

**PROJECT DOCUMENT TEMPLATE
14TH TRANCHE OF THE DEVELOPMENT ACCOUNT**

1 EXECUTIVE SUMMARY

Project Code and Title:	Strengthening energy policies of Countries with Special Needs to build back better from COVID-19
Start date:	January 2022
End date:	June 2025
Budget:	<p>\$700,000 As per the budget fascicle</p> <p>ESCAP: \$506,375 FA: 19AC0009</p> <p>CC: 11599</p> <p>ECE: \$193,625</p>
Target countries:	Armenia, Sri Lanka, Federated States of Micronesia, Kazakhstan, Kiribati, Maldives, Mongolia, and Uzbekistan.
Lead Entity:	Economic and Social Commission for Asia and the Pacific (ESCAP)
Other UN DA Implementing Entity/Entities:	<p>Economic Commission for Europe (ECE)</p> <p>Economic Commission for Latin America and the Caribbean (ECLAC)</p> <p>Department of Economic and Social Affairs (DESA)</p>
Other Collaborating Entities within the UN Secretariat and System:	UN Resident Coordinator Office (RCO) in target countries

Brief description:

This project aims to improve the capacity of policymakers by supporting them to develop SDG 7 roadmaps which enable the delivery of both the sustainable energy transition and the economic recovery from COVID-19. It will do this by engaging stakeholders at the national level through consultation workshops in each participating country. The workshops will be used to explain the customized methodology used to develop the SDG 7 roadmaps and to identify the relevant national context and strategies relating to the SDG 7 targets, nationally determined contributions (NDCs) and COVID-19 recovery. ESCAP has developed the National Expert SDG Tool for Energy Planning (NEXSTEP),¹ an integrated and innovative approach to policy decision-making which combines technical, economic and socio-environmental analysis using a methodology that has been peer reviewed by a panel of external experts.

Planners and policymakers will be trained in the use of the NEXSTEP tool and will be supported in its implementation to incorporate the country's broader goals and green economic recovery strategy. Applying this tool, planners and policymakers will have the capacity to produce a national SDG 7 roadmap for each country, highlighting the key findings and recommendations arising from the work.

While previous versions of NEXSTEP have provided a preliminary feasibility assessment for infrastructure investments, the process of roadmap implementation (including engagement with investors) has been left to the respective governments. While many feasible investments are available, the capacity to engage with private investors is limited in some countries and presents a significant barrier to implementation. This project will identify mechanisms for attracting private investment for implementing the priorities identified in the roadmap, and initiate engagement between governments and the private sector for this purpose. In three of the countries (to be selected on the basis of their energy systems' good prospects² for private investors), the project will support deepening of these relationships with a programme of work including activities such as the facilitation of start-up accelerators, demo days and investment pitches.

Outcomes of the project will be carried forward by national policymakers and stakeholders alike, feeding into national energy policy and economic development policy and supporting the ongoing energy transition.

Lessons learned will be disseminated globally through the convening of an inter-regional seminar, allowing project participants to share their experiences and to explore opportunities and synergies with related international efforts.

Expected progress towards the attainment of objective and performance measures

The project will provide insights to policymakers to enable the creation of best practice SDG 7 policy which supports their national COVID-19 recovery goals. It will support 8 CSNs by delivering dedicated national capacity building programs and associated Roadmaps for each country, along with 3 investment mobilization studies and 3 national government-business dialogue workshops. In the long term, it is expected that this will lead to relationships between the government and the private sector, creating an environment that is conducive to a greater private sector role in delivering the sustainable energy transformation.

2 BACKGROUND

2.1 Context

Energy is the cornerstone of sustainable development. Global demand for energy is rising. Delivery of SDG 7, ensuring access to affordable, reliable, sustainable and modern energy for all, will be a significant challenge. ESCAP's study "Energy Transition Pathways for the 2030 Agenda in Asia and the Pacific"³ and ECE's policy brief⁴ suggest that the regions are not on track to achieving SDG 7 targets by 2030. Despite current efforts it is estimated that 63 million people in the Asia-Pacific region will be without access to electricity and 1.6 billion people without access to clean cooking by 2030. The region's renewable energy share will grow from 7 per cent today to 14 per cent by 2030 but needs to reach 35 per cent in order to achieve both SDG 7 and the Paris Agreement. In the ECE region, universal household electrification in terms of physical access has been attained, but aging infrastructure, a lack of supply diversity and increasing tariffs lead to poor power quality and, for some, energy poverty. In Latin America and the Caribbean 12 million people remain without electricity access and 83 million people without access to clean cooking.

Existing infrastructure, including the physical, regulatory, policy, and organizational infrastructure of the energy industry, is shaping policy approaches and national energy decision making. Issues in energy security and resilience present another dimension, but also offer opportunities for diverse, clean energy supplies and the prospect of solutions arising from international collaboration.

The situation brought about by the devastating COVID-19 pandemic entails a new set of challenges and opportunities for the achievement of SDG 7. The immediate impacts of measures to curtail the spread of the virus have reduced energy demand but this represents a temporary phenomenon with the risk that energy demand and emissions revert to their original trajectory post-pandemic. The socio-economic response launched by governments to restart their economies and build back better offers potential for targeted policies and investment that drive energy efficiency and renewable development, lower the costs of energy and create jobs, and provide access to modern energy to move people out of poverty. However, sustainable development objectives will now compete for more limited financial resources, while political and economic attention is drawn towards more immediate crises. Understanding how to synergize the two agendas of sustainable development and the socio-economic recovery from the COVID-19 pandemic is critical.

There are two major challenges to achieving SDG 7 targets and the Paris Agreement while building back better from COVID-19. The first is the lack of enabling policy frameworks, supported with appropriate renewable energy and energy efficiency technological interventions, at the national level. Evidence-based policy and strategic energy planning is essential to ensuring achievement of the targets, but the institutional capacity for this at the national level is very limited, particularly in countries with special needs (CSNs). These challenges are also present in subregions of the Caucasus and Central Asia, which are home to seven CSNs.⁵

ESCAP supports the development of national SDG 7 roadmaps utilizing the National Expert SDG Tool for Energy

¹ <https://www.unescap.org/our-work/energy/nexstep>

² This selection will involve an assessment of the energy infrastructure needs, *ab initio* business case for investment, and the regulatory and governance environment as it applies to investment risk.

³ <https://www.unescap.org/publications/energy-transition-pathways-2030-agenda-asia-and-pacific-regional-trends-report-energy>

⁴ https://trackingSDG7.esmap.org/data/files/download-documents/tracking_sdg_7_2020-full_report_-_web_0.pdf

⁵ [The landlocked developing countries of Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.](#)

Planning (NEXSTEP),⁶ an integrated and innovative approach to policy decision-making which combines technical, economic and socio-environmental analysis under a methodology that has been peer reviewed by a panel of external experts. The roadmaps developed using NEXSTEP provide policymakers with scenarios that estimate the share of different energy resources and identify the technological interventions required; economic analyses to provide insights into feasible interventions; and policy analyses to guide the development of balanced national policies. The NEXSTEP methodology has now been demonstrated through implementation in 11 countries, with Indonesia's and Georgia's SDG 7 roadmaps completed in 2020 and those for Fiji, Nepal and Tonga finalized in 2021. The tool continues to be developed in an ongoing process of refinement and improvement. In future, NEXSTEP will be made available as an on-line tool providing easy access for policymakers to further refine their national roadmaps.

ECE and ESCAP jointly implemented the UNDA project "Sustainable energy for all (SE4All) in Eastern Europe, the Caucasus, and Central Asia" in 2016-2019. The main project outcomes included improving capacity of national governments in five beneficiary countries (Azerbaijan, Belarus, Georgia, Kazakhstan, and Kyrgyzstan) to collect, process, and utilize energy data for policy making and development of draft National Sustainable Energy Action Plans (NSEAPs). The experience of developing NSEAPs would bring synergies to development of national SDG 7 roadmaps and improve their quality.

The second major challenge, identified in UN Energy's SDG 7 Policy Brief "Accelerating SDG 7 Achievement",⁷ is to attract the financial investment required to implement measures on the ground. There is an enormous opportunity for both public and private investment in the energy transition to deliver positive returns, but a range of barriers remain in the form of regulation, split incentives and poor access to information. Many of these challenges can be addressed through planning and development of policy and with the appropriate reform of regulatory frameworks. Post-COVID economic stimulus provides further potential for using public funds to leverage private investment while capturing some of the social benefits of the energy transition.

While diagnostic and policy design capacity in vulnerable countries will be strengthened by the outcomes from the UNCTAD DA project "Response and Recovery: Mobilizing Financial Resources for Development in the Time of COVID-19" (Project 2023Z), which aims to "...better respond to the COVID-19 pandemic and promote recoveries aligned with the achievement of the SDGs", further targeted effort is required to ensure that these efforts meet the needs of the energy transition. This joint Development Account project, led by UNCTAD with the cooperation of ECLAC, ESCAP and other regional commissions, provides comprehensive information on short-term external liquidity provision at the global, regional and the bilateral level, i.e., International Monetary Fund (IMF) lending lines, Regional Financial Agreements (RFA), and central bank currency swaps for all UN Member States. It provides regularly updated information both on potential lending capacity and on actual utilization of liquidity sources, which together make up the global safety net. This project will also help improve the design of macroeconomic policies to enable a successful response to and recovery from the COVID-19 pandemic, hence contributing to economic growth with decent work and reduced inequalities.

Meanwhile, additional work is needed to integrate the private sector's role in delivering SDG 7. ECE is participating in the UNDA project "Global Initiative towards post-COVID-19 resurgence of the MSME⁸ sector" which has delivered "Guidelines and Best Practices for MSMEs in delivering energy efficient products and in providing renewable energy equipment". It has also produced "Guidelines and Best Practices for MSMEs to assure resiliency and progress towards a circular economy in sustainable resource management and critical

⁶ <https://www.unescap.org/our-work/energy/nexstep>

⁷ https://sustainabledevelopment.un.org/content/documents/22877UN_FINAL_ONLINE_20190523.pdf

⁸ MSMEs – micro-, small, and medium enterprises.

raw material supply chain solutions”. These two documents provide clear and practical guidance to governments and companies on pathways to increase economic resilience, create favourable conditions, and facilitate and implement post-crisis recovery in a sustainable and “green” manner.

