Rich countries pushing ’dirty energy’ in Africa, report claims

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Study finds that while wealthy nations advocate renewables at home, 60% of aid to African energy projects went on fossil fuels.

Wealthy governments have been accused of promoting fossil fuel development in Africa at the expense of clean energy.

Analysis showed 60% of public aid for energy projects was spent on fossil fuels, compared with just 18% on renewables.

Oil Change International, a clean energy advocacy group that conducted the study, estimated aid to Africa’s energy sector was $59.5bn (£45.3bn) between 2014 and 2016.

It found governments that were moving away from fossil fuels at home continued to fund such projects in Africa, where communities are experiencing the worst impact from climate change.

Egypt, Angola and South Africa received nearly half of the aid for energy over this period.

Of the regional and multilateral development banks and 10 countries examined for the study, China gave the most to the energy sector, providing $5bn a year, 88% of which was spent on fossil fuels. It did not appear to finance any renewable projects on the continent. Nearly three-quarters of the money supported oil and gas extraction, and another 13% supported coal-fired power generation.

After China came the World Bank Group (WBG), Japan and Germany. The report estimated the Bank financed mostly fossil fuel infrastructure over this period, although such lending is expected to fall after a recent announcement that it would end finance for upstream oil and gas from 2019.

The WBG disputes the estimates.

Mohamed Adow, international climate change lead at Christian Aid, said: “These countries are using their aid budgets to promote development in Africa on one hand, while their climate change-causing subsidies cancel out these gains with the other. Rich countries must stop pushing their dirty energy on Africa and use their wealth to provide energy that is clean, green and will serve Africa and the world for years to come.”

He described the analysis of China’s aid spending on energy in Africa as “shocking”, given that it is heavily investing in renewables at home to stop pollution in its cities.

The report showed less than 2% of aid to Africa’s energy sector went to renewables or small-scale de-centralised energy schemes, which experts say are ideally suited to the continent’s scale, development status and sparse population density.

A recent report by the NGO Tearfund, which calls for more renewable energy, found that nearly 700 million people, mainly in sub-Saharan Africa, would still be without electricity in 2030.

"When deciding on energy projects in Africa, the most important question should be: is this project in the best long-term interests of the people?" said Thuli Makama, senior advisor for Africa at Oil Change International.

"Governments should improve transparency around contracts, financing terms and energy planning, and engage in more meaningful dialogue with civil society to address this question."

The analysis also showed much of the bilateral public finance for energy in Africa supported the commercial interests of donor countries.

Friends of the Earth US, which is calling for two-thirds of energy finance to go to distributed renewables, said: "Public finance continues to be skewed toward fossil fuels in Africa even though these are the communities who are experiencing the worst impacts from climate change. If countries want to help Africa improve access to electricity without suffering even greater impacts from climate change, they need to shift away from fossil fuels and provide millions more toward distributed renewables, especially in rural communities."

A spokesman for the World Bank said that while it welcomed efforts to quantify public finance for energy in Africa, it disagreed with the methodology used in the report and the figures published for WBG.

He said: "The World Bank is committed to helping countries improve access to affordable, reliable and sustainable energy in Africa and in other regions."

He added that WBG had financed 25% of all the solar mini-grid projects in developing countries, mainly in Africa and South Asia, and was "on track to provide 20% of the total projected investment needed in off-grid solar home systems for the developing world over the next four years".

He said the World Bank Group had exceeded the climate finance target it set for 2020, including by directly supporting or integrating 18 gigawatts of additional renewable energy into electricity grids and mobilising more than $10bn in commercial finance for clean energy over the past two years.

The Guardian approached the China Development Bank for comment, but did not receive a response before publication.

Scientists showed in 2015 that to keep under the internationally agreed 2C global warming limit, then most existing fossil fuel reserves need to stay in the ground. Last year, the G20 nations were accused of hypocrisy for talking tough on global warming but providing four times more public finance for fossil fuels than for renewables.

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P.S.

The Guardian
https://www.theguardian.com/global-development/2018/jul/23/rich-countries-pushing-dirty-energy-africa-report-claims