

SECTION 3.13

INTERLINKAGES BETWEEN ENERGY AND SUSTAINABLE DEVELOPMENT THROUGH GLOBAL PARTNERSHIPS (SDG 17)

CONTRIBUTING ORGANIZATION:
POWER FOR ALL

Summary/Key Messages

Energy is “the golden thread that connects economic growth, social equity, and environmental sustainability,”³⁵ and fully realizing those connections can only happen through a much greater level of partnership. Deep, systemic collaboration is still far too rare, and we must enter a decade of radical partnership to achieve SDG 7 and the other SDGs.

Sustainable energy innovation requires a systematic, multi-stakeholder approach to help bring a broader set of nascent technologies to technical and commercial maturity.³⁶ Partnerships help countries accelerate innovation processes by identifying

³⁵ UN Secretary-General Ban Ki-moon, April 20, 2012, <https://www.un.org/press/en/2012/sgsm14242.doc.htm>

³⁶ World Economic Forum, Accelerating Sustainable Energy Innovation, May 2018. http://www3.weforum.org/docs/Accelerating_sustainable_energy_innovation_2018.pdf

common priorities and challenges, tackling innovation gaps, and sharing best practices to improve performance, reduce costs and reach broad deployment of clean energy solutions.³⁷

A much greater level of financial and organizational support for partnership is required, however, within the SDG 7 ecosystem as well as in relation to other SDGs. Siloed thinking persists in the energy sector itself, preventing the more integrated public-private approaches needed to meet SDG targets.

Given that energy is “inextricably linked to almost all of SDGs”³⁸ a new level of intersectoral, multi-stakeholder partnership is required if we are to reach the 2030 agenda and achieve broad-based, integrated solutions that are long-lasting and effective. International collaboration can increase effectiveness, bring efficiency benefits, and maximize the impact of energy technology innovation efforts.³⁹



INTERLINKAGES BETWEEN SDG 7 AND SDG 17

Public and private partnerships are necessary for achieving SDG 7, in particular partnerships between regulators/utilities and private sector energy services providers.

The SDGs have been described as falling into three functional groups: catalytic, reactive, and enabling goals; the ‘catalytic’ SDGs are ones that have a significant impact on the attainment of other goals and targets.⁴⁰ On nexus issues linked to the energy sector, SDG 7 partnerships should focus first and foremost on the other development goals deemed ‘catalytic’: zero hunger (SDG 2), good health (SDG 3), education (SDG 4), and clean water (SDG 6). In addition, SDG 7 is an enabler of various cross-cutting linkages, including with regard to gender and inequality (SDG 5 and SDG 10), decent work (SDG 8), and climate resilience (SDG 13). SDG 7 is also particularly important for progress on SDG 9 (industry), which stresses the need to rethink infrastructure, technology development, and research and innovation in developing countries, with a focus on sustainable energy.



KEY CHALLENGES

- Solving complex problems does not produce immediate results and is often non-linear, making impact assessments more difficult.
- Insufficient financial and organizational resources are dedicated to encouraging sectors and organizations to engage in partnerships.
- Institutions, including governments and implementing agencies, remain disincentivized to jettison siloed thinking because funding sources are also siloed.
- Competing and/or unaligned goals, and competition for scarce resources, discourage partnerships.
- There is a lack of consistent and comprehensive inter-ministerial engagement at the regional, national and sub-national levels to ensure that SDG 7 and the other SDGs are being approached holistically.

³⁷ IEA, 2019. Three priorities for energy technology innovation partnerships. <https://www.iea.org/commentaries/three-priorities-for-energy-technology-innovation-partnerships>

³⁸ Global SDG 7 Conference, February 2018, Bangkok, Thailand https://sustainabledevelopment.un.org/content/documents/17977Outcome_Summary_Global_SDG7_Conference_Feb_20181.pdf

³⁹ IEA, 2019. Energy Technology Innovation Partnerships. <https://www.iea.org/reports/energy-technology-innovation-partnerships>

⁴⁰ Gijzen, Huub (2021), *The SDGs in the Urban Context: An opportunity to shape sustainable cities*: https://www.researchgate.net/publication/350007259_The_SDGs_in_the_Urban_Context_An_opportunity_to_shape_sustainable_cities



HOW TO ADDRESS THESE CHALLENGES

Greater investment in partnerships: Dedicated annual budgets should be set aside by governments, donors and implementing agencies to actively foster partnerships linked to SDG 7.

Integrate partnership into success metrics: Governments and donors should voluntarily incorporate collaboration-driven impacts in measurement and evaluation.

High-level government prioritization of partnership: Country-level taskforces under the vice-president or higher-level official can help embed renewable energy across national SDG targets. While some countries have inter-ministerial SDG Taskforces (Samoa, for example), these are often limited in scope, with representation only by ministers of finance, environment and community development. There is a similarly narrow focus in the case of parliamentary taskforces, as well (for instance, in Pakistan).

