## **POLICY BRIEF #17**



## **Policy Brief on Energy in Situations of Displacement**

UNHCR, International Organization for Migration (IOM) - The UN Migration Agency, United Nations Institute for Training and Research (UNITAR), UNEP-DTU, GIZ, UN Foundation, Practical Action, Global Alliance for Clean Cookstoves and the Moving Energy Initiative

#### **KEY MESSAGES**

#### Issues and status of energy access among displaced people and progress towards SDG 7

- The UN estimates that in 2018, over 135 million people around the world will need humanitarian assistance. For many of these people, access to energy will be critical for survival, and how they access it will impact their health, livelihoods, safety, and well-being. Of the displaced people who are living in camp settings, the majority are without energy access, and rely on wood-based fuels for cooking.
- Lack of access to safe and sustainable energy exposes millions of displaced women and girls to heightened risks of
  sexual and gender based violence. Insufficient provision of fuel forces women and children to travel long distances to
  collect firewood, increasing the risks of rape, sexual and physical assault, and conflict. Adequate lighting can improve
  safe access to other services, including markets, communal latrines, or the routes between home and any public place.
- Access to safe, reliable, and clean energy solutions can be challenging to achieve during humanitarian crises. With a
  shortage of funding for energy programming, as well as limited policies and practice on energy provision within the
  humanitarian sector, current energy practices are often inefficient, polluting, unsafe for the users, and harmful to the
  surrounding environment.
- Displaced people are unlikely to be included in government plans to scale up energy access. Often, they live in isolated
  areas or informal settlements alongside others who are also marginalised. Displaced people are also usually not part
  of country development plans, though they can be particularly affected. Even if displaced people return to their home
  areas, they often remain in fragile post-conflict/disaster situations with limited energy services.
- At present, humanitarian operations particularly vital logistics and power for clinics, schools, water and offices are
  highly dependent on diesel generators, with high annual fuel costs, and additional delivery costs. Opportunities for cost
  savings are available through energy efficiency and renewable energy.

#### A Global Plan of Action and identified priorities

- In January 2018, key UN agencies, NGOs, civil society groups, and representatives from member states and the private sector started a process to develop A Global Plan of Action for Sustainable Energy Solutions in Situations of Displacement with the vision that "every person affected by conflict or natural disaster has access to affordable, reliable, sustainable and modern energy services by 2030."
- To support this vision, reduce carbon emissions, and free up scarce resources, a second aim for the plan is: "Energy efficiency is prioritised in the humanitarian system, and humanitarian organisations substantially increase their use and programme implementation of renewable energy." Only by mainstreaming renewable energy access in both emergency and protracted phases will sexual and gender based violence, environmental impacts, and cost efficiency issues be appropriately addressed.
- To achieve this vision, the partners highlighted key challenges and identified preliminary steps to improve energy access for displaced people in the following five priority areas:

- 1. Coordination and Planning
- 2. Policy and Advocacy
- 3. Innovative Finance
- 4. Technical Expertise and Capacity Building
- 5. Data, Evidence, Monitoring and Evaluation
- The steering group, consisting of UNHCR, IOM, UNITAR, and other key partner, is guiding the development of the Global Plan of Action, which will be launched at the High-Level Political Forum 2018 in New York.

#### DISPLACED PEOPLE AND THE SUSTAINABLE DEVELOPMENT GOALS

Energy is often referred to as an 'enabler' – an essential ingredient in daily life. Without access to energy, we cannot cook, keep ourselves warm, work or study after dark, or conduct most income-generating activities. This applies as much to displaced people as to anyone else. Currently, over 135 million people need humanitarian assistance (UN OCHA, 2018). This includes refugees, internally displaced people (IDPs), returnees to areas rebuilding after conflict or disaster, and returnees settling outside their areas of origin. An average of 26.4 million people per year have been displaced from their homes by disasters since 2008 (IDMC, 2017), a trend likely to continue as climate change increases the likelihood and frequency of natural disasters.

