



# Africa – left in the dark?

Energising Poverty Reduction in Africa

**PRACTICAL ACTION**  
Technology challenging poverty



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2.4 billion people worldwide rely on traditional biomass fuels (including wood, charcoal, crop residues and dung) for cooking. Hundreds of millions of people, mostly women and children, spend up to five hours a day gathering fuel and water for their essential needs. As a result, these women and children can be denied the opportunity to undertake other activities or attend schools. They also face adverse health consequences. Every year 1.6 million people die from lengthy exposure to excessive levels of smoke in their homes from cooking fires.

Globally at least 1.6 billion people lack access to electricity for lighting, heating, cooking, refrigeration or telecommunications, even though more than a billion people have gained access to electricity in the last 25 years. Four out of five people without access to electricity live in rural areas of the developing world, mainly in sub-Saharan Africa and South Asia. In sub-Saharan Africa only 8% of the rural and 51% of the urban population have access to electricity.

On current trends 1.5 billion people globally will still lack electricity in 2030, of whom 650 million will be in Africa. This is some fifteen years after the target date for meeting the Millennium Development Goals (MDGs), which cannot be met without sustainable, affordable, accessible and reliable energy services. Yet assistance for the provision of energy in Africa has been minimal. According to the OECD only 4% of total aid to Africa is spent on energy; the EU picture is little better, accounting for less than 5% of aid from Europe since 1990.

The Johannesburg Plan of Implementation (JPOI) agreed at the World Summit on Sustainable Development (WSSD) in 2002 called for the international community to work together at all levels to improve access to reliable and affordable energy services for sustainable development sufficient to facilitate the achievement of the MDGs. The response of the European Union was to establish the EU Energy Initiative for Poverty Eradication and Sustainable Development.



Marcyleen from Zimbabwe struggles to study using the feeble light of a lantern.

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## The EU Energy Initiative

The stated objective of the European Union Energy Initiative (EUEI) is to contribute to the provision of access to energy necessary to achieve the MDGs, particularly, but not exclusively, that of halving the proportion of people in extreme poverty by the year 2015. By creating a focus on energy and poverty, the Initiative intends to:

- Raise political awareness among high level decision makers of the important role energy can play in poverty reduction.
- Clarify the need for energy services for poverty reduction and sustainable development.
- Make apparent the need for energy services in national and regional development strategies.
- Encourage the coherence and synergy of energy-related activities.
- Stimulate new resources (capital, technology, human resources) from the private sector, financial institutions, civil society and end-users.

The EU is taking the Initiative forward through open dialogue with partner governments at country level through its EC Delegations and member state country offices. Local participation will be encouraged from end-users, communities, businesses and other stakeholders in both planning and implementation. The EU and partner country dialogue is followed by, or in parallel with, dialogue with the private sector, financing organisations, civil society and end-users.

The Initiative is open to all developing countries, with an initial focus on African, Caribbean and Pacific (ACP) countries. It should be noted that the cooperation funds for energy under the Energy Facility (part of the 9th European Development Fund) are restricted to ACP countries. Sub-Saharan Africa has a very high priority given to its energy status and is a crosscutting component in the current workplan of the UN Commission on Sustainable Development. A conference 'Energy for Africa' was held in Nairobi in November 2003 in order to identify a way forward, making the EUEI operational in Africa. The conference identified priority themes in which actions facilitated by the EUEI should concentrate:

- Energy for households, biomass and substitutes;
- Rural energy in general and in particular rural electrification;
- Assistance in drafting strategies and policies for the sector, both at national and at a regional level;
- Capacity building at all levels.

Nevertheless, no African country has directly addressed energy needs under the Cotonou Agreement and only five ACP countries have included energy as a focal sector of cooperation. There needs to be a shift in priorities to those identified at the Nairobi workshop if the poorest are to be helped.

The focus of most development assistance is currently on large-scale supply of energy at national or regional level, or the export of energy resources. Getting power to those living in scattered rural communities will prove exorbitantly expensive using conventional grid extension schemes. Efforts at finding solutions are hampered by inadequate attention at the national policy level to rural development generally and energy in particular.

