

Energy and the Millennium Development Goals

Facilitation Workshop and POLIC Dialogue on Energy Access for the Rural Poor

**EU Energy Initiative for Poverty Eradication and Sustainable Development
Hotel VIP, Maputo, Mozambique 12-15 April, 2005**

G. DENNING and P. MILIMO

The UN Millennium Project, P.O. Box 30677-00100 Nairobi, Kenya;

E-mails: glenn.denning@unmillenniumproject.org and patrick.milimo@unmillenniumproject.org

1. INTRODUCTION

In 2000 world leaders in New York adopted the Millennium Declaration. This was a common commitment among 191 countries, rich and poor, to tackle **poverty in its many dimensions**.

The Millennium Declaration served as a precursor for the **Millennium Development Goals** (the MDGs) – a set of quantitative targets aimed at ending extreme poverty by 2015. The MDGs include **18 specific targets** for reducing income poverty and hunger, for improving health, increasing access to universal primary education, and improving the status of women and girls, ensuring environmental sustainability, and improved international development cooperation and partnerships (such as the GVEP and EUEI).

The MDGs are increasingly being used by Governments, aid agencies and civil society organizations around the world to orient and focus development work on **tangible outcomes**. The 2002 Monterrey Conference on Financing for Development facilitated **commitment** of world leaders to forge a new partnership between developed and developing countries, aimed at operationalizing Millennium Declaration. This presentation this morning briefly describes the emerging results of the Millennium Project and highlights the role of energy in achieving the MDGs.

2. THE UN MILLENNIUM PROJECT

The UN Millennium Project is an **independent advisory body** commissioned by the UN Secretary General, Mr. Kofi Annan. The UN Millennium Project was established to develop recommendations on strategies for achieving the MDGs - **how** to translate the intentions and commitments of the Millennium Declaration into practice.

The Project is led by Professor Jeffrey Sachs, the special advisor to the UN Secretary General Mr. Kofi Annan on the MDGs. The special advisor to the SG has worked primarily through 10 Task Forces involving over 250 academics, government bureaucrats and practitioners – from developed and developing countries -- covering all the MDGs as well as cross-cutting issues **like energy** that affect the MDGs.

The UN Millennium Project is supported by a small Secretariat in New York, housed at and also supported by UNDP, and more recently by **The MDG Centre** located in Nairobi, hosted by the World Agroforestry Centre. The MDG Centre is supported by UNIDO, WHO, UNDP, the Open Society Institute and others.

3. FINDINGS: Investing in Development

The Task Force reports were finalized and a synthesis titled “Investing in Development” presented to the UN Secretary General and released globally in January 2005. So far the UN Millennium Project made seven key findings, conclusions and recommending. These are: First, a **“business as usual” approach** is not going to enable us to deliver on the MDGs. The World Bank, UNDP, and the SG himself all concede that **most countries are off track** for achieving the MDGs. While a few large countries have made good progress towards poverty reduction, most of the poorest countries -- and many in Africa -- have not. And it would be a shallow achievement if we achieved the MDGs in aggregate but left most countries behind.

Second, the poorest countries are stuck in a **pervasive poverty trap** that constrains progress. Put simply, they are unable to mobilize the resources for the basic infrastructure and human capital needed to generate sustained growth and development. These countries are simply **unattractive to private investment** – domestic or international.

Third, to escape that poverty trap in the poorest countries, bold strategies are needed, most importantly a massive injection of **complementary public and private investment**.

Fourth, good governance, improved trade regimes and debt relief are all **necessary, through not sufficient, ingredients** for achieving the MDGs. The Millennium Project’s “Investing in Development” directly addresses the importance of each these issues – but sees them as **complements not substitutes for increased public investment**.

Fifth, an increase in the quantity **and quality of ODA**. The UN Millennium Project’s “Investing in Development” calls for public investments in infrastructure, capacity and better governance. **A doubling or tripling of current ODA** levels are needed, if we are to get this job done. But while this seems like a lot, it remains modest in relation to the commitments **already made** by donors at Monterrey and earlier.

Sixth, “Investing in Development” endorses the need to plan and implement programs through nationally owned and led **Poverty Reduction Strategies (PRSPs)**, executed within the context of a 10-year or longer MDG-based development framework.

