

**USG's Speech, Launch Event Scaling up Renewables in LLDCs**

**(19 October 2022)**

**10:00 am, online**

Your Excellency, Ambassador Collen Vixen Kelapile, Ambassador  
Permanent Representative of Botswana to the United Nations and  
Chair of the Group of LLDCs;

Mr. Francesco La Camera, Director-General, IRENA;

Distinguished guests, ladies and gentlemen;

I am very pleased to welcome all our distinguished guests for this  
event with our partners the Permanent Mission of Botswana to the  
United Nations and the International Renewable Energy Association  
(IRENA) for the Launch of the Report “Scaling up Renewables in  
LLDCs”.

This report, developed jointly by my Office and IRENA, comes at an  
extremely opportune time.

Landlocked developing countries were barely emerging from the COVID-19 pandemic and have now been engulfed by an extremely challenging global economic environment characterized by stalling growth, rising inflation and an uncertain future outlook.

Amongst a wide array of challenges, rising energy prices stand out prominently due to their impact on both the immediate recovery and long-term sustainable development plans of LLDCs. Against this backdrop, the discussion on a transition to renewable energy has become even more important.

In recent years, advancements in technology have led to progressively declining costs for renewable energy installation.

According to a Report of the World Economic Forum, in 2010, the price of one megawatt hour (MWh) – a weighted average cost of electricity – of solar electricity was \$378, which fell to \$68/MWh in

2019 –a more than 5-fold decrease. Offshore and onshore wind also saw dramatic price reduction.

Yet despite being the world's largest source of electricity, over the same period, the global price of power from new coal fell from \$111 to just \$109.

Most LLDCs are net energy importers, especially those at the lower levels of the income spectrum. High and volatile energy prices have serious ramifications for oil and gas importing LLDCs on both the fiscal policy and external financing fronts.

During the COVID-19 crisis, demand and supply side constraints in the global economy kept energy prices suppressed.

However, as the world opened up, energy prices bounced back sharply

Geopolitical tensions have led to further volatility in energy prices and an uncertain outlook for the foreseeable future. The average annual price of brent crude oil has increased from \$40 and \$71 in 2020 and 2021, respectively, to \$104 this year<sup>1</sup>. Similarly, the World Bank's natural gas index which measures gas prices against the 2010 benchmark increased from 45.5 in 2020 to 130.7 in 2021.

The difficulties that many energy importing countries are currently experiencing demonstrate how relying on fossil fuels for energy can lead to economic instability and undermine development planning.

It is critical for developing countries, particularly vulnerable nations such as the LLDCs, to adopt long-term approaches to development that incorporate a shift to renewable energy and reduce reliance on imported fossil fuels.

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<sup>1</sup> US Energy Information Administration

Many LLDCs have high renewable energy potential, whether hydro-electric, solar or geothermal energy.

However, due to low investment levels and technical capacity constraints, they have so far been unable to harness this potential to any significant degree.

Renewable energy has not increased its share in LLDCs' total energy consumption in the last few years. On the contrary – it has declined slightly from about 43.5% in 2014 to 43% in 2019.

This is because higher energy demands have been met by non-renewable sources of energy, which resulted in both economic and environmental stress.

LLDCs need coordinated and increased levels of financial and technical support from the international community to scale up

renewables with the participation of both the public and private sectors.

On the financing front, private investment and development assistance are both crucial. According to UNCTAD, in 2021, 41 renewable energy international project finance projects were initiated in LLDCs.

Considering needs, foreign private investment levels would need to increase significantly to address the investment gaps in LLDCs.

International support for LLDCs' long-term debt sustainability through debt restructuring and suspension of debt reservicing can aid the transition to renewable energy.

Linking debt relief to climate change adaptation, for example, through debt-for-climate swaps that channel outstanding debt to renewable energy projects should be given special consideration.

On the technical front, LLDCs need intensive, timely and coordinated support to plan and implement their renewable energy transition strategies. This is where the support of our partners like IRENA will be invaluable.

The purpose of our joint report being launched today is to facilitate the overarching goal of all three organizers of this event: LLDCs' transition to renewable energy in a timely, coordinated and prescient manner.

In addition to providing a technical overview of how the shift to renewable energy can be accelerated, the report also deals with the critical issues of increasing financing and investment in renewable energy.

OHRLLS looks forward to continued collaboration between IRENA, and LLDCs on the transition to renewable energy.



As you know the LLDCs Foreign Affairs ministers adopted in 2020 the Roadmap for Accelerated Implementation of the Vienna Programme of Action which has priority activities of the UN system and other international and regional organizations to accelerate implementation.

I am happy to note that IRENA is one of the agencies contributing to the implementation of the Roadmap for Accelerated Implementation of the VPoA in the area of renewable energy.

As we are now beginning to prepare for the Third UN Conference for LLDCs, we look forward discussions in this meeting to provide valuable substantive contributions. We assure you of our continued support and look forward to working with all of you together to find solutions for all of LLDCs' challenges.

I thank you.