

Workshop Report

Energy policy options for the poor in Africa and Latin America

Hotel Silken Berlaymont, Boulevard Charlemagne 11-19, B1000 Brussels, Belgium

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Objectives

The objectives were met to a large extent. Lesson sharing was particularly good. The three case studies from Africa (two from SPARKNET and one from Partners for Africa) showed insights from the implementation of both projects and the potential for them to contribute to policy making in their respective countries. The case studies from Latin America provided a viewpoint about their implementation as well as some highlights of their impact on policy in the respective countries. There was a constructive dialogue both formal and informal, between representatives of the EC and EU member states and civil society organisations implementing energy projects in the south, on the future of cooperation in this field.

Energy in Development is currently high on the global agenda as the subject of an implementation review at the 14th meeting of the UN Commission for Sustainable Development in May. Also in his budget statement on 22 March, Gordon Brown announced that Britain will propose helping developing nations invest in alternative energy with a World Bank fund of US\$ 20 billion (€16.5 billion). A key concern for Practical Action is that access to energy services should be part of these discussions, as well as climate change and security considerations. Practical Action, an international NGO with a track record in technology development, learning and exchanging experience, has particular recommendations on micro hydro and household energy. In the meeting Practical Action and its project partners showcased appropriate policy frameworks that promote widespread uptake of such options with their proven impacts on poverty.

The European Commission, Directorate General for Development was represented by Rene Karottki, who gave a presentation entitled "Poverty eradication, energy access and infrastructure in Developing Countries, EU Vision and Action". He pointed to the explicit prioritization of energy in the European Consensus on Development document adopted in December 2005, which will guide actions under the 10th EDF from 2007 onwards.

The EU-ACP Energy Facility, which will launch its call for proposals in June 2006, was represented by Mr Howard Barton, of DG AIDCO. His presentation was entitled "Co-funding pro-poor energy-related actions throughout the ACP countries".

The SPARKNET project

This project has mostly developed “virtually”. It produced a large quantity of good quality information such as country reports, papers, information about the organisations working in the field of energy, information about funding organisations in Africa and sets of policy proposals for each country participating in the project. All this information is now available on the website and will be included in the [HEDON](#) website. This information is now being used for policy purposes by the respective governments and partner organizations. Although there haven't yet been clear outcomes in terms of policy, the two case studies (South Africa and Zambia) show that the potential is good for the short term.

Partners for Africa

This was an advocacy project with workshops in different countries in Africa on specific subjects: health, micro enterprise and energy options. The presentations in these workshops have shown how this project has been successful at drawing the attention of high government officials. In Zambia, where there was a side event to the main workshop attended by four Ministers and one Vice-Minister, one of the most important outcomes is the present policy of this country to promote biofuels.

Sustainable Energy Options for Latin America

This project was developed in Ecuador, Peru and Bolivia and was largely based on actions in the field. The execution involved hundreds of training workshops for the different stakeholders, the communities themselves, community leaders, and indigenous groups. There were also a large number of meetings with regional, local and national authorities. The timing was particularly good for Ecuador and Bolivia and the project has been the main driving force for very important policy changes in those two countries.

In Bolivia, *La Mancomunidad del Tropico*, which includes about 1/5 of the country, has been included in government energy plans, which is now the national plan. This is because the recently elected President Evo Morales, was part of this *Mancomunidad*, and he will take the plan forward.

The case of Ecuador has shown that CONELEC (the national regulator) is making changes in the National Rules for access to the national funds for rural electrification (FERUM). Until recently only the utilities could take decisions about the priorities of implementation of electricity projects. These changes will avoid this and in future other institutions (NGOs, local governments and others) will be able to apply for money directly and CONELEC will provide the funds.

As for the CSD issue, also mentioned in the objective of this workshop, time was short and allowed only a brief discussion amongst participants. Nevertheless a brainstorm was done in the last session, the results of which are shown below.