Seventh, and perhaps the most important conclusion is that, for almost all countries, **the MDGs remain achievable** – if we operationalize what we know now, and if we implement the already stated commitments of all countries to commit resources, implement policies and take actions. We imagine that everyone in this audience appreciates that **energy services** must play a critical role in meeting these goals. Modern energy services are an essential component of the **enabling conditions** that will allow countries to meet the MDGs.

4. ENERGY SERVICES AND THE MDGs

For the past few decades the number of people **trapped in poverty** by a lack of modern energy services - roughly one-third of the world's population - has remained largely unchanged. The fact is that without increasing the **availability and affordability** of modern energy services, many developing countries will not be able to achieve the MDGs. Regrettably, there are **no explicit targets for energy services** stipulated as part of the MDG framework.

Recognizing this short-coming in the MDGs, and in spite of the difficulties associated with **quantifying** the precise energy requirements to meet the MDGs, a recent attempt was made to establish **some broad basic minimum energy services goals and targets** that will help us to meet the MDGs. These targets emerged from a workshop that was held in New York, exactly two months ago, under the sponsorship of the Millennium Project. But most significantly, the energy services are well addressed in UN Millennium's "Investing in Development". We would like to share these with you this morning:

The group participating in that workshop agreed upon the following 5 targets to be achieved by the year 2015:

- **Facilitate the use of modern fuels (such as LPG, kerosene, natural gas) for 50% of those who at present use traditional biomass for cooking. And for the other 50%, to introduce improved cook-stoves and measures to ensure sustainable biomass production that would promote cleaner and less time-consuming use of solid fuels.**
- **Provide access to reliable modern energy services for all urban and peri-urban poor.**
- **Provide electricity for lighting, refrigeration, ICT, water pumping and purification for all schools, clinics, hospitals and community centers.**
- **Provide access to essential mechanical power for all communities.**
- **And provide all weather, vehicle-accessible roads and access to motorized transport for all communities.**

These targets embody a bold, ambitious – but **entirely doable** -- initiative to deliver modern energy services to at least half a billion people within a decade.

The **cooking fuel target** addresses perhaps the biggest and most critical household-level need. It has important implications for achieving the health, environment and gender equity goals.

The **target for reaching the urban and peri-urban poor** recognizes that **cities** represent engines of industrial and commercial growth – and corresponding employment creation -- that depend upon reliable electricity supply. **Employment creation lies** at the heart of poverty reduction efforts and is the foundation of an educated, healthy, prosperous **and secure** urban society.

The particular focus of the UN Millennium Project, in relation to energy services, is to address the role of energy in **low income countries**. Many of these countries are caught in a **poverty trap**. While modern forms of energy, such as electricity, clean cooking fuels and mechanical power, can play a pivotal role in coming out of this poverty trap, a large proportion of the population is unable to access these services.

5. NEED FOR SYNERGY TO ACHIEVE MDGs

Progress towards providing this access has been slow, due to a combination of interrelated circumstances such as income poverty, lack of internal resources to build the necessary infrastructure and reduce barriers to access, weak institutional/financial/legal structures that could otherwise encourage private investment, and the lack of long term vision and political commitment to a planned scaling-up of services.

As a result, in many of the poorest countries, a substantial fraction of the population relies on biomass or dung for cooking fuel and heat; on kerosene wick lamps, batteries or candles for lighting; and on human or animal energy-based motive power for tilling/weeding of land, grinding and crushing, agro-processing, and transport of goods to markets. Where modern energy services are available, as in urban areas, they are frequently unreliable and continue to be inaccessible to those living in slums.

Poor access and lack of modern energy services have direct impacts on opportunities for income generating productive activities and on health. Cooking with fuelwood and dung has been associated with a significantly higher disease burden. But more serious is the fact that use of dung as a cooking fuel undermines the potential for agricultural productivity through diminished soil fertility.

The physical effort and the time consuming nature of domestic tasks carried out without access to modern energy services leads to impaired educational opportunities and gender inequity. Schools, clinics and sometimes even hospitals are often without reliable electricity and/or running water, making delivery of health services difficult.

