

INSTITUTE FOR ESSENTIAL SERVICES REFORM position for UNCSO (Rio+20) on Combating Energy Poverty as a Mean to Improve Green Economy in Order to Alleviate Poverty

Access to energy is instrumental in achieving poverty alleviation and sustainable growth. Lack of access to modern clean energy is serious hindrance to well being, as well as social and economic development, and must be overcome in order to achieve Millennium Development Goals (MDGs). Access to modern form of energy is essential to the provision of clean water, sanitation and health care, and can contribute to the development through the provision of lightning, heating, cooking, telecommunication and transport services. Furthermore, without meeting the required energy, both in terms of quality and quantity, it is impossible for one to achieve their sustainability; which leads to unsustainable development.

Billions of people globally are living in energy poverty condition. Currently over 1,4 billion people are without access to electricity, and 2,7 billion people are heavily reliant on traditional biomass. Mostly of those are living in sub-Saharan Africa and developing Asia, and about 85% are living in the rural area. According to IEA (2030), these figures will not change significantly in 2030, and leave about 15% of population still without access to the electricity, and even more with lack of clean cooking fuels. Fail to act significantly, will hamper many communities and countries, not only to growth in sustainable pathways, but also will grow the inequalities between developed and developing countries, as well as among communities within the countries.

Henceforth, the occasion of Rio+20 will be an opportunity for:

- Renewing and increasing the political commitments to combat energy poverty by supporting universal access to clean energy. Commitment for energy provision, not only from the demand side, but also from the supply side.
- To promote actions and accountability in areas such as the green economy and post-MDG framework which are inseparable from the issue of energy.
- To ensure that fairness and equity, to be the center of any sustainable development means.

To increase the political commitments on energy provision

At Rio+20, there should be an increasing of political commitments of governments, with supports from international agencies and civil society, which will result in implementation of energy provision, both in the demand side and also in the supply side. There are several elements that should be strengthened, in terms of future commitments in the energy provisions.

- Assessing the 20 years of progress since Rio 1992, on the access to modern energy for 20 years, then to raise the ambition to increase the universal access to modern energy services taking the account of equity principle.

- Needs to make bold commitment on fossil fuel subsidies reform. As all nations have been highly depending on fossil fuel, and fossil fuel subsidies, in many forms have consumed up public funding and have made renewable energy less competitive. Without alternative energy form widely available, and lower cost for fossil fuel, have created more dependency on the fossil fuels. All countries should commit themselves to phase out fossil fuel subsidies gradually, and shifted it to all means that will enforce the access to energy for all through better policy tools and mechanism that help the poor for accessing modern clean energy services.
- To increase the access to modern energy, all country members should commit to transfer of technology, and formulate the energy-financing scheme that carries the principle of equity.

On Green Economy

At Rio+20, all country members should come up with an agreed understanding of green economy since there should not be a one-size-fits-all definition on green economy. The understanding of green economy should accommodate the level of development, equity and also common but differentiated responsibilities principles. There are several elements that should be incorporated in the understanding of green economy. Green economy should be an economy that will increase the number of jobs, restoring the quality of environment, efficient use of natural resources capital, improving the quality of life of human being.

The green economy that is formulated in Rio+20 should consist of:

Commit to full adoption of clean energy

Clean energy is the key element to develop ones economy. A clear definition of clean energy should also be agreed at Rio+20 Summit which should not consist the burning of coal, nuclear power plant, or any other facilities where environment and social impacts are disturbed as the result.

Renewable energy facilities should be widely used throughout the member countries. At the same time, energy efficient economy should also be developed accordingly. Developed countries should provide assistances in both knowledge and funding to developing countries in making transition to low carbon energy pathways.

Ensuring the Access to Energy

The access to energy should also be highlighted in the context of fair green economy. Access to energy should address the need to energy provision that is affordable, ensuring its availability, transparency in technology acceptability, and also to improve the accessibility. In this regards, access to information should also be improved in order to ensure that all the above criteria are met.

Capacity building and access to information should be embedded into the issue of ensuring the access to energy. Both are highly important in order to enhance the access to energy. Without capacity building and also proper access to information, the improvement of access to energy will not be sustained.

Phasing Out the Fossil Fuel Subsidies

Fossil fuel subsidies should be phased out. According to IEA (2011), global fossil fuel subsidies reached more than \$ 409 billion annually in 2010, increased from \$ 312 billion in 2009. Without meaningful reform, this subsidy is estimated to reach \$ 660 billion in 2020 or 0,7 percent of global gross domestic product.

Not only the subsidies have increased its favorable option compare to renewable energy, but also fossil fuel subsidies will lead to more dependency to fossil fuel and accelerate climate change. There should be an agreement to shift the fossil fuel subsidies to further development and deployment of renewable energy to combat global warming, and at the same time ensuring the equitable access to energy services for all.

Energy Financing and Technology Transfer

In order to increase the access to energy, financing for energy should also be established. IEA estimated that to provide universal access to modern energy services in 2030 requires \$ 776 billion additional financing or about \$ 36 billion investment annually. Strengthening political commitment for supporting universal energy services in Rio+20 should include commitment to generate additional investment from public sources.

Furthermore, Rio+20 should come up with the framework on scheme for alternative financing mechanism for supporting universal access to energy which shall be accessed by all countries. This funding must be govern by the principle of transparency, accountability, and practicability, with proper monitoring and evaluation mechanism in place.

Given that the biggest challenge for energy provision is in the rural areas, off-grid and decentralized energy system based on renewable energy technologies will be suitable for this purpose. However, cost for renewable energy systems applied for rural electrification are considered expensive, therefore limits the ability of most developing countries to deploy renewable energy extensively to meet their rural energy provision target.

Therefore, in addition to the availability of finance, develop countries through various channel must assist developing countries with the state-of-art renewable energy technology with higher efficiency, and cost effective, through a global technology transfer mechanism program. This program must come with the objective to enable developing countries to develop and manufacture renewable energy technology such as: low cost photovoltaic (PV) technology, low cost solar thermal, high efficient micro and mini-hydro, advance improved cook-stove technology, wind power, and biomass technologies.