While achieving the Sustainable Development Goal 7 (SDG 7) relies on national policies, plans and programmes, and will be led by countries for their citizens, displaced people are unlikely to be part of these plans. Often, they live in isolated areas or informal settlements alongside communities that are sometimes also left behind in development planning and are less likely to be a priority. To deliver on the SDG 7 principle of 'leave no one behind', humanitarian agencies, NGOs and host governments must extend energy access to displaced people. At the same time, development agencies, donors, investors, and the private sector can partner with humanitarian organisations. Doing so will help achieve many other SDGs, as there are co-benefits of switching to clean and sustainable energy; studies show that two-thirds of the SDGs depend on access to clean and affordable energy.

## **Status of Energy Access for Displaced People**

In situations where large numbers of people are moving within or across borders to escape dangerous circumstances and persecution, access to energy is a priority for basic survival. Cookstoves and safe and accessible fuel are needed to be able to eat, ensure optimal health and reduce exposure to protection risks while gathering fuel (WFP, 2012). Heating is needed to keep warm. Light is needed to address protection and safety, and power is needed to charge mobile phones that enable communications and allow for contact with lost family members. Simply put, energy access impacts food security, nutrition, health, protection, shelter, telecommunications, and other key sectors highlighted in the humanitarian system.

Despite this, the majority of displaced people do not have access to safe, reliable, and clean energy. For example, of the refugees who are living in camp settings, around 90% are without electricity access and 80% rely on solid fuels such as firewood and charcoal for cooking (Lahn and Grafham, 2015). Current energy practices are often inefficient, polluting, unsafe for the users, and harmful to the surrounding environment. Moreover,

humanitarian operations rely on fossil fuels (mostly diesel) to enable efficient and rapid delivery of essential services to the communities in need and for powering premises in remote locations.

Energy access for displaced people is not yet recognised as a formal priority in the humanitarian system. Consequently, funding shortages (including for both initial investments and multi-year solutions), inadequate policies, and a lack of capacity hampers the humanitarian community from providing clean and sustainable energy in situations of displacement (Bellanca, 2014). In recent years, however, the community of actors engaged in the nexus of energy and humanitarian assistance has grown and cohered. The advent of SDG 7, combined with record levels of global displacement (UNHCR, 2017), presents an opportunity for this community to expand and improve energy programming in humanitarian settings. At this stage, high-level commitments from governments, UN agencies and NGOs, and long-term support from donors, are needed to capitalise on existing momentum and ensure that "modern and sustainable energy access for all" includes the millions of displaced people worldwide.

#### **Energy for Humanitarian Operations**

Electricity generated for humanitarian operations is primarily produced by fossil fuel powered generators (predominantly using diesel). Among the reasons are the following factors:

- site planning in emergencies based on tried and tested models and known suppliers;
- limited availability of measured, standardised data on energy demand for camp-wide operations, or on emission levels and consumption patterns;
- limited knowledge about potential interventions to reduce fuel demand and introduce sustainable clean energy practices;
- lack of funding for upfront costs of sustainable energy solutions;
- other priorities of primary concern before energy needs;
- hesitations related to building up infrastructure projects, against the temporary character of humanitarian assistance support.

Data on energy production and consumption for humanitarian assistance is often unavailable, inaccurate and/or outdated. For instance, the electricity consumption of office buildings, hospitals or water pumping stations is usually unmeasured and therefore unknown. This information is necessary to plan adequately-sized renewable energy power stations and conduct cost-benefit analyses in the transition to sustainable systems.

#### **Key Challenges**

#### **Planning and Coordination**

Good coordination is vital for delivering protection and humanitarian assistance; it results in fewer gaps and duplication. In the context of energy access in displacement settings, coordination is even more important for two reasons. First, no formal mechanism exists to coordinate energy-related interventions. Second, the issue of safe access to fuel and energy cuts across numerous sectors – health, food security, nutrition, protection, education, water and sanitation, telecommunications and more. Moreover, it involves a broad set of actors,

including humanitarian agencies, government representatives, the private sector, development professionals, technical experts, researchers, donors, investors and others.

At present, energy-related assistance in displacement settings is still largely funded and implemented by different individual agencies, with limited reference to each other or to lessons learned in previous interventions.

