POVERTY IMPACTS OF FUEL SUBSTITUTION ON TRADITIONAL FUEL SUPPLIERS IN ADDIS ABABA

Stakeholders Workshop

DFID KAR Regional Research Project

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OUTLINE OF THE PRESENTATION

1. Background and Methodology (Mark Hankins)
   • Rationale to the Research Project
   • Policy and Historical Background
   • Profile of the Traditional Fuels Sector
   • Research methodology

2. Summary of Key Findings: Livelihood Circumstances (Teketel Abebe)

3. Summary and Recommendations (Melessaw Shanko)
   • Vulnerability Contexts
   • Summary
   • Recommendation
BACKGROUND

Rationale

• The sector is highly informal and marginalized.
• Employs a large number of poor and vulnerable groups.
• On environmental and health grounds, many governments in SSA have been promoting fuel substitution and discouraging the use of traditional fuels.
• It is highly likely that the policy measures and interventions pursued in the past can have adverse impacts on the livelihood of traditional fuels suppliers.
• However, there has not been any systematic study on the possible impacts of such measures in the past.
• Therefore, the purpose of this research project is to assess such impacts and draw recommendations to mitigate the adverse impacts of fuel substitution
BACKGROUND

Past Policies and Interventions

– Policies:
  • Restricted Biomass Trade
  • Promote use of “Modern” Fuels

– Interventions:
  • Supply Enhancement
  • Demand Management
  • Interfuel Sustitution
Illustration of Fuel Substitution: Kerosene and LPG

- **Kerosene**:  
  - In 1983 kero was ~3000 cum  
  - In 1991 it went up to 50,000  
  - In 2001 it reached 221,000

- **LPG**:  
  - Has never been important fuel  
  - It is now even dying due to supply and related price problems
BACKGROUND

Profile of the Traditional Fuels Sector

- The human factor is dominant (employs tens of thousands)
- The major source of livelihood for poor urban and rural women who play the leading role in the supply chain.
- Highly informal and decentralized supply chain.
- Serves as a “safety net” to marginalized groups.
- Recently, depots and motorized transport are assuming a major role.
- Neglected, no clear policy and mandated institution to guide and support development of this important sector.
BACKGROUND

Women: Leaders in the Supply Chain

Biomass Producers

Transporters:
- Women
- Donkeys
- Children
- Men
- Vehicles

Wholesalers:
- Charcoal Depots
- Wood Depots
- Poles Depots

Retailers:
- Market Stalls
- Shops/Kiosks
- Roadside Vendors

Consumers:
- Households
- Commercial Estabs
- Institutions

[Images of women carrying biomass]
BACKGROUND
RESEARCH METHODOLOGY

1. Inflow Tally
2. Universe Survey
3. Detailed Survey of Suppliers and Vendors
4. Case Studies

Charcoal dealer in Addis Ababa