

How can RETs contribute to poverty alleviation

The second thematic programme of the Global Network on Energy for Sustainable Development (GNESD) is focusing on Renewable Energy Technologies (RETs) and poverty. The objective of the activity is to identify the possible contributions of RETs to poverty alleviation and to provide concrete policy guidance aimed at overcoming previously identified barriers to RETs. The theme was launched in early 2004 and results are aimed at raising awareness among energy policy analysts, policy makers, private sector and NGOs.

The thematic programme includes a comprehensive assessment of the potential of renewable sources considering the broader objectives of energy policy and in all sectors of energy consumption. Focus is on addressing both final and intermediate use of energy in the residential sector.

Initial results based on the preliminary report by the nine participating Centres of Excellence are presented in this flyer. Detailed findings and full reports of the RETs programme will be published during 2005.

Renewable Energy not high on the development agenda

Past projects in the field of RETs have typically been fragmented attempts with clear R&D characteristics and most often carried out in isolation from other development challenges such as health, poverty, education and regional development. The initial findings show that there subsequently is a lack of well integrated programmes and policies involving RETs aimed at solving general poverty and development problems.



The lack of coherent policies translates into a lack of coordination between stakeholders, duplication of efforts and an inefficient

use of resources. In addition, there is low stimulus for market establishment due to unattractive and unreliable conditions for private investors. Identified examples are:

- Very low user payment capacity
- High initial investment cost of RETs
- Lack of adequate financing mechanisms



The results also show that these problems are further aggravated by the fact that most RETs projects focus on residential rather than on productive uses; thus having a relatively low impact on family income. Financial institutions therefore tend to view RETs as risky and of low profitability.

The preliminary results from the studies also indicate that the lack of knowledge by potential users is an often mentioned barrier. It constitutes an obstacle both to the dissemination of RETs as well as to the sustainability of RETs projects.

A conventional energy legacy

Most developing countries have inherited the institutional setup of industrialised countries' energy systems, based on centralised generation with conventional energy sources. The institutional, legal and regulatory frameworks consequently tend to be highly inadequate for RETs dissemination and in some cases prove to be directly detrimental.

On the technology side, the results shows that most national infrastructures regarding RETs R&D do not comply with adapted technology requirements in this area and are often more related laboratory research than the requirements of the users.

There are, however, also some positive aspects. All the countries covered by the studies have several decades of experience in renewable energy projects that have allowed



the identification of strong and weak areas and facilitated a preliminary assessment of resources and secured the involvement of research institutions and NGOs. Some countries have even set targets for future RETs use and are considering more seriously the role that these technologies could potentially play for poverty alleviation and regional development.

Most of the problems described are closely linked with general developmental and social issues and should consequently be dealt with in this light aiming at holistic solutions and not only partial answers. The RETs theme Working Group will, in the coming months, analyse in greater detail the specific policy elements that could advance poverty alleviation in each of the countries.

Global coverage = strength

The Centres of Excellence from Developing Countries participating in the RETs theme Working Group are: The African Energy Policy Research Network



(AFREPREN), Kenya; Asian Institute of Technology (AIT), Thailand; The University of São Paulo (IEE/USP) in conjunction with the Federal University of Rio de Janeiro (COPPE/UFRJ, Brazil; The Energy Research Centre (ERC), South Africa; Environnement et développement du tiers-monde (ENDA-TM), Senegal; The Energy Research Institute (ERI), China; The Bariloche Foundation (FB), Argentina; The Energy and Resources Institute (TERI), India; The Energy Research Group (ERG) at The American University of Beirut (AUB), Lebanon.

The Bariloche Foundation coordinates the activities of the RETs theme Working Group and have worked to include as many industrialized country Centres as possible. To

date UNEP Riso Centre (Denmark), ECN (The Netherlands), LEPII EPE (France) and Fraunhofer Institute (Germany) are taking part in the RETs theme.

Strategic direction and oversight is provided by an international Steering Committee representing the GNESD Member Centres and donors.

About GNESD

GNESD is a knowledge sharing network designed to increase the capacity of Centres of Excellence in developing countries to contribute to energy, development and environment issues; enabling them to incorporate sustainable development issues in their work.

The activities of GNESD are organized thematically with each themes addressing various aspects of providing new and environmentally sound energy services to people in the developing world. All activities are based on the firm belief that access to affordable, modern energy services is a pre-requisite for sustainable development and the alleviation of poverty.

The United Nations Environment Programme (UNEP) facilitated the launch of GNESD at the World Summit on Sustainable Development in Johannesburg, 2002. Donor countries and organisations include Denmark, France, Germany, United Kingdom, USA, UNF, UNEP and UNDP.

Contact us

The Secretariat for GNESD is located at Risø National Laboratory, Denmark, which also hosts the UNEP Risoe Centre (URC). The GNESD website is located at www.gnesd.org and contains additional information materials. The information provided here and the views expressed do not necessarily represent those of UNEP or Risø National Laboratory. For more information please contact the GNESD Secretariat. December 2004.



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