

Sustainable Energy for All – Or Sustained Profits for a Few?

Summary:

The Sustainable Energy for All Initiative (SEFA or SE4ALL) was launched by the UN Secretary-General, Ban Ki Moon, in September 2011 and its work programme is due to be formally launched at the upcoming RioPlus20 conference.¹ SEFA is a UN initiative led by a hand-picked group of mainly corporate representatives, UN organisations and international finance organisations, including the World Bank. While the proclaimed goal, to address poverty by ensuring access to “modern” energy for all might appear laudable, a closer look reveals that it is primarily designed not to serve public interests, but rather to ensure maximal profits to dirty and destructive energy industries. Leading corporate members of SEFA include several of the very companies most responsible for large-scale environmental destruction, carbon emissions and human rights abuses. The process lacks transparency, has no democratic structure, and has allowed for no civil society participation in the development of its work programme and priorities so far.

Instead of requiring multilateral consent, SEFA's vision is one of 'multi-stakeholder' collaborations, between governments, finance organisations and corporations. As SEFA's Action Agenda states: *“Private sector leadership is fundamental to the initiative. Governments' role is to create enabling policy and financial environments to spur private investment.”*

In other words, SEFA's chief aim is to increase companies' ability to shape and direct public-sector energy policies and to create a favourable 'investment climate.'

SEFA supports deeply unambitious medium-term renewable energy and energy efficiency goals and avoids altogether addressing the issue of overconsumption of energy by industrialised countries. Furthermore, the initiative offers support to whatever type of energy development companies and/or governments choose to label 'sustainable', especially in developing countries – under the principle 'diversity of approaches'. Fossil fuels, especially increasing natural gas infrastructure and use have been included in commitments already made under SEFA. SEFA has so far been cited to justify backing for large-scale hydropower (by the World Bank) and agrofuel plantations and at least one government is looking at nuclear energy officially to pursue SEFA's aims. The only types of energy which SEFA explicitly defines as 'unsustainable' are 'traditional fuels', including wood, charcoal and animal waste as well as coal used for cooking and heating.

While energy access is undeniably important, we can only effectively address poverty, climate change and environmental destruction if the right kinds of energy technologies are supported in the right way. Communities must be fully engaged, informed and empowered to decide for themselves, free from the influence of profit seeking industries, what best suits their needs, while priority is clearly granted to the cleanest, least damaging technologies. Meanwhile, given that all forms of energy incur environmental costs, providing access to energy for all must address the problem of overconsumption in tandem with expanding access to those lacking. SEFA will not deliver this. Furthermore, much of SEFA's Action Agenda focusses on large-scale energy investments which may well benefit energy-intensive industries rather than communities, particularly rural ones, experiencing energy poverty.

Background:

Most in civil society were surprised to first hear about SEFA when reading, in the initial Rio+20 Draft Zero text *“The Future We Want”*: *“We propose to build on the Sustainable Energy for All initiative launched by the Secretary-General...We call for provision of adequate financial resources, of sufficient quality and delivered in*

1 <http://www.sustainableenergyforall.org>

a timely manner, to developing countries for providing efficient and wider use of energy sources². UN Secretary-General Ban Ki-moon is expected to call on “governments, business and other coalitions” to advance commitments, partnerships and endorsements for the SEFA initiative at Rio³. Rio⁴, Those involved with the initiative appear determined to progress it however, regardless of the outcome of the official negotiations.

SEFA's key stated objectives are to “catalyse major new investment to speed the transformation of the world's energy systems” in order to 1) ensure universal access to “modern energy services”, including electricity, 2) double the rate of improvement in energy efficiency and 3) double the share of renewable energy in the global energy mix by 2030.⁵ An Action Agenda has been drawn up.⁶

How and by whom is SEFA run?

SEFA's High-Level Group is chaired by Charles Holliday, Chair of the Bank of America (and former director of DuPont) and by Kandeh Yumkella, Chair of UN Energy and Director of UNIDO (UN Industrial Development Organisation). Their 'partnership' illustrates the **overall vision for public-private partnership behind SEFA**. Members of the High-Level Group were hand-picked by the UN Secretary-General, without any public open call or consultation. Many of the members had previously been similarly appointed to the (not disbanded) Advisory Group on Energy and Climate Change⁷.

