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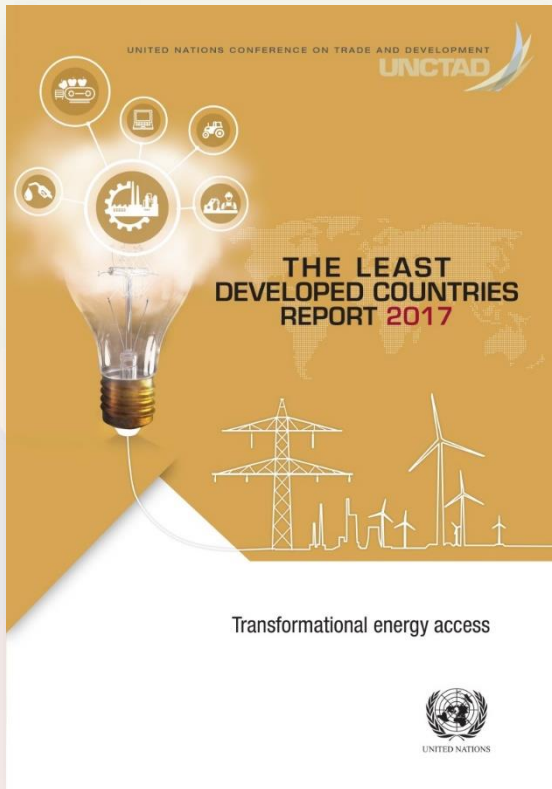
The Least Developed Countries Report 2017: **Transformational Energy Access**

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KEY POLICY IMPLICATIONS



A. Strengthen LDC electricity systems

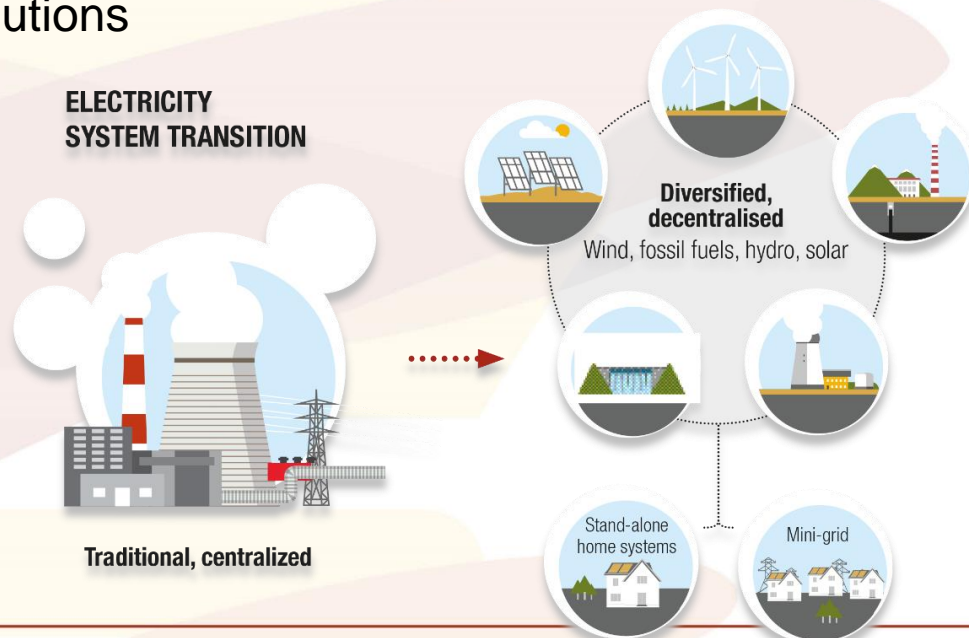
- ❑ Strengthening LDC energy systems requires a combination of long-term system-wide ***planning and coordination and flexibility***
- ❑ The effectiveness of system-wide energy planning hinges on ***policy consistency, realism and a sound information base***
- ❑ Capacities must be built for incorporating ***gendered approaches*** into energy programmes and projects

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



A. Strengthen LDC electricity systems

- ❑ An **evolutionary approach** to power sector development is needed...
- ❑ ...based on planned capacity additions, progressive expansion and upgrading of supply and power generation mix
- ❑ LDCs need to **diversify their generation mixes**, comprising a **hybrid** of grid (expansion and upgrading), off-grid, centralized and decentralized solutions