This proposal aims to facilitate the development of a new version of NEXSTEP that will enable the roadmap development process to better respond to the socio-economic impacts of COVID-19 and integrate lessons learned from DA project 2023Z “Mobilizing Financial Resources for Development in the Time of COVID-19”. The refined tool will consider additional objectives such as job creation, economic stimulus and rural development, improving insights into the effect of energy policy interventions on the broader economy and supporting users of the tool to build back better in the response to COVID-19. It will enable policymakers in all countries, including those beyond the immediate activity, to create SDG 7 roadmaps and develop insights that synergize both SDG 7 achievement and their COVID-19 response. It will also include the capacity, based on a dialogue with each country, to develop a range of planning scenarios that extend beyond the SDG 7 horizon of 2030, such as net zero by 2050.

Seven additional CSNs and one developing country – five in the Asia-Pacific and three from Central Asia and the Caucasus, covered by both ESCAP and ECE9 – will be selected with priority given to those which have identified challenges to achieve SDG 7 in Voluntary National Reviews at the High-level Political Forum. ESCAP and ECE will provide focal points to engage policymakers in the energy, transport, industry, planning and development portfolios of participating member States and to provide training on the use of the NEXSTEP tool. At the national level, the project focal points will seek the guidance of the UN Resident Coordinator Office (RCO) in identifying the appropriate line ministry that oversees the implementation of SDGs and consult the UN Country Team to map stakeholders for SDG 7 and NDCs, and will support those leading entities to development national SDG 7 roadmaps for the eight countries.

ECE and ESCAP will work with ECLAC to develop a dedicated capacity building session on developing SDG 7 Roadmaps using the NEXSTEP tool for selected ECLAC member States. This component will aim to transfer knowledge gained during the delivery of the project to the relevant division of ECLAC, representatives of ECLAC member States and regional energy experts. It will leverage the existing NEXSTEP eLearning curriculum and will comprise several sessions, conducted by virtual means, covering steps such as the roadmap development process, data collection and the use of the NEXSTEP software.

DESA will facilitate an inter-regional dialogue and experience sharing of the NEXSTEP tool at the global level, explore substantive synergies with existing efforts including the STI for SDG roadmaps, document the lessons-learned and help disseminate the tool at a global level. While the NEXSTEP tool will only be applied at the national level, ESCAP and ECE may share results of the work as case studies to other member States of different Regional Commissions and offer the tool for ongoing dissemination.

Finally, recognizing the significant role of the private sector in both financing and on-ground delivery of the energy transition, the project will support policymakers to identify mechanisms that attract private industry towards implementation of the priorities identified by the Roadmap. Country-specific analytical studies will be undertaken in each participating country to identify nationally relevant mechanisms, and national workshops will review the studies and facilitate government-business dialogue to further engagement. ESCAP will draw on internal knowledge of private sector financing from its Macroeconomic Policy and Finance Division in the implementation of this component. The private sector will be further engaged in three countries (to be selected

⁹ These target countries are yet to be determined, but as part of the ongoing rollout of the NEXSTEP tool – with previous requests having been received from over 19 countries in the Asia-Pacific region including more than 11 with special needs – there is an expectation that further requests from CSNs will be forthcoming.

based on consultations with member States) with a programme of work in the form of accelerators, investment pitches or other formats as deemed appropriate according to the recommendations of the analytical studies.

2.2 Mandates, comparative advantages and link to the Programme Budget

The ESCAP Subprogramme 9 objective is to ensure access to affordable, reliable, sustainable and modern energy for all in Asia and the Pacific. ESCAP has a mandate to support its member States in achieving SDGs. ESCAP's mission on energy is to ensure access to affordable, reliable, sustainable, and modern energy for all in Asia and the Pacific in line with SDG7 targets, and to enhance energy security and connectivity through regional cooperation. ESCAP through a mandate from the Ministerial Declaration of the 2nd Asian and Pacific Energy Forum and the Commission Resolution 74/9 has been working with its member States to develop SDG 7 roadmaps and has developed 10 national and subnational SDG 7 roadmaps to date.

The project is directly linked to the objective of the ECE Subprogramme 5 "Sustainable Energy" to ensure access to affordable and clean energy for all and reduce greenhouse gas emissions and the carbon footprint of the energy sector in the ECE region. ECE is very active in promoting regional energy cooperation in its region and is aiming to support its member States in identifying and prioritizing policy measures that would accelerate the implementation of SDG 7. Experience of successful implementation of the UNDA projects "Sustainable energy for all (SE4All) in Eastern Europe, the Caucasus, and Central Asia" (completed) and "Global Initiative towards post-Covid-19 resurgence of the MSME sector" (on-going) will be of significant value for this project. This provides a strong linkage with SDG 7 implementation and a solid basis to implement this proposal.

The project is also linked to the objective of UN DESA's subprogramme 3 "sustainable development". Rooted in the UN Charter and guided by the transformative 2030 Agenda for Sustainable Development, UN DESA upholds the development pillar of the United Nations. As mandated by UN Member States, UN DESA assists countries as they find common ground, set norms, and take decisive steps forward. This is done through facilitating major global conferences and summits in the economic, social and environmental fields.. As the think tank of the UN, DESA generates, analyses and compiles a wide range of economic, social and environmental data and statistics to inform and advise Member States and other stakeholders as they take stock of trends and policy options to tackle common problems. UN DESA's capacity development work builds on its diverse analytical expertise and its unique access to networks of global experts, state-of-the-art knowledge and good practices on sustainable development. SDG 7 is critical for the achievement of the 2030 Agenda and the Paris Agreement on climate change. UN DESA coordinates the development of annual SDG 7 Policy Briefs in support for HLPF, provides secretariat services to UN-Energy, convenes a multi-stakeholder technical advisory group on SDG 7, facilitates the UN Decade of Sustainable Energy for All 2014-2024, spearheads capacity building initiatives on energy and its interlinkages with other SDGs, such as water and climate change, and coordinates the preparation of STI for SDG roadmaps in the framework of the Technology Facilitation Mechanism.

ECLAC contributes to the economic development of Latin America, coordinating actions directed towards this end, and reinforces economic ties among countries and with other nations of the world. It's mandates and missions are to provide substantive secretariat services and documentation for the Commission and its subsidiary bodies; promote economic and social development through regional and subregional cooperation and integration; provide advisory services to governments at their request and offer programmes of technical cooperation; organize conferences and intergovernmental and expert group meetings and sponsors training workshops, symposia and seminars; and assist in bringing a regional perspective to global problems and forums and introduce global concerns at the regional and subregional levels. ECLAC's subprogramme 8 on Natural Resources aims to "enhance the institutional capacities of Latin American and Caribbean countries for good

governance and the sustainable exploitation of natural resources with a focus on water and sanitation, energy, extractive resources, agriculture and biodiversity” in order to increase utilisation of renewable energy, enhance access to energy and contribute to SDG 7.

Gender Marker

ESCAP Gender marker assigned: GEM1. Gender equality and women’s empowerment (GEWE) is addressed in a limited way in this project. While GEWE is not the main objective, or in the logframe, gender equality will be addressed when universal access to modern energy supply, including universal access to clean cooking fuels and technologies, is achieved in the eight target countries through strengthening energy policies for building back better. Achievement of universal access to modern energy supply would provide socio-economic opportunities and benefits for the most vulnerable groups in rural communities, particularly women and children.

ESCAP’s comparative advantages:

- ESCAP developed the NEXSTEP tool which is currently being used to develop SDG 7 roadmaps in ESCAP member States. With ten such roadmaps already developed, ESCAP has gained a wealth of experience on the entire process, including analytical work, engagement of stakeholders and identifying policy measures that would help countries recover from COVID-19.
- SDG 7 roadmaps developed to date cover a wider range of geo-political and economic jurisdictions, from large economies like Indonesia to small island states such as Tonga. This allows ESCAP to customize the recommendations to suit the national objectives and development plans.
- ESCAP, as an intergovernmental organization, offers the platforms and mechanisms to reach out to national governments and invite them to join this initiative.
- ESCAP has already delivered regional training programs on developing SDG 7 roadmap using the NEXSTEP tool which will be valuable to replicate such trainings in this project.

Comparative advantages of ECE:

- ECE is well connected to the governments of the Central Asian and Caucasus region which will be instrumental in inviting countries to develop their SDG 7 roadmaps.
- ECE seeks to support its member countries develop, implement and track national sustainable energy policies, which is the key objective of SDG 7 roadmap. This will ensure strong institutional support in implementing this project in Central Asia and the Caucasus region.

Comparative advantage of DESA:

- UN DESA is at the centre of the UN-system’s efforts in support of the achievement of SDG 7, putting it in position to connect the dots between all agencies and facilitating cooperation with a broad array of multi-stakeholders. Notably, UN DESA provides secretariat services to UN-Energy, convenes a multi-stakeholder technical advisory group on SDG 7 and coordinates the development of annual SDG 7 Policy Briefs in support for HLPF,
- UN DESA supports global policy-making on energy by the UN General Assembly, including by facilitating the UN Decade of Sustainable Energy for All 2014-2024 and follow-up towards the implementation of the Global Roadmap for Accelerated SDG 7 Action.
- UN DESA directly supports Member States by spearheading capacity building initiatives on energy and its interlinkages with other SDGs, such as water and climate change, and by coordinating the preparation of STI for SDG roadmaps in the framework of the Technology Facilitation Mechanism.

Comparative advantage of ECLAC

- ECLAC is well connected to the governments of the Latin America and Caribbean region which will be instrumental in inviting countries to participate in the capacity building programme on developing SDG

7 roadmaps.

