



# SDG 7: Progress, gaps and recommendations for the UK

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Practical Action



Lack of access to modern energy services has severe negative impacts on billions of people and the environment in many countries in the Global South. In particular, the use of traditional fuels for cooking causes widespread health problems, with an estimated 2.8 million people dying prematurely from respiratory diseases each year because of smoke inhalation from solid fuel (especially biomass) stoves.<sup>1</sup> Women and children suffer most and also have to spend many hours collecting firewood, which in many places is also linked to forest degradation. At the same time, lack of access to electricity has economic and social implications, for example restricting the ability to operate small businesses into the evening.

Recent years have seen some acceleration in the provision of electricity access, including access to more remote communities, thanks to the falling costs of solar photovoltaics. According to the International Energy Agency, the number of people without access to electricity fell below one billion for the first time in 2017.<sup>2</sup> However, there were also 2.7 billion people that still had no clean cooking facilities. Overall, global progress on **Goal 7** remains inadequate and is not on track for achieving universal access by 2030.

Funding for energy access needs to scale up massively to achieve the 2030 goal. According to Sustainable Energy for All, \$52bn is needed annually to achieve universal electricity access, but committed finance stands at only half that.<sup>3</sup> Off-grid solutions, which tend to be the best option for the poorest and most marginalised communities, remain disproportionately underfunded, receiving only a fraction (1.3%) of the overall energy access funding. Clean cooking access requires \$4.4bn per year, yet only receives \$30m, and

finance flows into clean cooking solutions have actually been decreasing. With access to energy being a potential enabler for inclusive economic development when combined with other supporting interventions, this lack of progress also has broader implications, undermining the achievement of other SDGs.

## International climate fund and other UK energy support

The UK, as the world's third largest aid donor, has a key role to play in helping to address this situation. UK support for energy access is mainly provided through the International Climate Fund (ICF), which has a total funding commitment of at least £5.8bn between 2016 and 2021 (see **Goal 13**). In addition, there are some other regional and bilateral programs such as Energy Africa (currently operating in 14 countries).

According to official statistics, between 2011/2012 and 2017/2018 ICF funding has provided 17 million people with improved energy access through off-grid renewables and other solutions, such as efficient cook stoves and solar lanterns.<sup>4</sup> In total, 590 megawatts of clean energy capacity has been installed, both on and off-grid. In December 2018, the UK government announced that £100m of ICF funds would be provided to triple the funding available for the Renewable Energy Performance Platform, which focuses on energy access in sub-Saharan Africa.<sup>5</sup>

While the ICF and other funding for energy access is welcome, it is difficult to assess how effective it has been. It is not clear from the government's key performance indicators what level (tier) of access has been provided

1. <https://www.iea.org/access2017/#section-3-1>

2. <https://www.iea.org/sdg/>

3. <https://www.seforall.org/sites/default/files/EF-2018-UL-SEforALL.pdf>

4. [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/721993/2018-UK-Climate-Finance-Results.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/721993/2018-UK-Climate-Finance-Results.pdf)

5. <https://www.gov.uk/government/news/uk-invests-100-million-for-renewable-energy-projects-in-africa>

and whether the support has benefited the “last mile” communities that struggle most to obtain adequate energy access. Furthermore, it appears that little of the funding has gone to projects or programmes focused on productive uses for energy (eg to support agriculture) and, mirroring the global picture, funding for clean cooking has been sparse.<sup>6</sup> It is therefore important that the government provides more meaningful measurement and tracking of its energy access programmes using the multi-tier framework.<sup>7</sup>

While not insignificant, ICF funding for energy access falls far from meeting the major funding challenge around sustainable energy. Furthermore, it obscures a broader picture of UK support for energy to the Global South that is not aligned with **Goal 7**, the “Leave No One Behind” principle or Paris Climate Agreement.<sup>8</sup> In reality, according to a Catholic Agency For Overseas Development (CAFOD) and ODI analysis, energy access only accounts for a small percentage of overall UK energy support to the Global South (including export finance).<sup>9</sup>

- Between 2010 and 2014, only 8% of overall support and 12% of ODA support went to energy access.<sup>10</sup>
- A significant amount (46%) of overall energy support went to fossil fuels.
- Renewables (Target 7.2) and energy efficiency (Target 7.3) only received 22% and 2% of overall energy support respectively. The figures for ODA are better, with 36% of support going to renewables.

