Mr. President
Excellency Secretary General
Distinguished delegates
Ladies and gentlemen

Good morning,

I am this making this statement on behalf of LDCs and in absence of my Ambassador, who is in the capital on official business.

The LDC group thanks the Secretary General for his remarks. Let me take the opportunity to congratulate current president on assuming the new responsibility as Foreign Minister of Moldova. On behalf of LDCs we also like to express our gratitude to him for his willingness to continue to act as president of the TDB despite his busy schedule. It shows the importance given by him to UNCTAD.

Mr. President

The LDC Group welcomes UNCTAD’s The Least Developed Countries Report 2017 – Transformational energy access and commends the analysis by highlighting various challenges faced by LDCs in meeting the SDG 7 and coming up with policy recommendations. No doubt, this publication is a timely one, given the fact that high level political forum of SDG this year will focus on progress towards the Sustainable Development Goal 7 and there will be Global SDG7 Conference in UNESCAP, Bangkok on 22-23 February. While HLPF is a global process focused on all countries (as are the SDGs themselves), UNCTAD’s Report will provide an invaluable contribution to the process. It is widely recognized that LDCs are the battleground on which the 2030 Agenda for Sustainable Development will be won or lost. And Goal 7 has the central role in achieving goals in other areas as well. Therefore, the LDC group commends the secretariat for this report. We believe that TDB will come up with agreed conclusion on this report for providing inputs for discussions in High level political forum to be held in July this year in New York. In this context, it is important that president of the TDB and LDC coordinator from Geneva attend the high level political forum and Global SDG7 Conference to present the findings of the report and recommendations.

Mr. President,

Let me focus now on some key findings of the report. The end-point of the Goal 7 is in sharp contrast with the present situation in LDCs. As shown in the Report, 54 per cent of the people without access to
electricity in the world live in LDCs and over 80 per cent of rural population in our countries lack access to electricity. Out of the 20 countries with the largest share of the population without access to electricity, 16 are LDCs. Therefore, meeting the SDG 7 poses huge challenge for LDCs.

The overarching goal of Global development agenda adopted by our leaders is to eradicate poverty in all forms. Achieving this goal in LDCs rests on the ability of LDCs to successfully transform their economies. However, structural transformation in LDCs cannot happen unless important infrastructure deficits are tackled, first among which are in the energy sector. Energy is the general-purpose technology that enables the unlocking of greater opportunities arising from innovation, technological progress and digitalization. Deficiency of or lacking access to modern energy is therefore considered to be a major stumbling bloc to economic transformation in LDCs and thus achieving the target of eradicating poverty.

Mr. President,

The Report correctly identified that current circumstances in LDCs highlight the need for a systemic approach to the energy sector, exploiting the synergies and complementarities between technologies and energy sources in support of structural transformation, while maintaining flexibility to respond to rapidly evolving technologies and cost structures and avoiding locking in technologies that may prove inappropriate as structural transformation proceeds. This includes a carefully planned and forward-looking approach to transformational energy access, including transparent plans for grid extension, with clear strategic guidelines to ensure the early adoption of mutually compatible standards to allow mini-grid interconnection as appropriate at a later stage; a proactive policy framework that supports and facilitates progressive technological upgrading; and conducive STI policies, fostering a greater involvement of local research institutions in efforts towards adaptation and innovation in energy technologies and their wider use.

Mr. President,

Fulfilling these needs is a daunting task. Current global estimates suggest that the investments required to achieve universal access to electricity in all LDCs by 2030 are of the order of $12 billion to $40 billion per year. Reliance on private sector investment, including through FDI in energy sector on beneficial terms is challenged by high rates of poverty and limited purchasing power in LDCs. Given the limited capacity of most LDCs to raise domestic finance of that level, international financing needs to play a much stronger role than at present in the development, maintenance and renewal of LDC energy infrastructure. Financing mechanisms are in place, such as official development assistance and climate-related financing. However, in most cases the amounts available have fallen well short of previously made pledges. The LDC Group calls for this situation to be reversed and for the pledged financing amounts to be implemented.

The LDC Group reaffirms its commitment to the environmental aspects of sustainable development, as shown in the commitment of more than half of all LDCs – who are members of the Climate vulnerable Forum – to reach 100% renewable energy by 2050. The Report recognizes that renewable energy sources, such as solar and wind power, could have a revolutionary effect on accelerating universal access,
particularly in LDC rural areas. However, it also shows that renewable energy initiatives in LDCs so far fell way short of the game-changing access to power that LDCs need in order to transform their economies need. LDCs need to overcome important technological, economic and institutional obstacles. This will require both the right national policies, and stronger international support.

Mr. President

The key areas in which LDCs need additional international support are financing, technology and capacity-building. The international community needs to play a considerably stronger role in developing the institutional and technological capabilities of LDCs. The rising complexity of the energy industry requires enhanced institutional and regulatory capacity in order to manage a sector which is undergoing rapid technological change, while facing huge challenges to fulfilling its role. In order to reap the benefits from this rapid technological change, economic operators in LDCs need to first learn, master and adapt these technologies to their local circumstances. This requires active efforts by the international community. Several initiatives, like the provisions on technology transfer of multilateral trade agreements or of the UNFCCC have seriously fallen short of expectations in delivering transfer of technology. This needs to be reversed, so that the international community effectively assists LDCs in building a solid technological base.

The LDC Group welcomes the operationalization of the Technology Bank for Least Developed Counties in September 2017. As with other existing mechanisms, however, the international community needs to ensure that the Bank is adequately funded and effectively contributes to building technological capabilities of the LDCs.

The LDC Group calls for the strengthening of UNCTAD’s activities to disseminate its research findings and for the enhanced policy dialogue with LDC policymakers. Donor countries are invited to support UNCTAD in these endeavours, as they require extra-budgetary funding.

In conclusion, Mr. President, we like to emphasize that discussion on this type of report requires presence of specialists from various regions within the LDCs. As we can see from the report, various regions within the LDCs are in different stage of development in terms of access to electricity, policy adoption and planning. It would have been appropriate if we could have invited panelists from different regions who could then share their experiences in meeting their energy needs. We propose that in future the Secretariat consult with the group in inviting the panelists.

I thank you Mr. president.