2.3 Country demand and target countries

ESCAP has been supporting countries in the Asia-Pacific region to develop SDG 7 roadmaps using the uniquely designed NEXSTEP tool over the past two years and has already developed seven national and three sub-national roadmaps. The notable success of the SDG 7 roadmap in influencing national energy policies and plans has triggered interests from other countries in the region leading to request for similar support from other countries. Interests for the same have also been demonstrated from countries in the Caucasus and Central Asia. The selection of target countries with a focus on CSNs (LDCs, LLDCs, and SIDS) will be based on the request for support received from the governments. These countries are likely to have large gaps in achieving the SDG 7 targets and limited capacity to developing SDG 7 roadmaps. Request letters from governments will be documented and presented in the annual progress report. Tentatively, the following countries have been identified:

The Asia-Pacific region

- Federated States of Micronesia (FSM), Kiribati, Maldives, Mongolia and Sri Lanka. Request letters from some of these countries have been received and the others are being discussed.
- A brief discussion on each of these countries in relation to the proposed project is given below.
 - **FSM:** The country lags behind in achieving SDG 7 targets and does not have a well-developed plan to enable achievement of these targets. The 2020 VNR report highlights the need for the national energy plans and strategies to align with SDGs. Multiple discussions have been held between ESCAP and the Department of Resources and Development to discuss the SDG 7 roadmap development for FSM. The Government of FSM submitted a formal request letter to ESCAP in August 2021 seeking technical assistance in developing national SDG7 roadmap.
 - **Kiribati:** Like FSM, Kiribati is also not on track to achieve SDG 7 targets and does not have a well-developed plan. Discussions have been held with the Ministry of Infrastructure and Sustainable Energy to discuss the SDG 7 roadmap development for Kiribati. The Government of Kiribati submitted a formal request letter to ESCAP in August 2021 seeking technical assistance in developing a national SDG7 roadmap.
 - **Maldives:** While Maldives is doing well in terms of energy access, the share of renewable energy is below 1% and energy intensity is increasing with a compound annual growth rate of 2%. A lot of work will need to be undertaken to achieve these two targets. In September 2021, the Ministry of Environment, Climate Change and Technology of the Republic of Maldives requested ESCAP's support for climate change programming in the Maldives which is expected to include the development of an SDG 7 roadmap.
 - **Mongolia:** With about half of the population relying on cooking with traditional biomass, renewable energy share at 1.7% and energy intensity on the high end (6.4 MJ/US\$), it is important for Mongolia to urgently develop an SDG 7 roadmap. To date, ESCAP and the Government of Mongolia have been actively collaborating on many fronts, including the recently completed DA11 Tranche project (1819AK) which aimed to strengthen capacity of selected developing countries to develop sustainable and inclusive policies and mechanisms for trans-boundary infrastructure connections, including ICT and energy infrastructure, within the context of 2030 Agenda for Sustainable Development. This is seen to be a favourable context to obtain Government's interest in this project. Additionally, Mongolia has been actively participating in many intergovernmental sessions of ESCAP's energy division and are

aware of the NEXSTEP initiative. Formal confirmation of Mongolia's participation in the project is expected in Q1 2022.

- **Sri Lanka:** While not a CSN, Sri Lanka has shown strong interest in developing its SDG 7 roadmap and, as an island nation, its SDG 7 roadmap would offer insights for other island and archipelago nations with similar climatic conditions in the region. Sri Lanka has achieved universal access to electricity, its access to clean cooking fuel is one of the lowest in the region (31 per cent in 2019). The country is heavily reliant on oil (43 per cent) and coal (12.5 per cent) as primary energy supply. Biomass provides over 45 per cent of the final energy consumption and bulk of this is used for traditional cooking system which will need to be avoided by 2030. This will significantly reduce the renewable energy share for the country. Overall, the achievement of the SDG 7 target is a challenge for Sri Lanka and requires a well-developed energy plan in the context of SDG 7. The Minister for Energy in his meeting with the Executive Secretary of ESCAP on 15 November 2021 expressed interest in ESCAP supporting the development of SDG 7 roadmap. Subsequently, several meetings have held between ESCAP and the Ministry of Energy, Sri Lanka to plan work in this regard.

The Caucasus and Central Asia region

- **Armenia:** The country has already achieved universal access to electricity and is very close to achieving universal access to clean cooking fuel (current rate is 98%). However, Armenia's energy sector heavily relies on natural gas – mostly for heating but also for electricity production. Additionally, the transport sector is a big user of oil products. The SDG 7 roadmap would help the country to assess any potential gap in achieving the SDG 7 goal and also help in identifying opportunities for reducing investment in the energy sector through increased renewable energy (current share in final energy mix is 11%) deployment and energy efficiency improvement.
- **Kazakhstan:** Kazakhstan's energy sector is heavily reliant on fossil fuel and a big share of this is coal (70% of power generation is from coal-fired power plants). Renewable energy share in total final mix is only 1.9%. The energy intensity is also at the high end (6.8 MJ/US\$). These indicates a strong need for an SDG 7 roadmap to identify the potential and avenues for transitioning to sustainable energy with and help recover better from COVID-19. Similar to Mongolia, Kazakhstan also participated in the DA11 Tranche project (1819AK) which aimed to strengthen capacity of selected developing countries to develop sustainable and inclusive policies and mechanisms for trans-boundary infrastructure connections, including ICT and energy infrastructure. Kazakhstan was also part of the DA10 Tranche project (1617AD) implemented by the Energy Division on 'Evidence-based policy Making for the sustainable use of energy resources in Asia-Pacific' which suggested to develop enabling policy measures for renewable energy and energy efficiency. ESCAP currently has a strong relationship with the Government of Kazakhstan, thus an official request for support is expected to be secured.
- **Uzbekistan:** About 15% of Uzbekistan's population is still cooking with traditional biofuel. Its energy sector is heavily reliant on fossil fuel – the share of renewable energy in the final energy mix is only 1.5%. The energy intensity is very high (8.7 MJ/US\$) and has an increasing trend. An SDG 7 roadmap is therefore, very important for the country to help achieve the SDG 7 targets as well as to help recover from COVID-19 by identifying areas for cost savings in the energy sector.

ESCAP has been working on monitoring progress of countries in the Caucasus and Central Asia towards achieving SDG 7. This project has included measuring progress against SDG 7 targets indicators on energy access, renewable energy, and energy efficiency along with tracking existing national regulatory framework in the area of sustainable energy.

The 24th session of the Working Group on Water, Energy and Environment of the UN Special Programme for

the Economies of Central Asia (SPECA), was held in November 2021 in partnership between ESCAP and ECE. The working group report has made the following recommendation “Working Group took note of information from UNESCAP about using the NEXSTEP tool to develop energy transition roadmaps in Kyrgyzstan and Tajikistan, and invited other SPECA member countries to be engaged in the project”. This is expected to generate interest from countries in the Caucasus region who have not yet participated in the NEXSTEP initiative. ESCAP and ECE will discuss the recruitment strategy for three countries from the Caucasus and Central Asian region in the first quarter of 2022. The strategy will involve an initial communication between the countries and ECE. This will be followed by ESCAP sharing a concept note and making a presentation on the overview and process of the roadmap development. The interested governments will be requested to submit a letter of intent. ESCAP and ECE will ensure these letters from the three Caucasus and Central Asian countries are received by the end of 2022.

For each of these countries, the project will support the development of an SDG 7 roadmap which includes data collection, engagement and consultations with stakeholders, deliver capacity building activities and facilitate the development of enabling policy measures. These activities will have a core focus on how the countries can recover better from the COVID-19 pandemic through transitioning to sustainable energy future.

The rationale for targeting eight countries is twofold. First, it is due to the coverage of two regions (five countries from the Asia-Pacific region and three countries from the Caucasus and Central Asia region). Second, in the current context of the COVID-19 pandemic, international travel is likely to continue to be impacted at least for part of the project timeframe. This will allow more time and resources to focus on quality support that the target countries need. This can include, for example, (i) more in-depth capacity building programs which can span over more than one day and (ii) additional scenario development such as net zero carbon scenario to understand the energy transition pathway beyond 2030.

2.4 Link to the SDGs

Energy is the key enabler for all SDGs; achievement of SDG 7 is critical to achieving other SDGs. The project directly contributes to the achievement of SDG 7, with explicit guidance on the delivery of each of the SDG 7 targets (Target 7.1, 7.2, 7.3, 7.a and 7.b), as well as SDG 13 (Climate Action) through implicit benefits to improving resilience (Target 13.1), identifying low carbon energy solutions (Target 13.2) and capacity building for climate change mitigation (Target 13.3), while at the same time indirectly supporting the achievement of other SDGs. The SDG 7 roadmap covers the entire suite of SDG 7 targets and indicators. For example, the roadmap will identify policy and technological gaps and recommend policy options for achieving universal access to electricity (target 7.1; indicator 7.1.1); universal access to clean cooking fuels and technologies (target 7.1; indicator 7.1.2); increasing the share of renewable energy (target 7.2) and doubling the rate of improvement of energy efficiency (target 7.3). Detailed analytical information on the type of policy measures needed to achieve these targets will be presented. The mechanism to attract private sector investment will promote investment in energy infrastructure and clean energy technology (target 7.a). The project focuses on least developed countries (Kiribati), small island developing States (FSM), and land-locked developing countries (e.g. Armenia). This range of countries will ensure the achievement of SDG 7.b.

2.5 Lessons learned

The Ministerial Declaration of the 2nd Asian and Pacific Energy Forum held in 2018 requested ESCAP to support its member States in developing national SDG 7 roadmaps. Accordingly, ESCAP has developed the integrated NEXSTEP tool and has been supporting countries in developing roadmaps. This tool has been peer reviewed and tested in pilot countries. Over the past two years, ESCAP has developed seven national and three sub-

national SDG 7 roadmaps in the Asia-Pacific region. Several others are currently in the process of development. Keeping the current context of the COVID-19 in mind, these roadmaps contain analytical information and a dedicated chapter on how the sustainable energy transition can help building back better from COVID-19. The NEXSTEP tool has been found to be unique in that it applies the SDG 7 framework to develop an energy transition plan to help achieve the SDG 7 targets as well as the NDC target.

The NEXSTEP tool has been found to be robust and flexible for application to countries with different demographic, economic and social contexts. Experience gained and lessons learned during this substantial amount of work, provides ESCAP with a solid ground and strong capacity to take this work to another level – not only expanding the coverage within the region but to other regions as well to enhance the global capacity to accelerate the achievement of the SDG 7.

ECE and ESCAP jointly implemented “Sustainable Energy for All (SE4All) in Eastern Europe, the Caucasus and Central Asia” during 2016-2019. The evaluation report found that the project (a) improved policy dialogue and cooperation among all stakeholders on sustainable energy issues, in particular energy efficiency, cleaner electricity production from fossil fuels, renewable energy, coal mine methane, mineral resource classification, natural gas and energy security; and (b) increased awareness of the role of energy efficiency and renewable energy in achieving sustainable energy development. The project was consistent to a great extent with the strategic priorities of both RCs, ECE and ESCAP and it responded to the needs for ongoing reforms expressed by the beneficiary countries. Furthermore, the project demonstrated a reasonable focus on gender mainstreaming and human rights dimensions. This project will thus build on the existing infrastructure created by the SE4All and ensure that lessons learned are well incorporated during implementation.

