Selected Sustainable Development Trends in the LDCs 2018

Rolf Traeger
Chief, LDC Section, UNCTAD
Trade and Development Board, 66th Executive Session
Geneva, 5 February 2018
KEY POLICY IMPLICATIONS
Objectives

- Contribute to UN system-wide work on follow-up of implementation of 2030 Agenda for Sustainable Development...
- ...within areas of expertise and mandate of UNCTAD
Slowdown in growth took LDCs farther away from SDG targets

**Fewer** LDCs meeting 7% GDP growth target

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>17</td>
</tr>
<tr>
<td>2012</td>
<td>14</td>
</tr>
<tr>
<td>2017</td>
<td>5</td>
</tr>
</tbody>
</table>

**SDG target 8.1**

at least 7% GDP growth per annum in the LDCs
B. Address electricity system governance and finance

LDC governance frameworks for transformational energy access must ensure:

- Robust regulatory and governance systems
- Clear vision of the roles of the public and private sectors
- Reasonable *affordability* for users, matched by...
- ...*financial sustainability* of operators (e.g. through cost reflective tariffs)
C. Integrate energy and development strategies

- Integrate energy policies and structural transformation strategies

- Opportunities from scalable renewable-energy technologies and mini-grids can be exploited to foster rural structural transformation...

- …matched by complementary policies (in agriculture, finance, training and human resource development)

- Attention to building a domestic modern energy supply chain that develops linkages with other sectors...

- …and to women empowerment policies that allow women to contribute actively to structural transformation
D. Harness international cooperation:

- LDCs need to enhance the impact of foreign direct investment
  - Low-carbon FDI can be mobilized…
  - … but foreign investors must not crowd out domestic actors in the energy sector

- Sovereign borrowing can be leveraged to finance energy infrastructure projects…
  - … but beware of risks of debt unsustainability especially when commodity prices are falling and international conditions are worsening
D. Harness international cooperation

- Investments required to achieve universal access to electricity in all LDCs by 2030 are of the order of $12 billion to $40 billion a year…

- …but these are under-estimates as the figures do not include full costs for transformational energy access

- ODA needs to be scaled up, given LDCs limited domestic public finances and private sector reluctance to invest in energy sector in LDCs
D. Harness international cooperation

- Closer integration of regional energy markets can help:
  - Cross-border trade in electricity can boost energy export revenues, lower energy import bills and offer a means of energy storage
  - Regional power pools can play a role

- International support measures to LDCs for technology transfer and absorption must be beefed up
  - International innovation network for LDCs
  - Global and regional research funds
  - South-South and triangular cooperation
  - Technology Bank for LDCs