

3rd IEF - OFID Symposium on Energy Poverty

11- 12 April 2017- El Mouradi Gammarth Hotel, Tunis

Background

No country has developed without access to reliable and affordable energy services. Despite attempts to decouple economic growth and energy consumption, the two seem to be linked in a feedback loop: increased energy access fosters income growth, while energy use tends to increase with income. In developing countries with low levels of access to modern energy services, energy is regarded as a transformational resource to fuel economic growth.

Energy poverty, the lack of access to modern energy services, has become a crisis in developing countries. Globally, 1.1 billion people are without access to electricity, while 2.9 billion lack clean cooking facilities. Around 95 per cent of these people live in sub-Saharan Africa or developing Asia. There are 620 million Africans living without access to modern forms of power.

This situation is destined to persist or even deteriorate as the global population grows and energy needs expand. International cooperation should play a leading role in galvanising the decisive actions required to help resolve this human crisis.

The role of energy in sustainable development has been emphasized in numerous international forums, including the Third OPEC Summit in Riyadh in 2007, the 1st IEF-OFID symposium on energy poverty in Johannesburg in 2009 and the March 2010 Ministerial Meeting of the International Energy Forum in Cancun. The latter called on all relevant stakeholders (including the energy industry) to step up their efforts and encouraged the IEF Secretariat to maintain energy poverty high on its agenda and future programmes of work. Responding to this call the IEF and OFID convened the 2nd Symposium on Energy Poverty in Vienna in 2011.

In September 2011, the UN Secretary-General launched a “Sustainable Energy for All” (SE4ALL) initiative to empower leaders to broker partnerships and unlock finance to achieve universal access to sustainable energy. The year after (2012), at the Rio+20 Summit in Brazil, the objective of sustainable energy for all achieved official recognition as a priority in the post-2015 development agenda. Finally, the international community agreed to the goal to “Ensure access to affordable, reliable, sustainable and modern energy for all”, formalising it as Sustainable Development Goal (SDG) 7, along with 16 other SDGs, of the 2030 Development Agenda adopted by the General Assembly of the United Nations in September 2015.

At the 15th IEF Ministerial in Algeria (26-28 September 2016), recognising that the lack of access to energy in many developing countries, in particular in Africa, acts as an obstacle to poverty eradication, economic growth and social development, Ministers stressed the importance of joint initiatives in several areas to improve energy access and productivity. Ministers acknowledged the important role of the IEF, alongside other organisations to help ensure that energy access remains an integral part of the producer-consumer dialogue and high on the ministerial agenda.

OFID has been implementing energy projects for almost forty years. Since 2007, though, its efforts have intensified following a direct mandate from its Member Countries in the Solemn Declaration of the Third OPEC Summit. The Declaration on Energy Poverty issued in 2012 by OFID's Ministerial Council provided the strategic guidance for OFID's work. It committed a minimum of US\$1 billion to support its Energy for the Poor initiative. One year later, the Council turned this pledge into a revolving commitment.

The 3rd IEF-OFID Symposium on Energy Poverty, hosted by the government of Tunisia, gathers participants from African Countries, representatives from governments and industry, multilateral and bilateral organisations, finance institutions, and aid agencies to discuss how to address this crucial issue and identify ways and means to help eradicate energy poverty and achieve universal access to modern energy services by 2030.

Tuesday, 11 April: Reception and Networking Dinner (6:00 pm)

Wednesday, 12 April:

9:00 – 9:30 Opening Session

Speakers

- **HE Hela Cheikhrouhou, Minister of Energy, Mines and Renewable Energies, Tunisia**
- **Dr Xiansheng Sun, IEF Secretary General**
- **Dr Fuad Siala, Advisor, OFID**

9:30 – 11:00 Session 1: Energy Poverty – The problem, the extent and the consequences

Session moderator

- **HE Hela Cheikhrouhou, Minister of Energy, Mines and Renewable Energies, Tunisia**
-

Panelist speakers

- **Mr Atef Marzouk, Interim Executive Director, African Energy Commission (AFREC)**
- **Mr Jean-Yves Garnier, Consultant in Statistics, Clean Energy, & Energy Poverty and Former Chief Statisticians and Head of Energy Data Center, IEA**
- **Mr Bertrand Magne, Senior Economist and Energy Specialist, SEforALL**
- **Mr Hossein Hassani, Statistical Systems Coordinator, Data Services Department, OPEC**

Limited access to modern and affordable energy services is an important element of the vicious circle that perpetuates poverty in developing countries, particularly in sub-Saharan Africa and some parts of Asia. Access to modern forms of energy is essential to overcome poverty, promote economic growth and employment opportunities, support the provision of social services, and, in general, promote sustainable human development.

Since the 1st IEF-OFID symposium in Johannesburg in 2009, significant progress has been made in reducing energy poverty. However, ensuring universal energy access is unlikely to be achieved by means of a single silver bullet. The nature of the problem differs from country to country and from

region to region. Although energy poverty is a global issue, breaking the headline energy poverty numbers down to regional and local levels would be a step in the right direction.

