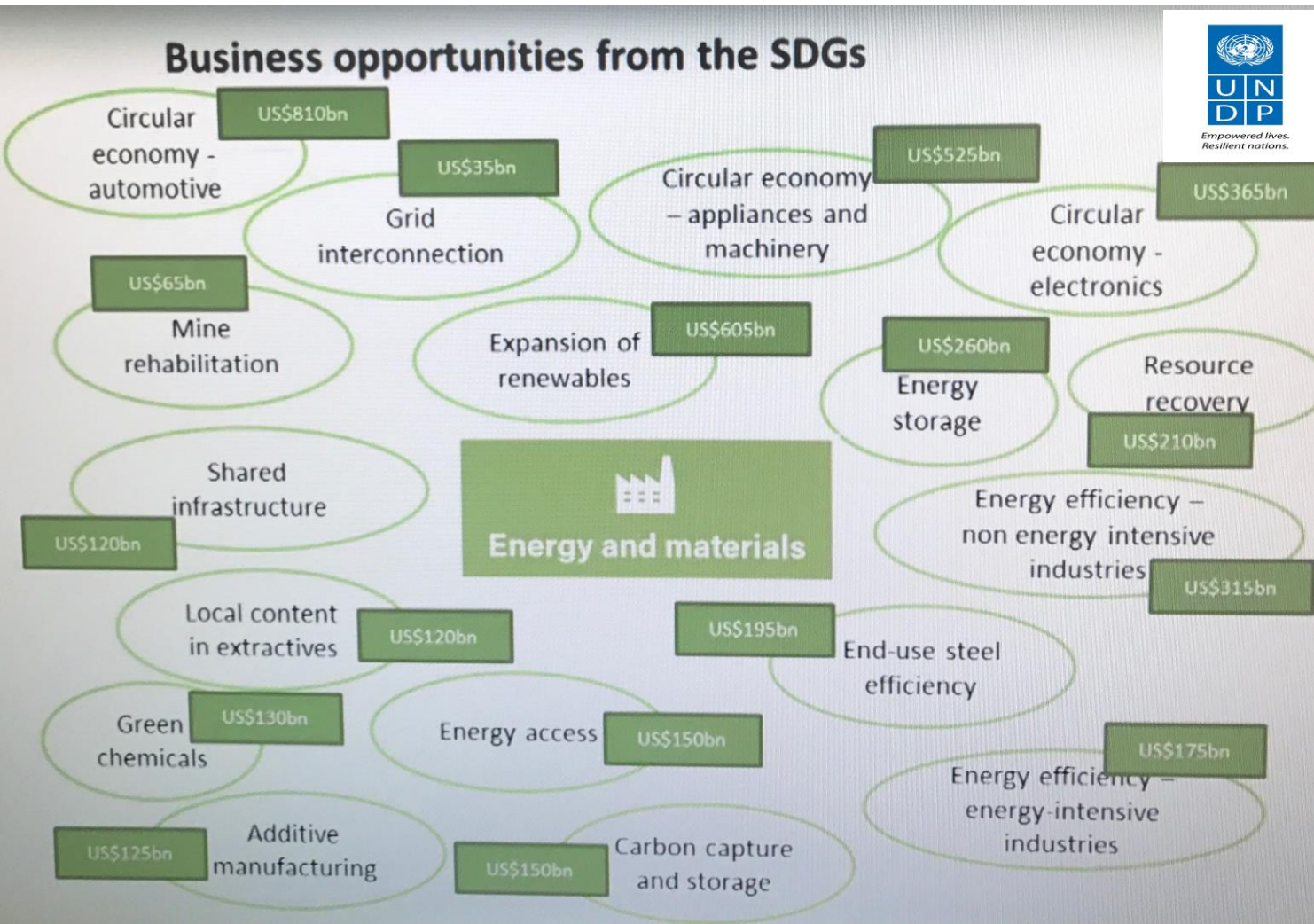


The energy sector counts for **two thirds of the world's** greenhouse gas emissions.

# Business Opportunities for Energy Sector to achieve SDGs



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**Social challenge** includes disparities in access to reliable energy, including in conflict/disaster settings

**Economic challenge** includes lack of affordable and reliable energy, and energy's importance as a key input to job creation and economic growth