Group members include representatives from corporations such as Statoil, Siemens and Eskom, big finance companies such as Riverstone Holdings and Bloomberg New Energy Finance, consultancies including Accenture, UNEP, UNDP and the International Renewable Energy Association, the World Bank and Ted Turner's United Nations Association and just two other NGOs, IUCN and Barefoot College, with Practical Action and the United Nations Foundation listed as the only NGO partner organisations in SEFA. Within the High-Level Group, a former CEO of BP (John Browne) and an ex-chairman of Shell (Mark Moody Stuart) represent Riverstone Holdings and the Foundation for the UN Global Compact respectively.

The only governments represented as Principal Members of the High-Level Panel are those of the US, EU (European Commission), Russia, India and Brazil. Additionally, the High-Level Panel's technical group includes representatives of the Norwegian Government and of an Agency of CARICOM (Caribbean Community Secretariat, of which 15 Caribbean governments are full and five others Associate Members).

How will SEFA work?

SEFA is one of several 'action focussed' private-public processes which involve UN organisations but are happening **outside any multilateral agreements and conventions**, none of the UN agreements or conventions are even mentioned on SEFA's website.

Plans for SEFA are set out in the Action Agenda. The Action Agenda identifies 11 'Action Areas which cover the vast majority of energy production and use. Seven of those are 'sectoral areas': “Modern cooking appliances and fuels”, “distributed electricity solutions”, “grid infrastructure and supply efficiency”, “large-scale renewable power”, “industrial and agricultural processes”, “transportation” and “building and appliances”. Four are “enabling actions”: “energy planning and policies”, “business model and technology innovation”, “finance and risk management” and “capacity building and knowledge sharing”. Some of those are discussed in more detail below.

SEFA will not be a new funding body but an initiative based primarily on public-private partnerships and

² <http://www.uncsd2012.org/rio20/content/documents/370The%20Future%20We%20Want%2010Jan%20clean%20no%20brackets.pdf>, Section 70

³ <http://www.nytimes.com/2012/05/24/opinion/the-future-we-want.html>

⁴ <http://www.un.org/wcm/content/site/sustainableenergyforall/>

⁵ www.sustainableenergyforall.org/images/content/ActionAgenda.pdf

⁶ <http://www.sustainableenergyforall.org/images/content/ActionAgenda.pdf>

⁷ www.scribd.com/doc/30642804/AGECC-Summary-Report

voluntary commitments by governments and companies, working in close alliance with a range of existing and new initiatives, including corporate initiatives and programmes by the World Bank and other international finance organisations. SEFA Co-Chair Kandeh Yumkella told attendants at a Private Sector consultation in February: “the initiative will focus on profit-making business opportunities, not charity”⁸.

The Action Agenda outlines the role which governments, companies, international finance organisations and civil society are expected to play:

- ⤴ **Governments** are to primarily create optimum conditions for attracting private investments. Developing country governments are to do so by ensuring that 'targets, policies, regulations and incentives' facilitate economic growth. Developed country governments are to use public funds to facilitate private sector investments and to under-write private sector risks. This would extend not only to energy efficiency and energy classed as renewable but more widely to energy expansion in the global South. It would include public funding for Research & Development, pilot projects and technical assistance, subsidies, and for loan guarantees, first-loss protection and risk mitigation of private investments.
- ⤴ **Companies**, especially transnational corporations, are to take the lead in different energy sectors, enter into partnerships with smaller companies and 'offer guidance' to governments to help overcome 'barriers' to investment.
- ⤴ **Donors and multilateral institutions** (including the World Bank and regional development banks) are to provide policy guidance and technical assistance, support capacity building and provide start-up finance. Development aid funds are to be coordinated, for example through the UN Resident Coordinators and the UN Global Compact.
- ⤴ The role of **civil society** is relegated to that of facilitators/supporters (cheerleaders) of the SEFA initiative corporate investments and policies. They are to “promote community dialogue, engagement and support”, may collaborate with business in sectoral initiatives or launch their own, develop business models and “offer innovative mechanisms to lower up-front costs to consumers”.