Lessons learned from other work suggest that the SDG 7 roadmap has been immensely valuable which is demonstrated by national energy policies and strategies being formulated using the roadmap as the foundation. These include the development of the National Energy Policy in Fiji, the Energy Road Map in Tonga and the energy component of the National Energy and Climate Action Plan in Georgia. While roadmaps estimate the size of the investment needed, as well as the costs and benefits of energy transition, consultations with stakeholders during the roadmap development process suggest that the public sector investment will not be enough, particularly during this COVID situation, to deliver the energy transition envisaged in the roadmaps. Therefore, there is an urgent need to attract private sector investment. Innovative mechanisms need to be identified to help connect the private sector investment to complement the public sector investment.

An independent review (Review of ESCAP’s SDG 7 Roadmap Initiative: Analytical Report) of the outcome and usefulness of the SDG 7 roadmap initiative and lessons learned is nearing completion. It has involved a thorough review of the roadmaps that have been developed including conducting interviews with the lead agencies and other key stakeholders in respective countries. A high-level summary from the draft report is appended below:

The review of UNESCAP’s SDG 7 roadmap initiative found that all SDG 7 roadmaps prepared to date are regarded by the member countries, regions or cities for which they were prepared to be ‘meaningful’, ‘valuable’ or ‘useful’ documents. In all cases, the roadmaps are accepted as ‘high level’ analyses that are useful for guiding energy policy and planning. The influence that the roadmaps have had on energy strategies and plans varied. In the case of smaller countries with limited resources and energy modelling capacities, their input into the preparation of national energy plans and policies has been significant. For larger countries, the roadmap recommendations are being considered along with the recommendations of other reports, analyses and studies.

The primary value of the SDG 7 roadmap initiative, however, has not been the final roadmap document itself, but the process of working with UNESCAP in preparing the roadmaps. It was reported that working in

partnership with UNESCAP in undertaking the analyses, the collection of the data required to undertake the analyses, and the close collaboration with relevant stakeholders, is considered to have been extremely useful in assisting member countries to develop an understanding of their current energy situations, what needs to be done and what the options are going forward. The capacity building benefits of the process are perceived to have been very substantial and they are highly valued. While other similar energy analyses and studies have been undertaken by other organizations for these countries, what appears to distinguish the SDG 7 roadmap analyses is the high levels of collaboration between UNESCAP and the lead agency from the member country as well as the stakeholder consultation.

The most salient message taken from the roadmaps is that the cost of electricity produced from some renewable generation technologies is now lower than the cost of electricity produced from conventional fossil fuel generation plants and that the cost difference is set to widen. That message has been an eye opener and a fillip for undertaking a closer look and more detailed analysis.

The online portal is regarded as a very valuable addition, but it is likely that ongoing input and assistance from UNESCAP will be required for some time to come, particularly for those member countries with limited resources and capabilities. An extension of the NEXSTEP analytical framework to include emerging energy technologies of interest in the modelling as well as to focus on integrating a financing framework is deemed important. The primary value of including emerging technologies is seen to be having the information should they prove to be necessary to achieve the GHG emission reduction targets that have been set. Similarly, a deeper analysis of how the roadmap recommendations could be integrated into national COVID-19 recovery plans is viewed positively.

Since the beginning of the COVID-19 pandemic, ESCAP has been working with member States to deliver its programme using virtual means of engagement. This modality has now been fully tested and adapted to suit the context of member States. Since March 2020, the NEXSTEP initiative has conducted 26 virtual workshops, of which about half were held in hybrid mode. This has helped to increase the number of participants by using the savings from travel funds. This mechanism has significantly increased the COVID-19 resilience of programme delivery as the COVID-19 situation has minimal impact on workshops. E-learning modules have been developed to deliver capacity building programs in a virtual setting, which will be used in this proposed project.

2.6 Innovative aspects

ESCAP supports the development of national SDG 7 roadmaps utilizing the National Expert SDG Tool for Energy Planning (NEXSTEP),¹⁰ an integrated and innovative approach to policy decision-making which combines technical, economic and socio-environmental analysis under a methodology that has been peer reviewed by a panel of external experts. The roadmaps developed using NEXSTEP provide policymakers with scenarios that estimate the share of different energy resources and identify the technological interventions required; economic analyses to provide insights into feasible interventions; and policy analyses to guide the development of balanced national policies.

Responding to the investment needs of member States e.g. by developing mechanisms to attract private sector investment to enable the sustainable energy transition has never been done by ESCAP. This will be an innovative approach to attracting private sector investment as the mechanism will be developed in response to the needs and priorities of the countries involved in this project. The mechanism will identify the scope of

¹⁰ <https://www.unescap.org/our-work/energy/nexstep>

investment, size, scale, timeframe, etc. and other information required by investors. This will create the enabling environment for transitioning to sustainable and low-carbon energy future in these regions and ensure the achievement of the SDG 7 targets and accelerate the achievement of the Paris Agreement.

The current version of the NEXSTEP tool has the ability to undertake a detailed analysis of economic aspects of the power sector at the national level, including total investment needs, net benefits, levelized cost of electricity and marginal abatement costs. It is believed that an investor would need such information at the project level to be able to make an investment decision, which the NEXSTEP tool is currently unable to perform. ESCAP will work with the developer of the Low Emission Analysis Platform (LEAP), the core element of the NEXSTEP tool, to add features that would enable project level business case analysis.

3 ANALYSIS

3.1 Situation analysis

The key problem

The key problem that this project seeks to address in the target countries, is the absence of an energy plan or framework that would support the development of enabling policies to achieve the SDG 7 targets. ESCAP and ECE have researched these countries and identified that there are wide gaps in the targets and if suitable support is not offered, it is unlikely that they will be able to achieve the SDG7 targets by 2030. The SDG 7 roadmaps for these countries will identify the technological options and policy measures for policymakers to make informed policy decisions to help achieve the SDG 7 targets. These gaps have been discussed in detail in section 2.3, a short discussion is also appended below.

FSM lags behind in achieving SDG 7 targets and does not have a well-developed plan to enable achievement of these targets. The 2020 VNR report highlights the need for the national energy plans and strategies to align with SDGs. Kiribati is also not on track to achieve SDG 7 targets and does not have a well-developed plan. The share of renewable energy in Maldives is below 1% and energy intensity is increasing with a compound annual growth rate of 2%. Half of Mongolia's population does not have access to clean cooking, renewable energy share is at 1.7% and energy intensity is high. Armenia's energy sector heavily relies on natural gas – mostly for heating but also for electricity production. Additionally, the transport sector is a big user of oil products. The SDG 7 roadmap would help the country to assess any potential gap in achieving the SDG 7 goal and also help in identifying opportunities for reducing investment in the energy sector through increased renewable energy (current share in final energy mix is 11%) deployment and energy efficiency improvement. Kazakhstan's energy sector is heavily reliant on fossil fuel and a big share of this is coal (70% of power generation is from coal-fired power plants). Renewable energy share in total final mix is only 1.9%. The energy intensity is also at the high end (6.8 MJ/US\$). These indicates a strong need for an SDG 7 roadmap. About 15% of Uzbekistan's population is still cooking with traditional biofuel. Its energy sector is heavily reliant on fossil fuel – the share of renewable energy in the final energy mix is only 1.5%. The energy intensity is very high (8.7 MJ/US\$) and has an increasing trend. Sri Lanka's overwhelming reliance on oil and coal for its energy needs must shift to focus on its abundant renewable resources in order to meet the SDG7 targets, while the rate of access to clean cooking at 31% is one of the lowest in the region.

As energy is an essential input to economic development that also improves the quality of life and wellbeing of the citizen, failure to achieve SDG 7 will not only limit these countries' ability to recover better from COVID-19 but also will disproportionately affect the women, children and persons with disabilities – widening the social inequality. Below are some examples of the extent of the problem that are likely to result if the SDG 7 targets are not fully achieved in the participating countries:

- **Women and children:** Women in rural areas have to look for energy sources for cooking which is mostly done using biofuel creating indoor air pollution – a known cause for pulmonary diseases and immature deaths particularly affecting women and young children. This is one of the major problems in countries like Bhutan, Kiribati and FSM where more than 120 million people are exposed to indoor air pollution from cooking with biomass. This project aims to end this challenge by supporting policymakers to develop enabling policies to switch to clean cooking options.
- **Impact of COVID-19:** The pandemic has further exacerbated the situation, particularly in the health and job areas. The lack of quality energy supply means that COVID-19 support equipment cannot be operated in the rural health care centers causing severe health conditions and possible deaths. People who are able to survive are left with reduced working capability leading to increased poverty. The OECD suggests that even if vaccine doses are eventually made available, success to vaccination for all in developing countries will be constrained by a range of challenges such as lack of trained medical personnel and inadequate health infrastructure, including adequate vaccine storage facilities. By ensuring universal access to modern energy services, the SDG 7 roadmap aims to ensure that the vaccine is available for all. This will be instrumental in restoring the participating countries' economies.

Many CSNs are endowed with abundant renewable energy resources. Renewables not only provide clean energy and reduce air pollution but also offer the opportunity to provide modern energy services to rural and underprivileged populations with decentralized systems. However, lack of sufficient financial resources and competing national development priorities for public funds limit their capacity to investment in renewable energy-based systems and thus continuing with conventional and centralized energy resources.

The SDG 7 framework provides a holistic approach to develop the energy system and address all these problems and thus is important for CSNs to build their capacity to enable the achievement of the SDG 7 targets. The financing/investment framework that would be developed in this project will attract private sector investment in the energy sector which will free up public resources that can be diverted to other sectors, such as the health sector, to help recover from COVID-19.

Investment in the energy sector in CSNs is one of the major barriers to transition to sustainable energy future as well as to recover from COVID-19. Public funding is limited to enable large investments in the energy sector and there are competitive priorities. Investors are reluctant to invest in CSNs as they often find it difficult to identify the scope and extent of the investment. Lack of enabling policy environment is also a major barrier in attracting private investment in these countries.

