



How to Integrate Energy Considerations into National Development Strategies?

Lessons learned from the ground

Energy for Poverty Reduction Regional Programme
Regional Bureau for Africa

United Nations Development Programme

About golden rules

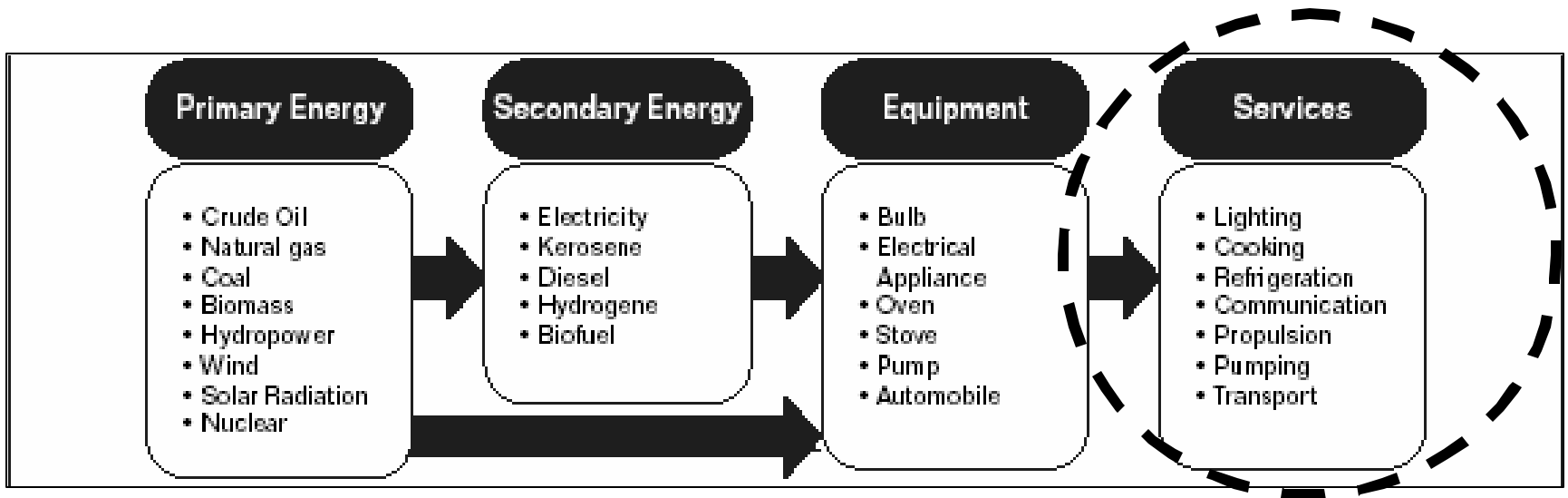
*There are three rules for writing the novel.
Unfortunately, no one knows what they
are.*

W. Somerset Maugham

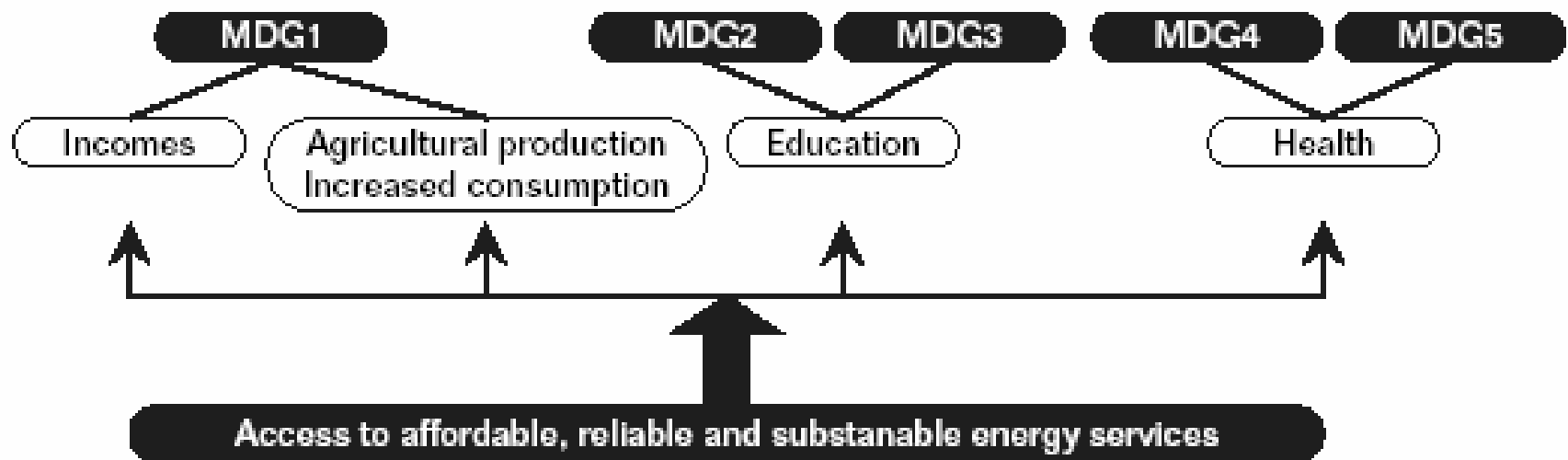
Main challenges

- **Sharing a common vision**
- **Reorienting investments (national)**
- **Delivery**