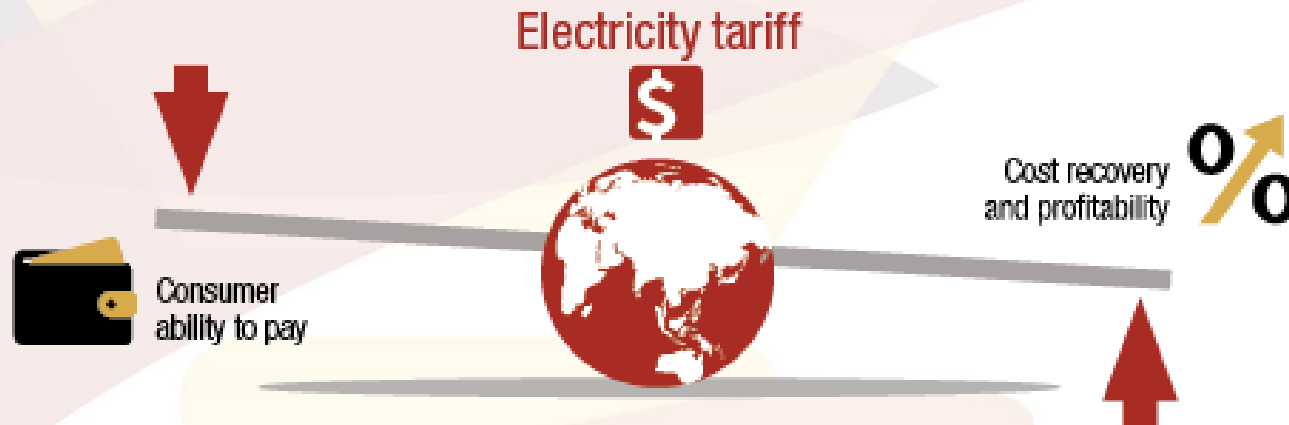


B. Address electricity system governance and finance

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)

KEY CHALLENGE:
reconciling financial sustainability with affordability




- ❑ 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

C. Integrate energy and development strategies



D. Harness international cooperation:

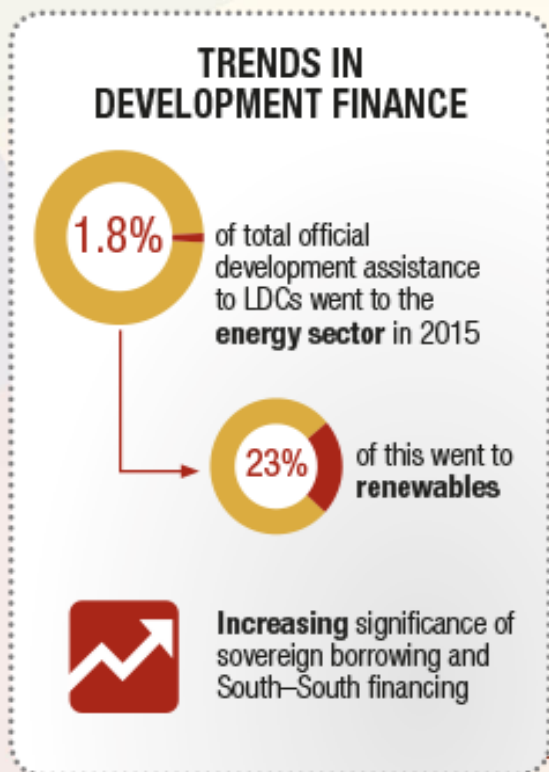
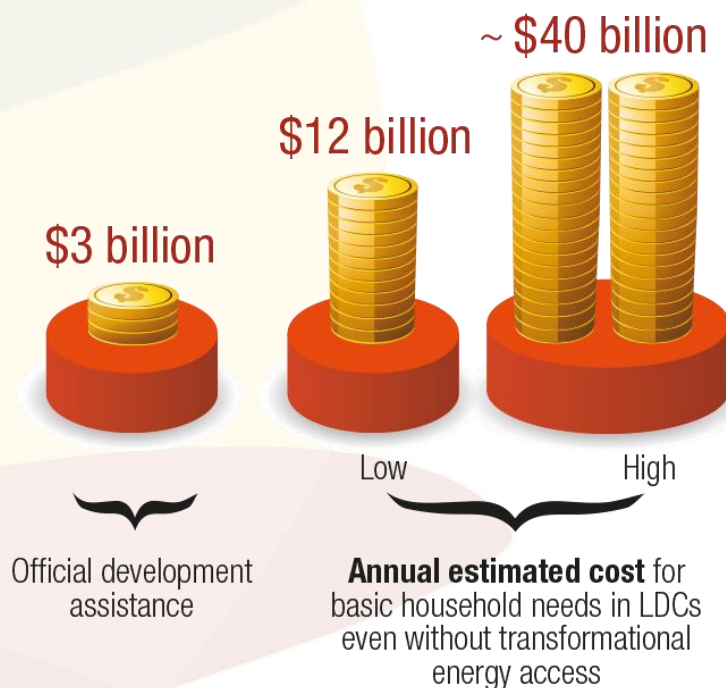
- ❑ LDCs need to enhance the impact of foreign direct investment
 - Low-carbon FDI can be mobilized...
 - ... but foreign investors must not crowd out domestic actors in the energy sector 

- ❑ 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**





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