In addition to large cities, secondary cities frequently lack reliable electric supply impeding growth of small businesses and industry; and lack of these services along with poor roads/transport (among other factors) leads to a lower **desirability** by the more educated class of teachers, doctors, nurses and extension agents to serve these areas.

Poor vehicular access to rural areas combined with low volumes of goods leads to high transport costs, high post harvest losses and makes difficult timely access to hospitals during medical emergencies.

Can one remove the obstacles created by lack of modern energy services within the time frame of 2015?

Our conclusion at the Millennium Project is that it can be done and has been in the past in some countries. For instance, in considering the question of whether 2 billion people can transition from solid fuels to cleaner burning fuels, it is worth noting that Brazil increased the use of modern cooking fuels such as LPG by its population from 16% in 1960 to 78% in 1985.

Similarly, while worldwide, about 1.6 billion are without electricity access, Tunisia's electrification program, funded by the African Development Bank and the World Bank managed to expand services from 6% of the population in 1976 to 88% in 2001, including bringing electricity to 35% of the population living in rural areas. So while the idea of reducing the number of people who are "energy poor" by 50% by 2015 appears to be a daunting proposition, there are examples that show that it can be done given political commitment and financial resources.

Through the Millennium Project, an attempt has been made to estimate **the cost of meeting these targets in Sub-Saharan Africa**. The annualized per capita cost of meeting these targets is broadly estimated to be \$20 in countries where the existing coverage of modern energy services is low. This amount is roughly a fifth of the estimated per capita ODA needs in the poorest countries.

Country specific estimates would of course differ, depending upon existing infrastructure; marginal costs of difficult-to-reach populations would be higher; and higher income populations would be able to afford part or all of the costs. In September 2005 the UN General Assembly will convene a summit to review the progress of the MDGs. We believe that this may be one of the last opportunities for the international community to get the global agenda for development right. It also present an opportunity for a clear and deliberate integration of energy services as a Target in the MDGs.

To ensure that lack of adequate energy services does not jeopardize the world's opportunities for development, policy makers must make energy a central component of national development strategies. And the professional community, represented in this audience, must redouble its efforts to ensure that energy services are high on the global and national development agendas.

Over the past year, colleagues at the UN Millennium Project have been involved in providing technical support to a number of pilot countries leading to the preparation of MDG-based needs assessments and revisions of Poverty Reduction Strategies. In almost all cases, the issue of energy and the synergies with the MDGs has not received adequate attention. Current development strategies of most countries places importance of modernization and commercialization of agriculture as **an engine of growth**. But that engine will not function without energy services.

When this presentation was discussed with Professor Sachs, he requested that it highlights all of the impact of the steam engine on human development. The industrial revolution emerged through replacing human power with knowledge and labour saving technologies. Yes, for better or worse, steam has been replaced by other energy sources and technologies; but this invention heralded a fundamental shift in the trajectory of human development.

6. CONCLUSION

That **revolution** – that **fundamental shift in trajectory** -- is yet to reach much of rural Africa – which is appropriately a high priority for the EUEI, GVEP, etc. Women still use hand hoes to cultivate maize and other food crops. Women still walk for hours to collect firewood everyday. Women still cook with traditional fuels and cookers in poorly ventilated rooms, suffering levels of respiratory disease unheard of in Europe for more than a 100 years. Children are not able to study at night because they don't have reading lights. Hospitals and clinics try to function without electricity and running water.

This situation is totally unacceptable in the 21st Century. We have the knowledge and the resources to create an energy-based rural and urban transformation that could lift half a billion people out of abject poverty within 10 years. The bottom line is, no energy, no MDGs. We all need to project this message more passionately; yet with the realization that we have the means at our disposal.

The EUEI and GVEP can play a key role in raising awareness about the crucial link between energy and the MDGs and in supporting national plans and strategies aimed at achieving the MDGs. The Millennium Project and the MDG Centre are willing to partner with EUEI and GVEP to achieve this common vision. We have very good and solid experiences and also very good relationships on the basis of closely working with pilot countries (Senegal, Ghana, Ethiopia, Kenya, Yemen, Cambodia, the Dominican Republic and Tajikistan), and also in Tanzania and to some extent in Uganda. The UN Millennium Project sees the facilitation process of integrating energy services into national policies and plans (e.g., PRSPs) as its area of comparative advantage.

Thank you for your attention.