



POLICY BRIEF #7

ENHANCING CAPACITY BUILDING FOR SDG 7

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This document is a part of a series of Policy Briefs being developed to support SDG7 review at the UN High-Level Political Forum to be held in July 2018. The objective is to inform intergovernmental discussions by providing substantive inputs on SDG7 and its interlinkages with other SDGs prepared through inclusive multi-stakeholder consultation processes. The development of these Policy Briefs is coordinated under the auspices of the Ad Hoc Informal Multi-stakeholder Technical Group of Advisors on SDG7.

If you want to provide comments on this Policy Brief, please visit:

<https://sustainabledevelopment.un.org/EnergyConference/documentation>

KEY MESSAGES

Status of capacity building and progress towards achieving SDG7

Capacity building (CB) strategies and activities have been integral to creating enabling frameworks for investments in sustainable energy sector; by and large, it is a pre-requisite for promoting access to clean energy, energy efficiency and renewable energy technologies and services.

CB activities are contextual and often designed as “one off” interventions that are undertaken in silos and lack synergies; therefore their impacts may not be long-lasting nor lead to transformational changes; gender aspects are often neglected especially for access to modern energy uses.

There are several capacity needs assessment tools developed to identify and assess CB needs for the energy sectors but these have not been embedded in national training/educational institutions.

Priority actions over the next 4 years

Establish a platform for various tools of capacity assessment, and approaches to designing capacity development plans, with holistic, gender inclusive, integrated frameworks for SDG7 in a relevant global institution.

Effect CB at the country level by designating national focal institutions and adequately resourcing them. These institutions would have the responsibility of undertaking integrated CB needs assessments at various levels involving policy makers, private sector, academia and communities; determining the delivery mechanisms and putting in place exacting monitoring and dynamic tracking mechanisms

Define cross-sectoral integrated targets between SDG 7 and other SDGs and track their achievement through an appropriately designed monitoring and evaluation framework.

Priority actions towards 2030

Create a network of the global and national institutions identified above to institutionalize CB for SDG7 and related SDGs. This Network should evolve to function as a:

- a) Knowledge bank: repository for contextually-mapped knowledge resources on policies, regulations and actions for access, energy efficiency and renewable energy;
- b) Clearing House/s: platform for active information and experience exchange at international, regional, national, subnational or local levels and
- c) Resource Centre: provide on-line tools for CB needs assessment to facilitate project development, resource assessments, access to finance, PPP models and
- d) Help Desk: an on-line help desk for customising actions/interventions at the local levels.

Refresh and re-align the curriculum in higher education institutions to better respond to the needs of SDG 7 and related goals.

CB and SDG7

Current Status

Sustainable energy availability influences people’s lives and is an engine for poverty alleviation, social progress, women and youth empowerment, equity, enhanced resilience, economic growth and environmental sustainability. SDG7 focusing on access to affordable, reliable, sustainable and modern energy is underpinned by three targets: ensuring universal access to energy services (7.1), increasing the share of renewables in the energy mix (7.2), and doubling the rate of energy efficiency improvements (7.3). At the same time, the Agenda 2030 document stresses on the integrated, indivisible nature of all goals and targets and the need to balance the three pillars of sustainable development.

Despite decades of efforts on the above three targets of sustainable energy, the task of achieving them continues to be daunting (See Policy Briefs on each of the targets). More so because these three targets are often dealt with through different institutional mechanisms with very little coherence in approach. It also needs to be recognized that little capacity (the means to plan and achieve) exists to address the inter-linkages between SDG 7 and related sustainable development goals. As such, a renewed, concerted effort on capacity building is required to achieve the energy and related goals of Agenda 2030!

One of the most comprehensive definitions of capacity building (or development) comes from UNDP “Capacity development starts from the principle that people are best empowered to realize their full potential when the means of development are sustainable – home-grown, long-term, and generated and managed collectively by those who stand to

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benefit.” In the same document, UNDP goes on to make an important distinction between skill and capacity development “For an activity to meet the standard of capacity development ..., it must bring about transformation that is generated and sustained over time from within. Transformation of this kind goes beyond performing tasks; instead, it is more a matter of changing mindsets and attitudes.” (UNDP 2009)

However, operationalizing capacity development in such terms has proven to be a challenge. In line with the global Conventions that contribute to SDG 7 directly and indirectly, specific programmes targeting capacity building have been funded by the Global Environment Facility. At the national levels, many bilateral agencies and multilateral development banks and other UN agencies through their programmes support CB measures through knowledge transfer, technology cooperation, policy advice and investment measures, or a combination of knowhow transfer, training of local staff and preparation of studies. Such approaches are expected to lead to long-term and sustainable results by strengthening the strategic capacity of partner institutions and organizations. However, this is challenged by narrowly targeted programmes with insufficient resources and fragmented mandates to deal with capacity issues across the energy services value chain.

