

Energy access realities in urban poor communities of developing countries: Assessments and recommendations- SPM, UPEA III

Executive summary

The Global Network on Energy for Sustainable Development (GNESD) initiated research work on the theme of Urban and Peri-Urban Energy Access (UPEA) in 2006 as part of the network's ongoing investigations into the theme of Energy Access. Under this theme, seven GNESD centres from Africa, Asia, and Latin America have analysed the energy access situation of urban poor in urban and peri-urban areas of several cities. TERI was chosen as the coordinating centre for the UPEA theme. The third and final phase of this study was concluded in 2013. A Summary for Policy-Makers (SPM) Report was prepared with an objective of informing the policy-makers about the key outcomes and policy recommendations emerging from the study.

A review of urban development and energy policies was undertaken as part of the study which identified the lack of recognizing energy, a basic service, as a major gap. The study recommends that one of the measures to overcome this gap would involve exploring the existing low-income housing programmes as entry points for enabling clean energy access to the urban poor population. The study observed that there is a need for proper guidelines when it comes to defining the nodal agencies for meeting the energy needs of the urban and peri-urban population. The energy subsidy programmes in the study areas were also reviewed to derive key lessons. As part of the Phase III study, several demand-side barriers faced by the poor households in accessing clean energy sources were identified. In case of electricity these ranged from: lack of affordability; lack of trust towards authorities, and lack of awareness. For LPG, the barriers identified were: lack of affordability; Safety hazards; low-quality service, and lack of willingness to shift from traditional cooking fuels. Similarly, interviews and discussions with supply agencies helped in identifying the key supply-side barriers. In case of electricity the supply-side barriers identified were: lack of tenureship and location specific barriers; lack of proper planning and coordination at the institutional level, and lack of policies, plans, and programmes that consider energy efficiency in low income households. For LPG, these barriers were: lack of address proof; safety hazards, and inefficient supply and distribution.

The study besides pointing out the key barriers also identifies potential solutions and good practices that have addressed these barriers and improved energy access in some way or the other. As a key result of the UPEA study, macro-level policy recommendations have also been proposed. These action points intend to serve as an input for policy-makers and other key stakeholders working towards the goal of improving clean energy access to the urban poor.

Key recommendations and corresponding action points from the study

Recommendation 1. *Recognise electricity as a basic service and provide enabling conditions for clean energy access.* This recommendation impels national governments to integrate energy access with progressive housing policies and other urban related policies, especially when related with slum upgrading programmes.

Recommendation 2. *Define clear roles and responsibilities of nodal agencies responsible for energy provision.* National governments should carve out clear institutional mechanisms, roles, and responsibilities and coordinate the appointment of nodal agencies in the framework of energy policy.

Recommendation 3. *Create a database on urban poor.* Through coordinated efforts, national governments, and NGOs could build a database on urban energy access based on variables such as coverage, available services, infrastructure, energy consumption, share and patterns of utilities usage, among others. This database can be utilized for developing targeted policies, financing schemes, and incentives.

Recommendation 4. *Incorporate monitoring and evaluation mechanisms at policies' planning.* National governments should close the gaps between the design and delivery phases of their policies by incorporating monitoring, evaluation, and verification mechanisms into the policy formulation stage itself. This will improve quantity and quality of energy service and enable a better price control.

Recommendation 5. *Relax tenureship requirements for new electricity connections and access to LPG.* National governments, in conjunction with supply agencies, should promote and allow alternative tenureship, alternatives for facilitating legal connections to electricity, and improved access to LPG. Measures such as voter ID card and affidavit from a local ward councillor are suggested.

Recommendation 6. *Promote the increase of affordability.* Supply agencies should introduce mechanisms and measures directed to the end-user's capacity for dealing with upfront costs. These mechanisms could include monthly instalments and prepaid connections, as some examples derived from the study show.

Recommendation 7. *Expand and maintain supply infrastructure.* Through expansion and maintenance of the current grid and LPG supply chain, supply agencies could make adaptations according to the urban and peri-urban areas' energy demand.

Recommendation 8. *Recognize urban poor population as potential energy customers.* Both supply agencies and utility companies should link city distribution rights to the mandatory electrification of low-income urban settlements, recognizing the urban poor population as potential energy consumers.

Recommendation 9. *Promote safety and energy efficiency by conducting awareness programmes, which involve other social stakeholders.* The inclusion of NGOs and local communities to conduct awareness and information campaigns to orient the urban poor about safety measures, efficient electricity and LPG consumption.

Recommendation 10. *Promote and foster the use of renewable energy sources.* National governments, NGOs, and the private sector should introduce pilot offgrid renewable energy schemes in urban poor settlements.

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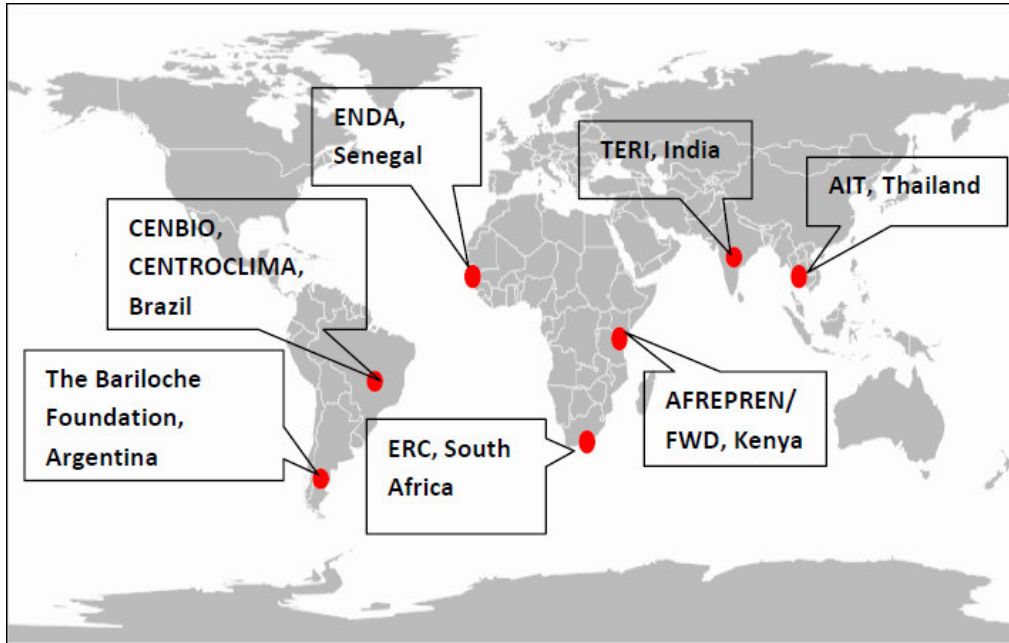
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- Asian Institute of Technology (AIT), Bangkok, Thailand
- Brazilian Reference Center on Biomass/USP (CENBIO), São Paulo, and CentroClima/COPPE/UFRJ, Rio de Janeiro, Brazil
- The Bariloche Foundation, Rio Negro, Argentina
- Energy Research Centre (ERC), Cape Town, South Africa

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- ENDA Energy Environment, Development, Dakar, Senegal
- The Energy and Resources Institute (TERI), New Delhi, India
- Energy, Environment, and Development Network for Africa (AFREPREN/FWD), Nairobi, Kenya



All publications from the UPEA Study are available at <http://www.gnesd.org/PUBLICATIONS/Urban-Peri-Urban-Theme>.