WRI releases report on sustainable energy investments, Washington D.C., Estados Unidos, Bank Information Center (BIC), 30 de abril de 2010.

Consultado en:
http://www.bicusa.org/en/Article.11868.aspx

Fecha de consulta: 27/07/2010.

A new report from WRI coathored by BIC board member Athena Ballesteros examines MDB investment in the power sector between 2006 and 2008 and what the policies, regulations, and institutional capacities of this period mean for the future.

Executive Summary

The electricity sector lies at the nexus of two urgent global imperatives: powering economic activities and livelihoods and reducing greenhouse gas (GHG) emissions from the use of fossil fuels. The international community is looking to multilateral development banks (MDBs) to help developing countries balance these sometimes conflicting imperatives. Historically, developing countries have drawn on the public financial resources of MDBs to develop electricity infrastructure. The MDBs have propagated their ideas about technology choice, regulatory policy, and service delivery alongside their capital investments in new power lines and plants.

Energy prices do not reflect the true costs of fossil-fuel technologies to public health, to the local environment, and to the planet's climate system. Decision making in the electricity sector has tended to be both exclusive and opaque, dominated by interests with a stake in "business as usual" practices. As the prices of fossil fuels rise along with our understanding of the environmental and social costs of conventional energy, we need new and better ways to meet energy demand and to support long-term development. Standard energy policy and regulatory mechanisms do not support the renewable energy and energy efficiency necessary to reduce emissions from the energy sector. In most countries, policies and regulations tend to emphasize short-term cost and supply considerations rather than the long-term benefits of the enhanced energy security, environmental performance, and cost savings over time offered by clean technologies.

MDBs are in a position to work with stakeholders in developing countries, including other donors, to pursue low-carbon growth options that also support poverty alleviation. This report examines those policies, regulations, and institutional capacities in the electricity sector that will direct both public and private investment in sustainable energy options. The elements we have proposed do not prescribe a particular mix of technologies or approaches that should be emphasized in any country or region, as this would be neither appropriate nor possible. Every country is endowed with a unique set of energy resources, and the economic, social, and political circumstances that affect how it can meet energy demand are also unique. These elements are instead intended to help any country consider the options for how best to provide electricity services in light of intertwined economic, social and environmental considerations, in order to provide critical development benefits and reduce greenhouse gas emissions.

Summary of Analysis

We reviewed loans provided by MDBs to developing countries for electricity policy from 2006–2008, to understand how the various elements of sustainable energy we identified were reflected in these investments. The results are described in full in section III of this report. Although all the elements are relevant to countries, we recognize that it may not be necessary or possible to include all these elements in a single loan by an MDB. Our review is limited to publicly available loan program preparation documentation: as a result, it does not capture issues that may have been addressed in program implementation. Our research findings should therefore be treated as indicative, and not as a definitive assessment of MDB programs. The objective of this exercise is to highlight those MDB interventions that have taken a comprehensive approach to framing interventions in the electricity sector.

Summary of Findings

A relatively small number of MDB projects addressed many of the elements of sustainable energy proposed in our framework. Many of the associated interventions represent important examples of how the MDBs can bring expertise, networks, and finance to help align investment in the electricity sector with sustainable, low-carbon development. These examples are emphasized in the main text of the report.

Recommendations

The MDBs' support for the electricity sector should more consistently and comprehensively address policy, regulatory, and institutional capacity to align investment with environmentally and socially sustainable energy using the framework proposed in this report.

- More attention should be paid to integrated electricity planning and the implications of choices for greenhouse gas (GHG) emissions over the long term.
- MDB support for energy policy should more consistently and creatively support access to clean and affordable electricity for the poor.
- The cumulative effects of sustained support for technologies such as hydropower and transmission and distribution infrastructure must be managed.
- Project development and implementation must be transparent and must engage stakeholders throughout.

READ THE REPORT

Investing in sustainable energy futures: Multilateral development banks' investments in energy policy, by Smita Nakhooda and Athena Ballesteros, World Resources Institure, April 2010 (PDF, 2.8 MB)

READ MORE

BIC's Energy Strategy review page