Are we on track to achieving capacity building for SDG7 energy goals?

Several innovative approaches have been adopted to effect transformational changes in the energy sector. On the technical side, innovations include – pay-as-you-go (PAYG), Net metering, Prepaid meters, Mobile Apps amongst others. On the institutional side, efforts to combine energy demand and uses have led to increased productivity and livelihood opportunities whereas the Global Fuel Economy Initiative, a partnership of concerned international bodies, is working towards ensuring real improvements in fuel economy and the deployment of fuel economy technologies. Employment generation in sustainable energy has increased manifold through several trainings. Different financial mechanisms and business models have been put to test through piloting and creating credit guarantee schemes, setting up of ESCOs, through addressing barriers in financial, technical, regulatory, policy and institutional and implementation of energy sector projects.

However, it is well recognised that the need for further capacity building for achieving the ambitious SDG7 energy goals is critical at all levels, across all countries. This is likely because the innovative approaches being designed are not conforming to the definition of capacity development. The CB linked to programme specific innovations are narrowly focussed and often the capacity so built is lost to the sector over time. There is no systemic plan to ensure that the CB

infrastructure of a country is aligned to deliver against the needs of the energy sector.

Knowledge sharing, learning by doing, pilot studies, education and capacity building programmes are a few examples of CB interventions.¹ Different donor and expert agencies have determined or analysed and implemented CB initiatives in different context and locations. Some of these results indicate the need for capacity development to centre around developments of human resources along entire value chains, institutional capacities and generation of data and analytical capabilities.

Key challenges

Fragmented approaches to capacity building, and institutional mandates, are key challenges to an integrated approach to SDG 7. Significant resources are needed to address the weaknesses in the capacity to adapt tools and implementing capacity development efforts. Dedicated institutional networks for addressing energy issues are lacking. While the need for CB has been emphasized in all major intergovernmental meetings on both climate change and sustainable development as well as in all key global agreements, CB remains largely at a project level and not leading to transformational changes and sustainability of the impacts.

Several observations have also been made on the need to vest the CB responsibilities in institutions of higher learning within countries/regions (Hugo et al (2017); African Development Bank (2013)). Alluding to the inadequacy of resources allocated towards capacity building efforts, AfDB noted that “A critical review of capacity development for the power industry indicates that donors are typically experiencing difficulties with funding stand-alone CB programmes. Once again, this is partly due to problems related to measuring the tangible impact of such initiatives relative to their cost.” (African Development Bank, 2013).”

Clearly the need for CB is stronger in the developing countries. These countries with a large unmet demand for energy have to address the twin challenges of achieving access to all and ensure overall sustainability through energy efficiency and renewable energy adoption. Developed countries, on the other hand, need a greater push toward meeting the energy efficiency and renewable energy targets of SDG 7. Hence, depending on development priorities the capacity development needs of different countries and clusters such as developing, developed and transition economies would be quite different. Besides country priorities, the CB framework and its implementation for achieving SDG7 also has to recognize the fact that energy is a means to address various other developmental goals.

Interlinkages with other SDGs

¹ PAGE (2016), Integrated Planning and Sustainable Development: Challenges and Opportunities

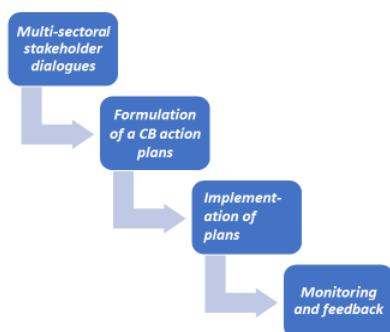
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The complex and often non-linear linkages of SDG7 with other associated SDGs require a concerted and systematic approach to building capacities for a wide range of stakeholders across different sectors. It can be done only with the recognition of the enabling role of energy for meeting other goals which demands strengthening of cross sectoral and inclusive planning, policy formulation and implementation processes. Hence, any CB measure must be implemented through a mechanism that is sensitive to cross cutting institutional aspects, decision processes and upstream-downstream linkages with other goals. For example, once the focus shifts from providing energy to agriculture as a sector to meeting the need for irrigation, the solutions can vary from biotechnology to higher water-use efficiency, better water management, selling surplus electricity generated from solar PV panels to distribution companies, water conservation (drip irrigation), and pumps operating on conventional or on renewable energy. The range of partnerships and actors involved, as also the efficiency and coverage of the solutions, could be vastly different from those in practice today. Such a change would contribute to achieving not only SDG 7 but also SDG 2, SDG 6, SDG 12, and SDG 13. Therefore, for an integrated approach to tackling SDG 7 the framework or design of CB initiatives has to include processes that are cross-sector and institution driven as against siloed project driven approaches.

