

# THE GLOBAL VILLAGE ENERGY PARTNERSHIP

## HARNESSING ENERGY FOR POVERTY REDUCTION IN AFRICA

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Poor people must have access to modern energy services if global poverty and inequality are to be reduced. In itself, energy is of little interest to most people. However, it is the services that energy provides such as lighting, motive power and cooking that are essential ingredients for social and economic development. The primary aim of the United Nations Millennium Development Goals (MDGs) is to reduce by half the proportion of people living on less than one dollar a day by 2015, and to substantially enhance the social, economic, political and environmental conditions that make up the reality of these peoples' lives. While no MDG relates directly to energy, access to energy is essential to achieving all of these development goals.

A number of strategic energy partnerships were launched at the World Summit on Sustainable Development (WSSD) in Johannesburg in 2002. The Global Village Energy Partnership (GVEP) is one of the partnerships that address the links between energy and poverty reduction by promoting sustainable development through support for access to energy services. It reaches out to non-energy organisations in the health, education, agriculture, water, transport and enterprise sectors, and offers a range of technology solutions to meet their needs, including renewable energy, energy efficiency, modern biomass, liquefied petroleum gas (LPG) and cleaner fossil fuels.



GVEP in action.



Abeeku Brew-Hammond, GVEP manager.

meet the needs of the poor and, therefore, to support sustainable development. GVEP also develops analysis, advocacy tools and means of knowledge networking.

GVEP now has more than 700 partners, bringing together a diverse range of developing country and industrialised governments, multilateral and bilateral donor organisations, private firms, consumer groups, NGOs, research institutions, the financial community and other interested stakeholders in order to provide access to affordable energy services at a scale that has never been done before. Only half of the GVEP partners are from the energy sector, while the rest represent agriculture, education, environment, health, rural development, water, and other sectors. The GVEP

partnership board is chaired by Paul Hassing of the Netherlands ministry of foreign affairs.

The GVEP technical secretariat is led by Abeeku Brew-Hammond, former director of the Ghana-based NGO, KITE, and an associate professor at the Kwame Nkrumah University of Science and Technology. Current members of the technical secretariat include Ellen Morris (president of Sustainable Energy Solutions, USA), Dick Jones (senior energy adviser seconded from the UK department for international development) and Judy Siegel (president of the Energy and Security Group). GVEP also draws on the support of resource persons from multiple donor organisations (USAID, World Bank, UNDP and UNEP).

GVEP's primary products relate to the development of country programmes, which involve scaling up of investments in energy services targeted at the poor and unserved or under-served, and/or reorientation of existing programmes in ways that shift the emphasis from 'energy for energy's sake' to deliberate targeting of strategic development sectors like education, health and agro-enterprise. GVEP also provides support services in four areas: finance facilitation, capacity development, knowledge management, and results monitoring and evaluation. GVEP support services are designed to feed into country actions, which in turn should lead to poverty reduction and the achievement of other development goals. GVEP is currently active in 26 countries in Africa, Latin America and Asia.

## GVEP IN AFRICA: AN OVERVIEW

*“Some 340 million people, or half the population in Africa, live on less than US \$1 per day. The mortality rate of children under 5 years of age is 140 per 1,000, and life expectancy at birth is only 54 years. Only 58% of the population have access to safe water. The rate of illiteracy for people over 15 is 41%. There are only 18 mainline telephones per 1,000 people in Africa, compared with 146 for the world as a whole and 567 for high income countries.”*

*NEPAD Dialogue, Issue 100 - 22 July 2005.*

Africa is a priority region for GVEP. As reflected in the quote from NEPAD, Africa faces many challenges to sustainable development, including the fact that more than 90% of the population still relies on traditional sources of energy such as fuel wood, charcoal and dung. With half of the population in Africa living on less than one dollar a day, the importance of using access to energy as a means to alleviate poverty cannot be over-emphasised. GVEP is well under way in a number of African countries including Burkina Faso, Cameroon, Ghana, Kenya, Mali, Niger, Senegal, South Africa, Tanzania, Uganda and Zambia. Various government agencies and NGOs are playing leading roles in the development of GVEP programmes. Support for these programmes comes from various donors, including UNDP, the Energy Sector Management Assistance Programme (ESMAP) located in the World Bank, and USAID.

