

PRESS RELEASE



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To cut poverty in Asia and the Pacific, ‘Energy Plus’ package a must, says UN report

19 January, Bangkok -- New analysis from the United Nations Development Programme (UNDP), based on case studies across Asia and the Pacific, calls for a package of “energy plus” services – one that combines access to modern energy for heating, cooking and electricity, with measures that generate cash, supplement incomes, and improve health and education.

Issued the same week as UN Secretary-General Ban Ki-moon launched a global campaign to provide Sustainable Energy for All, the UNDP report confirms that there can be no development without energy, and that poverty cannot be addressed sustainably without paying due attention to energy services. The report adds that the poor need energy to get out of poverty, but energy alone is not enough.

“Energy services are often not affordable by the rural and urban poor and on their own have little impact,” says Martin Krause, who leads the UNDP regional climate, environment and energy team in Asia and the Pacific. “The poor need support to generate income so that energy becomes affordable which in turn will improve household living standards,” he says.

Nearly half the world’s population lacks reliable access to modern energy services. And more than 20 percent of the global population, or 1.4 billion people, remain without access to electricity.

Roughly 2.7 billion people – 40 percent of the world’s population – depend on wood, charcoal or animal waste for cooking and heating. By 2030, household air pollution from biomass use in inefficient stoves is likely to cause more than 1.5 million deaths a year.

Lack of energy access and its impact on health, education and income continue to be a significant cause of chronic poverty. Since poverty in turn inhibits access to energy services, a vicious cycle develops. The publication, [Towards an “Energy Plus” Approach for the Poor](#), reviewed 17 energy access projects across the region to find out what works and what does not work in breaking the vicious poverty-energy-poverty cycle.

The findings indicate that most energy projects adopt a minimalist approach, focusing on the basic energy needs of the poor for lighting homes, cooking and heating. However, “energy services per se do not reduce poverty,” says the report. “Instead, they transform people from being ‘poor without energy access’ to ‘poor with energy access’.”

“This is because the energy services provided do not open opportunities to poor households to increase their incomes. Therefore, the resources needed to acquire modern energy services continue to be limited, and energy programmes are forced to rely on perpetually unsustainable subsidies,” notes the report.



In addition, the report finds that “Energy, poverty and heavy reliance on biomass fuels have a disproportionate effect on women and children, who are forced to spend significant time collecting fuel wood and preparing meals in poorly ventilated kitchens.”

The report further calls for energy access programmes that include a clear focus on women and disadvantaged groups. It adds that “improved access to energy should be accompanied by measures that generate income or improve livelihoods, which enhances the capacity to pay for energy services.”

The publication concludes that energy access programmes and policies should be developed in conjunction with other development initiatives such as savings and credit facilities, road infrastructure, telecommunications, schools and health facilities, agricultural extensions services, access to markets and entrepreneurship development.

Some examples of what works in the region to break the energy poverty cycle:

- **Ensure that the energy solutions are ‘just right’. They must be pilot-tested extensively.** One example is the lantern rental system in Lao People’s Democratic Republic. Solar lanterns are rented out to rural consumers and can be recharged at charging stations. The product and the means of its delivery make economic sense for poor consumers living in off-grid areas since they provide affordable lighting that is also cleaner and safer than kerosene lamps.
- **Build commercially viable markets for energy products and services. Clustering dispersed markets helps make private sector provision of energy services to the poor more viable.** In the Philippines, project ACCESS (Accelerating Community Electricity Services using Solar) helps to electrify remote and poor districts by clustering them into viable units, ensuring a minimum amount of guaranteed customers for each service provider. In return, the service provider has to electrify at least 25 percent of households in the district.
- **Secure recurrent and sufficient government funding. Use appropriate financing mechanisms. Establish necessary structures for effective microfinancing.** Micro-credit has played a critical role in making biogas plants affordable for the poor in Nepal. The Rajiv Gandhi Grameen Vidyutikaran Yojana Programme extended electricity to 11.8 million households in India from 2005-2010, resulting from the Government’s strong commitment and investment to create and expand rural infrastructure as part of its ‘Building India’ national development plan, focusing on rural India and launched in 2005.
- **Incorporate explicit energy access commitments into national development plans and set energy access targets and investments.** In Fiji, a rural electrification programme backed by a Government target of universal electricity access, has resulted in a rise in access from 30.6 percent to 81.4 percent between 1986 and 2007. In China, a Renewable Energy Law has led to an acceleration of new wind, solar and biomass projects and has achieved a dramatic shift in the political and social atmosphere regarding renewables.

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