Addressing the problem

The key barrier to achieving the SDG 7 goal in CSNs is the absence of an enabling policy environment that would support its achievement. Development of enabling policy measures requires analytical studies and scenario development in line with the SDG 7 framework to make informed policy decisions. Countries with special needs have not had or have limited capacity to undertake such a complex work where SDG 7 is linked to other SDGs plus SDG 7 is an important ingredient to achieving the Paris Agreement. The SDG 7 roadmap is able to identify technological options and priority areas for investment which will be important to attract private sector investment which is crucial to break the energy poverty chain for CSNs. This project will develop mechanisms for countries on how to attract private investment in the energy sector. This mechanism, along with the detailed analytical analysis in the roadmap with specific information on where the investment is needed, will help grow confidence of investors.

3.2 Country level situation analysis

Country	Status of affairs	Realistic outcomes (should be grounded in the outcomes in the results framework in section 4.2)
Kiribati	<p>Being one of the poorest countries in the Pacific with limited capacity, Kiribati is seriously lagging in the SDG 7 targets. Access to clean cooking fuel is only 10%, the renewable energy share is 1% and energy intensity is one of the highest in the region (at 6 MJ/USD). The 2018 VNR report identifies public health and resilience to climate change as the two core areas that Kiribati needs to address with urgency.</p> <p>To this end, the Government of Kiribati has submitted a formal request letter (enclosed) to ESCAP seeking technical assistance in developing national SDG 7 roadmap.</p>	<p>The SDG 7 roadmap would help the country to achieve the SDG 7 targets by identifying appropriate policy measures to accelerate the progress. It would also greatly improve the public health sector and increase resilience to climate change. The long-term impact of the SDG 7 roadmap would be seen in increased health, jobs and reduced reliance on imported expensive fossil fuel, saving from which can be invested in other development sectors.</p>
Kazakhstan	<p>Kazakhstan's energy sector is heavily reliant on fossil fuel and a substantial share of this is coal (70% of power generation is from coal-fired power plants). The renewable energy share in total final mix is only 1.9%. The energy intensity is also at the high end (6.8 MJ/US\$). This indicates a strong need for an SDG 7 roadmap.</p> <p>The VNR report 2019 has identified that power sector's heavy reliance on coal may affect the achievement of its NDC target of 15% emission reduction. In this report, Kazakhstan also expressed the renewable energy target of 10% (a five-fold increase) by 2030. It also focuses on the need to increase energy efficiency by reducing economy-wide energy intensity.</p>	<p>The SDG 7 roadmap will assist Kazakhstan to identify technological options and policy mechanisms that will help cost-effectively increase the share of renewable energy to its 10% target and reduce energy intensity to align with the target of SDG 7. This will in turn help the country to attain its NDC target under the Paris Agreement. Overall, once implemented, the roadmap will offer a significant cost savings in the energy sector and will help build back better from COVID-19.</p>
Mongolia	<p>Mongolia's heavy reliance on coal for electricity production and heating</p>	<p>The SDG 7 roadmap will assist Mongolia to identify</p>

	<p>is evident as 70% of total primary energy supply is from coal. Clean cooking access lags the rest of the region at 52%. However, Mongolia's renewable energy resources such as solar and wind are among the highest quality in the region, with studies indicating generation capacity from these sources could be developed well in excess of its national demand. Mongolia has set policies to increase the level of renewables in its energy mix and has begun constructing wind and solar installations.</p>	<p>technological options and policy mechanisms that will help cost-effectively increase the share of renewable energy, enhance energy efficiency and address its clean cooking and electricity access challenges to align with the SDG 7 targets.</p>
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3.3 Stakeholder analysis and capacity assessment

Non-UN Stakeholders listed in order of level of involvement in the project	Type and level of involvement in the project	Capacity assets	Capacity Gaps	Desired future outcomes	Incentives
Ministries of energy in targeted countries	<p>The ministry of energy in each target country will be the focal point and partner for the development of SDG 7 roadmaps</p>	<p>The ministry in each country will offer key contextual understanding of the energy settings, access to other parts of government etc. This ministry will coordinate and implement the project at the national level.</p>	<p>The energy ministries are responsible for ensuring the achievement of the SDG 7 targets; however, they lack the capacity in undertaking the integrated energy planning and policy assessment needed in the context of SDG 7. This also poses challenges for the countries to recover from COVID-19. Finally, the lack of access to</p>	<p>The SDG 7 roadmap will help the ministry to identify technological options and policy measures and thus enhance their capacity to achieve SDG 7. The identification of priority areas for investment and the development of mechanism for private sector investment will address the finance gap.</p>	<p>ESCAP's past experiences indicate energy ministries need this support to develop and implement the integrated energy plan. Currently, no other tools and methodologies are available that can support this task. As this project will directly serve their need, it is highly likely that their involvement and buy-in will be easily obtained.</p>

			<i>financial resources limits their ability to achieving SDG7.</i>		
<i>Ministries of economy, rural development, statistics and climate change.</i>	<i>These ministers are responsible for implementing the energy plan in their respective domains as their work plan involves different dimensions of energy. The SDG 7 roadmap and the investment priorities will provide the pathway to implement their respective work programmes.</i>	<i>In each country, a working group will be developed consisting of representatives from these ministries. The members will provide insights into how the SDG 7 would need to be customized so that it can reflect on the priority needs in relation to their work programmes and national development plans.</i>	<i>In the absence of SDG 7 focused energy plan, the ministries do not have the reference to how their work programme should be implemented in order to contribute to the achievement of the SDG 7 targets.</i>	<i>For the ministry of economy, the project will identify the mechanism for private sector investment. For the ministry of statistics, the data requirement and management option will be highlighted. For the ministry of climate change, the emission mitigation options will be developed.</i>	<i>This project will offer the pathway to each of these ministries in relation to the implementation of their work programme to achieve SDG 7, which is the national priority. Thus, it is highly likely that their involvement and buy-in will be easily achieved.</i>
<i>Private investors (including national financing organizations, multilateral banks and international organizations)</i>	<i>The private sector investment in the energy sector has been limited due to the lack of an enabling investment environment.</i>	<i>The energy transition to 2030 will require a significant increase in investment, which cannot be met by public funding. The private sector has the potential to complement the public funding to boost the investment.</i>	<i>The absence of a clear long-term pathway on the priority areas for investment and the governments' direction on future energy sector development.</i>	<i>The mechanism for private sector investment will be developed and government-business dialogues will be held, both of which will offer a clear guidance and government's direction on future energy investments. This will help the private sector make informed decisions on investments.</i>	<i>As this project will create enabling environment for the private sector investment, it would be easy to for governments to attract private sector investment in the energy sector. The initial consultation workshop will invite private investors and provide details on how these will be done.</i>
<i>Non-government organizations</i>	<i>NGOs (both national and international) are involved in developing</i>	<i>NGOs bring technical expertise, lessons from successful programmes in</i>	<i>All NGOs are actively aligning their works with the 2030 Agenda for</i>	<i>The SDG 7 roadmap will ensure that the energy plan development at</i>	<i>As the roadmap will assist in addressing their current challenges that</i>

	<i>programmes to develop capacity and livelihood of people in the country, and energy is one of the important areas of their activity.</i>	<i>other countries and often funding.</i>	<i>Sustainable Development and the Paris Agreement. The absence of an energy plan in alignment with these objectives limit their activities at the national level.</i>	<i>the national level is aligned with these objectives and therefore, will encourage NGOs to develop and implement their programmes.</i>	<i>limit implementation of their activities, it would be possible to ensure their involvement and obtain their buy-in.</i>
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4 PROJECT STRATEGY: OBJECTIVE, OUTCOMES, INDICATORS, OUTPUTS

4.1 Project Strategy

To strengthen capacities of policymakers in selected countries with special needs in the Asia-Pacific, Central Asia and the Caucasus, to align SDG 7 policies with the recovery from the COVID-19 pandemic.

The Ministerial Declaration of the Second Asian Energy Forum 2018 suggests the Secretariat to support member States in developing national SDG 7 roadmaps to help countries develop enabling policy frameworks to achieve the targets of the SDG 7. To this end, ESCAP developed an integrated energy planning tool named the National Expert SDG Tool for Energy Planning (NEXSTEP). Since 2020, this tool has been used to successfully develop several national SDG 7 roadmaps in ESCAP member countries. Many of these roadmaps have led to the development of national policies and strategies to plan for the energy transition in line with SDG 7. One of the key areas that these roadmaps have identified is for the potential for recovering from the COVID-19 pandemic through the sustainable energy transition, including the potential to reduce expenditure in the energy sector, creating jobs and improving public health.

The project aims to expand this initiative focusing on the countries with special needs in both Asia-Pacific and the Caucasus and Central Asia regions to support them build back better from COVID-19. CSNs have limited capacity to undertake the integrated energy planning that is needed to align the energy plan with the 2030 Agenda for Sustainable Development along with the targets under the Paris Agreement.

The strategy that will be adopted to drive the implementation of the project is discussed below:

- a) ***Building on national policies and strategies:*** Stakeholder consultation will form a critical element of the roadmap development process. Stakeholders will be selected to represent the whole-of-economy such as government agencies, private sector, NGOs and community groups, research institutions and financial organizations. This will ensure that the country has the full ownership of the roadmap and the roadmap is appropriately tailored to align with the national strategy and adapt to the national context in achieving the SDG 7 targets, NDCs and COVID-19 recovery.
- b) ***Capacity building at the national level:*** While ESCAP and ECE will support the development of the roadmap, it is vitally important that the national policymakers and energy planners have the capacity to make amendments, track progress and update the roadmap as needed. This will be ensured by transferring the skill and knowledge of the NEXSTEP tool and the roadmap development process using this tool. The NEXSTEP online portal that summarizes key results, findings and policy recommendations will provide a strong instrument for progress tracking.
- c) ***Extending the initiative to the global level:*** The project aims to extend the benefits of this initiative beyond

the region to accelerate the achievement of SDG 7 and recovery from COVID-19 at the global level. This can be achieved by disseminating the tool, the roadmap development process, outcomes, lessons learned and benefits through seminars and conferences. These events will also provide a platform for exchanging views and experiences of efforts to achieving SDG 7 to further increase the global capacity. Capacity to use the NEXSTEP tool and develop SDG 7 roadmap will also be transferred to ECLAC so that the countries in Latin America and the Caribbean have access to the support in developing SDG 7 roadmaps.