Design of capacity building initiatives for SDG 7

The African Development Bank (African Development Bank (2013)) in its report concluded among other observations that (i) CB must be viewed as a core goal in its own right rather than as a collateral objective. (ii) CB is a long-term exercise and should be viewed as an investment project with limited immediate pay-offs. (iii) To succeed, CB must be stakeholder-owned rather than donor-driven, while making use of local and regional expertise wherever possible. UN agencies (UNDP, UN Women, UNEP) engaged in supporting capacity building programme pursue dedicated capacity development goals with partner agencies for SDGs. Recent years have seen a major focus on developing country action plans for implementing the sustainable energy goals. Elements of CB and training are included in these documents but there is still a demonstrable lack of a systemic and long-term approach to CB. An implementation framework of CB for different groups of countries and regions should ideally comprise of four steps as given in Figure 1

Figure 1: Implementation Framework for Energy Capacity Building



Step 1 must include stakeholders associated with each of the three energy targets but must also address itself to the synergies within the SDG 7 targets and the inter-linkages with other SDGs. Step 1 also emphasizes on scenario analysis related to implications of addressing SDG 7 and sensitization of policy makers, implementers at the same time. Finally, it stresses the importance of discussing and defining cross-sectoral integration targets between SDG 7 and other SDGs at the country level.

Step 2 asserts that each country should develop an action plan for CB of stakeholders to address energy needs in a manner that favourably impacts achievement of SDG 7 and linked SDGs. The need to develop an understanding of the needs for CB across all sectors and stakeholders is therefore a prerequisite for establishing a plan of action for CB. Further, it will be natural to have different sets of CB needs and skill provision for countries in the short, medium and long term.

Step 3 involves implementation of the action through national systems and processes for the most sustainable long-term results; finalizing targets and indicators to monitor progress in implementation. It signifies the criticality of setting in place cross-sectoral governance mechanisms to ensure coherence of the implementation of the overall CB efforts.

Step 4 involves 360 degrees data based review and feedback for tracking changes in performance and in facilitating dialogues to improve policies and practices (Acheson Report (1988)). In this context, it is critically important to rapidly build the capacity of organizations dealing with data collection and analysis, in order to ensure relevant analysis and timely feedback for course correction or modification.

Policy Implications / Recommendations

Policy Frameworks for SDG 7

A clearly defined, long term policy framework for achieving nationally determined energy targets, that would lend confidence to market players and financial institutions, is an essential pre-requisite for investments that stakeholders along the value chain would make in CB. Such a policy framework itself would need to be comprehensive in its formulation and must recognize the vertical (national to local) and horizontal (cross-sectoral) interlinkages of SDG 7.

Administrative empowerment

Several countries, developing countries in particular, offer energy and related services through government Ministries/Departments and public sector organizations. Siloed functioning of administrative entities lead to counter-productivity to an integrated, indivisible approach to SDGs. Unless new rules or empowering mechanisms are designed and implemented it would be difficult to translate intent into output (Hugo, et. al (2017)). At the same time, the role of the private sector is still limited and can be enhanced for

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innovations and resource mobilization to SDG7 capacity building.

Institutionalize CB

Assign responsibilities to (a) key institution(s) to ensure that the trained workforce needed to support energy transformations is in place. This would have to be done across the value chain of specific energy activities. From a longer-term perspective vest the responsibility of refreshing and re-aligning higher education curriculum feeding into SDG 7 in appropriate higher education and regulatory institutions in country (Warren, A. et al (2014); Weidner, H., M. Jänicke (2002)). Eventually it should lead to a governance framework that would ensure a smooth transfer of knowledge from the CB Institutions identified above to the energy delivery and related institutions in the country.

Create a network of the global and national institutions

Once key institutions are identified and operational at the national level it would be desirable to develop a network of such institutions. This Network should evolve to function as a:

- a) Knowledge bank: repository for contextually-mapped knowledge resources on policies, regulations and actions for access, energy efficiency and renewable energy;
- b) Clearing House/s: platform for active information and experience exchange at international, regional, national, subnational or local levels and
- c) Resource Centre: provide on-line tools for CB needs assessment to facilitate project development, resource assessments, access to finance, PPP models and
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Refresh and re-align the curriculum in higher education institutions to better respond to the needs of SDG 7 and related goals.