Vision - approach based on services



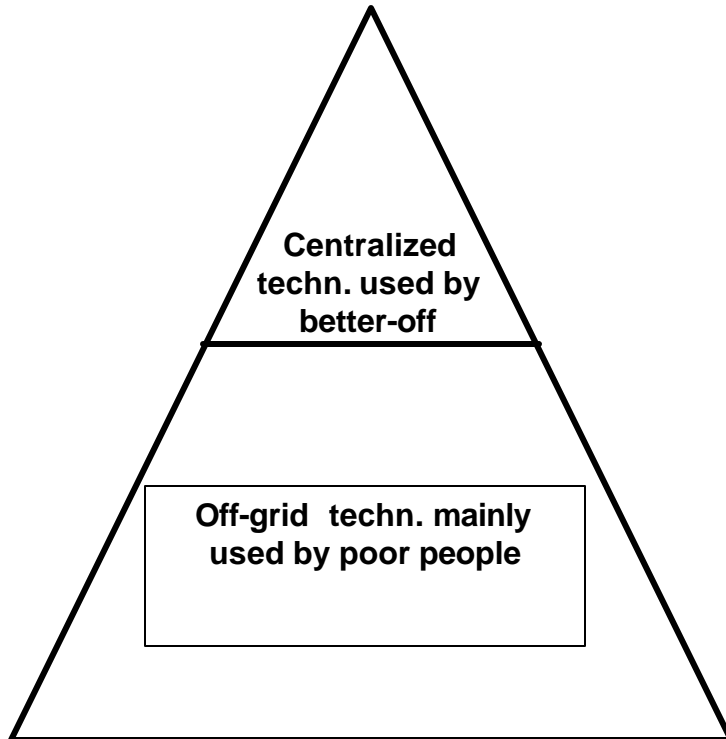
Energy-MDGs linkages



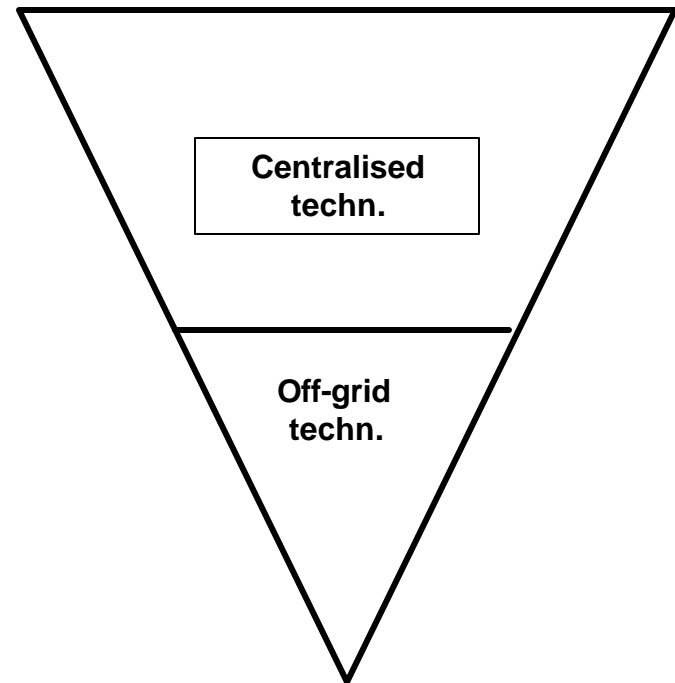
2. Re-orienting funds

Inequity in providing energy

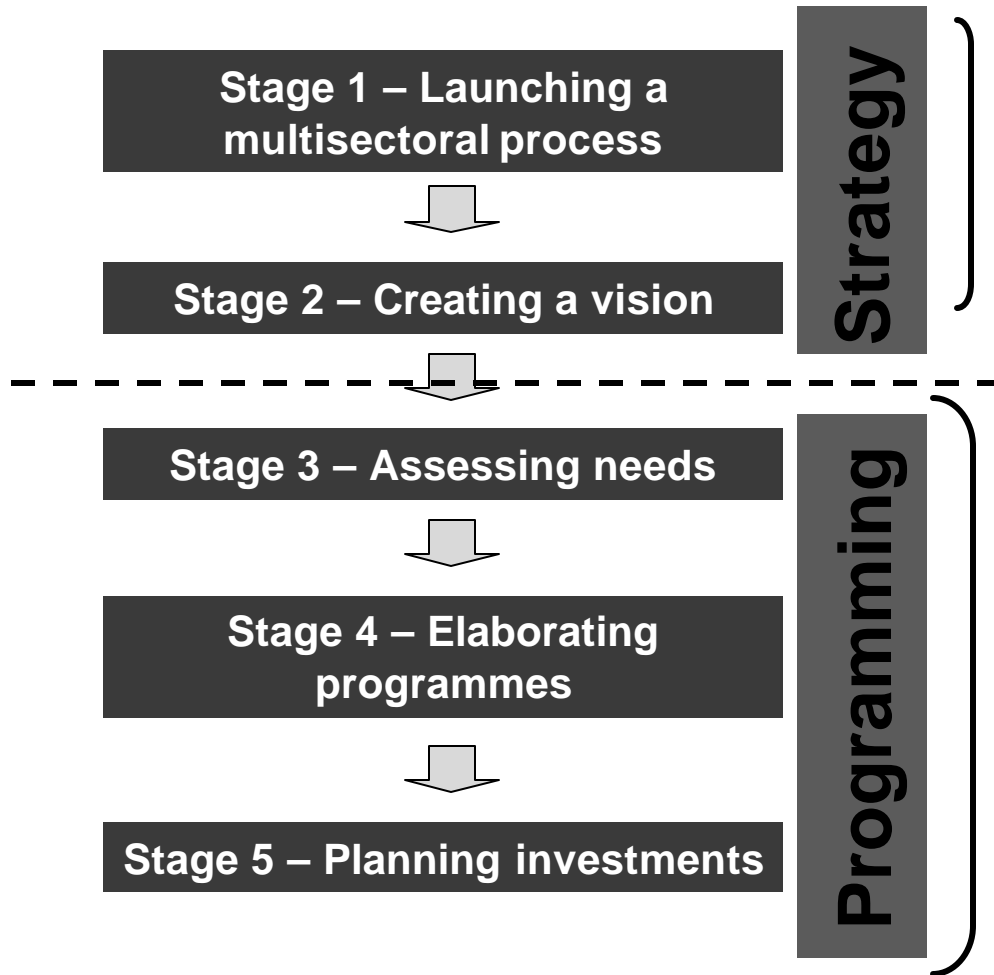
Energy needs



Investments

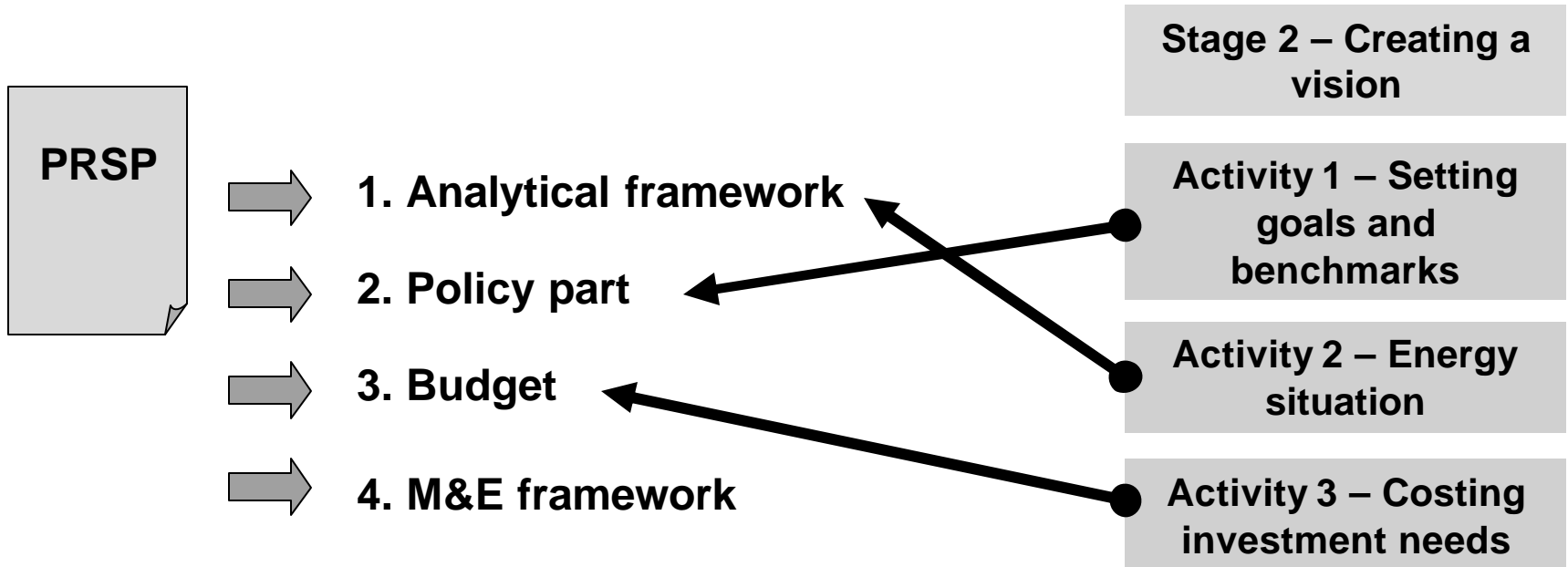


3. Delivery



ECOWAS
5 steps process

What is a PRS is about?



A **Poverty Reduction Strategy** (or any equivalent national development strategy) into which energy access has been mainstreamed would have, at minimum, established the following:

Why: evidence-based discussion about what is the role of energy services in a poverty reduction context/for reaching the MDGs

What: A set of national energy priorities (in the form of numerical targets) that the country considers necessary for achieving national MDGs. (e.g. Electricity for all, Doubling LPG access etc.)

By when: By when such national targets are to be achieved? (e.g. electrification for all by 2015)

How much: Explicit public funding allocations for energy be fully reflected in the Mid Term Expenditure Framework (MTEF) within PRS that plays a guiding role for making sectoral budgets. (e.g. US\$ 500 million for energy 2007-2010 in MTEF)

Integration of Energy Considerations in Regional Policy: ECOWAS White Paper

- ECOWAS Heads of State, in their annual meeting in Jan. 2006, endorsed a “White Paper for a Regional Policy” geared towards increasing energy services to achieve the MDGs in West Africa