Some of the main issues that came out from the discussions are as follows:

- All three projects have been good and have contributed to policy changes or have great potential to do so in the near future. The right timing is important to succeed in making changes. The project 'Energy Option' from Latin America had the right timing in the case of Bolivia and Ecuador and succeeded in promoting policy change.
- Most people without electricity in Africa and Latin America live in remote communities, where the grid would hardly play any role in the future due to its excessive cost.
- There is a lack of knowledge within communities to assess their needs and resources. Therefore there is the need for an important investment in 'energy literacy' in these

countries in order to create a better dialogue with suppliers, governments and funding agencies

- There is an urgent need for capacity building in Africa and Latin America at different levels - manufacturers, consultants, local and regional governments, in order to create a critical mass for the manufacturing of equipment, the supply of spare parts and consultancy services, as well as on the strategic and political side.
- There is a need for appropriate legal frameworks that enhance the implementation of decentralised systems.
- There is a clear need for subsidies in order to accelerate the process of rural electrification. Investment subsidies would ensure that people could cope with the operation of the systems. The private sector will only intervene in the electricity business if they have secure earnings.
- In Africa a large part of the urban population use wood and charcoal for cooking; in Latin America, in most countries kerosene is subsidised and is widely used.
- Fast track projects like the EUEI which has to commit all its €240 million by the end of 2007 will hardly reach the poor in rural areas because organisations who work with the poor will not have enough time to prepare projects which meet the EU requirements.
- There was some exchange of points of view regarding existing approaches for the implementation of rural energy. Some believe that the best way is to allow large concessions and make use of economies of scale. Others believe that the appropriate approach is the implementation of community based schemes.
- Funders rather than the users or energy promoters have always set the development agenda.

Final session

In the concluding session delegates to the meeting were asked for their response to the questions:

- *What are the barriers for access by poor rural communities – how will they be tackled in the next five years?*
- *What are the links to other development objectives, what sort of projects are we looking at?*

Here is a selection of responses:

Douglas Banks, RAPS Consulting, South Africa

We will be moving from small scale community projects to large scale delivery. The pace of development and demand from developing countries will drive this. Much higher numbers of units will be installed, be it ethanol plants or solar panels.

Rainer Janssen, WIP, Germany

We will see the expansion of biofuels for clean cooking fuel and decentralised energy generation. The food/biodiversity risks from biofuel plantations will need to be assessed. Biofuels should not just to be conceived in terms of transport.

George Kasali, EECZ, Zambia

The capacity of the poor to access energy must be paramount. Solar has been negative, grid electricity has been negative. Biogas plants have been installed but the manure is now being collected for gardens. For poverty reduction, therefore, energy must be tied to income generation.

Teo Sanchez, Practical Action, UK

Decentralised energy options need to be pursued. Grid electricity is not right for remote communities. There is insufficient capacity at the moment – projects are needed for technical and governance capacity. What about the promotion of productive uses? My perspective is energy access first, then productive uses.

Oscar Coca Antezana, Concejo Municipal del Cercado, Bolivia

Participatory bottom-up approaches are needed, with energy mainstreamed into consensus plans from a local level. At the moment the large-scale private sector is being privileged. Diversification of approaches is the key.

Mirco Gaul, GTZ, Germany

Decentralised systems are sustainable, but what about the numbers being reached? We have to scale up. Is this just a case of more funding? There is a need to focus and elaborate the systems and make them viable at a larger scale. Household connection is only one variable, the poorest of the poor can be reached by other means, by improving energy supply to education and health, through collective provision.

Satya Ranjan Saha, Practical Action, Bangladesh

Improving the quality of energy services should be a focus for the coming period. Look at the poor quality electricity grid in Bangladesh. Priorities should be compilation, sharing of best practices and technology adaptation.

Theo Schilderman, Practical Action, UK

Residues are going to waste. The waste to energy agenda needs further development.

Andrew Scott, Practical Action, UK

Summarising the meeting we see the need for:

- Scaling up, a range of energy sources need to be considered
- Energy literacy; understanding the options
- Multi-level capacity building
- Supply of machinery/equipment and financial services
- We need to work on the packaging for future projects, should these elements be integrated or should they be stand-alone projects?

Rafael Escobar, Practical Action, Latin America

In my view the key elements will be:

- Information and communication
- Approach and dialogue with policy makers
- Work with governments towards favourable changes
- A stumbling block is co-financing, it is not forthcoming
- Also many technically sound schemes have actually been lost due to lack of transparency and inter-institutional coordination - the management has broken down. NGO activities need to be incorporated in participatory budgeting and planning.

Presentations can be found on the [Practical Action website](#).

Participant

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