

## DEVELOPMENT AND POVERTY REDUCTION IN LOW INCOME COUNTRIES

Tuesday, 13 January 2009, 09.00-16.00  
DIIS, Main Auditorium

# Unedited notes from working groups

Please note:

These notes record comments made by participants in the group discussions. Individual comments do not necessarily reflect the views of the whole group. As the discussion was lively, it was not practically possible to capture all comments. The notes are provided here in unedited form, mainly as a benefit for seminar participants.

# Energy

**What are the options for combining low carbon development and poverty reduction in Low Income Countries in the energy sector?**

## National level

- **Focus on generating the cheapest electricity (e.g. large scale hydro) could lead to wider electrification as it becomes more affordable**
- **Distribution is critical**
- **Efficiency measures in the transport sector: mass transport systems**

## Local level

**Stand alone systems vs grid based supply – could start with small scale stand alone systems gradually becoming grid connected as the demand develops**

**Event connected for free many poor can not afford to pay the (subsidized) bill – strong need to adapt supply to the actual needs of the poor**

## Household level

**Thermal (char coal/wood bricks etc for cooking)**

# Energy

## Technology

- **Many proven technologies already exists**
  - **Important to adjust technology and distribution to endusers /beneficiaries needs**

## Financing modalities

- **Large investment costs for large scale power generation (Hydro, ... needs for external initial investments**
  - **Initial infrastructure cost is a main barrier for renewables - !**
  - **Many options for carbon financing of energy efficiency improvements, fuel shifts etc.**

## National policies

- **Lack of pro-low carbon policies – lack of capacity or lack of incentives for policy makers in developing countries?**
- **Uncertain institutional mandates can be a main constraint in policy formulation**
- **Often good policies are not implemented – lack of capacity, financing, ownership**

# Energy

## What could be done by different actors?

- **Local communities and organisations must have a stronger role in identifying needs and requesting assistance**
  - **Development assistance can help to generate the knowledge and capacity needed at the local level to identify and request the right assistance**
  - **Governments must get the policies right to create incentives among key actors for low carbon energy development**
  - **Development assistance can generate studies and understanding of the complex policy formulation process and provide and initial investment funding/credit/loans where needed.**
  - **Private sector actors can look for opportunities and make business cases, which will also help the policy process**
  - **Danida should support energy sector programs**

# Agriculture

## What are the options for combining low carbon development and poverty reduction in Low Income Countries in the agriculture sector?

- Large-scale agric. food crisis for LICs looming by 2050? Options: Is the options of controlling population growth a taboo?
- Awareness – changing people’s minds is important, also at policy levels
- Need to question business as usual? Growth ideology, consumption patterns – need to look beyond this to more radical change
- Low tech options not considered “modern” – making the existing technologies attractive/selling them, incl. low.tech irrigation (windpumps etc)
- Example of soil conservation and low input farming in Cambodia, supports livelihoods. But can it be scaled up given how labour intensive it is?
- Lack of investment opps and incentives for poor farmers, and related tenure issues – connection between soil conservation and tenure security as an incentive
- Poor extension services in many LDCs
- Consumption in dev. countries are stratified, also has wealthy groups of high consumers
- Organic farming: the transport issue reduces scope? Wider beneficial effects significant compared to conventional agric.

# Agriculture

- African agric. already low carbon/energy, policy challenge lies in the North
- Agriculture not consuming enough energy
- Night-soil as an option (Himalayas) – and Indigen. Knowledges more generally (if/where relevant)/the social side of farming. But effects of climate change on currency of knowledge?
- Large-scale commercial vs small-scale/subsistence – orient support towards the latter
- Focussing not just on market crops but also food security crops. Spreading risks...
- Should agric. necessarily be exposed to global competition paradigm (specialization)? An exception to agriculture within WTO?
- Food and energy has to be cheap. Requires large-scale production
- The biofuels issue – removes food production area
- WB report: getting farmers out of poverty through diversification/alternative incomes
- Governance: decentralisation can help expand strategies for coping and lup

# Forestry

## What are the options for combining low carbon development and poverty reduction in Low Income Countries in the agriculture sector?

- REDD mechanisms are no technical fix. Schemes require analysis of drivers for deforestation – and these are nationally individual. Analytical frameworks exist
- Need for testing out REDD on the ground to generate experience with actual issues and dilemmas on the ground. Do we need to have everything in place before we move forward?
- Danger on topdown methodologies under REDD, need for local ownership
- Local rights, tenure etc must not be overlooked in REDD. Ensuring rights requires institutions to implement/safeguard
- The role of the state – has been out of the equation but can/should gain greater significance. Dangerous to overlook the state/overemphasize privatization
- Agroforestry as significant option. Improves soil qualities – has adaptation and mitigation effects
- Fund local agricultural research
- Agroforestry has been constrained by being in an institutional vacuum – lack of institutional/policy framework for support – eg making explicit/supporting the non-market values

# Forestry

- **Need to move to implementation now – much has been written, approaches exist and established**
- **Options range from technical to market/governance policy levels**
- **Regional differences – eg agroforestry**
- **Bolivia advocating for the national accounting system**
- **Where strong local institutions exist, options are best, as for taxation schemes - regional differences within eg Bolivia significant**
- **Caution with overemphasis on controlling/measuring everything under REDD – trust is significant**
- **Problem of assumption that the poor are always in deforestation – this depends partly on who does the analysis – so involve communities in this**
- **Adding value to biomass, eg firewood and charcoal in Mocambique/SSA (not monetized)**

# Agriculture and Forestry

## What could be done by different actors?

- State/local government can play role through taxes and subsidies to address externalities (eg timber in Ghana)
- But requires caution as subsidies can be used contrary to local needs
- Donors can demonstrate practical options – moving to action on the ground (eg Mocambique PRSP-Programme: demonstrate that poverty reduction through biomass possible)
- Local communities as key players on the ground – need involvement and benefits from this
- Donors and CSOs: role of documenting the sensitive issues (and institutional memory!)
- Extension today: need for reassessing/taking up who and how does this – Gvt extension malfunctioning, so CSOs instead?
- Issue: bilateral assistance gvt to gvt, but solutions also require local work
- Nicaragua: local people may have the knowledge, but there are no direct incentives/payments. And CSOs not always the right extension agents
- Private sector as advisors also has limits (lack of horizontal)
- WB emphasis on SMEs – require knowledge, farmers pay for info service. Could this overcome gvts holding knowledge central?

## **Additional comments from final discussion:**

- **Financing for low carbon projects exists to some extent, but developing countries need capacity development in preparation and planning of projects**
- **Reflection is needed on whether the current development and aid architecture is able to address a pro-poor low carbon development process. Is a radical reorientation needed or do we just need to get better at doing what we are already doing under the label of sustainable development?**
- **Initiatives are already underway in some locations from which we can learn (eg the mitigation strategies under development and implementation in some large cities – Bangkok and Durban etc)**