



## Reports show much greater finance needed to achieve global goals to close the electricity and clean cooking access gap by 2030

*New Energizing Finance report series highlights opportunities to spur investment in centralized and decentralized energy access solutions.*

**NEW YORK, September 18, 2017:** [Sustainable Energy for All \(SEforALL\)](#) and partners announced first-of-its-kind research today analyzing finance flows for electricity and clean cooking access in 20 countries across Africa and Asia with significant access gaps, and how finance strategies could be scaled and refined to reach more people, more affordably, with sustainable energy.

The new [Energizing Finance](#) series reveals the current flow of finance for energy access and clean cooking will not achieve global goals for delivering universal access by 2030. Estimates show an annual investment of \$45 billion is needed to meet universal electrification, but the latest data shows that finance commitments for electricity in these 20 'high-impact' countries that represent 80 percent of those without electricity access is less than half that number, averaging just \$19.4 billion a year. The largest bilateral financier across high-impact countries was China, which was where 21% of finance originated from.

Finance tracked for clean cooking revealed a much greater challenge. Across the 20 countries with the largest clean cooking access gaps representing 84 percent of the global population without access, annual finance committed averaged just \$32 million, compared to the estimated annual investment need of at least \$4.4 billion.

The *Energizing Finance* research, done in partnership with the [World Bank Group](#), [Climate Policy Initiative](#), the [African Development Bank](#), [Practical Action Consulting](#) and [E3 Analytics](#), delivers a strong wake-up call to the levels of finance flowing to close energy access gaps, but also creates a roadmap of opportunities which, if finance is more strategically directed, will allow us to meet the UN Sustainable Development Goal 7, and provide affordable, reliable, sustainable and modern energy for all by 2030.

Speaking on the announcement, **Rachel Kyte, CEO and Special Representative of the UN Secretary-General for Sustainable Energy for All**, said: "Overall investments are substantially lower than what's needed to achieve our energy access goals. While it's good to see encouraging, early-stage progress in a handful of countries on electricity access, we urgently need targeted, refined strategies to increase investment in integrated electricity solutions. At the same time we need to open-up a frank new dialogue around bold market-based strategies that can deploy clean fuels and technologies for cooking at the speed and scale needed. The lack of financing for clean cooking solutions is shocking. Fixing financial flows to ensure everyone has access to clean, affordable reliable energy is essential in meeting our commitment to leave no one behind."

**Amadou Hott, Vice-President, Power, Energy, Climate and Green Growth, African Development Bank (AfDB)**, that authored the report looking at gaps and lags in disbursements, said: "These reports are an important wake-up call that the world is not on track to achieve electricity for all. As part of its New Deal on Energy for Africa, the African Development Bank has set the ambitious goal of achieving universal access to electricity in Africa by 2025. This will not be done by AfDB alone. To achieve this, we need transformative partnerships between the public and private sector to improve energy access planning and increase investment in the preparation and implementation of energy access projects, including innovative access solutions such as off-grid."

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

- Only a minuscule amount of financing commitments— 1 percent, or \$200 million a year – went to more-affordable decentralized energy solutions, such as household solar systems, which hold great promise to deliver basic electricity more quickly and more affordably to vast, hard-to-reach rural populations.

- Roughly **60% of tracked finance commitments for electricity**– approximately **\$11.6 billion a year** – went to **three countries in Asia, India, the Philippines and Bangladesh**. Nigeria and Ethiopia were the next largest recipients (\$2.4 billion a year combined). Finance commitments in the other 15 high impact countries (11 of these in Africa) stood below \$1 billion a year.
- **Just over a quarter of development finance commitments for electricity access, or 28 percent, reached the 20 high-impact countries** over 2011-15, with delays and under-disbursements being very common, especially for large grid-based energy infrastructure projects.
- There were scattered **examples of progress on clean cooking**, particularly in Indonesia which achieved promising gains by rolling out strategies using liquefied petroleum gas (LNG) as a clean cooking ‘transition’ fuel in place of high-polluting fuels like charcoal.