In short, SEFA relies on '**collaborations**' between governments, companies, multilateral institutions and NGOs, with governments to follow corporate 'advice' on 'removing barriers to investment', i.e. making policies as business-friendly as possible. This would apply to all types of energy investments in developing countries, since there are no restrictions or definitions offered with respect to what is “sustainable” energy. Governments and multilateral institutions are to provide initial finance for projects and private investment risks are to be increasingly underwritten by the public sector, thus increasing the proportion of international development assistance spent on energy infrastructure. Civil society's role is as passive recipient and new consumer and/or as supporter of the overall initiative.

International principles such as the precautionary principle and the right to free, prior and informed consent are not even mentioned.

SEFA Commitments to date:

Governments, civil society organisations, companies and existing and new partnerships are invited to make voluntary 'commitments' on 'energy access', renewable energy or energy efficiency, to be published by SEFA. Commitments do not have to be new or additional to what had been planned in the absence of SEFA. Commitments made so far include:

- 1) Companies and business partnerships committing to continuing and expanding their existing activities, e.g. to produce/sell more solar lamps, solar power plants, LED lights, etc;
- 2) Companies committing to using more energy efficient products or 'alternative fuels', which they would likely have done in the absence of SEFA;
- 3) Ghana's (already approved) Renewable Energy Act and their policy to promote natural gas investments for LPG. The Renewable Energy Act also includes support for biofuels.
- 4) The European Commission's Energising Development Initiative: This is a new initiative announced in

⁸ www.africa-platform.org/fr/resource/sustainable_energy_all_private_sector_consultation_brussels_february_2012

connection with SEFA. Its aim is to 'provide energy services to 500 million people by 2030' through a new Technical Assistance Facility. The focus reflects that of the SEFA initiative: "refining, expanding and improving energy-related innovative financial instruments and risk guarantee schemes in developing countries in order to unlock greater private investment". The European Commission has committed 50 million Euros to the initiative but their press release indicates that they seek to mobilise hundreds of millions of additional Euros in public funds and unlock even greater private investment⁹. Some of the funding may be for natural gas projects though not for coal, nuclear power or biofuels, according to the Commission¹⁰.

By far the biggest financial commitment so far, though not listed as such on SEFA's website, comes from Norway. Norway announced its own "**Energy+ Partnership Initiative**" in October 2011, at a launch event attended by Ban Ki-Moon. Energy+ is to be Norway's contribution to SEFA and the Norwegian government is committing to spend \$300 million a year on it¹¹. Most of that funding is to be "results based" rather than upfront investment.

Norway's 'Energy + Partnership Initiative'

Norwegian funding for the Energy+ Partnership Initiative so far surpasses any other pledges made under SEFA and its development appears to be further advanced. So far, Norway, the UK, France, Denmark, Switzerland, Netherlands and South Korea have undertaken to fund energy infrastructure in nine developing countries, though only Norway has made any substantial financial commitments. The World Bank, Asian and African Development Banks, UNIDO, UNEP (UN Environment Programme), IEA (International Energy Agency) and WBCSD (World Business Council for Sustainable Development) have all declared their intention to become partners within the initiative. Norway seeks to model Energy+ on REDD+. The initiative will at least initially be a public-private scheme and the Norwegian government hopes that every public dollar spent should stimulate release four dollars in private finance. The longer-term intention is to attract private sector finance via new carbon markets, those targeting whole national sectors (energy sectors in this case) rather than individual projects. (tinyurl.com/cc5nflu)

Partners in Energy+ are self-selecting, i.e. sign up on a voluntary basis and countries will be paid not upfront but according to proof of how well they have been meeting targets. So far, Bhutan, Ethiopia, Kenya, Liberia, Maldives, Morocco, Nepal, Senegal and Tanzania have signed up. Norway's negotiations with Ethiopia are most advanced, though full details of Ethiopia's plans under Energy+ are not known. There are particular concerns about the role of hydropower, with Norway having long been a leading country in the development and promotion of hydropower (at all scales) and with the Ethiopian government having announced ambitious plans for new mega-dams.

Anything goes – 'energy choices' supported by SEFA

According to the Action Agenda, SEFA supports "technology choices that are appropriate to their unique national and local circumstances." No type of energy generation and policy is excluded from SEFA's support.

LPG expansion is explicitly supported by SEFA and forms the key element in Ghana's Country Action Plan commitment. Ghana's Action Plan seeks to increase domestic LPG use from 12% to 50% of the population by the end of 2015¹². This requires the construction of a new gas processing plant at Doryumi, Western Region and related new pipelines¹³. The government of Ghana has also cited SEFA's goals as a reason for pursuing future nuclear energy options¹⁴.