- d) ***Bridging the finance gap***: Implementation of technological options and enabling policy measures with public funds will be difficult as public funds in the target countries are stretched with competitive priorities – it is more so in the current situation of COVID-19. Attracting private sector investment is essential to complement the public fund. The investment, however, will need to ensure that it is in line with the objectives and requirements of the energy transition pathway as identified in the SDG 7 roadmap. Analytical studies in each participating country will aim to identify nationally relevant mechanisms, showing priority areas for investment. These studies will be discussed in forums and dialogues involving government, businesses and other stakeholders to attract private sector investment. In order to test the effectiveness of the mechanism, a programme of work will be developed in several countries in line with the recommendations of the analytical studies which may include, for example, facilitation of startup accelerators, demo days and investment pitches. Investors from the private sector will be invited to workshops and dialogues to discuss important investment areas. Each country focal ministry will be responsible for identifying and inviting businesses, financing agencies and investors from within the country. ESCAP will not play any role in the selection/identification process. ESCAP will invite international agencies and multilateral banks, such as the World Bank, ADB and IRENA, which have programs or research on attracting private financiers.
- e) ***Facilitating the recovery from COVID-19***: Transitioning to sustainable energy offers the opportunity to recover better from COVID-19. Several studies have suggested that deployment of clean energy systems require much less lead time than the fossil fuel counterpart and that clean energy can create three times more jobs than the same amount spent on fossil fuel. Yet, fiscal support being mobilized by countries do not provide the focus that it needs. This project aims to address this challenge by clearly demonstrating the benefits of clean energy transition, under the framework of SDG 7 and NDC, in recovering from COVID-19. This would be done by adapting the NEXSTEP tool to assess the economic and social benefits, such as job creation, public health improvement, increasing the resilience of vulnerable communities/groups to COVID-19 and reduction of economic risk by diverting investment from fossil fuel to sustainable energy. The tool will also offer the opportunity for policymakers to monitor the progress and the changes in outcomes as they alter the focus of the stimulus packages.

This project is expected to instigate a substantial change in the energy sector. For example, large gaps exist in access to clean cooking fuels and technologies in most countries. This is largely because until now clean cooking has not found a place in most national energy policies. This project will drive initiatives to close this gap as well as trigger relevant policy development. As a result, millions of women and children will be protected from indoor air pollution and risk of premature death. Most countries in this region rely heavily on imported fossil fuel which is vulnerable to price and supply shock and thus a threat to national energy security. This project will facilitate the increased use of indigenous energy resources and reduce the dependence on imported fuel. The analysis on how coal-fired power plants would undermine the achievement of NDC targets and pose risks of stranded assets is expected to encourage countries' transition away from coal. This aligns with the UN Secretary General's agenda on "coal phase out" and the outcome of COP 26 on "coal phase down". Energy efficiency improvement is the least cost and most effective way to reduce investment in the energy sector as well as to reduce emissions. However, countries require support to implement these strategies as there is a lack of a well-developed analysis with breakdowns of measures in different sectors and sub-sectors. The level of details of various energy efficiency measures presented in the SDG 7 roadmap will drive energy efficiency measures and relevant policy development resulting in emissions reduction and making energy cheaper.

Finally, the recovery from COVID-19 is going to be a challenge with varying levels of difficulty. The constraint on public budget is going to be the single largest challenge. This project aims to reduce investment in the energy sector and free up public budget to support countries better recover from COVID-19.

4.2 Results Framework

Intervention logic	Indicators of achievement	Means of verification
Objective		
To strengthen capacities of policymakers in selected countries with special needs in the Asia-Pacific, Central Asia and the Caucasus, to align SDG 7 policies with the recovery from the COVID-19 pandemic.		
Outcome – OC1 Improved capacity of policymakers in the target countries to develop national SDG 7 Roadmaps that also support greening of the socio-economic recovery from COVID-19.	IA 1.1 By the end of the project, national SDG 7 Roadmaps that provide policymakers with insights into energy resources, technology, economic and policy interventions to help achieve SDG 7, NDCs and COVID-19 recovery have been <u>developed and proposed for approval in all of the 8 project beneficiary countries</u> in Asia-Pacific, Central Asia and the Caucasus.	<i>National SDG 7 roadmaps submitted to the governments and uploaded on the ESCAP and ECE websites.</i>
	IA 1.2 70% of the participants that attended the national capacity building programmes indicate having enhanced knowledge and understanding of how to develop national SDG 7 Roadmaps.	<i>Post capacity building programme evaluation questionnaires. Evaluation will be done for each capacity building activity conducted using a specially designed questionnaire to seek reflections of participants.</i>

Output OP 1.1

One national stakeholder consultation workshop will be conducted in each participating country to introduce the NEXSTEP methodology and identify how to tailor the national SDG 7 roadmap to align with the national strategy and adapt to the national context in achieving the SDG 7 targets, NDCs and COVID-19 recovery. A wide range of stakeholders will be invited to this workshop, including policymakers, private sector, investors, academia, and non-governmental and community organizations. This workshop is very important to appropriately set the structure of the underlying analytical work of the roadmap and to ensure that national objectives and plans are incorporated. This workshop will also serve to obtain the buy-in from the Government and other stakeholders.

The workshops will be organized in collaboration with the country focal point agency (in most cases, the Ministry of Energy). Participants for this workshop will be identified and invited by the country focal point agency under ESCAP's guidance on what sectoral representation would be important. ESCAP and ECE will coordinate the organization of these workshops in each country with the help of the national consultant.

OP 1.2

One capacity building workshop conducted in each participating country in Asia-Pacific region to train energy planners and policymakers on the use of NEXSTEP to develop national SDG 7 Roadmaps. This workshop is different from the workshop under in OP1.1 in a way that the consultation workshop (OP1.1) discusses the roadmap development process and invites inputs from stakeholders on how best to design and tailor the roadmap to suit the country context. Whereas this capacity building workshop (OP1.2) focuses on enhancing the national capacity to undertake integrated energy planning in the context of SDG 7. This programme aims to strengthen participants' knowledge on the entire process of roadmap development, including data collection, data verification, energy modelling, economic analysis, policy analysis, stakeholder engagement process, preparing the roadmap document and working with the NEXSTEP online portal (<http://nexstepenergy.org>). With this knowledge, policymakers, without any external support, will be able to monitor the progress of implementation of the roadmap recommendations as well as to adjust the roadmap as the local context changes. This workshop will also discuss and review the key results and summaries of the analytical work, and the participants will contribute to the roadmap development by providing feedback on the findings and/or offer suggestion to improve the results. Participants for this workshop will largely come from different government departments which have roles in energy planning and policy development. The focal point agency will liaise with other agencies to identify and invite participants.

The workshop will be jointly organized with the country focal point agency (in most cases the Ministry of Energy). ESCAP will coordinate the organization of these workshops in each country with the help of the national consultant.

OP 1.3

One capacity building workshop conducted in each participating country of Central Asia and Caucasus region which are members of both ECE and ESCAP to train energy planners and policymakers on the use of NEXSTEP to develop national SDG 7 Roadmaps. This workshop will have the same capacity building intent as in OP1.2 but organized for the Central Asia and Caucasus region. This programme aims to strengthen participants' knowledge on the entire process of roadmap development, including data collection, data verification, energy modelling, economic analysis, policy analysis, stakeholder engagement process, preparing the roadmap document and working with the NEXSTEP online portal (<http://nexstepenergy.org>). With this knowledge, policymakers, without any external support, will be able to monitor the progress of implementation of the roadmap recommendations as well as they will be able to adjust the roadmap as the local context changes. This workshop will also discuss and review the key results and summaries of the analytical work, and the participants will contribute to the roadmap development by providing feedback on the findings and/or offer suggestion to improve the results. As for OP1.2, the focal point agency will liaise with other agencies to identify and invite participants.

The workshop will be jointly organized with the country focal point agency (in most cases the Ministry of Energy). ECE will coordinate the organization of these workshops in each country with the help of the national consultant.

OP 1.4

One national SDG 7 Roadmap developed for each participating country using the NEXSTEP tool and a report prepared for each country highlighting key findings. The roadmap will provide an overview of the energy sector of the country, including current energy demand and supply, existing policies and plans, and goals and targets for up to 2030. It will present a current policy scenario, which will show the extent to which the SDG 7 will advance by 2030 and identify the gap. The SDG scenario of the roadmap will inform the technological options and policy measures that the country will need to consider in addressing the gap and achieving the SDG 7 targets. The COVID-19 recovery scenario will present important policy directions for the government to consider in building back better from COVID-19. The roadmap will be reviewed by stakeholders and jointly finalized with the focal agency/department. It will be officially published through a formal launch event, in the presence of high-level policy makers and other stakeholders and will be made available on the ESCAP website. The end result of the roadmap is a set of policy recommendations to support the government in developing plans and policies needed to achieve SDG 7.

The focal agency will support the national consultant with data collection and verification as well as coordinating the local activities, such as workshops. ESCAP will undertake the modelling and analytical work in discussion with stakeholders and prepare the draft roadmap document.

<p>OP 1.5</p> <p>One inter-regional seminar/conference convened to share experiences, explore synergies with relevant efforts, document lessons and offer global dissemination of the tool. The primary objective of this seminar/conference is to disseminate information about the roadmaps that have been developed and invite country representatives to share lessons learned throughout the roadmap development process, thus the purpose of this event is different from the workshops in OP1.1 and OP1.2. It will help grow interest of other countries in the Asia-Pacific region and beyond to develop their national SDG 7 roadmaps. Countries from both regions (ESCAP and ECE) will join this seminar, which will be open to all. While the participating countries will share their experience and lessons learned, other member countries will join the seminar to learn about the SDG 7 roadmap and take part in the discussion, which is expected to increase their interest in developing SDG 7 roadmap for their countries.</p> <p>The seminar will also be attended by energy experts from both within and outside the region who are expected to provide valuable suggestions to further improve the NEXSTEP tool and share ideas on how to make the roadmap more useful.</p> <p>The seminar will be held in 2024 in Bangkok or virtually if travel restrictions persist. About 100 participants are expected to participate in the seminar. ESCAP and ECE will coordinate invitations in their respective regions.</p>		
<p>OP 1.6</p> <p>One three-day virtual capacity building program dedicated for the ECLAC region will be delivered. This program will strengthen participants' knowledge on the entire process of roadmap development, including data collection, data verification, energy modelling, economic analysis, policy analysis, stakeholder engagement process and preparing the roadmap document. ESCAP will work with ECLAC to identify participants, develop the agenda, set up the structure of the training and select the best delivery approach. The participants are expected to come from ECLAC member states (energy planners and policymakers) and staff from the Secretariat. The training recipients will obtain in-depth knowledge on the entire process of developing SDG 7 roadmap which will help them develop their own SDG 7 roadmaps.</p>		
<p>Outcome - OC2</p> <p>Strengthened capacity of policymakers in the target countries to identify mechanisms to attract investment in the national SDG 7 and COVID-19 recovery Roadmaps' implementation and to engage with the private sector.</p>	<p>IA 2.1</p> <p>By the end of the project, at least one mechanism for attracting private investment for implementing the priorities is identified in each national SDG 7 and COVID-19 recovery roadmap for the project beneficiary countries.</p>	<p><i>Analytical studies conducted for each participating countries on identifying mechanism for attracting private sector investment.</i></p>
	<p>IA 2.2</p> <p>70% of the participants that attend national government-business workshop indicate having enhanced knowledge and understanding of relevant mechanisms to attract investment in the priority areas identified in their respective Roadmap.</p>	<p><i>Results of post government-business workshop evaluation questionnaires. Evaluation will be done for each government-business workshop conducted using a specially designed questionnaire to seek reflections of participants.</i></p>