Sound information based on local knowledge, and hard data on the region and population under consideration are prerequisites for attracting the investment required to provide sustainable and scalable solutions appropriate to the specific needs of the target group. Governments and local authorities must be encouraged to improve data collection and information, and adopt a common definition for energy poverty, in order to facilitate the necessary decision analysis and project assessment

This session will frame the problem, highlight its consequences and explore the extent of energy poverty (presenting figures).

Questions:

- What are the barriers and the enablers in implementing the objective of sustainable energy access?
- How is energy poverty affecting economic and human development in the least developed countries?
- What are the key issues for defining energy poverty?
- What progress has been achieved so far in alleviating energy poverty?

11:00 – 11:30 Coffee Break

11:30 – 13:00 Session 2: Roles of Energy Sources and Technical Solutions

Session moderator

- **Mr Mohamed Hamel, Senior Advisor, Ministry of Energy, Algeria**

Panelists speakers

- **Ms Caroline Nijland, Vice President, Alliance for Rural Electrification**
- **Mr Rafael Huarte Lázaro, Director, IGU**
- **Mr Ivan Yaholnitsky Director Bethel Business and Community Development Center (BBCDC) Lesotho**
- **Mr Abraham Hangula, Projects Officer, Namibia Energy Institute, Namibia University of Science and Technology**
- **Mr Nicolas Rohrer, Managing Director, Asantys (tbc)**

In the context of ensuring universal energy access, a well-designed and integrated management structure of the energy supply system is necessary to lessen the pressure on natural systems. The complete range of organizational

and technical possibilities must be considered so as to identify and seek to optimise a suite of solutions appropriate to a given situation. All energy sources should be tapped based on their relative merits so that efforts to eradicate energy poverty are as technology-neutral as possible, but always with a pragmatic emphasis on affordability.

In many developing countries, there is significant unfulfilled demand for modern energy services in both urban and rural areas. However, providing access to energy in the quantity and quality needed is a costly undertaking that is difficult to surmount when domestic finances are constrained and the global economy is stagnating. Recognising that there is no panacea, technical solutions must be tailored to the conditions of each setting. Such solutions include, but are not limited to: boosting cross-border power trade; tapping the potential of increased energy efficiency; opting for centralized as well as decentralized solutions. The general concept that the efficient use of energy will help facilitate wider access to energy should be an over-arching consideration.

This session will explore the differing roles of energy sources in confronting energy poverty and showcase implemented technical solutions, including energy efficiency measures.

Questions:

- What are the key features of the energy supply system needed to respond to the expanding energy needs of a growing global population?
- Which cost-effective solutions can be deployed to ease energy poverty in different situations?
- Energy efficiency measures are usually “the low hanging fruit”. To what extent is this the case in countries where the rate of access to modern energy services is very low?
- What lessons can be learned from successful pilot energy access projects? How they can be scaled up?

13:00 – 14:30 Lunch

14:30- 16:00 Session 3: Policy, Regulatory and Investment Options

Session moderator

Mr Nzobadila Gilbert, Consultant (AFREC), Energy Policy, Training and Capacity Building

Panelist speakers

- **Mr Mahama Kappiah, Executive Director, ECREEE**
- **Mr Ziad Jaber, Energy Regional Advisor, ESCWA**
- **Dr Namat Al-Soof, Advisor, OFID**

- **Mr Simon Kalanzi, Senior Energy Officer, Ministry of Energy and Mineral Development of Uganda**

Alleviating energy poverty cannot be achieved without adequate access to investment and finance. However, it is important to note that the issue of inadequate energy infrastructure impacts not only the least developed countries. Some states with relatively high levels of GDP per capita, significant industrial sectors and substantial natural and human resources also struggle to meet the energy needs of their growing populations. This highlights that the provision of funding is only part of the answer. There is a need to understand and account for the broad spectrum of risk factors that play into investment decisions, and the long-term sustainability of the chosen solution.

The financing requirements are bound to be large, but regardless of the precise figure of the required investment, meeting the goal of universal energy access will require dramatic improvement in efforts by all stakeholders.

Analysts point out that governments need to maintain long-term policy commitments and devise energy-access strategies and implementation plans that are linked to national development plans. Regulatory frameworks need to attract the support of national and international financial institutions and project developers. Countries also need to establish the institutional capacity to prepare and implement qualified pipelines of deals and bankable projects. Financiers need to devise innovative financing vehicles. All available types and sources of funding will need to be tapped. Moreover, because investment in big-ticket, long lead-time energy projects require a wide investor base, private and public sectors together with development finance institutions (DFIs), need to combine their different strengths.

This session will review the policy landscape and the investment requirements, and will demonstrate examples of investment options.

Questions:

- What are the finance requirements to ensure universal energy access, and what is the current financing gap?
- What are the main impediments to the successful funding, implementation and sustainability of energy access projects in developing countries?
- What are the latest developments in the arena of policies and regulatory frameworks?
- How can the experience of development institutions, other developing countries and the private sector be channelled to help governments build capacity and assist with energy planning and project preparation?

- How does reliable and complete energy data help make informed investment decisions to eradicate energy poverty in Africa
- What are the possibilities to improve the availability and reliability of energy data in Africa

16:00-16:15 Conclusions and Closing Session

Moderators

- IEF
- **Dr Fuad Siala, Advisor OFID**