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GLOBAL NETWORK ON ENERGY FOR SUSTAINABLE DEVELOPMENT- A NETWORK FACILITATED BY UNEP

Disconnected: Electricity reforms impact poor households

Market based electricity reforms require dedicated government commitment to ensure that also the poorer part of the population benefit through increased access to electricity. Studies by the Global Network on Energy for Sustainable Development (GNESD) show that in many regions governments have not shown such commitment and therefore reforms have not generally benefited the poor and have in some cases even introduced new limitations on access to electricity.

This is the main finding of case studies conducted as part of the first 'theme' on Energy Access by GNESD. In this theme, Member Centres in eight developing countries assessed the impact of electricity sector reforms on energy access for the poor in Brazil, China, Eastern Africa, Latin America and the Caribbean, Southern Africa, Western Africa, and South and Southeast Asia.

The case studies included selected reforms applied to a wide variety of economic and demographic situations, as well as changes in the structure of electricity industries and their governing legislation. The studies show that power sector reforms have tended to have detrimental effects on electricity access by the poor in Eastern Africa (Kenya and Uganda), West Africa

(Mali and Senegal), Brazil, Latin America and the Caribbean (Argentina, Peru and El Salvador), and South and Southeast Asia (India).

Power sector reforms have, in limited ways, improved electricity access for the poor in Southern Africa (South Africa and Zimbabwe), China and in some cases in South and Southeast Asia (Bangladesh, Philippines, Thailand and Vietnam). To understand these differences, Member Centres looked at the rationale behind the reforms in each country and what, if any, attention was given to the issue of access.

The case studies also show that where privatization of the power sector has taken place, the effects have been detrimental to the poor. Countries where the focus has been on rural electrification have had some success increasing access to electricity by their poorer citizens. When reforms are introduced with the sole intention to improve the performance of utilities, the expected and hoped for social benefits do not necessarily follow.

GNESD Network Assembly

GNESD's first Network Assembly was held November 22, 2003 in Nairobi, Kenya. The 37 delegates included Interim Steering Committee members, Network Partners and a number of potential Member Centres.

The Assembly delegates approved the GNESD Structure Document that formally established bylaws and a two-year work programme/budget for 2003 - 2004. The GNESD Steering Committee was also formally established and includes representatives from donor governments and Member Centres in both developing and industrialized countries.

Delegates also decided to invite an additional number of Centres to join the Network as Members, which increased the total number of Members to twenty (see article on page 4).

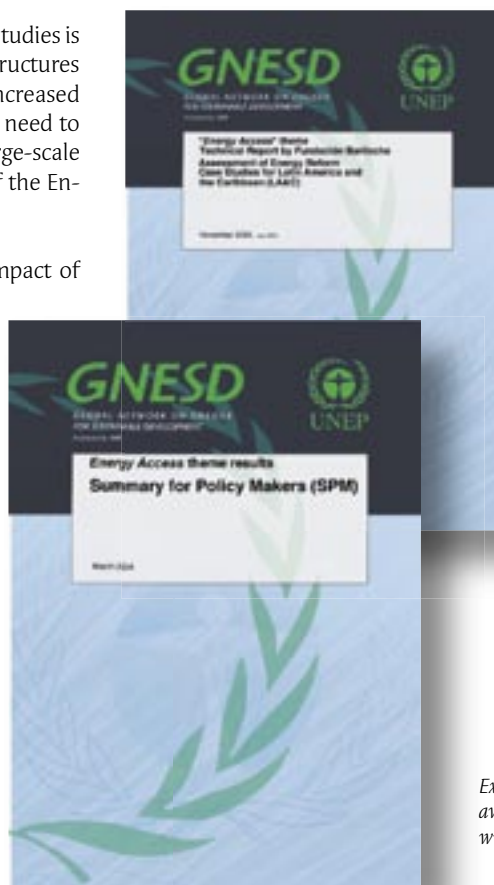
Photo: The head of the GNESD Secretariat, John Christensen, presented the structure and bylaws of the Network for final approval by the Assembly delegates.



An important lesson from the Asian case studies is that the *sequencing* of reforms is critical. Structures and mechanisms aimed at promoting increased electrification, particularly of rural areas, need to be in place before countries embark on large-scale privatization. In short, the key findings of the Energy Access study are:

- Without political commitment the impact of power sector reforms on the poor has been neutral or negative.
- A need for "ring-fencing" financing for electrification to the poor.
- A need for explicit focus on the poor.
- A need for focus on the sequencing of reforms, by increasing access prior (or parallel) to privatization.
- Consultations need to be held with poor households on the electrification process.