<p>IA 2.3 70% of private sector participants in the facilitated activities indicate an increased interest in engaging with the delivery of the Roadmap in their country.</p>	<p><i>Results of evaluation of investors' interest assessed through a specially designed questionnaire to seek reflections of participants following the government-business workshop.</i></p>
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Output OP2.1

One analytical study is undertaken in each participating country to identify nationally relevant mechanisms to attract investment in the priority areas identified by the roadmap. Access to financing is critical for countries to implement the recommendations from the roadmap. The CSN's public funding is limited to enable large investments in the energy sector. Investors are reluctant to invest in CSNs as they often find it difficult to identify the scope and extent of the investment. Lack of enabling policy environment is also a major barrier in attracting private investment in these countries.

These analytical studies will consider the recommendations from the roadmap to devise a funding mechanism that will clearly state the scope, extent and timeframe of investment needed to achieve the SDG 7 targets, which is expected to attract private investment in sustainable energy transition and will support the recovery from COVID-19. These studies will be undertaken by international consultants who will work with ESCAP and ECE for their respective countries.

OP 2.2

One national workshop organized in each participating country to facilitate government-business and other stakeholder dialogue to review the analytical studies. This workshop is the next step after the analytical studies (OP2.1) and aims to disseminate the findings and the funding mechanism. It will also connect the government and investors to facilitate a faster investment in the country. ESCAP and ECE will coordinate the organization of these workshops in their respective regions. The workshops will be participated by policymakers and businesses, including investors. Each country focal ministry will be responsible for identifying and inviting businesses, financing agencies and investors from within the country. ESCAP will not play any role in the selection/identification process. ESCAP will invite international agencies and multilateral banks, such as the World Bank, ADB and IRENA, which have programs or research on attracting private financiers.

OP 2.3

A programme of work (POW) to engage private financiers and other stakeholders is delivered in the three of the eight participating countries in response to the recommendations of the analytical studies. This may include activities such as facilitation of startup accelerators, demo days and investment pitches. The POW will present details of potential investors and show how and when the private financing will need to flow. ESCAP and ECE will discuss and identify the three countries.

Country selection for this activity will be based on which countries demonstrate the greatest needs to achieve SDG 7. Multi Criteria Decision Analysis (MCDA) tool will be used to rank countries. A range of criteria will be set including the current progress towards SDG 7 targets, investment needs for the power sector and the availability of enabling policy measures. All this information will be available in the SDG 7 roadmap. The weight for each criterion will be decided based on the discussion between ESCAP and ECE teams.

4.3 Risks and mitigation actions

<i>Risks and mitigation actions</i>		
Risks	Likelihood of risks.	Mitigating Actions
R1. Challenges in data collection: The roadmap development requires a lot of data collected from different agencies and sources. The COVID-19 pandemic may pose difficulties in getting some data.	Medium	M1. The NEXSTEP tool has the inherent flexibility with data input – it can accommodate data variations to some extent. However, there are some critical data points that are indispensable. If such data points are missing, ESCAP and ECE will consult with stakeholders to agree on the most appropriate mode of data estimation e.g. linear regression, trend analysis, etc.
R2. Delay in overall coordination: The COVID-19 has put significant stress on governments. This may take away the focus of the government on this project which will lead to delays in timely completion of the outputs.	Medium	M2. ESCAP and ECE will maintain close contact with the focal point and other participating agencies and will organize regular project meetings to ensure that the project progresses as per the plan.

4.4 Sustainability and scaling-up

This project has been designed with sustainability in mind. The following discusses how the sustainability and scalability of the project will occur.

Sustainability

- The project begins with ensuring the full ownership of the government through (a) obtaining a request letter, (b) involving the government agencies in the complete process including data collection, (c) undertaking thorough consultations with stakeholders and (d) building scenarios and the roadmap on existing policies and strategies of the country.
- The roadmap will be developed with recommendations for up to 2030. The countries will seek to implement these recommendations until 2030. The roadmap also contains scenarios and recommendations beyond 2030 (known as ambitious scenarios) which will see the use of the roadmap to continue beyond 2030.
- The entire process of the roadmap development is undertaken in close consultation with policymakers and other stakeholders (e.g. energy planners and experts) with an aim to ensure that everyone involved becomes well versed in the process and would be able to replicate on their own.
- Additionally, an extensive capacity building programme will be offered (as detailed in OP1.2) to policymakers and energy planners covering the whole process of the roadmap development, including detailed discussion on how to undertake modeling and analysis with hands-on exercises. In this programme, the participants will be asked to develop a roadmap using a fictitious dataset. ESCAP has also developed an e-Learning tool which mimics the capacity building programme and will help the participants of the capacity building programme to refresh their knowledge on any part of the roadmap development, if needed.
- The NEXSTEP online portal offers the opportunity for policy makers to view all results and findings of the roadmap. Policymakers will also be able to monitor the progress of implementation using this portal as well as adjust the roadmap analysis if and when the local context changes.
- These interventions will ensure that the countries can continue to implement, monitor and adjust the roadmap recommendations without the need for support from ESCAP or ECE after the project is completed.

Scalability

Each country and region are different in terms of demography, energy use and supply, development priorities and socio-political dimensions. The NEXSTEP tool and the underlying methodology of roadmap development offers unique flexibility to apply it in any jurisdiction. This capability has been tested by applying this tool to develop several roadmaps at the national and sub-national levels. This proposed project is also an example of scalability of this tool and the methodology beyond the region. It is expected that more countries in the participating regions will use the NEXSTEP tool to develop SDG 7 roadmaps which will collectively contribute to the global achievement of SDG 7.

5 MONITORING AND EVALUATION

5.1 Monitoring

The progress of project implementation will be monitored in accordance with the below table:

Indicators/progress	Timeframe	Responsible entity	Reporting point
Country selection	Jan – Jun 2022	ESCAP and ECE	APR 1
Country plan for roadmap development	Mar – Sep 2022	ESCAP and ECE	APR 1
National workshop to discuss the NEXSTEP methodology	Oct 2022 – Jun 2023	ESCAP and ECE	APR 2
Capacity building in the ESCAP region	Jul – Dec 2022	ESCAP	APR 1
Capacity building in the ECE region	Jan – Jun 2023	ECE	APR 2
Data collection	Jan – Dec 2023	ESCAP and ECE	APR 2
Modelling and analysis of scenarios	Jul 2023 – Dec 2023	ESCAP	APR 3
Draft roadmap development	Jan – Jun 2024	ESCAP	APR 3
Roadmap finalization and launching	Jan – Sep 2024	ESCAP and ECE	APR 3
Inter-regional conference	Nov 2024	ESCAP and ECE	APR 3
Analytical studies	Jul – Dec 2024	ESCAP and ECE	APR 3
Government-business workshops	Jan – Jul 2025	ESCAP and ECE	Final report
Programme of work to engage private financiers	Mar – Sep 2025	ESCAP and ECE	Final report

For annual reports, the project team will collect and distribute performance information, including status reports, progress and forecasts, and recommended corrective actions. The annual reports as of 31 December each year, as per Development Account procedures, are to be submitted as follows:

- **By 31 January 2023: 1st Annual Progress Report (APR 1)**
- **By 31 January 2024 2nd Annual Progress Report (APR 2)**
- **By 31 January 2025: 3rd Annual Progress Report (APR 3)**

Final Report

ESCAP, with inputs from ECE, ECLAC and DESA, will prepare and consolidate a final report, within three months of the project operationally closing, in line with DESA/CDO Development Account reporting templates and guidelines.

5.2 Evaluation

In accordance with the DA evaluation framework and project evaluation guidelines, a terminal evaluation to be conducted by an external evaluator will be required for half of the 14th tranche projects. The budget for each evaluation will be 4% of the project budget. Projects to be evaluated will be selected at midpoint (i.e., at the beginning of 2024) with a view to maximizing the utility of the evaluations in informing future work. Guidance on the selection of projects for evaluation, including criteria to be applied, will be provided in late 2023. Projects that are selected for evaluation will be required to develop and submit to the DA Team a tentative evaluation plan, including timelines, budget, the arrangements for the management of the evaluation and the preliminary methodology, in the second quarter of 2025. Should the project be selected for evaluation, the evaluation unit of ESCAP will be consulted in the development of the tentative evaluation plan, noting that the evaluation report should be submitted by end June 2026 or six months after project completion.

Regardless of whether the project is selected for external evaluation, ESCAP will conduct ongoing evaluation exercises in line with the ESCAP monitoring and evaluation guidelines through the implementation of post-activity evaluation forms (e.g. workshops and capacity building programmes). The internal evaluation exercise will consolidate all the post-activity evaluations and feedback from beneficiary countries on the overall impact of the project. The findings of the internal evaluation exercise will be a critical component of the Final Report.

6 MANAGEMENT, PARTNERSHIP AND COORDINATION AGREEMENTS

The Economic and Social Commission for Asia and the Pacific (ESCAP) in partnership with the Economic Commission for Europe (ECE), the Economic Commission for Latin America and the Caribbean (ECLAC), the Department of Economic and Social Affairs (DESA), and UN Resident Coordinator Offices (RCO) are the implementing entities.