## GVEP COUNTRY ACTIONS IN AFRICA

GVEP is not a one-size fits all model for every country. Rather, at the country level it reflects the country's development priorities and how access to energy can help meet development objectives and reduce poverty. Some countries, such as Ghana and Kenya, have focussed their efforts on helping national governments create national poverty reduction strategies that emphasise access to modern energy services as a cornerstone for poverty reduction.

### Box 1: GVEP South Africa

In South Africa, GVEP is enhancing an existing network of integrated energy centres (IECs), which sell supplies such as kerosene, LPG, energy efficient appliances, prepaid electricity cards, etc. in communities and areas whose energy sectors were neglected under apartheid. IECs also disseminate information to energy consumers on modern, safe and efficient energy technologies. In addition to expanding this network in peri-urban and rural areas, GVEP has helped to make IECs more effective and link their services to poverty reduction and sustainable development. GVEP has helped IECs define and meet goals on enterprise development and LPG provision. Moreover, GVEP has helped evaluate and build capacity on financing options for the purchase of energy services. Capacity building efforts target end-users, businesses and local decision makers.

Other GVEP countries, such as South Africa and Cameroon, are formulating national action plans for implementation and also scaling up rural energy projects that emphasise productive uses and sustainable development. Some of these countries have identified specific regions with particularly high demand for basic energy services in which they intend to focus their efforts. South Africa (box 1), for example, is using



*Senegalese participants at the Francophone Africa Facilitators Session in Mbour, Senegal.*

this strategy to formulate its action plan. In each country, multi-sector teams are working to define pipelines of projects for large-scale investment. All projects utilise a multi-sectoral, broadly consultative process so communication between sectors and diverse partners is enabled and encouraged, assuring a more effective and efficient implementation.

Several GVEP countries in Africa have reoriented national projects toward delivering greater development impact. For example, in Senegal (box 2) multi-sectoral energy projects (PREMs) have been designed to provide energy services for productive uses in particular (like dairy products and vegetable oil processing) and socio-economic applications in general (as in schools and health centres). Investment financing has recently been obtained totalling approximately US\$4.5 million.

## GVEP SUPPORT SERVICES IN AFRICA

Since its inception, GVEP has held a series of regional energy-poverty workshops in Ethiopia, Senegal and Cameroon. Most recently, a GVEP facilitators workshop was held in Kenya to help support the Anglophone country teams that are launching the partnership in their countries. A corresponding Francophone facilitators session was held in Senegal in June 2005.

GVEP is also engaged in thematic work. One issue that GVEP has pioneered is consumer lending and microfinance to expand access to energy services. GVEP was instrumental in bringing together energy and microfinance practitioners to discuss how to help integrate lending for energy services and products into the portfolios of microfinance institutions. A USAID-funded practitioner learning programme is underway in Africa to build capacity of three microfinance institutions in Uganda, Tanzania, and Zimbabwe to better incorporate loans for energy services into their standard lending portfolios. In most cases, this will involve altering existing loan products that closely match consumer income streams, ability to pay, and individual needs and desires to create energy lending products. Documentation of the successes and failures of this programme will provide best practices from which other institutions can more effectively create such specialised lending windows. This programme is being launched in Nairobi in August 2005.

## INFLUENCING CHANGE THROUGH PARTNERSHIPS

The GVEP approach offers a number of advantages that have the potential to circumvent certain pitfalls of traditional economic development delivery models. Historically, lack of

donor coordination in development efforts has resulted in programmes lacking efficient implementation and continuity. Moreover, most development experts agree that harnessing the potential of the private sector is essential in addressing global poverty and inequality. This is especially true within the energy sector where about 2 billion people lack access to modern energy services worldwide, a scenario that donor-sponsored development efforts alone will be unable to address over the coming decades. By increasing communication and collaboration between partners, a voluntary partnership not only improves donor coordination, but also increases private sector involvement across multiple sectors.

