PACE – Public Private Partnerships for Community Electricity in Ethiopia, Nepal, Sri Lanka, Uganda

Community Electricity and Sustainable Livelihoods

International Stakeholder Workshop, Hilton Hotel, Colombo
18 February 2003

Hannah Isaac, ESD
Overview

• Sustainable Livelihoods approach
• Application for PACE project
• Preliminary case study results
• General & wider conclusions
Why ‘Sustainable Livelihoods’?

DFID – builds on strengths, rather than focusing on what people ‘do not have’

Livelihoods influenced by:

1) Access to assets

**Financial**: income, savings, credit  
**Social**: family, friends, community networks, church  
**Natural**: local water sources, forests  
**Physical**: shelter, land ownership, strategic location  
**Human**: education, health, knowledge, skills

2) **Structures & processes** – laws, regulations, policies, social conventions
DFID: Livelihoods are ‘sustainable’ when they:

• Are able to recover from stresses and shocks (disaster, adverse trends, etc.)

• Can maintain or enhance capabilities and assets – both now and in the future

• Do not undermine the natural resource base

On this basis, few livelihoods are truly ‘sustainable’ but this is the aspiration …
PACE Case Studies

Range of research methods: interviews, focus group discussions, questionnaires -

• How are existing electrification PPPs improving people’s access to livelihood assets?
• To what extent are the poor included/excluded?
• What structures and processes are in place, and what are their effects?
Key areas analysed

Existing PPP schemes
- Initiation, development & finance
- Stakeholder roles – public & private
- Operations & maintenance
- Consumer satisfaction
- Issues, obstacles, successes

Livelihood analysis
- Connected HHs
- Unconnected HHs
- Institutional/commercial
Preliminary results

LIVELIHOOD ASSETS - connected HH:

- **Financial**: no evidence (potential recognised)
- **Social**: gender benefits, entertainment
- **Physical**: no evidence
- **Human**: education, health
- **Natural**: no evidence
Preliminary results

LIVELIHOOD ASSETS – unconnected HHs

• Financial: no evidence

• Social: wellbeing – security (streetlighting), entertainment

• Physical: no evidence

• Human: better access to information services, possibilities for evening classes, improved healthcare

• Natural: no evidence so far
Preliminary results

LIVELIHOOD ASSETS – institutions/commercial enterprises

- **Financial**: increased income
- **Social**: reputation
- **Physical**: increased importance of location
- **Human**: education, health
- **Natural**: no evidence
Preliminary results

STRUCTURES AND PROCESSES

• **Political & institutional:** lack of accurate information about future grid extension; delays relating to extensive land, water & environmental approvals, lack of operation and management skills.

• **Technical:** technical misinformation; failure to include maintenance charges in tariffs; low quality infrastructure; failure to plan for increasing demand.

• **Social issues:** mistrust of private sector when tariffs are not transparent BUT acceptance when involved in tariff formulation; dissatisfaction and frustration with unreliable service; willingness to pay more for better service.
First conclusions

• Even when electricity is only used for lighting, positive impacts can be widespread
• Even the poorest can benefit indirectly
• Income generation does not necessarily accompany electrification BUT electrification improves the conditions in which enterprises can emerge
• Improvements required to ensure sustainability
• Effective ‘partnerships’ require participation from range of public & private stakeholders to find solutions
PACE Pilot Projects

Action Plans …

• Work with communities to identify what is needed to widen access and ensure sustainability

• Identify what is required at institutional level – national & local governments, electricity authorities, etc.

• Provide assistance to communities & develop guidelines for application nationally and internationally
Wider lessons

- Energy – not end in itself
- Must be integrated into broader social and economic objectives
- Understanding of benefits can broaden public and private support
- Need to explore how to include energy component in other local services, to extend benefits to wider section of community.