There is therefore an urgent need to re-align this spending with SDG priorities, especially **Goal 13** (climate action).

### Target 7.2:

**By 2030, increase substantially the share of renewable energy in the global energy mix.**

In addition to ICF and other bilateral funding, the UK also makes a large contribution to the energy programmes of MDBs, such as the World Bank, the African Development Bank and the Asian Development Bank. Over two-thirds of UK ODA support flows via multilateral channels.<sup>11</sup>

Energy support from the MDBs plays a critical role in achieving **Goal 7**. However, energy access, in particular renewables-based decentralised solutions, only accounts for a small proportion of their energy spending, while a large

6. As per climate finance project database: <https://www.carbonbrief.org/mapped-how-uk-foreign-aid-is-spent-climate-change>

7. <https://www.esmap.org/node/55526>

8. <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

9. <https://cafod.org.uk/About-us/Policy-and-research/Climate-change-and-energy/Sustainable-energy/Analysis-UK-support-for-energy>

10. More up-to-date figures to be published in early 2019.

11. Information from ODI and CAFOD.

proportion continues to flow to fossil fuels. Recent analysis by Oil Change International found that less than 20% of MDB energy finance from 2014 to 2017 (an average of just \$3.6bn per year) went to projects aimed at advancing energy access primarily for poor and/or rural communities.<sup>12</sup> Only 2% of energy finance went to off-grid and decentralised energy solutions that are most likely to close the access gap in rural areas.

The World Bank Group (WBG) is the single largest channel for UK energy access support. In Africa, where energy access needs are greatest, it was the second-largest provider of public finance for energy in Africa by total volume in the period 2014-16, a period in which it financed mostly fossil fuel infrastructure.<sup>13</sup> The WBG’s commitment to end financing for upstream oil and gas, which started in 2019, is therefore important, but the UK government could do more to champion alignment of the WBG and other MDB energy support to the SDGs, especially **Goal 7** and **Goal 13**.

### Target 7.3:

**Double the global rate of improvement in energy efficiency by 2030.**

Investing in energy efficiency has the potential to dramatically reduce energy use and harmful CO2 emissions (see **Goal 13**). In many sectors, technology exists with relatively short payback periods, which means that such efficiency makes good economic as well as environmental sense.

However, often there are split incentives between manufacturer and consumer or a lack of knowledge about potential savings that delay uptake, and which mean that policymakers have a role to play in shaping the market. This is true in the vehicle market, where regulations can help promote a shift to clean and efficient vehicles.

The Global Fuel Economy Initiative, which has set a target of doubling the fuel economy of new vehicles by 2030, works with countries in the Global South to support them to enact policies to promote efficient vehicles and control flows of used vehicles.<sup>14</sup> There is an opportunity for the UK government to do more to support this work, including the transition to electric vehicles, which also has benefits for urban air quality and health (**Goals 3, 11 and 13**).

12. <http://priceofoil.org/2018/10/10/shortchanging-energy-access-report-mdb-finance/>

13. [http://priceofoil.org/content/uploads/2018/07/africa\\_finance\\_report\\_final\\_web.pdf](http://priceofoil.org/content/uploads/2018/07/africa_finance_report_final_web.pdf)

14. <https://www.globalfueleconomy.org/>

**To achieve Goal 7, the UK government should:**

- Align all the UK's international support for energy in the Global South with achieving the SDGs, especially **Goal 7** and **Goal 13**, and the implementation of the Paris Climate Agreement.
- Give greater priority to programmes and projects that promote the principle of "Leave No One Behind" and gender equality. For example provide support for more inclusive and integrated energy decision-making and planning processes.
- Cut energy support spending on fossil fuels (with some possible exceptions for liquefied petroleum gas as cooking fuel, only where no renewable alternatives are easily available).
- Prioritise and significantly scale up energy access funding, as well as support for renewable energy and energy efficiency, through all energy support to the Global South (including export finance). Provide increased support for off-grid electricity solutions and clean cooking.
- Influence MDBs so that they increase their investment on decentralised energy for energy access and phase-out fossil fuels.
- Increase the opportunities for civil society organisations and networks to meaningfully engage in the design of energy development strategies, initiatives and programmes.

This chapter is part of Bond's report, **The UK's global contribution to the Sustainable Development Goals**.

Access the rest of the report at [bond.org.uk/UK-global-contribution-SDGs](https://bond.org.uk/UK-global-contribution-SDGs)

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