“This White Paper...confirms...15 West Africa Member States’ commitment to co-ordinating their efforts around a shared and ambitious policy. Their goal is to increase by four in a 10-year period, access to modern energy services for the rural and peri-urban populations”

Objective: Increase access to modern energy services from roughly 10% to at least 50% by 2015

Cost: US\$ 50 billion during the next 10 years, which means 16 US\$/capita/year

Implementation: White Paper ? Integration of targets into nat’l PRS ? Develop nat’l strategy to redirect nat’l resources & attract additional external funding to energy

Setting Energy Targets within National PRS: Senegal

- Political context
- Process
 - Raising Awareness
 - Creating National Consensus on Energy
 - Agreeing on Specific Energy Targets: Instituting a technical working group under the PRSP review committee to establish energy targets for three areas of energy access (**cooking fuels, electrification, mechanical power**)
- Results

Directing Public Resources to Energy Needs of the Poor: HIPC funding for energy services in Mali and Burkina Faso

- **Political context**
- **Process**
 - Linking micro-level evidence to national-level policy formulation processes through
 - Providing an analysis of the impacts of MFPs on a variety of development issues (income generation, education, health, gender, etc)
 - Advocacy & lobbying using to draw greater attention to rural energy services
- **Results**
 - Strengthened discussion of rural energy services in PRPSs
 - Allocation of HIPC funding to national MFP (US\$ 10 million to Burkina Faso, US\$ 4 million to Mali)