Climate Policy Initiative (CPI) and the World Bank Group tracked finance for electricity and clean cooking access in high-impact countries. **Dr. Barbara Buchner, Executive Director, Climate Policy Initiative**, said: “This is the first time anyone has worked to assess how much finance is flowing to energy access, and the results surprised us. While we are clearly nowhere near what’s needed to meet universal energy access goals, a much clearer picture of what’s happening both globally and on the ground, will help nations, investors, and communities to better scale up the next wave of energy investment.”

Country level analysis was conducted in Bangladesh, Ethiopia and Kenya of the financing landscape at the national level. Enterprise surveys were also conducted in these countries plus Myanmar and Nigeria to understand the challenges and opportunities facing businesses providing decentralized energy solutions. Bangladesh and Kenya showed gains in urban and rural areas with integrated strategies that include centralized electric grid infrastructure as well as mini-grid and off-grid energy systems such as solar home systems which are already powering millions of rural households, helped by supportive policies that spur diverse types of public and private finance for energy access projects and companies.

Practical Action Consulting, along with E3 Analytics, undertook the deep-dive country level analysis. **Paul Smith Lomas, CEO, Practical Action**, “We have long argued that financial systems are skewed; the amount of finance directed towards decentralised energy technologies, like mini-grids and stand-alone systems, remains tiny in comparison to investments in national grids. This is despite decentralised energy technologies being the most economical solution to meet the needs of the majority of unconnected people by 2030. To make these technologies more available to communities, and to achieve universal access, national policies must also better understand and support local businesses, banking and markets”

The series of reports also looked at the amount and type of international and domestic finance flowing to these countries for energy access; specific kinds of projects being financed, whether large-scale grid projects or more-affordable decentralized energy services; how quickly development finance is being disbursed; and the financing needs and challenges of energy enterprises providing decentralized electricity and clean cooking services in five high-impact countries.

The reports have been timed to coincide with the UN General Assembly currently taking place in NYC, and will be launched during the opening day of General Debate. UN accredited media are welcome to join and should RSVP to [media@SEforALL.org](mailto:media@SEforALL.org).

For more information or to read all the reports in full, please visit our website at [SEforALL.org/EnergizingFinance](http://SEforALL.org/EnergizingFinance)

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## NOTES TO EDITORS

Copies of the press release are available in French, Spanish, Arabic and Chinese. For an embargoed copy of the Executive Summary from the SEforALL policy paper, *Energizing Finance: Scaling and refining finance in countries with large energy access gaps*, please email [media@SEforALL.org](mailto:media@SEforALL.org)

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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](http://SEforALL.org) and follow us at [@SEforALLorg](https://twitter.com/SEforALLorg). Follow the Energizing Finance conversation online using #SDG7Finance.

### **About the Energizing Finance report series**

The data periods across the series largely span the period 2011 – 2016, but vary across reports. Every effort has been made to provide the most up to date information from available datasets and resources.

The series of reports are bought together by an overarching policy paper authored by SEforALL, *Energizing Finance: Scaling and refining finance in countries with large energy access gaps* and several other reports: *Missing the Mark: Gaps and lags in disbursement of development finance for energy access* by SEforALL and the African Development Bank; *Understanding the Landscape: Tracking finance for electricity and clean cooking access in high-impact countries*, by SEforALL, Climate Policy Initiative (CPI) and the World Bank; *Taking the Pulse: Understanding energy access market needs in five high-impact countries* by SEforALL, Practical Action Consulting and E3 Analytics. Funding support was given from the European Commission and Energy Sector Assistance Management Program (ESMAP).

For more detailed information or to read all the reports in full, please visit our website at [SEforALL.org/EnergizingFinance](http://SEforALL.org/EnergizingFinance)



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