

Side Event “Overcoming Challenges and Exploring Opportunities for Sustainable Energy Transition through South-South Cooperation”

Bangkok and online, 13 September 2022

I. General Context

The Side Event “Overcoming Challenges and Exploring Opportunities for Sustainable Energy Transition through South-South Cooperation” was co-organized by UNECE, UNESCAP, and UNESCWA in a hybrid format (onsite in Bangkok and online). The main objective of the side event was to provide an opportunity for governments, international organizations, experts, financial institutions, and academia to review existing experience of countries in the global South in the post-COVID-19 recovery in the energy sector and the role that South-South economic cooperation can play in the sustainable energy transition.

The Covid-19 pandemic has created new development challenges for the global South. The war in Ukraine has added a new dimension to these challenges. The issue of energy security has come to the fore of energy policies in many countries. Many governments see increasing share of fossil fuels as an immediate response to the energy crisis, which jeopardizes the overarching long-term objectives of mitigating climate change and achieving the targets of SDG7 – affordable, reliable, sustainable and modern energy for all by 2030.

Following the COVID-19 pandemic many developing countries and countries with economies in transition need to restart economic growth while ensuring that progress towards sustainability and climate goals remain on track. Many countries and sub-national jurisdictions have developed SDG 7 Road Maps, with the support of UNESCAP. This work is now being expanded and replicated in other countries across South-East Asia, the Caucasus and Central Asia through a joint project “Strengthening energy policies of Countries with Special Needs to build back better from COVID-19” (2022-2025) that is being implemented by UNESCAP and UNECE. It is critical that these Road Maps include strategies to manage the current crises unfolding.

Among other solutions being developed are efforts to strengthen the capacity and resilience of micro-, small and medium enterprises (MSMEs) in developing countries and economies in transition to mitigate the economic and social impact of the global COVID-19 crisis. Under a recently completed project “[Global Initiative towards post-Covid-19 resurgence of the MSME sector](#)” (2020-2022), two sets of Guidelines and Best Practices for MSMEs were developed by UNECE: 1) to assure resiliency and progress towards a circular economy in sustainable resource management and critical raw material supply chain solutions and 2) to deliver energy efficient products and provide renewable energy equipment. The work that started needs to continue to alleviate current problems to bring Sustainable Development Agenda back on track. Sustainable energy transition is critical for this. Countries of the global South need assistance in strengthening

their energy policies to build back better from COVID-19 and may benefit from exchange of existing experience in other countries.

II. Solutions/cases presented

Deputy Executive Secretaries of UNESCAP, UNESCWA, and UNECE made opening statements, in which they stressed the importance of cooperation between the Regional Commissions and benefits of exchange of experience and knowledge in the framework of South-South and Triangular cooperation. Following the Opening Session, five panelists exchanged their views and experience at the national and regional level on post-Covid-19 recovery, adaptation to the circumstances of the current geopolitical crisis, and ways forward for sustainable energy transition.

Main conclusions at the national and regional level from the panel discussion:

1. Georgia: Development of the SDG7 Roadmap for Georgia with support of UNESCAP was a significant contribution to enhancing national energy policy. It provides clear pathways for improving energy security, reducing reliance on energy imports, such as natural gas, improving energy efficiency, and increasing share of renewable energy in the total energy mix. Attracting private investments is critical for implementing the goals set in the roadmap. Government support to MSMEs in response to the Covid-19 crisis was very important to help them overcome difficulties created by it. No less important is what MSMEs can do by combining their forces in overcoming these challenges. Guidelines and Best Practices for MSMEs in energy efficiency and renewable energy sectors in Georgia developed with support of UNECE became a useful tool for both the Government and MSMEs.
2. Jordan: For the country that imports a very large share of its energy (89% in 2020), COVID-19 pandemic underscored the importance of energy security but also highlighted opportunities for energy efficiency in different sectors and the role of renewable energy (its share at 29%). Jordan's energy strategy for 2020-2030 focuses on a number of strategic goals. Diversification – increased use of natural gas and renewable energy – is viewed as a strategic driver to protect against price fluctuations. Local energy sources should reach 48.5% by 2030. There is a goal to improve energy efficiency by 9% by 2030 building on the National Energy Efficiency Action Plan. Improved financial sustainability of the sector is key.
3. Islamic Development Bank: National sector policies and strategies related to the energy transition, as well as means to implement them need right skills, expertise, and capacities that might not be available in some countries. This deficiency could be addressed through providing technical support. But the another also important dimension in the and there you transition challenges related to the involvement of the private sector. The needs for investments in the energy sector are very high. To attract foreign investments and the private sector proper regulations and policies and crucial. South-South Cooperation can help in creating proper investment environment.
4. Kyrgyzstan: In the post-COVID-19 recovery period, MSMEs providing energy-efficient and renewable energy products and equipment can play an important role in the transition of the Kyrgyz Republic to green economy if they are provided with the necessary incentives.