**Environmental challenge** includes the threat to the ecological balance, biodiversity and climate

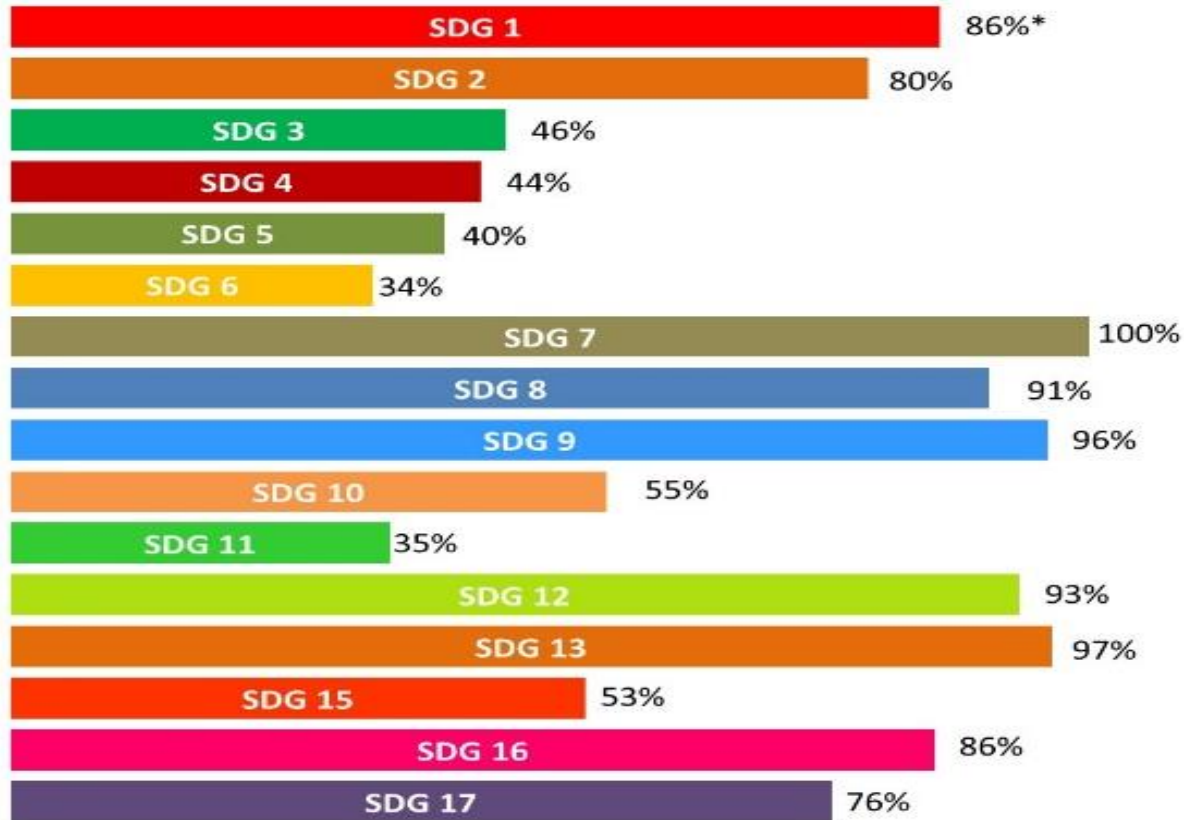


# Energy is Vital for and Sustainable Development



UNDP's  
on-going  
259 ENERGY  
projects  
contributing to  
achieve  
other

**SDG Goals**



SDG	1	2	3	4	5	6	7	8	9	10	11	12	13	15	16	17
No. of Energy projects contributing to achieve other SDGs	223	206	119	113	104	87	259	235	249	143	91	242	250	138	222	197

\*Percentage of UNDP's on-going Energy projects contributing to achieve individual SDGs

- **Social Progress:** the need to reduce the disparities in access to clean and reliable energy services
- **Economic development:** how to increase the affordability and reliability of energy services, recognizing energy's importance as a key input to job creation and economic growth
- **Environmental sustainability:** reducing the threat to the planet's ecological balance, biodiversity and climate



# What we do

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UNDP promotes investment in **energy efficiency, renewable energy, and sustainable transport**. We work closely with national and international partners to:

- **Reducing policy, regulatory, legal and financing barriers** for energy efficiency, renewable energy (wind, small hydro, biomass and geothermal), and sustainable transport projects
  - **Promoting energy efficiency** in public and residential buildings, energy efficient lighting, and energy-efficient standards and labels
  - Demonstrating benefits of **renewable energy** for investors, energy service companies and entrepreneurs
  - Developing and supporting **new financing mechanisms** and structures to invest in renewable energy projects
  - Promoting land use planning, cycling and walking, and encouraging the **shift to rail and public transport**, as well as energy efficient vehicles, (including through energy efficiency standards) and hybrid vehicles
  - Accessing **carbon finance** to encourage investment in energy efficiency, renewable energy and transport
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## Derisking sustainable energy investment



### REDUCING RISK

Removing the underlying barriers which create risk.

In Uruguay, UNDP has supported the government to put in place a policy framework for independent power producers in the wind energy sector. This legislation has reduced the policy risks surrounding potential investment. 430MW of wind farms are now operational, with 1GW in investment anticipated by the end of 2016. Furthermore, increased wind investment has already resulted in lower retail tariffs for consumers.



### TRANSFERRING RISK

Shifting risk from the private to the public sector.

In Georgia, UNDP has partnered with KfW, to design a credit-line facility for commercial banks to lend to **small hydro plants**. With the backing of KfW, local banks have now become comfortable lending in this promising sector. The KfW facility directly led to financial closure for an initial two small hydro plants and has since been significantly scaled-up.