9 <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/372>

10 www.euractiv.com/energy/pielalgs-eu-energy-aid-include-gas-exclude-biofuels-news-512184

11 www.reuters.com/article/2012/01/18/us-norway-carbon-idUSTRE80H1LT20120118

12 <http://ghanaoilonline.org/2012/02/meeting-to-develop-action-plan-on-sustainable-energy/>

13 www.reportingoilandgas.org/2011/11/25/gas-processing-plant-to-be-ready-dec-2012/

14 www.world-nuclear-news.org/NP-Ghana_coordinates_nuclear_planning_activities-1705124.html

So far, coal has not been endorsed in any official SEFA documents or commitments, however the World Coal Association is lobbying strongly for it to be backed for 'energy access' expansion at Rio¹⁵.

Hydropower, bioenergy, biofuels, LPG and propane are listed as 'sustainable energy' examples in the Action Agenda. Brazil's and the EU's biofuel policies are endorsed in that document, as are Brazil's 'large scale renewables projects' – implying support for large-scale hydro dams, which supply 90% of Brazil's electricity.

The only types of energy explicitly described as unsustainable is traditional biomass. SEFA's website describes rural communities' reliance on wood, coal, charcoal or animal waste as being inherently inequitable, to be replaced by 'modern energy'¹⁶ – regardless of how communities are using that biomass. Reliance on open biomass cooking fires is indeed a major cause of illness and death, particularly amongst women and children, resulting from indoor air pollution. Yet SEFA's wording and emphasis on private sector investments suggests that cleaner and safer cookstoves developed by communities, as well as all other traditional and non-commercial types of bioenergy will be targeted for replacement with 'modern' energy sources, including fossil fuels.

The Action Agenda expresses SEFA's hope that: *“traditional biomass may be phased out with increased urbanisation and development, so the opportunity lies in shifting the mix of electricity and heat to more sustainable energy sources.”* 'Modern' bioenergy, on the other hand, receives unqualified support, regardless of how polluting and inefficient it might be. This includes biomass power stations which (in the absence of heat use) waste 70-80 of the energy in the biomass¹⁷. Small-scale biomass gasification is highlighted as a positive example¹⁸. This is despite the fact that during more than thirty years of experience worldwide, virtually all small-scale biomass gasification systems have failed because of a large range of technical problems and the need for on-call maintenance and repairs, resulting in unaffordable operating costs¹⁹.

Safe and efficient cookstoves?

The Global Alliance for Clean Cookstoves (GACC) is cited as the key initiative for SEFA's "modern cooking appliances and fuels" action agenda and the Alliance, in turn, is an official supporter of SEFA.

According to the World Health Organisation, indoor pollution from cooking with solid fuels is responsible for 1.5 million deaths a year and for 2.7% of all illness worldwide (tinyurl.com/bsx6lum). Modern cookstoves are the only 'solution' promoted by GACC (tinyurl.com/cmb47dh), even though simple measures such as smoke hoods have been found to reduce indoor air pollution by as much as 80% (tinyurl.com/c7ekqlz).

Yet recent studies show that modern stoves promoted as 'clean and efficient' may offer no benefits at all. Although GACC supports the testing of cook stoves, they do not require it before stoves are promoted and commercialised. One study has shown that stoves made by one of GACC's 'implementing partners' emits more soot than traditional mud stoves which it replaced (tinyurl.com/d5qeov5). Another study observed the use of a common model of modern cook stove amongst 2,600 households in the Indian state of Orissa over three years. Indoor air pollution declined by just 7.5% in the first year, after which all benefit was lost. There was no improvement in people's health and no reduction in fuel use (tinyurl.com/clkeb8x). Such findings, however, have not dampened SEFA's and the GACC's support for all types of modern cookstoves promoted and sold across the global South.

Partnerships and initiatives backed by SEFA

15 www.worldcoal.org/blog/global-energy-poverty/

16 www.sustainableenergyforall.org/about-us

17 www1.eere.energy.gov/biomass/pdfs/bio2011_levine_1-3.pdf

18 www.sustainableenergyforall.org/progress/item/25-husk-power-systems-india

19 www.gtz.de/de/dokumente/giz2011-en-small-scale-electricity-generation-from-biomass-part-1.pdf

A large range of existing initiatives and partnership are expected to help implement the Action Agenda. Some of those are highlighted as 'progress' examples on the SEFA website. The choice of initiatives listed reinforces concerns about SEFA's indiscriminate support for all types of 'modern' energy generation and for putting corporate interests first.

