

# Reducing Energy Poverty in Africa: Barriers and the Way Forward

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## Introduction

Energy poverty can be defined as the lack of adequate modern energy for the basic needs of cooking, warmth, lighting, and essential energy services for manufacturing, services, schools, health centres and income generation.

The governments and people of rich industrialised countries are currently preoccupied by what many perceive to be an *energy crisis*. Rising global oil prices, concerns over energy security, and the urgent need to address climate change, are putting energy at the centre of public policy. But another energy crisis is affecting the lives of millions of people in African countries, and it is largely being ignored.

The crisis associated with energy poverty condemns millions of men, women and children in Africa to continue to live in absolute poverty because they have no access to modern energy services; energy which is taken for granted in the developed world at the flick of a switch or the press of a button.

According to the International Energy Agency (IEA, 2012), Over 1.6 billion people – almost one third of humanity – have no electricity, the majority of which are in Africa. This means they have no light in the evening, limited access to radio and modern communications, inadequate education and health facilities, and not enough power for their work, activities and businesses.

The international community recognises a number of basic rights: the right to water, the right to food, the right to health, the right to adequate housing, the right to gain a living by work and the right to take part in cultural life. Missing from this list is the right to energy. Yet, everyone needs energy to cook food, to heat the home, to earn a living, to benefit from good health and education services. Energy poverty denies people in Africa a basic standard of living which should be available for all.

Only 15% of the population in Africa has electricity, and one quarter of the 2.5 billion people cooking with biomass live in Africa (IEA, 2012). Achievement of all of the Millennium Development Goals (MDGs) has been limited by energy poverty in Africa and across the developing world. This lack of access to efficient modern energy has a significant impact on economic development and small-scale enterprise, educational opportunities, infant mortality, drudgery for women and quality of life.

## Barriers

*Large scale infrastructure geared towards export of energy to industrialised countries.* The current dominant development model is focused on achieving macro-economic growth. This results in a pre-dominance of attention to investment in large-scale energy infrastructure to provide energy for growth (i.e., large scale coal, large hydro, transmission grid, and pipelines). Much of the infrastructure for energy in African countries is for the export of energy to industrialised countries or urban centres, not for local use. There is a need to redress the balance, with much more attention and investment directed towards the supply of local energy services for poverty reduction in local communities. National development strategies will need local energy delivery (local grid, fuel distribution, renewable energies, etc.) alongside large-scale infrastructure development.

*Funding gap.* In Africa, the energy needs of the poor are small, but small amounts of energy can make a significant difference to their lives. However, the great majority of people without adequate access to energy live on less than US\$2 per day, making it difficult for them to access good services, including access to modern energy services. Energy access is not without cost and the initial expenditure on connections (electricity) or better technologies can be high.

*Lack of sustainable models.* Existing policy frameworks and national energy policies in African countries often do not respond to the needs and capacities of the poor. Similarly, energy technology research, development and transfer do not respond to the energy needs and capacities of the poor. The sustainability of energy access for the poor has always been one of the greatest concerns: that is, the continuous supply of reliable energy services, long after the original energy access programme has ended. Poor sustainability of decentralised energy systems has created mistrust in them from planners, policy and decision-makers, hindering the wider uptake of options that could provide energy access for the poor. In urban areas, it is frequently the case that after just a few months of connection to electricity, poor people stop using it. Despite the regular supply of kerosene, natural gas and LPG, people continue to use wood or biomass residues or charcoal. In rural areas, small energy generation systems, installed

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to provide electricity to small villages or communities, frequently last a few months before being abandoned. Similarly, large numbers of projects for the dissemination of efficient stoves have not changed the use of three stones from being a common practice. Such situations have been understood as ‘unsustainable energy access for the poor’, and are caused by the original programme not addressing the underlying problems associated with poverty and household cash flow, lack of technical capacity and institutional support.

*Climate change agenda by-passes the poor.* The rate at which millions of Africans are struggling with energy poverty, access to clean, and affordable energy services is a higher priority than climate change. There has been a tendency to exclude some energy mixes and technology options on the basis of carbon emissions and their impact on climate change, promoted mainly by those who are unaware that providing access to energy for the poor would entail a low level of emissions. In the worst case scenario for energy supply – using fossil fuels for 100% of electrification and 100% of cooking for the poor – the total increase in emissions would be as little as 2% of present world emissions. Therefore, African countries and developing economies as well should have an allowance to provide energy access for the poor, and that allowance should be divided within each country according to the energy needs of the poor, excluding other energy needs such as transport, commerce, industry, and mining.

### The Way Forward

*Recognising the right to energy.* Despite the common acceptance by multilateral, bilateral agencies, governments, academia and civil society that energy is critical for development, energy is not a high priority issue in policy debate. There are no specific objectives or targets within the MDGs on energy access. Therefore, modern energy, being a critical issue for human development, should be considered a basic right, and should be provided on the basis of justice for the poor.

*Political willingness from governments.* There is sufficient evidence that important changes will only be possible with political willingness at the highest level. The market approach is not the right one for energy access for the poor in Africa - governments have to consider it as one of their ultimate responsibilities.

*The funding gap on energy access for the poor.* In Africa, it is clear that there is a huge funding gap, especially for initial investments, which could not be paid by the poor. Comparing this with the huge investment on energy security, reducing energy poverty represents only 2.85% of the total investment required on energy security by 2030 (IEA, 2012); however compared with the real money currently available for energy access this amount is large. New funding mechanisms and sources need to be found.

*Clear and specific pro-poor policies and strategies.* The experience of the last three decades shows that neither global nor country strategies have been clear enough to tackle energy poverty. New pro-poor strategies for energy access, linked to the delivery of the MDGs, need to be implemented rapidly especially in Africa and other developing countries.

*Sustainability of energy access.* To achieve sustainable delivery of energy to the poor in Africa, the following main activities should be promoted widely and vigorously: (i) The creation of local capacities (national and local) is the most effective way to ensure affordability, accessibility and sustainability; (ii) Mobilisation of local capital can contribute to energy access for the poor; and (iii) Energy literacy can contribute to the sustainability of the systems and improve relations between provider and user of energy.

*Allowance of greenhouse gas emissions to provide energy access for the poor.* Energy for the poor should use all of the energy mix available, assessed on the basis of sustainability, cost and availability rather than on contribution to climate change.

*Alternative climate change mechanisms.* The most important existing financing mechanisms such as the Clean Development Mechanism (CDM), the GEF and the climate change funds of the World Bank, should be regularly assessed against their real impact in addressing energy poverty and ensuring access to energy for the poor in developing nations. A new mechanism should be developed which can transfer increasing amounts of the growing carbon market funds towards projects which directly reduce energy poverty both globally and regionally.



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