

## Conclusions of the COP11/MOP1 side-event on

# Climate, Energy and Poverty

December 6th, 19:30h - 21:30h, Montreal, Canada

### Abstract

In the light of the upcoming meetings of the Commission on Sustainable Development 14 and 15 and the development and climate discussions, JEPP held a side-event at COP11/MOP1 in Montreal to explore the linkages between climate, energy and poverty and to identify essential elements of rural energy provision. The conclusions from the event were that:

- The contribution of developing countries to GHG emissions is negligible.
- Energy is a vital cross-cutting input for all development sectors and goals.
- Carbon financing opportunities can be used in a better way to stimulate energy projects with a large development impact.
- More information on the complex linkages between energy and development is needed to better target energy policies and projects.
- Energy interventions need to be tailored to local circumstances and need to address the development of the entire energy supply chain.

### Introduction

Whether climate policy is inhibiting much-needed development is a constant issue of debate. The discussions on the triangle of energy, climate and poverty, and how synergies can be established and materialised, is still ongoing. The Energy research Centre of the Netherlands, on behalf of the Johannesburg Energy and Poverty Platform, organised a side-event "climate, energy and poverty". The aims of the event were:

- To explore the links of energy with the Millennium Development Goals.
- To collect views on the linkages between climate, energy, and poverty, in order to prepare for the Commission on Sustainable Development 14 and 15.
- To identify essential elements for rural energy provision in financing, policy and market development.

### Programme and presentations

*Ms. Cristine Pirenne*, of the Dutch Ministry of International Cooperation (DGIS), opened the meeting with some remarks on the Dutch approach to energy access. The Netherlands aims to provide access to modern energy services to 10 million poor people by 2015. This target acknowledges in a very practical way the imminent role of energy access for poverty alleviation and for economic development of the rural poor. The target is implemented through partnerships with among others GTZ, SNV and the embassies, as well as through multilateral funding channels such as the World Bank and regional development banks. The Dutch Government considers 3 criteria in

its energy access policies: affordability, sustainability and availability. Sometimes there may be trade-offs between these criteria. Ms. Pirenne stressed that development is priority, meaning that if energy access is affordably provided by means of fossil fuels this should be done, despite the potential negative climate consequences. At the same time it was emphasized that improved energy access in the least developed countries hardly contributes to global greenhouse gas emissions and that therefore energy access in these countries should not be hampered by climate concerns in the medium term. More information on the Ministry's energy and development policy can be found [here](#).

*Mr. Olav Kjørven* of the UNDP, emphasised the importance of energy for achieving the Millennium Development Goals (MDGs). Although none of the MDGs mention energy explicitly the MDGs cannot be achieved without energy provision. Currently there is great political momentum and commitment behind the MDGs. Due to the cross-cutting nature of energy it is necessary to mainstream energy in all development sectors and MDGs. In response to this need for an integrated approach the September 2005 World Summit launched the idea of an integrated package of services that will be established at the UNDP to support countries in their MDG-based development planning. This integrates package of services approach will also provide a means to mainstream energy aspects into other development sectors. Finally, Mr. Kjørven announced the launching of the MDG Carbon Finance Facility, which aims to pool CERs from a range of projects with more or less development impacts and offer these credits to the market. In this way small-scale projects with a high potential development impact can also be funded next to the larger scale projects with a lesser development impact. More information on the MDG Carbon Finance Facility can be found at <http://www.undp.org/mdgcarbonfacility/>. More information on the UNDP energy practice can be found at <http://www.undp.org/energy/>.

*Mr. Ibrahim Togola* of the Mali Folkecentre explained the thinking behind the Development and Energy in Africa (DEA) project, investigating the linkages between energy projects and their development impacts. The project also aims to establish an assessment framework consisting of a toolbox of methodologies to assess the development impacts of past and future energy interventions. Mr. Togola explained that such an assessment framework and enhanced knowledge of energy-development linkages can play an important role in policy coordination and integration of energy interventions with other policies in Africa, which can contribute to the maximizing the development impact of energy interventions. More information on the DEA project can be found at <http://www.deafrica.net/>.

*Ms. Heleen de Coninck* of ECN Policy Studies explained the results of a project in India, looking at the policy aspects of electrification of 11,000 tribal villages. The policy of the Indian government was assessed on aspects of ownership creation, affordability, and post-commissioning. An alternative model, focussing on a more tailor-made approach taking into account the income level and the income generation perspectives of the villages, was proposed and discussed. The full research report from this study can be downloaded [here](#).

*Mr. Ian Tellam* of ETC Netherlands first distinguished between the climate impacts of alleviating extreme poverty and the economic development of large developing

countries. A back-of-envelope calculation of the emissions associated with providing basic energy to the 2 billion people lacking it, points at an additional emission of 50 MtCO<sub>2</sub>-eq per year - a negligible amount compared to the global emissions of greenhouse gases on the order of 20,000 MtCO<sub>2</sub>-eq, or a quarter of the total greenhouse gas emission of the Netherlands. He further introduced the EASE project, which studies and implements market development of renewable energy in rural, developing areas. More information on the EASE project can be found at <http://www.ease-web.org/>.

## Discussion

The discussions after the presentations highlighted several related issues. Most presentations focussed on the question of providing electricity, while energy for cooking was not addressed. The possibility of cross-subsidising rural energy through urban energy prices was raised. It was highlighted that precedents for that exist in the communication industry in India, where the urban households pay a tax that finances more expensive rural connections. Also, the issue of the role of micro-credits was raised. In the villages in India presented above, such a system was already in place. The level of potential credits for the particular tribal villages was too low for financing energy provision. For business development and additional income generation, it may however become a good mechanism.

## Conclusions

The conclusions and main messages from this side-event are:

1. The world's poor contribute very little to global greenhouse gas emissions. Yet, the vulnerability of many developing countries to climate change, the strong international consensus supporting these countries to develop and the vital role of energy in the development process and in climate change at a global level all contrive to link energy, poverty and climate in the policy debate.
2. Energy is a vital cross-cutting input to all development policies and initiatives and should be mainstreamed in all development policy.
3. The linkages between energy and its development are complex and a greater understanding of these linkages is needed to inform targeted policy design and coordination.
4. There is a need as well as great opportunities to reconcile GHG mitigation funding mechanisms with energy interventions while harnessing the full development potential of these interventions.
5. There is a need for tailor-made, flexible solutions to address specific local energy issues. One-size-fits all approaches are often ineffective, thereby inefficient and do not maximize the development impact of energy interventions.
6. A critical factor in the design of energy policies is to develop the entire energy supply chain in an integrated manner, including skills development, enterprise development, information services, institution and capacity building, fuel supply, technology manufacturing, operations and maintenance, etc.

For more information on this event, please contact Mr. Emiel van Sambeek at [vansambeek@ecn.nl](mailto:vansambeek@ecn.nl).