

Poverty Impacts of fuel substitution

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Potential poverty impacts on suppliers & transporters

Cause: reduced demand for fuelwood & charcoal by consumers due to increased end-use efficiency

Effects:

direct:

- loss of income
- loss of employment
- loss of capital & financial investment

poverty impacts cont'd

indirect effects:

- reduced ability to meet personal/family financial obligations especially for women
- increased vulnerability especially for women
- indulgence in illicit or criminal survival/coping strategies

cost-benefit analysis of fuel substitution

costs to FW/CC traders & Govt

- loss of income & investments
- loss of employment
- increased vulnerability
- increased demand for FOREX for fuel imports
- tendency to subsidize fuel imports by Govt.

benefits to consumers & traders in modern fuels & devices

- moving up the “*energy ladder*”
- reduced indoor pollution = better health
- time & labor savings
- improved hygiene
- increased corporate profits e.g. KUSCO sold over 5000 mekos to date

Mitigation options

a) at micro-level or (individual)

- 1) provide alternative means of livelihoods for traders
- 2) open alternative marketing outlets/clientle
e.g. super markets, thus better margins for less quantities sold
- 3) wider dissemination of charcoal dust briquetting technology to traders
- 4) provide capacity building and training and technology transfer

mitigation cont'd

b) at macro-level (national)

1) introduction/enforcement of charcoal policy to:

- encourage efficiency at production, distribution, & end-use
- legitimize charcoal trade
- encourage sustainable charcoal production for local & export market

2) Land policy eg. ceiling on land ownership

- encourage tree planting on idle land