

# Widening access to energy

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**T**wo recent landmark agreements will heavily influence the global energy strategy and its planning for the coming decades: the September 2015 approval of the 2030 Sustainable Development Goals (SDGs) and the Paris Agreement under the United Nations Framework Convention on Climate Change reached in December 2015.

One fundamental aspect of the post-2015 development agenda is the placing of energy at its centre, something that OFID and like-minded institutions achieved by working diligently together under the umbrella of Sustainable Energy for All (SE4ALL), an initiative from the UN Secretary General supervised by a board of 48 members including multinational oil and gas companies, OFID and others. The objectives of SE4ALL are to ensure universal access to modern energy services, double the global rate of improvement in energy efficiency, and double the share of renewable energy in the global energy mix by 2030. All of the three goals serve the purpose of complementing the Paris Agreement's emphasis on climate change mitigation. For instance, embracing the transition to modern energy sources with regard to clean cooking reduces both deforestation and atmospheric pollution, and expanding electricity access using renewables in decentralised locations can help lower emissions.

In approving the 17 SDGs, the UN General Assembly endorsed a more participatory approach similar to what had been demonstrated to work under SE4ALL. In other words, the agenda was shaped not just by governments but also by consultations with the private sector and civil society. This method represented a departure from the UN's previous Millennium Development Goals which were formulated by developed nations. The new SDGs now include both developing and developed countries working together to achieve universal goals.

## OFID and energy access

This spirit of collaboration constitutes the core of OFID's energy access approach which includes oil and gas companies to engage them in the discussion to achieve Sustainable Development Goal 7 (to ensure access to affordable, reliable, sustainable and modern energy for all). The overall goal is to leverage the enormous potential of the industry, to build upon its leadership, technology and much relevant business experience, and at the same time, to provide a platform for oil and gas companies to

collaborate with other stakeholders on specific action focused on energy access.

OFID's support for such initiatives constitutes a part of its 2012 Ministerial Declaration on Energy Poverty, which included a US\$1 billion revolving endowment that funds energy access projects for the energy poor in developing countries. This commitment translated the will of the summit of the heads of states of OPEC Member Countries in Riyadh in 2007, which identified energy poverty eradication as a key solution to alleviating poverty in general and has mandated OFID and other OPEC aid institutions "to work towards that aim and study the ways and means of enhancing this endeavour in association with the energy industry and other financial institutions."

To facilitate the implementation of the above mandate and disbursement of the committed amounts, OFID signed several MOUs with multi-lateral development banks, financed common projects with commercial banks and extended a series of grants to NGOs, in addition to the following two major efforts:

- Leading a Task Force on Energy of the members of the Arab Coordination Group (ACG) working together with the OECD Development Assistance Committee. This task force was established to determine the feasibility of the two groups partnering to reduce energy poverty in sub-Saharan Africa.

## LPG cooking stoves on offer in Sudan



Credit: Practical Action



- Acting as a key participant in the 'deep dive' process, through which the ACG and the World Bank Group agreed to consult on enhancing their cooperation in achieving SDG 7, and providing analytical and financial resources for its implementation in 21 sub-Saharan countries.

### Oil and gas industry cooperation

This work with financial institutions gave OFID a head start in fulfilling the other half of the mandate: to cooperate with the energy industry, in particular with the oil and gas sectors. OFID, together with the World Petroleum Council (WPC) worked on the preparation for a symposium to introduce a proposed Oil and Gas Industry Energy Access Platform (EAP) with the following main objectives:

- Share best practices, data and disseminate knowledge about energy access solutions,
- Leverage industry capabilities to support access to energy,
- Help the industry identify corporate social responsibility opportunities in host countries, and harmonise robust, practical and cost-effective approaches for facing energy access challenges,
- Foster communication within the industry on energy access solutions,
- Contribute to better integrate energy access in policies and projects at country level.

### EAP working areas

As the oil and gas industry has adopted corporate social responsibility as part of its business to address the social challenges of its host communities, there is an increasing focus in addressing energy poverty. This is important particularly in developing countries, as access to affordable modern energy is critical to foster local economic development and attain sustainable development. EAP members are promoting activities in several areas, including:

- Clean cooking solutions including liquid petroleum gas (LPG),
- Mini-grid solutions,
- Utilisation of gas flaring from oil production facilities for energy access,
- Distribution of off-grid electricity products,
- Gas to power for communities,
- Ecosystem and markets, such as local content, skill

development, supply chain assessment, assessment of the local needs.

The EAP provides for the engagement in specific solutions or in the design of shared roadmaps; gaining clearer understanding of potential solutions and new options in order to develop and share them. Additionally, EAP members discuss their work on specific initiatives such as the Zero Routine Flaring by 2030 Initiative, the Climate and Clean Air Coalition, the Oil and Gas Climate Initiative, or partnerships with governments as well as other international bodies and industries.

### EAP general principles

The following principles reflect elements that companies consider when engaging in the EAP and inform all activities under the EAP:

- The facilitation of inter-stakeholder dialogue allows for the exchange of experiences, critical factors, and issues with regard to energy access projects, facilitating collective learning and improved knowledge management.
- The Identification of possible synergies between EAP member programmes and projects and exchange on specific areas with potential for cooperation and synergy in order to maximise the value added and ensure high leverage, effectiveness and efficiency.
- While members joining the EAP can work together, they individually define the work plan of their own contributions, in recognition of their different capacities and circumstances.
- The collaborative approach offered by the EAP does not impact its members' ability to develop and support their individual programmes focused on access to energy, according to their business portfolios.

Co-operative initiatives like the EAP help realise both the SDGs and the Paris climate agreement. Furthermore, by bringing oil and gas companies to the same table, together with other stakeholders the EAP provides a two-fold benefit: an improvement in the quality of life by reducing energy poverty and strengthened global economic security. That is why pioneering companies like Total, Shell, Schlumberger and OMV have already joined the platform, and are working together with OFID, WPC, IGU and GLPG as well as others like the Shell foundation to be the nucleus to draw other visionary companies to this opportune platform. ●