

2026

GLOBAL HOUSTON MODEL UN CONFERENCE



# **BACKGROUND GUIDE**

**UN TRADE AND  
DEVELOPMENT**

**SOUTH-SOUTH ENERGY  
COOPERATION**

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# UNCTAD

## SOUTH-SOUTH ENERGY COOPERATION



# Introduction to the UN Council on Trade and Development

The United Nations conference on Trade and Development (UNCTAD) addresses trade, investment, and development issues for the United Nations (UN). In the 1960s, as the world was becoming increasingly interconnected and newly independent nations were wary of reifying colonial dependencies, many developing countries felt that global trade had become one-sided. To mitigate these concerns, the General Assembly established UNCTAD in 1964 as a permanent intergovernmental organization that addressed trade and power imbalance between developed and less developed countries. Today, UNCTAD provides policy advice and support programs to member states, especially Least Developed Countries (LDCs).

UNCTAD is composed of 194 members who meet once every four years at an UNCTAD conference, the next of which will take place in Vietnam in October. These conferences address the world's most pressing economics, trade, and development issues, producing recommendations and development strategies that are taken seriously by the United Nations and the international community.

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# Energy Insecurity and Development

Among the most complete and influential energy transformation of the 21st century is those underway in developing countries. During the previous century, the relationship between these countries and the global energy system was largely framed by the exports developing nations sent to the developed world. The past 15 years have seen the weight of developing in the global energy landscape grow dramatically as their energy consumption has nearly doubles. These countries now use the majority of the world's energy to support their local consumption of goods and services, and they are looking to even significantly larger levels of energy use going forwards to power further economic and social development.

Developing countries face a major undertaking: how to best secure and use these large amounts of energy in a way that both promotes continued economic growth and is sustainable. By focusing on energy exports, feeding local consumption and access, and securing increased energy production capacities, developing countries can begin to change the extraction narrative that has been especially in countries that were previously under colonial control.

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# Threats to South-South Energy Cooperation

## ***Lack of Infrastructure***

In addition to geopolitical, post-colonial, and economic obstacles, many developing countries find themselves without the infrastructure necessary to become energy secure. They may rely on foreign capital and corporations for the extraction of resources like oil and natural gas. Though a country may be home to energy minerals, it may not have the capacity to refine what it harvests into usable energy for its citizens, forcing it to buy its own oil back from countries that can refine it. Senegal recently opened its first domestic Senegalese-owned refinery after decades of buying oil back from foreign powers.

A lack of infrastructure also impacts energy delivery, as homes and businesses are often plagued by aging power grids and poor quality of broken power delivery lines. In countries with high corruption or simply without national surplus to be spent on energy infrastructure, rolling blackouts and lack of access to consistent power are commonplace. UNCTAD reports that 733 million (9.1%) of the global population lacks access to electricity, with 600 million people (53%) of people in sub-Saharan Africa alone.

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# Regional Energy Landscapes

## ***Africa***

The primary challenge for African member states is the Cost of Capital. While solar and wind have zero fuel costs, they require massive upfront investment. Due to perceived country risk, African nations often face interest rates 3 to 5 times higher than European or North American nations for the same infrastructure projects. The lack of energy infrastructure contrasts directly with the resource-rich environment. This is reflected in the continent's oil production: Africa produces massive amounts of crude oil but spends billions of dollars importing refined gasoline from Europe and Asia.

However, building energy infrastructure that requires less upfront investment, like natural gas, raises tensions between African nations and international environmental organizations. There is immense pressure from the West to skip the fossil fuel phase and move directly to renewables. Some leaders in Senegal, Nigeria, and Mozambique pushed back on this pressure by arguing that the West's Green Woke is a form of Climate Colonialism. They point out that Africa is responsible for less than 3% of cumulative global emissions. (4)

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## Regional Energy Landscapes

### ***South Asia***

Many South Asian countries, including Pakistan, Bangladesh, and Sri Lanka, are investing heavily in Liquefied Natural Gas (LNG) as a bridge fuel. Bridge fuels are a transitional energy source that stop countries from using high-emission energy sources, like coal, while nations build sustainable energy infrastructure. Recently, these investments turned the region into a global epicenter of stranded asset risk. Stranded asset risk refers to the potential for energy infrastructure to prematurely lose its value due to climate policy changes, like new regulations. The region accounts for 17% of global LNG import capacity under development. However, with global LNG supply reduced by 20% due to the 2026 Strait of Hormuz disruption, these countries are forced to buy gas on the spot market at astronomical prices. (6)

Others in the region are taking a different approach. India is investing in Pumped Storage Hydropower (PSH). PSH is a type of hydroelectricity that generates power from water moving between reservoirs at different elevations. (7) India is actively building more capacity for PSH and aims to add 51 gigawatts of capacity by 2032.