ESCAP and ECE will provide focal points to engage policymakers in the energy, transport, industry, planning and development portfolios of participating member States and to provide training on the use of the NEXSTEP tool. At the national level, the project focal points will seek the guidance of the Resident Coordinator Office in identifying the appropriate line ministry that oversees the implementation of SDGs and consult the UN Country Team to map stakeholders for SDG 7 and NDCs, and will support those leading entities in the development of the national SDG 7 roadmaps for the eight countries.

ECE and ESCAP will work with ECLAC to develop a dedicated capacity building session on developing SDG 7 Roadmaps using the NEXSTEP tool for selected ECLAC member States. This component will aim to transfer knowledge gained during the delivery of the project to the representatives of ECLAC member states and regional energy experts. It will leverage the existing NEXSTEP eLearning curriculum and will comprise several sessions, conducted by virtual means, covering steps such as the roadmap development process, data collection and the use of the NEXSTEP software. Ultimately this will build capacity for LAC region and its member States to undertake SDG 7 Roadmap development for selected countries in Latin America and the Caribbean.

DESA will facilitate an inter-regional dialogue and experience sharing of the NEXSTEP tool at the global level, explore substantive synergies with existing efforts including the STI for SDG roadmaps, document the lessons-learned and help disseminate the tool at a global level.

7 ANNEXES

ANNEX 1: RESULT-BASED WORK PLAN AND BUDGET DETAILS

Table 1.1 – Results based work plan and budget

Outcome	Output #	Timeframe by output		Budget class and Code <i>(Please use the budget classes listed in the table above.)</i>	Amount (USD)	
		Year <i>(2022, 2023, 2024, 2025)</i>	Quarter <i>(Q1, Q2, Q3, Q4)</i>			
OC1 Improved capacity of policymakers in the target countries to develop national SDG 7 Roadmaps that also support greening of the socio-economic recovery from COVID-19.	OP 1.1 National stakeholder consultation workshops conducted in each participating country to introduce the NEXSTEP methodology and identify how to tailor the national SDG 7 roadmap to align with the national strategy and adapt to the national context in achieving the SDG 7 targets, NDCs and COVID-19 recovery.	<i>(Please list all years and respective quarters in which outputs will be delivered)</i>	Q1, Q4 Q3, Q4	Consultants and Experts	105	\$20,000
				Travel of Staff	115	
				Contractual Services	120	\$ 8,000
				General Operating Expenses	125	\$ 8,000
	OP 1.2 Capacity building programme conducted in each participating country in ESCAP region to train energy planners and policymakers on the use of NEXSTEP to develop national SDG 7 Roadmaps.	2022	...	Consultants and Experts	105	\$ 15,000
				Contractual services	120	\$ 10,000
				Travel of Staff	115	\$20,000
				General Operating Expenses	125	\$6,000
	OP 1.3 Capacity building programme conducted in each	2023		Consultants and Experts	105	\$ 9,000

	participating country in Central Asia and the Caucasus to train energy planners and policymakers on the use of NEXSTEP to develop national SDG 7 Roadmaps.			Travel of Staff	115	\$12,000
				Contractual services	120	\$ 6,000
				General Operating Expenses	125	\$4,000
	OP 1.4 National SDG 7 Roadmap developed for each participating country using NEXSTEP and a report prepared for each country highlighting key findings.	2023		Consultants and Experts	105	\$ 60,000
				Travel of Staff	115	\$ 32,000
				Contractual services	120	\$ 40,000
				General Operating	125	\$ 16,000
	OP 1.5 Inter-regional seminar/conference convened to share experiences, explore synergies with relevant efforts, document lessons and offer global dissemination of the tool.	2024		Grants and Contributions (Workshops/Study Tours/EGMs)	145	\$ 57,500
				Travel of Staff	115	\$ 12,000
				Contractual services	120	\$ 20,000
				General Operating Expenses	125	\$ 4,500
	OP 1.6 Dedicated capacity building program on the application of NEXSTEP delivered for LAC region, targeting selected member States and regional energy experts.	2024		Contractual services	120	\$ 10,000
				General Operating Expenses	125	\$ 2,000
OC 2	OP2.1 Analytical studies are undertaken in each participating country to identify nationally	...2024-2025	...	Consultants and Experts	105	\$ 12,000

	relevant mechanisms to attract investment in the priority areas identified by the roadmap.			Contractual services	120	\$151,000
	OP 2.2 National workshop organized in each participating country to facilitate government-business and other stakeholder dialogue to review the analytical studies.	2024-2025		Consultants and Experts	105	\$24,000
				Travel of Staff	115	\$32,000
				Contractual services	120	\$ 16,000
				General Operating Expenses	125	\$12,000
	OP2.3 A programme of work to engage private financiers and other stakeholders is delivered in the three of the eight participating countries in response to the recommendations of the analytical studies. This may include activities such as facilitation of startup accelerators, demo days and investment pitches.	2025		Consultants and Experts	105	\$9,000
				Travel of Staff	115	\$24,000
				Contractual services	120	\$ 12,000
				General Operating Expenses	125	\$ 6,000
				Grants and contributions	145	\$ 30,000
Total						\$ 700,000

Table 1.2 – Planned annual budget expenditure and cumulative financial implementation rate.

in order to be able to better track the project's progress, estimates of expenditures to be committed per year should be provided. Please, therefore, fill out the table below with the annual estimated budget figures, which should derive from table 1.1 above.

Year	Planned annual budget expenditure	Cumulative financial implementation rate
2022	\$ 87,000	12.4%
2023	\$ 273,000	51.4%
2024	\$ 190,000	78.6%
2025	\$ 150,000	100%
Total	\$ 700,000	

ANNEX 2: DETAILED JUSTIFICATION BY CODE

i. **Budget narrative: \$700,000 (Total)**

\$ 506,375 (ESCAP); \$ 193,625 (ECE)

1. **Other staff costs - GTA (015): \$ 0 (Total)**

2. **Consultants and Experts (105): \$ 149,000 (Total)**

\$ 113,500 (ESCAP); 35,500 (ECE)

(a) International consultants for the task(s) of analytical studies, in support of outputs: OP2.1 (3 work-months) x (\$4,000 per month) = \$12,000 National / Regional consultants

(b) National consultants for task(s) of assisting with country level data collection and organization of national events, in support of outputs OP1.1 (8 work-months) x (\$ 2,500 per month), OP1.2 (5 work-months) x (\$3,000 per month) and OP1.3 (3 work-months) x (\$3,000 per month), OP 1.4 (24 work-months) x (\$2,500 per month), OP2.2 (8 work months) X (\$ 3,000 per month) and OP2.3 (3 work months) x (\$3,000 per month) = \$137,000.

(c) *Consultant travel: None*

3. **Travel of Staff (115): \$ 132,000 (Total)**

\$ 76,000 (ESCAP); \$ 56,000 (ECE)

(a) *UN Staff from the implementing entity*

For ESCAP: (19 missions) by UN staff for the purpose of conducting stakeholder consultations and national dialogues (in chosen from CSNs as-yet to be identified: 5 ESCAP), in support of outputs OP1.2

(5 missions), OP1.4 (5 missions, OP2.2 (5 missions) and OP2.3 (4 missions). (\$ 4,000 average mission cost) x (19 missions) = \$ 76,000.

For ECE: (13 missions) by other UN staff for the purpose of capacity building (in chosen from CSNs as yet to be identified: 3 ECE), in support of outputs OP1.3 (3 missions), OP1.4 (3 missions), OP1.5 (2 missions) OP2.2 (3 missions) and OP2.3 (2 missions), (\$4,307.7 average mission cost) x (13 missions) = \$56,000.

(b) *Staff from other UN entities collaborating in project*

4. Contractual services (120): \$273,000 (Total)

\$ 218,750 (ESCAP); \$ 54,250 (ECE)

A provision of \$82,000 is required for conducting high-impact analytical studies in support of outputs OP2.1: to select sub-regional and/or national institutions to conduct national studies and provide substantive inputs to knowledge base, covering all eight participating countries. Each contract is expected to cost about \$11,000 and cover a period of 3 months each. A provision of \$53,000 for improvement of the NEXSTEP tool to include more analytical capabilities for COVID-19 recovery in support of OP2.1. An additional \$16,000 to develop graphical and animation materials in support of outputs OP1.1, OP1.2 and OP1.3. Another \$122,000 for support with the roadmap development, capacity building, modelling and analysis in support of OP1.1 (\$8,000), OP1.2 (\$10,000), OP1.3 (\$6,000), OP1.4 (\$40,000), OP1.5 (\$20,000), OP1.6 (\$10,000), OP2.2 (\$16,000), OP2.3 (\$12,000).

5. General operating expenses (125): \$58,500 (Total)

\$ 32,875 (ESCAP); \$ 25,625 (ECE)

(a) *Communications*

In support of OP1.1 to 1.4, OP2.1 and OP2.2 = \$5,000.

(b) *Other general operating expenses, including workshop organization costs*

In support of OP1.1 to 1.6, OP2.2 and OP2.3 = \$53,500.

6. Grants and Contributions (145): \$87,500 (Total)

\$ 65,000 (ESCAP); \$22,500 (ECE)

(c) *Workshops, seminars & Expert Group Meetings**

Inter-regional seminar/conference convened to share experiences, explore synergies with relevant efforts, document lessons and disseminate the tool globally, in support of OP1.5. Duration of workshop: 2 days; (\$2,500 per participant) x (23 participants) x (1 workshop) (1 participant from each of the 8 participating countries + 1 participant from each of the other 15 NEXSTEP countries). Another 3 national workshops in support of OP2.3 with 10 participants supported for local travel about \$1,000 per participant.

ANNEX 3: BREAKDOWN OF EXPENSES BY ENTITY

Please provide the breakdown of expenses by entity, indicating the cost centre, functional area and WBSE for each (add rows as needed). Kindly only include one cost centre, functional area and WBSE per entity.

Entity	Cost Centre	Functional Area	Budget class Functional Area	W BSE	Amount
ESCAP	11599	19AC0009	Consultant and expert		\$113,500
			Travel of staff		\$76,000
			Contractual services		\$218,750
			General operating expenses		\$32,875
			Grants and contributions		\$65,000
Sub-total					\$506,125
ECE	13824	20 AC0005	Consultant and expert		\$35,500
			Travel of staff		\$56,000
			Contractual services		\$54,250
			General operating expenses		\$25,625
			Grants and contributions		\$22,500
Sub-total					\$193,875
TOTAL					\$700,000