



1st Meeting of the Technical Working Group (TWG) on Finance and Investment
26 February 2021 – 8:00 to 11:00 AM (NY Time)
Meeting Summary

The meeting focused on the potential of blended finance to rapidly increase support for clean energy, and ways to go beyond financing the “low-hanging fruit” to achieve SDG 7 through energy investments for the countries and communities that need it most. The Technical Working Group (TWG) on Finance and Investment is one of five groups that are preparing evidence-based recommendations to be presented at the High-Level Dialogue on Energy (HLDE) in September 2021.

1. Special Address: Accelerating SDG7 Achievement

Ms. Damilola Ogunbiyi, Special Representative of the UN Secretary-General for Sustainable Energy for All, Co-Chair of UN-Energy, and Co-Chair of the HLDE, welcomed participants to the meeting. She said energy investment must urgently switch gears to support human development and climate action, and that the need for investment in clean energy is USD 1.6 trillion by 2030, but that only USD 380 billion was invested in 2019.

2. Welcome Remarks by the Co-Leads

Thomas Östros, Vice-President, European Investment Bank (EIB), called for stimulating investments in clean energy, not only where it is already happening but even more so in emerging markets. Reminding of the European Union’s commitments and ambitious, renewable and energy efficiency targets by 2030, he said that building back better and cleaner from the COVID-19 pandemic requires universal energy access and a just transition for the most affected populations and regions.

David Turk, Deputy Executive Director, International Energy Agency (IEA), said IEA will host a Clean Energy Transitions Summit, on 31 March 2021, jointly with the UK presidency of UNFCCC COP 26. A global roadmap to net zero for the energy sector will be highlighted at the Summit.

William Lugemwa, Director of Private Sector Development and Finance Division, UN Economic Commission for Africa (UNECA), described Africa as the “last frontier” for transformative energy investments. He said investment in clean energy is a key element of the region’s recovery from COVID-19, so those without electricity can gain access.

3. Overview of the HLD Energy 2021

Minoru Takada, Team Leader, Secretariat of the High-level Dialogue on Energy, UN Department of Economic and Social Affairs (DESA), provided a comprehensive overview on the Thematic Consultations for the High-level Dialogue on Energy.

4. Ensuring Universal Energy Access: Role of TWG1 and presentation of Concept Note

Tim Gould, Head of Energy Supply and Investment Outlooks, IEA, presented possible elements of the Thematic Report. He stressed the need to produce pragmatic, practical guidance on mobilizing public and private financing to achieve the two goals of the HLDE process (achieve SDG 7 by 2030 and net-zero emissions by 2050).

5. Open Discussion

During the open discussion, members of the TWG, the Member State Global Theme Champions, and UN-Energy member organizations offered suggestions for the recommendations the TWG will further develop in preparation of the Thematic Report.

- Blended finance is critical. The current types of capital available is not “fit for purpose” to fill the funding gaps Africa’s infrastructure needs.
- Mobilizing domestic currency capital and deploying credit enhancements instruments could leverage more private capital flows.
- Improving the bankability of clean energy projects is essential; support must be provided to ensure the readiness of investments.
- The use of mobile money, smart meters, and customer credit evaluation tools.
- Importance of interlinked approaches to improving project bankability,
- Whilst transmission is usually handled by the public sector, it is clear that private sector involvement is needed through public private partnerships.
- Other approaches to financing include: carbon pricing; reducing import duties through 0% tax rate for renewable energy equipment; crowdfunding to cover upfront costs, which will allow citizens to actively participate in the energy transition while also receiving a return on their investment; and taking advantage of the momentum for environmental, social, and governance (ESG) investing in capital markets, such as sustainability-linked loans that lower borrowing costs when achieving GHG emission reduction targets.
- The importance of reaching new markets and communities, even at increased risk.
- DFIs should act more like development organizations than commercial banks and be prepared for more loss and risk.
- Reaching the poorest people should be a core message for the HLDE, with inequality as an underlying cause of many of our challenges and a risk factor for progress.
- Must ensure that financial flows reach the LDCs and find ways for public funding to leverage the private sector to invest in clean energy that reaches the poorest people.
- The rule of law and clear policies, regulations and long-term stability for energy policies is critical for investors’ confidence, as is building planning capacity in governments.

Conclusion and Next Steps

Linus Mofor, Senior Environmental Affairs Officer, UNECA, closed the meeting by recapping that the discussions had highlighted the importance of de-risking, supporting local currency investments, a stepped-up role for development finance institutions, capitalizing on the momentum of ESG investment, ensuring political stability and rule of law, and investing in transmission and distribution of power. Manuel Baritaud, Senior Economist, EIB, said the TWG had noted the need to rapidly increase bankability, including through the role of intermediaries to scale up investment, and he suggested a greater emphasis on energy efficiency projects. He said “blended finance” were the words repeated most often during the meeting, and that DFIs and MDBs can play an important role in this.

- TWG5 Members were asked to submit written inputs to the Secretariat at kanika.chawla@seforall.org, using the guiding questions in the Concept Note.
- Based on these comments, the Co-Chairs will share an annotated outline by mid-March.
- Comments on the outline should be submitted within a week of it being distributed.
- The second meeting of the Group will take place in the week of 12 April to discuss the first draft of the report.
- Cross-Technical Working Groups exchanges will take place end of April to ensure synergies and coherence.
- The Group will have its final meeting the week of 17 May.