P5.2-3 Communities and Interest Groups as Promoters of LCS Experiences and Lessons in the Introduction of Low Carbon Technologies in Low-Income Communities in South Africa

Steve Thorne

SouthSouthNorth, South Africa

To transform an energy economy requires basic building blocks: enabling policy, dedicated finance, capacity and leadership and the ability to monitor, report and verify achievements. But there are many barriers in the route to achieving these – most are institutional and governance issues. The role of civil society is to show a way through way with local pilots that are process heavy in their engagements and informed evaluation of choices.

The presentation considers experiences in the promotion of innovative and affirming demonstration of the introduction of clean energy technologies to poor communities in South Africa making use of international mechanisms and local public finance. It also considers the enabling positive and perverse incentives provided by energy policies and political will in securing funding for renewable energy and energy efficiency to drive investments. The Lwandle hostels to homes and Kuyasa CDM project have enjoyed the support of National Policies and have provided learning experiences for the up-scaling of programmes in publicly funded settlements projects in the form of a National Sustainable Settlements Facility (NSSF) agreed to be hosted in the Development Bank of Southern Africa. The concept behind such a facility is to blend the public and private interests in such projects and disperse in favour of valid projects.

Behind the projects and the development of the NSSF is the NGO SouthSouthNorth Africa that is concentrating on Sustainable Development amongst low-income communities amongst other things. The many years it has taken to secure progress is at least as long as it takes for the planning for a new power station and way more efficient with respect to the national economy.

As low-income communities get access to modern energy services, it is critical to note that because of poverty or lack access to energy services, the level of consumption would be suppressed. However, the management of energy services as a result of barriers to fulfilled consumption results in the development of energy management techniques in support of survival. These behavioural assets are required by all rich and poor and need to be invested in order that they are sustained in the switch to modern energy services – not only that the modern energy services are cleaner but also that they provide a leapfrog to energy service fulfillment.

Key elements to the development of interventions in clean energy in communities are to find local leadership, facilitate informed decision-making and ensure the financial leverage to allow for international and/or public resources to flow. In part this means securing the resources to invest in localised energy generation up front and to invest in the ability to conserve energy.

To get utilities to ensure progress in this endeavour will require the regulators to allow them to cover their losses in revenue at least initially. With respect to the international mechanisms such as CDM and NAMAS this will require the recognition of the suppressed demand in consumption that will be fulfilled in future and the realisation that if development happens this will be fulfilled using business-as-usual fossil based means. The philosophy will need to be applied to both levels of consumption in baselines and project activities and applied to emissions reductions and 'full agreed incremental costs'. Failing this will result in the perversity of waiting for communities to become dirty enough to qualify to get clean. The health, affordability, and motivational co-benefits of such early interventions while not necessarily directly financially accounted could far outweigh the direct global benefits and could provide local momentum for dissemination of the policy lessons.

The Monitoring, Reporting and Verification transactional costs also need to be reduced to a level that limits the transactional costs of projects, programmes and sectoral interventions if there is to be any appetite for private or public use of mechanisms. This is especially important in situations where there are many small and disparate sources of emissions where transactions costs can be high if energy consumption/emissions have to be monitored in statistically relevant samples.

The role of the civil society organisations is one to take these innovations forward and secure agreement in their integrity to resolve issues of how to invest in people, projects and programmes that allow for and invest in the transformation of energy economies in communities towards decarbonisation. There are many barriers but they can be overcome if the regulators regulate and achieve compliance in clean energy solutions that are in the benefit of the national and local economies (and not just based on taxing consumption) and therefore incidentally the delivery of global co-benefits.