

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

Stakeholders Workshop

DFID KAR Regional Research Project

Presenter: MEGEN Power (MGP) Ltd.

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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

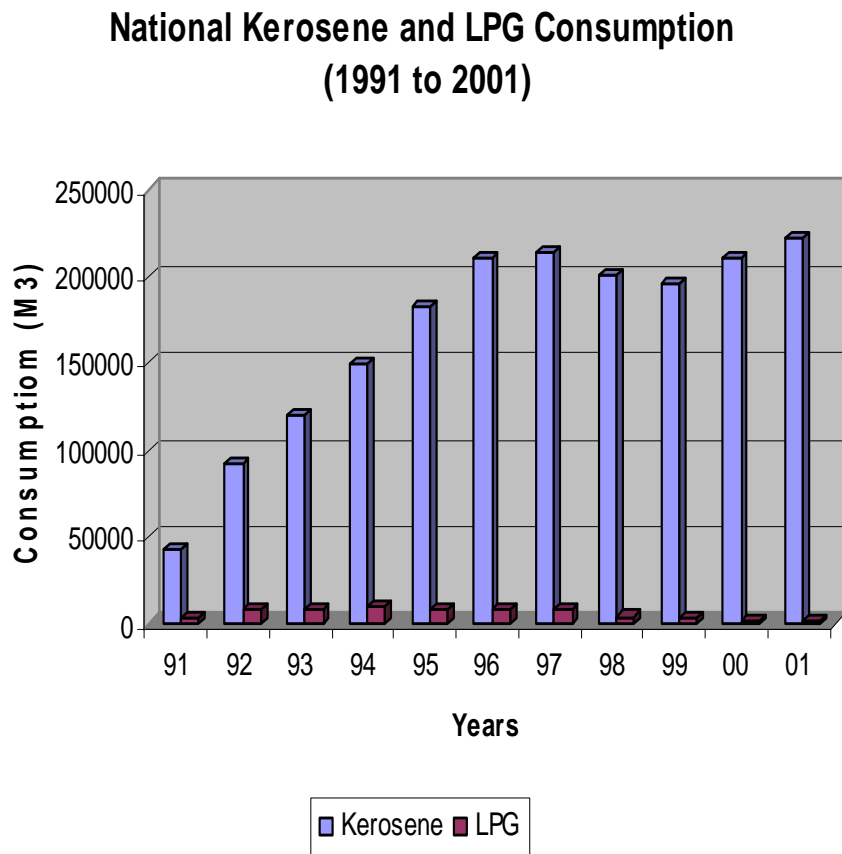
– Policies:

- Restricted Biomass Trade
- Promote use of “Modern” Fuels

– Interventions:

- Supply Enhancement
- Demand Management
- Interfuel Substitution

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

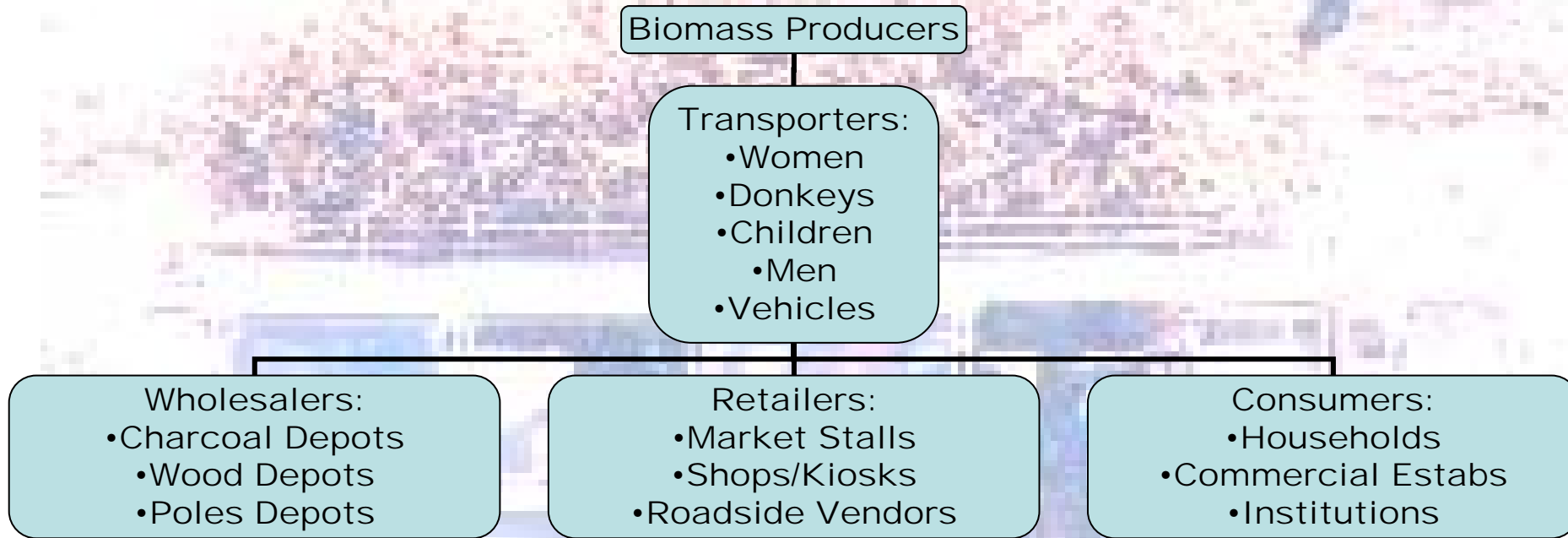
Profile of the Traditional Fuels Sector

- 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



BACKGROUND RESEARCH METHODOLOGY



Charcoal dealer in Addis Ababa

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