

Energy Partnerships – teaming up for which purpose?

For most governments, meeting the energy security challenge usually means securing a reliable flow of fossil fuel imports at low prices. The increasing difficulties that such strategies have been encountering have prompted a variety of global, regional and bilateral energy partnerships. However, it is questionable whether they can meet their objectives without addressing the structural deficiencies of the national energy policies of the governments involved in these partnerships.

In 2009 the renewable energy sector attracted more investment than the conventional energy sector – globally 140 billion euros compared to 110 billion. This is a clear statement of where market players believe the future of energy will be. Energy markets, however, are strongly influenced by political decisions and heavily distorted by subsidies. At the same time, most renewable energy investments are concentrated in a handful of countries, missing out the vast majority of countries where renewables play no significant role yet.

■ The Africa-EU Energy Partnership

The Africa-EU Energy Partnership (AEEP), launched at the Lisbon Africa-Europe Summit in 2007, illustrates this situation well. Apart from a few petroleum exporters and coal-rich South Africa, Africa suffers from a chronic lack of (affordable) energy and depends on energy imports. Less than 20 percent

of people have access to electricity, 80 percent of the electricity is produced from fossil fuels. Electricity access is even dropping in dozens of countries due to lack of maintenance and rising costs. Many countries are facing the oil price vacillations without a real strategy to alleviate this dependence. Countries like Ethiopia, Kenya, Tanzania lost more money in the last decade from rising oil prices than they gained from G8 debt cancellations.

Without a determined strategy to escape the grip of the global fossil fuel markets, such countries face a very serious roadblock for economic develop-

ment. The Africa-EU Energy Partnership, however, seems to ignore this problem. The first AEEP High-Level Forum in September 2010 in Vienna/Austria largely ignored renewable energy, and the targets agreed for 2020 were hopelessly low: 10,000 megawatt (MW) additional hydropower capacity, 5,000 MW wind and 500 MW solar, while biomass was completely ignored. China alone added 13,000 MW wind capacity last year, so why should Africa add only 5,000 in ten years?

Charcoal production is one of the key forces driving deforestation in sub-Saharan Africa and is as unsustainable as the rest of the traditional biomass sector.



Photo: J. Boethling

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■ Sustainability, benefits and markets

Africa is a continent rich in renewable energy resources, but most are left untapped – less than 1 percent of electricity is produced from non-hydro renewables such as wind or solar. The only »renewable« energy source used in a major way is traditional biomass, which still accounts for up to 90 percent of energy consumption in many sub-Saharan African countries. It is only renewable when its utilisation level does not exceed what can be renewed. In reality it has become unsustainable in all dimensions: ecological, economical and social. Traditional biomass is overused, causing massive environmental degradation. Wood harvesting and charcoal production are some of the key forces driving deforestation in the region. Firewood collection over ever longer distances keeps women and girls from more productive activities – achieving the MDGs remains a mirage without access to modern forms of energy. According to WHO (World Health Organization) data, Africa loses nearly half a million lives annually as a result of respiratory diseases due to indoor air pollution, more than those caused by malaria and HIV/AIDS.

Most traditional biomass is used for cooking, and due to rapidly rising fossil fuel prices its use is expanding. Charcoal use is on the rise in urban households, but its production is as unsustainable as the rest of the traditional biomass sector. How can Africa's farmers and rural areas benefit from the fossil energy crisis? How can modern, sustainable biomass technologies make Africa's rural areas more attractive by offering new income generation options, as an alternative to the



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current rapid urbanisation? New technologies such as the cellphone spread across the continent at lightning speed without any subsidies or international partnerships, because people see immediate benefits and markets. The modern energy markets, in contrast, are restricted to a few large players in government and big business.

■ Bottlenecks and obstacles

Africa's farmers and small and medium enterprises (SMEs) could contribute massively to the continent's energy security if they had economic incentives to invest in the sector and become producers of energy other than charcoal. There is no reason why biogas should not become an attractive market for African farmers other than political obstacles – but its role in the Africa-EU Energy Partnership (AEEP) is exactly zero. Instead, prompted by French officials the partnership has wasted time talking about nuclear cooperation when even wealthy South Africa has cancelled its nuclear programme because it is too expensive.

Instead of discussing these key questions and tapping these potentials, the

Africa-EU Energy Partnership focuses on securing the power supply for cities. Renewables in this mindset means mainly large hydropower. Rural energy supply, or the problem of the increasing share of energy consumption covered by unsustainable traditional biomass, is completely ignored in the AEEP – as if half a million dead women and children would not matter. The regional power pools, conglomerations of the grid operating entities, are the only players outside government ministries allowed to play a significant role in the AEEP. The AEEP pays lip service to civil society participation, but when NGOs seriously tried to get involved they have been kept out. The main interest of African governments seems to be to get external assistance to maintain the structures of the energy sector, however unsustainable it may be, and their European counterparts essentially go along with it.