Going beyond donor 'coordination' to pooled donor funding: Instead of having multiple funding facilities for each country, managed by different donors or implementing agencies, or multiple regional facilities with different impact criteria, donors and multilateral agencies should commit to reducing duplication and actively work to pool funding and programmatic work, thereby avoiding unnecessary bureaucracy and inefficient use of capital.

Adopt a demand-side perspective: The SDG 7 community should move away from supply side thinking, and understand and embed end user needs (such as health clinics, schools, labour markets, and farming) into funding, programmes, business models and technical assistance.

Be a unifying force: The energy sector can be a catalyst for cooperation because of its role in enabling other SDGs, and can take the lead in building partnerships with non-energy sectors.

Comprehensive mapping of resource overlap: In a time of finite resources, comprehensive mapping is needed that looks at all SDG 7 activities by country, and identifies ways to use partnerships to avoid duplication and fully leverage resources.



CASE STUDIES TO DEMONSTRATE EXAMPLES OF IMPACTS OR LESSONS LEARNED

Universal Energy Facility (UEF):

Donors, development banks and foundations often create their own financing vehicles, making it a major challenge for energy companies to access funding without dedicating considerable time and resources to tracking the myriad RFPs and expressions of interest from different organizations. But in 2019, commercial and social impact investors with billions of dollars under management called on donors to jointly create a unified, Africa-wide results-based financing (RBF) mechanism, which they said was needed as a de-risking signal for them to enter the energy access market more aggressively. Many RBF facilities have been started by different donors in different countries, with varying results. The fragmented nature of the various RBF approaches has often resulted in insufficient capital, a slow pace of capital deployment and an absence of standardized criteria for approval.

To overcome these issues, a group of funders came together to launch a Universal Energy Facility (UEF) – a multi-donor RBF facility that will provide incentive payments to companies that deploy energy solutions and provide verified end user energy connections. The UEF is managed by SEforALL, and has

support from The Rockefeller Foundation, Shell Foundation, Power Africa, Good Energies and UK Aid. It aspires to be a US\$ 500 million facility by 2023, and to deliver about 2.3 million energy connections and 300,000 clean cooking solutions, with the potential for many more.

Joint SDG Fund:

This Fund is a UN inter-agency, pooled mechanism for integrated policy support and strategic financing, including for clean energy. The Joint SDG Fund provides catalytic grants to unblock SDG investment opportunities through financial and political de-risking. It also provides parallel funding to support the creation of a wider policy and legislative ecosystem for investments and technical assistance. Although Uruguay's energy matrix is comparatively green, key sectors like transportation and industry, which together account for about 70% of energy consumption, still rely heavily on fossil fuels. A programme that aims to decarbonize these sectors, provide universal access to clean energy, and improve Uruguay's energy efficiency by spurring the country's second energy transition, was awarded a grant of US\$ 11 million from the Joint SDG Fund. There is also co-funding to operationalize the Renewable Energy Innovation Fund, a first-of-its-kind facility, and attract at least US\$ 68 million as financial leverage.

The Fund takes the shape of a US\$ 80 million blended finance window for green transition and clean technology upgrades, which aims to broadly influence Uruguay's financial sector trajectory. The facility tailors its financing terms to the needs of client enterprises and financial institutions, and the characteristics of the technological innovation that is required. Other energy-related projects are under way in Rwanda (health clinic electrification), Madagascar (sustainable energy incubator, an investment de-risking facility, and a sovereign development fund) and Zimbabwe (a gender-responsive climate finance facility).

Powering Agriculture, a 'Collaboration Accelerator':

The energy sector too often takes a supply side mentality to solving the energy poverty challenge. The Powering Agriculture initiative, launched in 2019 by Power for All, recognized that by helping to embed renewable energy across the food value chain it would accelerate the ability of farmers to improve their livelihoods, and governments to capture additional economic value from the agriculture industry. The Collaboration Accelerator is an intersectoral, multi-stakeholder platform, bringing together the public sector (ministries of agriculture, energy and water), private sector (farming and renewable energy), donors and other funders, civil society, researchers and other key stakeholders.

By creating a platform for partnership, the Collaboration Accelerator is: 1) establishing a consensus among key decision-makers about barriers to market adoption and scale, 2) prioritizing and sequencing those barriers for removal, and 3) removing the barriers through ad hoc working groups. Wrapped around this process is a data-driven methodology that can be replicated in other countries and provide a clear pathway for intersectoral coalitions of action.

⁴¹ In India, implementation and enforcement of all buildings-related policies occurs at the city level but is, to a large extent, guided by model regulations and rules provided by the national and state authorities (WRI India, 2019).