

ENERGY FOR OUR COMMON FUTURE

Civil society perspectives on the World Bank energy strategy review

Energy for our common future

Access to modern energy across the developing world will be fundamental to ending poverty. Globally, 1.5 billion people still have no access to electricity, and 2.5 billion cook on open fires using wood, dung or charcoal. Frequent power cuts and irregular supply of modern fuels hold back small enterprise and industrial development. Additionally, it is now accepted that a low-carbon future is key to avoiding the threat of climate chaos.

In 2010, the World Bank Group has been reviewing its energy investment strategy in developing countries by consultation with stakeholders. This is part of an effort to gather diverse views on how the Bank can best help developing countries improve access to reliable energy while also moving toward environmentally sustainable energy.

While energy access is a stated priority of the Bank, it more typically supports large-scale generation and power transmission projects, which often bypass communities that need modern energy the most.

The Bank clearly indicates that it wants a leading role in managing global climate change finance (through the Climate Investment Funds), but it currently fails to prioritise a low-carbon approach. Business as usual for World Bank Group energy investment means high-carbon fossil fuel extraction, transportation and power generation.

The World Bank energy strategy review could be its chance to lead on low-carbon strategies and to prioritise energy access for the people who need it most. This project asks if the Bank is capable of this change. Will it continue to promote the dirty centralised technology of the past or can it be a catalyst for future low-carbon technologies and energy access?

Civil society perspectives

This project has supported civil society organisations from India, South Africa, Bolivia and Peru to develop responses to the World Bank energy strategy review. The project brings together their position papers, stories and alternative approaches to World Bank Group business as usual. These are the culmination of workshops and meetings on energy needs – especially those of the poor. Although each is a direct response to the energy strategy review from a national or regional perspective, each also takes a wide look at local energy futures.

The biggest worry of each contributor is a common experience of the Bank's bias toward the elite at the expense of the poor, the marginalised and the environment. There is concern over the Bank's history of creating debt in developing countries while developed countries bear historical responsibility for the majority of climate change. Although each contributor's energy focus is unique, they share some common recommendations:

- Rich countries have a responsibility to support sustainable development in poorer countries without increasing their debt.
- World Bank Group investment should shift away from investment in fossil fuels (some say completely) toward catalysing development of renewable energy and energy efficiency.
- Energy must be understood not only as grid electrification but also as delivery of energy requirements of individuals and communities, Energy provision should focus more strongly on decentralised micro-generation – small-scale renewable energy technologies that deliver energy needs locally.
- Local energy needs should be understood through comprehensive consultations with all stakeholders, especially the poor.

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- Environmental and social factors, at both national and local community levels, must be part of comprehensive cost-benefit analyses of energy options.
- Subsidies should not be ruled out in bringing energy to the poor, based on evidence of previous success.
- International property rights must not be a barrier to technology transfer to developing countries.
- The Bank is not an appropriate body to handle climate finance funds and instead the United Nations Framework Convention on Climate Change (UNFCCC) should be the main body overseeing climate change funding.

All papers agreed that, at a minimum, the World Bank Group role in energy provision must be redefined. Without significant change, many say it should no longer have a role in energy investment at all.

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