Initiatives listed include:

- ⤴ **Global Gas Flaring Reduction Partnership:** This is a public-private partnership initiated by the World Bank in 2002. Its partners include 19 oil companies and 22 governments, including the countries where most gas flaring takes place. It aims to support efforts to reduce gas flaring and venting in part by increasing the use of natural gas in oil producing countries. There is no evidence that this Partnership has made any difference to gas flaring rates. A 2008 report by Shell stated: *"Little progress has been made globally in reducing the overall amount of natural gas burned off at oil wells, according to research by the World Bank's Global Gas Flaring Reduction Partnership. Each year, the energy industry flares off the equivalent of almost one third of Europe's natural gas consumption"*²⁰. In 2011, global gas flaring rates were even higher than in 2008, according to the World Bank²¹. Nonetheless, SEFA lists the Partnership as an example of the kind of 'progress' they wish to see across all energy sectors and suggest that it could play a role in realising one of SEFA's Action Areas.
- ⤴ **Programme for Infrastructure Development in Africa (PIDA):** PIDA is an Africa-wide programme implemented by the African Development Bank. It was launched in 2010 *"to develop a vision and strategic framework for the development of regional and continental infrastructure (Energy, Transport, Information and Communication Technologies (ICT) and Trans-boundary Water Resources)"*. In the energy sector, PIDA particularly aims to expand hydro dams and natural gas infrastructure and use²². Investment in oil refineries and pipelines is also central to PIDA's plans²³. SEFA's Action Agenda suggests that PIDA will help realise "grid infrastructure and supply efficiency" action area.
- ⤴ **EU-Africa Energy Partnership:** The EU-Africa Energy Partnership is one of eight EU-Africa partnerships announced in December 2007. In 2008, the EU announced over 600 million Euros worth of finance available for promoting electrification and renewable energy in Africa under the Partnership²⁴. The aims include: increasing electricity connections not only within Africa but also between Africa and the EU (with a view to electricity exports from Africa to Europe), doubling both the use of natural gas in Africa and its export to Europe, and building new hydro dams with 10,000 MW overall capacity²⁵.
- ⤴ **Global Bioenergy Partnership:** The Global Bioenergy Partnership (GBEP) was launched at the 2005 G8+5 summit. It comprises 23 countries and 13 international organisations and institutions, including UN organisations, international finance organisations and industry associations. Its purpose is to 'promote global high-level policy dialogue on bioenergy and facilitate international cooperation' towards supporting increased investment and use of bioenergy, including biofuels.

Conclusion

Sustainable Energy for All is a corporate-led multi-stakeholder partnership under UN auspices, which bypasses all multilateral negotiated UN processes and conventions. Despite its title, it offers indiscriminate support for the expansion of all types of energy generation in developing countries, in the name of increasing 'energy access' – regardless of environmental, climate and social impacts. Traditional biomass use alone is singled out as 'unsustainable' while natural gas, all sizes of hydro dams, biofuels and industrial bioenergy are explicitly endorsed.

20 www.shell.com/static/aboutshell/downloads/swol/apr_june_2008/flaring.pdf

21 www.huffingtonpost.com/2012/05/03/natural-gas-flaring-rises-globally_n_1474838.html

22 www.pidafrica.org/energy.html

23 www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/PIDA%20note%20English%20for%20web%20200208.pdf

24 www.africa-eu-partnership.org/articles/about-aEEP and www.euractiv.com/energy/eu-africa-unveil-ambitious-energy-partnership/article-175193

25 www.africa-eu-partnership.org/sites/default/files/aEEP_hlm_factsheet_en_0.pdf



The SEFA 'partnership' model relies on voluntary commitments by governments, companies and civil society and on a large range of public-private partnerships. 'Barriers' to corporate investment are to be dismantled further – Nowhere is it acknowledged that profit-driven corporate practices and investments – including by those involved in the SEFA initiative, are in fact largely responsible for the energy poverty, human rights abuses, environmental damage and climate change that has so profoundly undermined progress towards the aims which the initiative officially exists to address.