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## Regional Energy Landscapes

***Southeast Asia***

Southeast Asia is currently struggling with the Energy Trilemma: balancing security, equity, and sustainability. As domestic gas fields in the Philippines, Thailand, and Vietnam deplete, the region is becoming dangerously dependent on external energy flows. States from the Association of Southeast Asian Nations (ASEAN) face a massive disparity in infrastructure investment. Significant urban hubs like Singapore and Bangkok receive most funding for LNG terminals. This has led to worry that rural and low-income communities are being left behind. In nations like Indonesia, there is a push for inclusive infrastructure mandates, requiring that energy loans include connectivity for remote areas (12).

To try and balance long-term sustainability with short-term practicality, some countries, like Vietnam, are attempting a Dual-Track approach: building high-capacity coal plants to fuel immediate manufacturing growth while simultaneously signing Just Energy Transition Partnerships (JETP) with Western donors for wind and solar. However, Vietnam argues that without coal, it cannot maintain the industrial stability required to repay its international debts.

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## Foreign Investments

### ***China-Pakistan Economic Corridor***

At over \$62 billion, the China-Pakistan Economic Corridor (CPEC) is the largest single investment in the Belt and Road Initiative. Many CPEC energy projects are backed by sovereign guarantees, meaning the Pakistani government must pay the Chinese companies even if the electricity isn't used. Like many other Belt and Road projects, there are concerns over the use of debt trap diplomacy, because the primary investment consists mainly of loans.

### ***Debt***

Countries that have successfully invested in sustainable energy infrastructure may have large amounts of debt. One way to cope with this debt is to sell stakes of the projects to other entities, and lose majority control of their energy enterprise. For example, Laos has positioned itself as the regional electricity exporter, utilizing its massive hydropower potential. Because Électricité du Laos (EDL) is heavily in debt, it signed a 25-year concession giving the China Southern Power Grid 90% ownership of the high-voltage lines. Situations like this highlight security concerns and risks to a nation's sovereignty.

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# Potential Solutions and Obstacles

## ***Bridge Fuels***

Bridge fuel is an energy source used to combat the necessity of high-emission energy sources like coal and oil, while countries transition to more sustainable energy infrastructure. One of the most popular bridge fuels is natural gas, which many countries are now heavily investing in. While bridge fuels can be useful for lowering emissions immediately, they are also controversial. Opponents to bridge fuels argue that they are just a stopgap measure that ensures nations' reliance on fossil fuels indefinitely.

## ***Corruption***

Corruption is a large impediment to building energy infrastructure. Government corruption makes investors wary of the large upfront price involved with funding energy infrastructure projects. For example, the Grand Inga Project in the Democratic Republic of the Congo has the potential to power almost half the continent, but due to decades of corruption, it has failed to receive adequate funding to move forward with construction. (1) Additionally, studies show that the perception of corruption also slows down the transition to cleaner energy by diminishing public trust in government institutions. (3)

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# Potential Solutions and Obstacles

## ***Climate Change***

As climate change accelerates, energy infrastructure is increasingly vulnerable to stranded asset risk. This can happen due to changing climate regulations, but also through increasingly unpredictable and unstable weather patterns. Hydropower is particularly vulnerable to climate change's acceleration. Twenty percent of Africa's current electricity comes from hydropower, but due to new extreme drought and flood patterns, some projects have become untenable. For example, in early 2026, severe droughts in the Kariba Dam in Zambia led to widespread blackouts, proving that hydropower is no longer a guaranteed stable source

## ***Potential Solutions***

Potential solutions could include addressing government corruption so that energy projects have the resources they need to address power shortages in their respective regions. Additionally, international bodies need to find a consensus on the use and longevity of resources, like bridge fuels, in order to further energy infrastructure projects and sustainability goals globally.

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## References and Further Reading

1. [UNCTAD | Bridge Fuels](#)
2. [BBC | Grand Inga](#)
3. [The Conversation](#)
4. [Atlantic Council | Natural Gas Has a Small but Important Role in Africa's energy Transition](#)
5. [CSIS | Chinese Energy Investment in Southeast Asia](#)
6. [IEA | The Middle East and Global Energy Markets](#)
7. [Department of Energy | Pumped Storage Hydropower](#)
8. [UNCTAD | Belt and Road Initiative](#)
9. [Hydropower | South & Central Asia](#)
10. [Braumiller Law | Belt and Road Initiative](#)

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### Countries in Committee

United States	Jordan
Algeria	Kazakhstan
Angola	Kenya
Argentina	Malaysia
Australia	Mexico
Brazil	Nigeria
Canada	North Korea
China Democratic	Pakistan
Republic of the	Russia
Congo	Saudi Arabia
Egypt	Senegal
France	South Africa
Germany	South Korea
Ghana	Sudan
India	Turkiye
Indonesia	United Arab
Iran	Emirates
Japan	Uzbekistan
	Venezuela