

Reviewer's Comments on ESD Report "Energy Planning in Developing Countries - Facing the Challenges of Equitable Access, Secure Supply and climate Change"

General Comments

The study reads well and addresses a number of key issues that are affecting the delivery, supply, investment and distribution of energy in the countries studied. The authors do well to situate the problem within an incapacitated institutional setting where planning is formulated largely on a short-term basis; research is conducted exclusively with hardly any resonance to decision making and policy making takes on a "spur of the moment" mode relying mostly on short term commercial and parochial interests. Indeed, the line between energy policies and national interests is often quite blurred as political expediency tends to dictate that the energy portfolio is perceived as a political instrument and kept under the purview of the Head of State (in some countries) or within his close entourage. This tendency for state-owned government controlled utilities is still the norm in many African countries.

The authors mention some of the social asymmetries, especially relating to energy poor groups such as women, but do not go on to provide a comprehensive study of the research needs and gaps in this area or indeed to identify what needs to be done to address the issues of equity. For instance, indoor air pollution and other respiratory diseases remain a key problem, claiming thousands of lives (a study done by Practical Action, formerly ITDG, asserts that this claims more lives than malaria). Policies in many African countries have failed to recognise this as a health and development issue and some activists feel that the secondary status of women tends to reinforce this policy since the magnitude of the problem is further down played.

The study makes some very pertinent observations:

- the widely held misconception that places a greater emphasis on connectivity and grid electricity as the main form of energy
- the lack of co-ordination and well-thought through planning process with regard to several forms of energy
- the study also truly reflects a culture of paper policies which often do not resonate with the reality on the ground
- The authors are right in taking a more holistic view to energy access. Efforts have been made to underscore the fact that physical access is not enough.

The authors also mention the rural/urban divide and underline the analytical poverty that exists with regard to access to energy in urban and peri-urban areas thus deepening the rural/urban divide and reinforcing the need for disaggregated studies. The authors underscore the importance of taking the holistic view where energy is concerned and the need to integrate energy planning into key development sectors. Mention is made of a "truly integrated approach". However, little effort is made to explain what an integrated programme or project would consist of or what are the benefits of integrating energy with agriculture or water. Integrating energy into critical sectors would be costly and this needs to be taken into account. This would also need political will and demonstration projects to test the limits of the interlinkages. Development planners and policy makers alike have failed to exploit linkages and opportunities in energy and agriculture as fundamental components of integrated rural development. Equally, policies have failed to meet rural development needs in finding practical ways of making the agricultural sector work in order

to alleviate the pressures related to food insecurity and increasing poverty. Women have become more and more peripheralised both within the confines of the local market in the developing world as well as within the core of the world economy.

Specific Comments

Integrating energy into development sectors - The scoping study does well to see energy planning as a siloed activity with little follow-up action to integrate energy planning into other critical development sectors such as water, health, agriculture and industry in spite of the many correlations between energy and these sectors and the fact that energy is a cross cutting theme.

Regional Approach – the document highlights the advantages of the regional approach and mentions that attempts to co-ordinate activities at this level have been rather limited. However, political issues are also part of the problem. Energy issues are usually highly politicised as they tend to reflect issues of national interest and politicians use this both as a national and foreign policy agenda for their own parochial gains.

However, some of the issues on the aspirational nature of regional energy plans instead of concrete policies need to be tempered with observations in other regions. In West Africa, regional plans have indeed prescribed policies that countries within WAEMU have largely adopted with regard to renewable energy. These policies were against providing tax breaks to local entrepreneurs on solar panels or other forms of renewables. Countries in the SADC region can gain a lot from inter-regional energy trade. This is often possible and can enhance risk management and reduce cost volatility. It however requires co-operation in more than technical matters.

Institutional Strengthening – This is a fundamental trajectory to supporting energy initiatives. Institutions need to be capacitated to implement concrete actions and to provide government with accurate information and analysis on the energy profile of their countries. Energy planning, investments and implementation would rest on strong institutions that work with regulatory frameworks able to guide investors, entrepreneurs and to ensure that guidelines and regulations are enforced. The study needs to highlight that whilst institutional reforms are needed, they tend to be donor prescribed to ensure that standards, infrastructure and regulations criteria are met. The preoccupation of local energy entrepreneurs is often ignored. Yet the uptake of improved and modern energy services does depend on these people and improving the business environment so that they can thrive.

Institutional reforms in many African countries have sought to widen energy access especially where modern energy services are concerned. Improving the operational reliability and working towards energy efficiencies where subsidies are concerned are also part of institutional reforms. Concerns about the impacts of deforestation have motivated most governments in Africa to put in place policies geared towards reforestation and environmental protection. However, weaknesses in policy and regulatory functionality do tend to reduce the effectiveness of reforms, especially in the power sector area where the biggest challenges lie.

Climate Change – The analysis on climate change reflects reality. Climate change is seen as a major environmental problem. The recognition of the magnitude of the situation is warranted by the number of peer-reviewed articles on the subject as well the increasing numbers of symposia and international conferences. However, the complexity of the situation and the dearth of pertinent analysis relevant to case studies in the continent tend to relegate climate change issues to secondary level.

The emphasis is on CDM projects as part of risk management approaches. The study also does well to highlight key climate areas such as energy sensitive sectors where interventions are needed to integrate into water resource management, food security and forestry production. The study makes mention of the high sensitivity of the hydrological cycle and the resulting impacts of climate change on the water sectors, particularly in large river basins like the Nile and the Zambezi. However, we need to know what this would mean in terms of investments, energy security and access and if it would translate into concrete regional actions

Also there is a need to look at adaptation options and how these are linked with the energy sector as there are number of adaptation projects or options with mitigative benefits and vice versa. Often ancillary benefits can be derived from mitigative projects with ancillary benefits

RETs – the analysis on renewables and their low uptake needs to go beyond transaction costs. Institutional barriers and poor commitment are also major culprits. In a continent where research is undervalued, the contribution of renewables to national economies is not properly understood. The private sector and local entrepreneurs could assist governments in taking the lead but often-entrenched perceptions between the two groups tend to result in missed opportunities. In many countries, energy policies do not rhyme with macro-economic policies and this tends to create bottlenecks for local entrepreneurs feeling the full weight of liberalisation and energy policy that are supportive on paper and obstructive in practice.

The Private Sector - The private sector component needs to be further strengthened. Energy access and security needs to reflect a diversity of partners. The private sector is considered a veritable partner in most energy policies but engagement with local or private entities is reduced. The question is how willing are African governments to open up the markets and allow private capital to flow into the sector?

Other Observations – Lumping countries together is not very helpful as there are considerable asymmetries with regard to developing countries. Energy resources are unevenly naturally distributed in the region. Oil and gas are cases in point. Countries in the case studies are typical examples with South Africa being well endowed in mineral resources and Kenya and the rest of the SADC community who are not in such an enviable situation with regard to energy resources.