Provisioning for delivery and monitoring

The focused CB national plan developed for SDG 7 would be designed through appropriate stakeholder engagement but would need to be supported by the requisite resources – financial, knowledge, tools and human resources – to get desired outcomes. Governments would need to identify the organizations that would implement the CB plan, ensure that they are adequately resourced or have access to international resources, build accountability systems and monitor for delivery against performance indicators.

Design and implement an exacting monitoring and evaluation framework to ensure that the institutions are adequately responding to the rapidly evolving needs of the sector. Prepare an accompanying incentive framework for performance.

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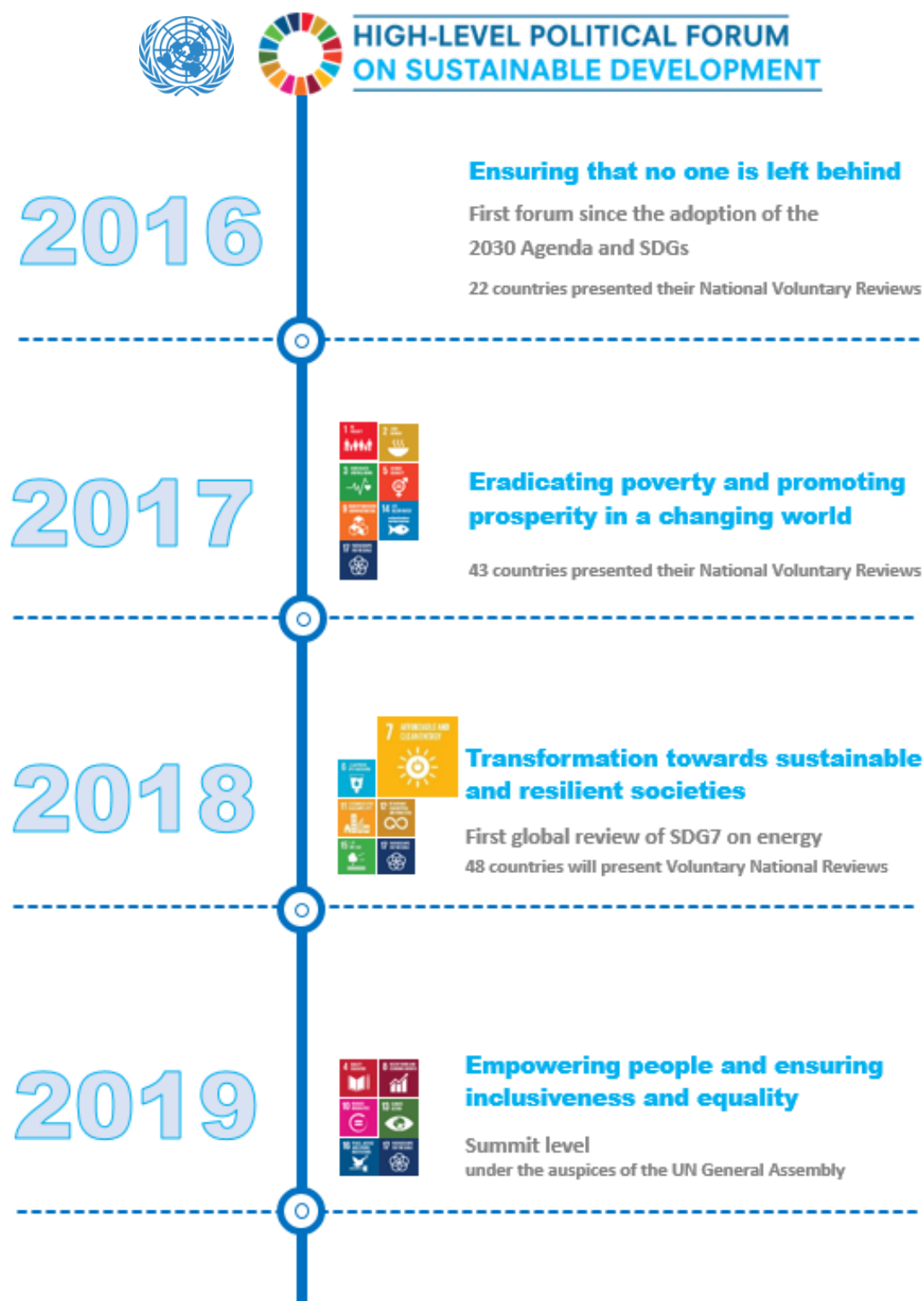
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Reference



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