Communication and coordination is also central to GVEP. With major global actors like the World Bank and UNDP as active GVEP partners, every effort is made to ensure that the key agencies operating at national and regional levels are aware of each others' interventions. Also, as much as possible, GVEP provides a framework for cooperation among the major global actors. The Nairobi and Mbour facilitators sessions, for instance, were joint efforts between UNDP and World Bank/ESMAP. Ongoing work to develop a White Paper for the Economic Community of West African States (ECOWAS) is bringing together UNDP, the French government and a number of national multi-sectoral committees, some of which were established under the auspices of GVEP.

At the WSSD, GVEP was among 23 partnerships launched with energy as their central focus. Other important energy partnerships formed at this time include the Liquefied Petroleum Gas (LPG) Rural Energy Challenge, the Global

## Box 2: GVEP Senegal

After taking part in the GVEP workshop in Dakar, Senegalese delegates chose to revisit their existing rural electrification plan to incorporate elements of the GVEP approach. With support from ESMAP, Senegal amended a traditional grid extension plan to include a demand driven, multi-sectoral strategy incorporating productive uses of modern energy services. More specifically, they systematically analysed rural regions and designed energy projects best suited to each region based on local economic and social needs. In regions rich in cattle production, for example, energy projects incorporating dairy processing were developed, while in regions with a need for modern cooking fuels, LPG distribution networks were improved. GVEP projects in Senegal have ranged from energy services for the health sector to the provision of potable water and education. In contrast, traditional grid extension programmes sometimes fail to meet the most basic needs of rural energy consumers, either because they cannot afford grid connection even though the grid is locally available, or because access to electricity does not meet their most pressing energy needs.

Network on Energy for Sustainable Development (GNESD), the Renewable Energy and Energy Efficiency Partnership (REEEP), and the European Union Energy Initiative (EUEI). GVEP has made a concerted effort to coordinate activities with these partnerships since they share common goals and priorities. GVEP is working closely with the LPG Challenge in South Africa, where the two partnerships collaborate to increase availability and affordability among rural energy consumers of LPG and associated hardware such as gas canisters and cooking stoves (box 1).

GVEP recently signed a Memorandum



*Rural poor in West Africa enjoy access to potable water provided by a modern water pump.*

of Understanding (MOU) with REEEP outlining the two partnerships' intended cooperation. The MOU provides the framework for GVEP to make full use of REEEP regional secretariats, including AGAMA in South Africa, thus avoiding institutional duplication at the regional level. A similar MOU under development with GNESD makes provisions for bringing in GNESD centres of excellence as regional nodes within GVEP's knowledge management support service line. Modalities also are currently being put in place for ENDA, based in Senegal, to play a knowledge networking role among GVEP partners in Francophone Africa.

The EUEI is a critical partnership with whom GVEP shares a range of common goals, especially in sub-Saharan Africa. EUEI, like GVEP, has a focus on energy for poverty reduction and similarly is technology and institution neutral, working with different actors and technologies to develop projects tailored to local and regional conditions. A policy dialogue facility (PDF) linked to the EUEI has been established and the EUEI is currently at an advanced stage of establishing an energy investment facility in the amount of €220 million. Close collaboration with EUEI will ensure that GVEP partners avoid duplication of efforts at the national and regional levels, and also feed high quality project proposals into EUEI-related funding mechanisms like the PDF and energy investment facility.

## CONCLUSIONS

Access to modern energy services is an essential ingredient for social and economic development to occur and GVEP addresses the links between energy and poverty reduction by promoting access to energy services linked directly to socio-economic development sectors.

The current challenge for GVEP in Africa is to accelerate the replication of innovative energy access programmes in ways that make direct contributions to addressing the myriad development problems currently facing sub-Saharan Africa. A related challenge for GVEP in Africa will be to consolidate the cooperation and coordination frameworks for major development partners like the World Bank and UNDP on the one hand and NEPAD and the regional economic communities on the other hand, and to link more effectively into the mechanisms and resources of other energy and non-energy partnerships and initiatives. GVEP stands poised to meet these challenges, counting on the dynamism of its partners across Africa and the goodwill that currently exists around the world for Africa. [ES](#)