### COMPENSATING FOR RISK

Providing higher returns through financial incentives.

In Mauritius, UNDP contributed to the capitalisation of a feed-in tariff fund to promote roof-top **solar photovoltaic (PV)**. The feed-in tariff scheme pays a premium price to commercial and residential investors in solar PV, generating a sufficient return to attract investment. The feed-in tariff scheme, part of the government's *Maurice Ile Durable initiative*, has been fully subscribed by investors.



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## UNDP's Energy Portfolio Snapshot

- **Croatia** improved energy efficiency in over half of its public sector buildings, cutting costs, fostering new investments, providing green jobs and reducing greenhouse gas emissions
- Biomass markets being developed in **Bosnia and Herzegovina, Moldova and Serbia**
- In **Tajikistan**, hydroelectricity in rural communities is helping to improve access to social services, and providing families with a reliable source of heating during cold winters
- A five million euro renewable energy fund was created and made available for the development of small hydropower plants in **Georgia**. The fund is the first of its kind in Georgia and currently the only source of low interest loans for developers of small hydro projects in the country
- The municipality of Lugansk in **Ukraine** cleaned up an environmental hotspot - a landfill with over three million tons of waste - and established a system to capture the methane emitted from the landfill, and are now burning the methane gas as a way to reduce overall greenhouse gas emissions.





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## UNDP's Offer

- **2030 Agenda for Sustainable Development** recognizes energy as a stand-alone goal - Alignment with other **SDGs**
- **Paris Agreement** calls for urgent and ambitious climate action to stabilize the global increase in average temperature
- Transforming the world's energy systems will also contribute to progress toward the **Sendai Framework for Disaster Risk Reduction**
- Sustainable energy is featured in the outcome document of the third international conference on financing for development: the **Addis Ababa Action Agenda**
- **New Urban Agenda** adopted at the Third UN Conference on Housing and Sustainable Urban Development in Quito, Ecuador refers to energy in urban setting
  - Energy sector reforms
    - Further increases in energy tariffs threaten to intensify **energy poverty**
    - Programmes targeting **rural and isolated households** across the region
      - **Building sector** is the largest consumer of energy
- **Investment barriers** and risks should be targeted with policy and financial de-risking instruments first
  - It is the **private sector** that will drive new investment in renewable energy

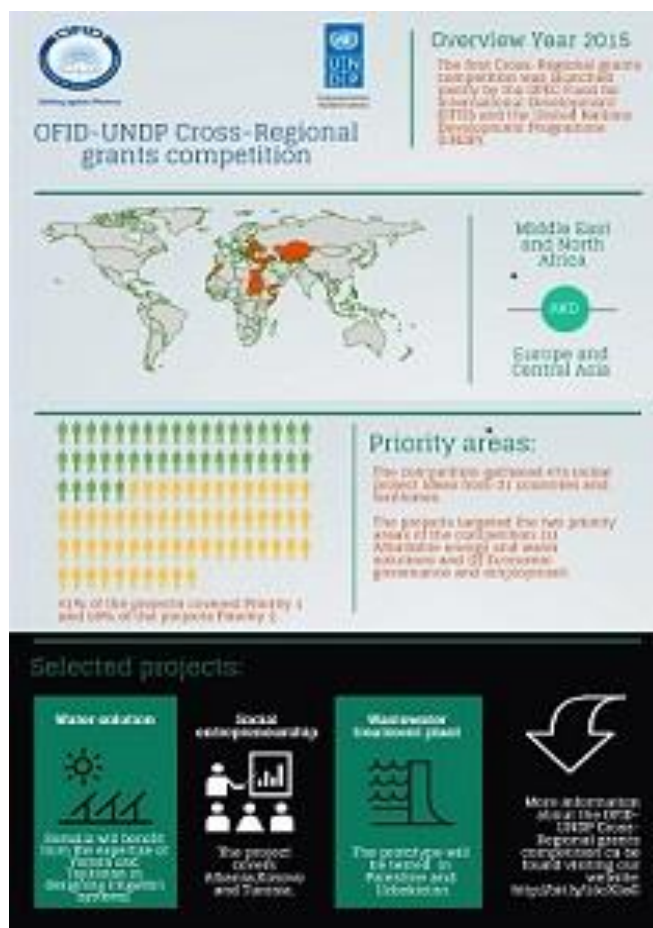


# UNDP-OFID Cooperation



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- **MoU** signed back in 1985, numerous **projects** implemented since then, **some examples include:**



- In February 2015, the OFID and UNDP jointly launched the first Cross-Regional Grants Competition for non-profits from Europe, Central Asia, Middle East and North Africa
- Energy Access SMEs Development Project for Tajikistan and Kyrgyzstan promoting scalable, private sector-led business models for provision of reliable, affordable and sustainable energy products and services for rural population focusing on energy access



# Thank you

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