 - National rural energy access scale up programme under discussion for AfDB funding (US\$ 42 million)

Lessons Learned

- 1. Integrating of energy into PRS at national and regional level is:**
 - a. creating a political space for re-introducing energy access for poverty reduction
 - b. providing an opportunity and motivation at the national level to re-examine how energy needs to be approached to help achieve the MDGs
 - c. defining the overall context in which energy agenda is being re-surfaced and included more appropriately in PRS discussion

- 2. Creating a multi-sectoral process or political fora to discuss and develop a national consensus on energy is key to expanding access to modern energy services for the poor**

- 3. MDG-based PRS works to align partners to national priorities. As ECOWAS White Paper processes show:**
 - a. once national and regional governments integrate energy in their macro planning, that has worked to align all partners behind the set national priorities
 - b. This also greatly help prioritize external assistance to national priorities

Critical path

- **Bottom line** : mainstreaming energy into PRS through a multi-sectoral/consultative process
→ Strategy
- **Leverage effect** : mainstreaming energy services into MTEF (*national budget first*)
→ Programming
- **Orienting additional resources** (ODA, FDI, loans, grants, carbon facility, etc.)
→ Financing strategy

For more information:

- Mali case study (UNDP-BDP)
- ODI briefing paper on *Linking policies and budgets* (June 2005)
- www.energy4mdg.org (see ECOWAS White Paper)
- eric.de.muynck@undp.org