The real challenge for both the Initiative and the Facility is rural energy provision in ways that are affordable and sustainable. Urban areas have been highly favoured in terms of grid extension and have a greater likelihood of private sector involvement. There is no prospect of this in rural areas where the best option is small, decentralised electricity schemes for example, micro-hydro or wind turbines. Lack of skills, technology and policy hamper this sort of development in Africa.

The need to build local manufacturing capacity and stimulate the creation of legal frameworks that enable decentralised electricity generation sectors to be developed is now urgent.



A micro-hydropower scheme supplies energy to light homes in a Kenyan village.

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## A critical role for Europe

Europe can make a huge difference in helping to eradicate poverty, especially in Africa, through the EUEI. It is imperative that the Initiative sets challenging targets to reduce poverty, increase sustainability and improve the efficiency of its development assistance through greater donor harmonisation. Substantially increased levels of funding through the Initiative are unlikely. Indeed a key objective of the EUEI is to find ways to scale up the sustainable financing of energy, with a specific focus on sustainable development and pro-poor outcomes. One outcome of this objective is the establishment of the EU ACP Energy Facility using the 'conditional element' of the 9th EDF (European Development Fund).

However, although the Facility was generated by the initiative there is no formal link between the two in implementation. As the Facility is funded by the EDF its expenditure is regulated by EDF rules, which tend to be somewhat inflexible, and as such there is no prioritisation for, or even link to, projects generated by the Initiative.

The EU ACP Energy Facility is intended to be a catalyst promoting initiatives and projects in the area of energy, acting as a clearing house and building research and management capacity. It will combine development aid and other financial sources, especially private investments. The €220 million Facility, (but likely to be only €160 million by the time the call for proposals is made) has a main focus on co-financing of delivery of modern energy services to rural areas in Sub-Saharan Africa, and of energy efficiency/renewable energy in Caribbean and Pacific Island States. This sum should become available in 2006-2007 with a call for proposals and will be managed by the European Commission (EuropeAid).

Member States will be involved in the development and overall guidance of the Facility and will be able to ensure the necessary coordination of their own bilateral activities with those of the Facility. However, if the example of the Water Facility is to be followed, member states will not be involved in the selection process for the approved projects. Currently civil society (at least within Europe) has little involvement with the Initiative and thus little influence on the Facility. There should be a proper open consultation process with civil society with respect to the modalities for the Facility.

## What Ministers can do now

Establish clear poverty reduction priorities (both geographical and thematic), goals and targets for the EU Energy Initiative so that progress can be monitored and measured.

Establish mechanisms for improved donor harmonisation both within the EU and with other donors building on the outcomes of the OECD meeting in Paris this year and co-operation with other energy partnerships.

Ensure that the relationship between the Initiative and the Facility is clear and transparent as they operate under different governance systems.

Ensure transparency in the workings of the EUEI through provision of better information on the outcomes of its advisory group meetings and open up the membership to include civil society representation so that it is a multi-stakeholder body rather than just member states, commission staff and 'experts'. This would follow the effective model of the EU Water Initiative.

Provide opportunities for wide consultation on the modalities for the EU ACP Energy Facility. This was undertaken successfully for the EU Water Facility and allowed for modification and improvement where possible and greater clarity in the documentation.

Follow the example of the EU Water Facility in being more flexible in approach than traditional EDF rules and, for example, provide for direct application by non-state actors.

Ensure that the allocation of funds from the Facility is balanced without a preponderance of expenditure on large-scale infrastructure schemes.

Ensure a substantial allocation for technical capacity building on decentralised rural energy options, for example micro-hydro or wind turbines.

Practical Action is an international developments agency working with poor communities to help them choose and use technology to improve their lives today and for generations to come.

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Front cover: An elderly lady in Sudan spends many hours a day collecting wood-fuel for cooking. © Practical Action/Nigel Bruce

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