Based on the findings of the first theme, the Energy Access Working Group has prepared a set of policy recommendations which can be found in the Summary for Policy Makers (SPM).



All outcomes of Network activities including the SPM and a Compilation Report are available from the "Publications" section of the website at www.gnesd.org. Detailed technical reports from each region will be available shortly.

Work on Energy Access is being continued through the *Energy Access II* theme, which is focused on disseminating policy recommendations and approaches for poverty alleviation through improved access to electricity (see the article below). Workshops targeting policy makers in various regions are being planned for the second half of 2004.

Examples of the reports available for downloading at www.gnesd.org.

Energy Access theme enters second phase

GNESD will continue the work carried out in the original Energy Access Working Group by focussing on the dissemination of the knowledge and data already generated. The Energy Access II theme is being coordinated by the African Energy Policy Research Network/Foundation for Woodstone Dissemination (AFREPREN/FWD) in Nairobi, Kenya, and consists of three interlinked parts:

- Data collation and compilation.
- Preparation of journal articles.
- Preparation of papers for the 2004 International Conference for Renewable Energies in Bonn, Germany.

In the first part, data obtained from secondary sources and from past household surveys in Energy Access studies by Member Centres will be collated to improve future work on energy and sustainable development issues.

The second part will encourage communication on energy policies for sustainable development by promoting the Energy Access results through a special edition of the International Energy Initiative's (IEI) journal "Energy for Sustainable Development".

The third part of Energy Access II is the presentation of results at the International Conference for Renewable Energies in

Bonn, Germany in June of this year. The aim of the conference is to advance global efforts to develop renewable energy launched at the Johannesburg Summit. The Energy Access II Working Group will contribute to this conference with information on best practice policies in the energy sector, particularly policies to help poor households secure access to cleaner and more sustainable energy services.

UNDP support for Energy Access II activities

The United Nations Development Programme (UNDP) has provided financial support of US\$100,000 for the Energy Access II theme. The UNDP support is focused on Member Centres located in developing countries and will be dedicated to strengthening the ability of Member Centres to conduct knowledge networking and outreach activities while stimulating policy dialogue among regional/national stakeholders working on energy and development issues.

UNDP's contribution is complementary to existing and planned GNESD activities in the Energy Access II theme. Ten developing country Centres have received funds to support Access II work in 2004. Initial results will be available mid-year.

A view of the Bariloche region, home of GNESD's Argentinean Member Centre.



New Theme to guide policy on Renewable Energy Technologies (RETs)

GNESD has launched a Renewable Energy Technologies (RETs) theme to determine the possible contribution of RETs to poverty alleviation and to provide substantial policy guidance to overcome barriers to RETs. The Institute for Energy Economics-IDEA/FB at Fundación Bariloche in Argentina coordinates the theme work that started in January 2004 and is planned to conclude at the end of the year.

Ten Centres in developing countries have formed a RETs theme Working Group and during December and January prepared the following activities:

- An initial assessment of RETs, based mainly on available information and experience.
- A discussion of initial findings, and preparation of draft policies and engagement strategies for a planned RETs workshop.
- A sharing of perspectives and discussion of policies and engagement strategies at a Network policy workshop.
- External communications.

The Working Group's final output will be a policy guide, including conclusions and general recommendations on policies and actions needed to promote the use of renewable energy as a tool for sustainable development and poverty alleviation. Initial findings will be presented in June 2004 at the International Conference for Renewable Energies in Bonn, Germany.

The purpose of the RETs theme workshop is to link the analytical work to on-going processes in respective regions/countries to ensure the policy guide is immediately useful for advocacy and application activities. This task will involve working jointly with relevant stakeholders, including government agencies, NGOs, research institutes, project operators, technology suppliers, and similar groups interested in promoting wider use of renewable energy.

All material will be available online at www.gnesd.org.

GNESD: An expanding knowledge network

GNESD is expanding rapidly. Eight developing country Member Centres joined at the launch in 2002 and the Network has since been expanded twice and currently has ten developing country Member Centres and ten Member Centres from industrialized countries.

Industrialized country Member Centres are currently working with Member Centres from developing countries in data gathering and analyses, preparation of reports and knowledge transfer. The focus of Network activities is on Member Centres from developing countries, which are solely eligible for funding. However, industrialized country Member Centres may in the future be able to identify sources of funding that allow their full participation in GNESD activities.

