



New Report Reveals Finance to Close Global Energy Access Gaps Dramatically Off-Track to Meet 2030 Targets

Data shows finance for coal tripled in past year, but, innovative off-grid solutions and finance models offer opportunities to meet Global Goals.

DAKAR, November 12: Finance required to close electricity and clean cooking access gaps remains dramatically short of what is needed to meet global energy goals by 2030, leaving the world's most vulnerable people behind, according to a new global report released today by [Sustainable Energy for All](#) (SEforALL).

The [Energizing Finance: Understanding the Landscape](#) 2018 report analyzes finance flows for electricity and clean cooking access in countries across Africa and Asia with the most significant access gaps. The report reveals alarming developments in several key areas of energy access finance that require urgent action to keep Sustainable Development Goal 7 - affordable, reliable, sustainable and modern energy for all – within reach.

Research shows annual investment of USD 52 billion is needed to meet universal electrification, yet finance commitments for electricity in the 20 'high-impact' countries - representing 76% of those without electricity access - has barely increased, averaging just USD 30.2 billion annually.

For the second year in a row, finance tracked for clean cooking revealed a deeply confronting challenge: finance committed across the 20 countries with the largest clean cooking access gaps - representing 81 % of the global population without access – actually decreased 5% to an average of just USD 30 million, compared to the estimated annual investment needed of at least USD 4.4billion.

Of serious concern, finance for coal-powered energy is increasing, at a time when the International Panel on Climate Change is issuing stark warnings about stalling progress on the Paris Agreement targets. In the countries tracked, annual commitments for coal plants almost tripled, growing from USD 2.8 billion to USD 6.8 billion. The potential impacts of this increase pose a clear challenge to climate goals, the air we all breathe and the ability to bring energy to those that need it, at the speed promised.

“The good news is that renewables offer us a powerful opportunity to provide reliable and affordable clean electricity both through the grid and off-grid”, said, **Rachel Kyte, CEO and Special Representative of the UN Secretary-General for Sustainable Energy for All.**

“The bad news is that we are not yet seeing a strong enough project pipeline or sufficient levels of public investment that will crowd in private finance to seize this moment of falling prices for revolutionary technology. Even more worrying is that at the same time we're seeing incremental increase in funding for renewable energy, investments in coal increased. Coal is not an answer to energy poverty.”

The *Energizing Finance* research, conducted in partnership with [Climate Policy Initiative](#), enables finance institutions and policy-makers to develop and implement strategies that can be scaled and refined to reach more people, more affordably, with clean and sustainable energy.

This wakeup call is especially apparent for Africa where nearly 600 million people live without energy access that allows them to improve their living standards and realize their full potential. Only 17% (USD 5 billion annually) of the total electricity finance tracked in the report was allocated to the region - down 32% from the last report.

Dr. Barbara Buchner, Executive Director, Climate Policy Initiative, said: “Our numbers paint a stark picture. We are falling further and further behind goals for energy access investment. Regions with the highest needs, like Sub Saharan Africa, are getting the smallest share, while we’re seeing big gaps for some of the technologies with the most promise, like off-grid renewable energy and clean cooking. This should be a wake-up call to policy makers and investors who are working to ensure universal and sustainable energy.”

Other key findings from the *Energizing Finance* series include:

- **Off-grid solutions remain off-track:** Since the last report, finance tracked for off-grid technologies nearly doubled, going from USD 210 million to USD 380 million per year. *However*, this is only 1.3% of the total tracked flows into energy access – a miniscule amount of finance for a solution that offers so much promise.
- **Solar is soaring:** 54% (USD 16.2 billion annually) of all finance committed in 2015/16 went to grid-connected renewable energy (RE); with an almost fivefold increase finance for solar photovoltaic (PV).
- **Two thirds of all electricity finance tracked was concentrated in South Asia - mainly in India.** The top three countries – India, Philippines and Bangladesh – received an average of USD24bn a year, or 79.5%, of finance for electricity in the reporting period.
- **Investment heavily favors non-residential customers:** Only 28% (USD 8.6 billion) of all grid-connected electricity finance is used to support new or improved access for residential consumers. The remainder is expanding electricity supply to support broader economic activity.

Given these stark findings, combined with the deeply concerning recent findings from IPCC’s Special Report on 1.5 Degrees, *Energizing Finance* calls for a range of urgent actions, including the following specific recommendations:

- International public financial institutions, notably development finance institutions (DFIs), should fulfil their commitments to fill continuing financing gaps for electricity access, in accordance with commitments made by their government funders under the Paris Agreement.
- Policy-makers should prioritize non-coal fired or fossil fuel power generation as part of their integrated energy planning and investment processes.
- Governments should adopt integrated approaches to energy sector policy, planning and regulation.
- Leaders, especially in Sub-Saharan Africa where the shortfall in finance commitments for electricity access is starkest, should use the combination of policy, financial instruments and business model innovation required to achieve last mile access, among other approaches.

“*Energizing Finance* shows once again that there is huge opportunity in meeting the needs of those without sustainable energy,” Ms Kyte said.

With time rapidly running out to meet global climate and energy goals, it will not only be this generation that suffers the consequences if we fail to energize finance in a way that puts those targets realistically within reach.

For more information or to read the report in full, please visit our website at SEforALL.org/EnergizingFinance

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NOTES TO EDITORS

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About Sustainable Energy for All

Sustainable Energy for All (SEforALL) empowers leaders to broker partnerships and unlock finance to achieve universal access to sustainable energy, as a contribution to a cleaner, just and prosperous world for all. SEforALL exists to reduce the carbon intensity of energy while making it available to everyone on the planet.

For more information, visit SEforALL.org and follow @SEforALLorg

About Climate Policy Initiative

Climate Policy Initiative (CPI) works to improve the most important energy and land use policies around the world, with a particular focus on finance. An independent analytical and advisory organization, CPI has offices and programs in Brazil, Europe, India, Indonesia, and the United States.



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