Maintaining the structural dependence of a country on fossil fuel imports can be a rational strategy if you have a state monopoly in the fuel and electricity sector and tapping domestic energy resources requires breaking up such monopolies. The enormous influence of powerful players in the energy sector to maintain a status quo that is

profitable for them is a phenomenon not limited to Africa. It can be observed everywhere in the world. For instance, the massive resistance of South Africa's state electricity monopoly Eskom against a feed-in law for wind energy mirrors exactly the massive resistance by Germany's monopoly utilities when Germany introduced its pioneering feed-in law for renewables 20 years ago. Despite all the obvious differences between countries in Europe and Africa, there are some striking similarities in the energy sector almost everywhere: What is rational for such power monopolies is often detrimental to the national economy as a whole, and breaking up such monopolies to allow consumers to become producers themselves is opposed by the affected monopolies. Power to the people has more than one meaning – decentralising the energy supply also decentralises political power.

■ IRENA: well meant is not well done

This lack of interest in creating the structural conditions for making Africa's energy-importing nations independent of such imports seems to be the reason why the International Renewable Energy Agency (IRENA), established in 2009, is facing such massive problems in getting started. African countries

make up a large share of the membership, but it remains unclear what governments actually want IRENA to do. Developing Africa's renewable energy potential is a huge task that is currently nobody's responsibility. Looking at the governance of IRENA, it seems rather doubtful whether more than a very small number of governments really have an agreed IRENA policy, rather than just sending some official to IRENA meetings and letting them do what they want. Looking at the well-orchestrated way that governments are representing their interests in organisations such as the World Bank, it is no surprise that the many formal and informal »partnerships« to promote fossil fuels work rather smoothly. The few productive renewable energy partnerships such as the G8-initiated Global Bioenergy Partnership (GBEP) are strongly focused on the industrial and G20 nations.

■ What to do?

Most energy partnerships tend to stabilise the status quo while countries trying to go new ways are left to their own devices. This applies not only to the countries usually cited, such as Germany. For instance, Barbados has a flourishing domestic solar industry and one of the highest utilisation rates of solar energy in the world. Barbados

does not have more sun than most other countries, but a government with a determined solar energy policy. There is no reason why other countries could not do the same. Barbados has used hardly any external assistance for this strategy. When other countries get loans worth hundreds of millions to build fossil fuel plants, this may drive up Official Development Assistance (ODA) quotas and may make those governments happy, but economically it is a dead-end strategy.

If Barbados would have waited for international partnerships, it probably would not have achieved very much. Pioneers, by definition, don't have many partners. But when they offer a helping hand themselves, it seems that energy officials in most countries are reluctant to team up with them and go new ways. Despite less than enthusiastic support from most governments, the investment patterns in the energy sector are moving towards renewable energies, towards decentralisation, and away from the state-owned behemoths. If innovation and investment patterns are left to the market, however, poverty alleviation and energy access for the poor will not improve significantly. There is still a long way to go for energy policies that not only provide true energy security but also help drive local development and income generation.

Zusammenfassung

Energiesicherheit ist eine Herausforderung für alle Energie importierenden Länder – und das ist der Großteil der Nationen: 160 Energie importierende Länder sind von 40 Energieexporteuren abhängig. Energie bedeutet meistens fossile Rohstoffe wie Kohle, Erdöl und Gas, deren Märkte durch staatliche Monopole und fehlenden Wettbewerb stark verzerrt sind. Für die meisten Regierungen heißt Energiesicherheit in der Regel, zuverlässige fossile Brennstoffimporte zu niedrigen Preisen zu sichern. Die zunehmenden Schwierigkeiten, auf die solche Strategien stoßen, haben eine Vielzahl globaler, regionaler und bilateraler Energieallianzen hervorgebracht. Es ist jedoch fraglich, ob

diese ihre Ziele erreichen können, wenn nicht auch die strukturellen Defizite in den nationalen Energiepolitiken der beteiligten Regierungen angegangen werden. Der Beitrag zeigt dieses Dilemma am Beispiel der Energiepartnerschaft zwischen der EU und Afrika auf.

Resumen

La seguridad energética es un desafío para todos los países importadores de energía, los cuales constituyen una gran mayoría: 160 naciones importan energía y por lo tanto dependen de las 40 naciones exportadoras de energía. Las energías usualmente son del tipo fósil, tales como carbón, petróleo y gas, y estos mercados se encuentran fuertemente distorsionados

por monopolios de propiedad estatal y una falta de competencia. Para la mayor parte de los gobiernos, el hacer frente al desafío de la seguridad energética usualmente implica garantizar un flujo confiable de combustibles fósiles importados a bajo precio. Las crecientes dificultades que vienen afrontando tales estrategias han fomentado una diversidad de cooperaciones energéticas a nivel mundial, regional y bilateral. Sin embargo, cabe cuestionar que se logren los objetivos sin solucionar las deficiencias estructurales de las políticas energéticas nacionales de los gobiernos involucrados en dichas cooperaciones. El artículo desentraña este dilema, tomando la Asociación UE-África sobre Energía como un ejemplo ilustrativo.