UNECE Guidelines and Best Practices demonstrate measures that MSMEs can take to restore confidence and respond to current challenges and provide recommendations to the Cabinet of Ministers of the Kyrgyz Republic to create favourable conditions for MSMEs for a smoother and more efficient economic recovery in accordance with the principles of sustainable development. The SDG7 Roadmap, developed with the help of NEXSTEP energy planning tool with support of UNESCAP, has identified several key areas that will assist policymakers in strengthening policy measures: making access to clean cooking technologies a priority; elimination of polluting heating technologies as a way to reduce impacts from indoor air pollution; transport electrification as the key to energy demand reduction and GHG emission reduction; and getting multiple benefits from energy efficiency measures across the economy.

5. At the level of UNECE and UNESCAP regions: The study Guidelines and Best Practices for MSMEs in delivering energy-efficient products and in providing renewable energy equipment assesses the business environment that MSMEs in clean energy face; presents examples of best practices in energy efficiency and renewable energy related to crisis response and post-crisis recovery; offers practical measures to help businesses access markets, financing, and advanced technologies; and provides recommendations for policy guidelines to help countries move beyond the crisis. UNESCAP has developed a tool – the National Expert SDG Tool for Energy Planning (NEXSTEP) – to support the development of national SDG7 roadmaps. This tool enables policymakers to make informed policy decisions to support the achievement of the SDG7 and emission reduction targets.

Representatives of UNECE, UNESCWA, and UNESCAP summarized the outcomes of the panel discussion and discussed the next steps in South-South cooperation in sustainable energy transition.

III. Moving Forward

Among the ways to move forward in sustainable energy transition the following ideas were shared:

- Linking the low carbon transition to improved diversification, use of local resources, and increased self-reliance
- Clear economic vision followed by detailed sectoral strategies and plans
- Regional interconnectivity, knowledge transfer, and Water-Energy-Food nexus as entry points for South-South cooperation
- Expansion of the use of the NEXSTEP tool to support the development of national SDG7 roadmaps in several more countries of the Caucasus, Central Asia, and South Pacific
- Creation of favourable environment for investments in sustainable energy transition through technical support, proper legislation, regulation, and policies, enhancing capacity of policy makers, and training of government officials, experts, and developers
- Continuing cooperation among the UN Regional Commissions in supporting their member States in sustainable energy transition

Examples of national and regional actions and projects, experience of cooperation among the countries of the same and different regions, actions of international organizations and international financial institutions provide clear guidance for the ways to accelerate sustainable energy transition. The role of South-South cooperation was clearly identified during the session and its importance stressed. It will be a useful tool in attracting investments to projects in the energy sector that are important for reaching SDG7, supporting other Sustainable Development Goals, and achieving objectives of the Paris Climate Agreement.

List of Speakers

Moderator of the session and Closing remarks:

- Mr. Hongpeng Liu, Director, Energy Division, UNESCAP

Opening Statements:

- Mr. Kaveh Zahedi, UNESCAP Deputy Executive Secretary
- Mr. Mounir Tabet, UNESCWA Deputy Executive Secretary
- Mr. Dmitry Mariyasin, UNECE Deputy Executive Secretary

Moderator of the panel discussion:

- Mr. Oleg Dzioubinski, Regional Adviser, Sustainable Energy Division, UNECE

Panellists:

- Ms. Margalita Arabidze, Head of Energy Efficiency and Renewable Energy Policy and Sustainable Development Department, Ministry of Economy and Sustainable Development of Georgia
- Ms. Shada El-Sharif, Investment Priority Lead, Prime Minister's Delivery Unit, Jordan
- Mr. Hussein Mogaibel, Global Lead Energy Specialist, Economic and Social Infrastructure Department, Islamic Development Bank (IsDB)
- Ms. Tatiana Vedeneva, President, Center for Renewable Energy and Energy Efficiency Development (CREEED), Kyrgyzstan
- Mr. Vitaly Bekker, Senior Energy Expert, UNECE and UNESCAP

Discussant:

- Ms. Radia Sedaoui, Chief of Energy Section, Climate Change and Natural Resource Sustainability Cluster, UNESCWA