More than thirty Network Partners have currently signed the GNESD *Statement of Commitment* expressing their willingness to work for the goals of GNESD. Network Partners gain access to draft documents and reports, and have the opportunity to comment on the work carried out by the Member Centres prior to publication. Network Partners are invited to attend the GNESD's annual Network Assembly along with the twenty Member Centres.

An overview of the twenty Member Centres currently involved in the activities of GNESD is displayed on page 4.

Strength through networking

The twenty Member Centres are:

Africa

- Environnement et Développement du Tiers Monde (ENDA-TM), Senegal.
- The African Energy Policy Research Network/Foundation for Woodstove Dissemination (AFREPEN/FWD), Kenya.
- The Energy Research Centre (ERC), South Africa.

Europe

- AEA Technology, Future Energy Solutions (FES), UK.
- KFA Forschungszentrum Jülich, Germany.
- The Department of Energy and Environmental Policies (EPE), Production and International Integration Economics Laboratory (LEPII), Université Pierre Mendès, France.
- The Energy Research Center of the Netherlands (ECN), The Netherlands.
- The Fraunhofer Institute for Solar Energy Systems (ISE), Germany.
- The International Institute for Industrial Environmental Economics (IIIEE) at Lund University, Sweden.
- UNEP RISØ Centre (URC), Denmark.

North and South America, The Pacific

- The Institute for Energy Economics at Fundación Bariloche (IDEE/FB), Argentina.
- The National Renewable Energy Laboratory (NREL), USA.
- The Stockholm Environment Institute's Boston Center (SEI-B), USA.
- The University of the South Pacific (USP), Fiji.
- CentroClima at the Federal University of Rio de Janeiro and CENBIO at the University of São Paulo in conjunction, Brazil.

Middle East and Asia

- Institute of Energy Economics (IEEJ), Japan.
- The Asian Institute of Technology (AIT), Thailand.
- The Energy and Resources Institute (TERI), India.
- The Energy Research Group (ERG) at The American University of Beirut (AUB), Lebanon.
- The Energy Research Institute (ERI) of the National Development and Reform Commission (NDRC), China.

About the Network

The twenty GNESD Member Centres form ad-hoc Working Groups for each theme that is launched by the Steering Committee. Theme activities at the Member Centres located in a developing country are supported in part by donations made by the UN Foundation and the governments of Denmark, France, Germany and the United Kingdom. The GNESD Secretariat manages the Network in conjunction with theme coordinators and the GNESD Steering Committee. Current themes include Energy Access I and II, and RETs.

For additional information on GNESD, the outcomes of Working Groups, or on how to join GNESD as a Partner, please contact Dr. John Christensen, at the GNESD Secretariat at gnesd@risoe.dk or Tel. +45 4677 5131 or Fax. +45 4632 1999.

Back issues of "GNESD News" are available on www.gnesd.org or from the GNESD Secretariat.

GNESD

Secretariat:

The GNESD Secretariat is located at Risø National Laboratory (RNL), Denmark, which is also the host of the UNEP RISØ Centre (URC).

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A dedicated web site for the GNESD is located at www.gnesd.org. This newsletter provides information on the activities of GNESD and the views expressed do not necessarily represent those of UNEP or Risø National Laboratory. For additional information or comments please contact the editor, Per Kolbeck (per.kolbeck@risoe.dk). GNESD is printed on 100% recycled, chlorine-free paper. Layout by Finn Hagen Madsen, finn@studio8.dk.

Increased collaboration on energy after WSSD

Close links have been established between GNESD and the other primary energy partnerships resulting from the World Summit on Sustainable Development (WSSD). These are the Global Village Energy Partnership (GVEP), www.gvep.org; the Renewable Energy and Energy Efficiency Partnership (REEEP), www.reeep.org; and the EU Energy Initiative (EUEI), www.euei.org.

To date, two coordination meetings have taken place with representatives from all four partnerships. In addition, GVEP, REEEP and EUEI took part in the GNESD Network Assembly in Nairobi 22 November 2003, and contributed with presentations of activities and useful discussions on possibilities for collaboration.

The objective of this collaboration is to find ways to maximize the dissemination and impact of the four partnerships. GNESD activities and outputs are well suited for promotion across the three other partnerships.



The premiere issue of GNESD News was published in April 2003.