#### **Policies and Advocacy**

The policy and advocacy challenges in this sector can be divided into three levels: local/national; agency/implementer; and donor.

At the local/national level, challenges include: national priorities that may not include displaced populations; lack of a ministry or ministries dedicated to energy or displaced people; unclear legal status of displaced populations, including their right to work, freedom of movement, and access to services; policy/tax disincentives for the private sector; and broader political challenges.

At the agency/implementer level, challenges exist around: coordination of energy projects and funding for large scale interventions; limited expertise on energy products and services; procurement policies; lack of accountability and leadership for the sector; lack of collaboration between humanitarian and development agencies ("the humanitarian development divide"); and lack of mainstreamed rules/guidelines for incorporating energy into the humanitarian programme cycle.

At the donor level, challenges include: funding priorities that may not being aligned with the needs of the affected population; limited experience in cash programming and/or market-based approaches; limited understanding of how and where energy "fits" into the humanitarian sector; lack of donor coordination and multi-year financing; and policy coherence with the climate finance agenda.

#### Sustainable Energy Financing for Humanitarian Assistance

Energy issues have not been at the forefront of resource mobilisation for humanitarian efforts. Currently, funding for humanitarian assistance comes largely through grants, where energy is considered among other life-saving priorities. Commercial finance for energy has not played any significant role in this sector. In addition, funding for humanitarian assistance is generally short-term (maximum 1-2 years), due to donor regulations and policies, and because the length of a humanitarian crisis is often unpredictable. This short term thinking and unpredictability makes it difficult to provide safe and appropriate energy solutions in acute displacement settings, cover higher upfront costs for renewable energy, or plan power purchase agreements. For protracted situations, a lack of funding leads to the same low rate of clean or renewable energy interventions.

The Moving Energy Initiative estimates that there is currently a funding gap of US\$ 335 million to provide all refugees with basic levels of energy access for cooking and lighting (Lahn and Grafham, 2015). Moreover, in the context of camps for displaced people, electricity for camp infrastructure is mainly provided through diesel generators, instead of applying renewable energy technologies. A transition towards more sustainable financing is required, since fuel alone costs camp operators an annual estimated US\$ 100 million.

## **Technical Expertise and Institutional Capacity**

The work involved in the design, implementation, and evaluation of energy solutions is technical, complex, and tied to legal and governance frameworks. Staff with experience on both energy and humanitarian situations are needed to:

- Conduct quality assessments of energy needs and recommend context-appropriate solutions;
- Provide user training on the proper installation, use, maintenance, and benefits of specific energy products;
- Develop energy strategies that incorporate considerations for the health, safety, livelihoods, and wellbeing of crisis-affected people – especially women and children – and their surrounding environment; and;
- Identify opportunities to transform short-term solutions into long-term income generating activities,
   such as locally producing improved cook stoves or firewood alternatives.

These activities build the capacity of affected communities to cope with future disasters and encourage humanitarian actors to consider longer-term strategies.

Unfortunately, there is a severe shortage of technical expertise and programmatic knowledge in the humanitarian-energy nexus. This is exacerbated by high staff turnover and the overall lack of resources and priority allocated to energy in humanitarian budgets and response plans. Energy roles are often assigned to staff members who have extremely limited time to provide attention to this issue. Insufficient funds are available to hire external experts, as energy programming is often extra-budgetary. Standardised trainings, resources, and tools for humanitarian energy programming are rare and widely dispersed.

#### Data, Evidence, Monitoring and Evaluation

In general, readily available data, specific evidence and in-depth analysis on energy access for displaced people is extremely limited. Few detailed studies exist on the impacts of existing energy programmes in displaced settings, including data from monitoring and the knowledge emerging from those programmes. Few studies compare cross-cutting issues or regional evidence. Practitioners, field staff or researchers do not often share data and/or receive inadequate training on existing evidence and tools. There is a lack of standardised or published information: where data is available, for example from pilots and start-up projects, it is not consistent or available openly. Each pilot often has its own set of indicators and reporting structures, making it difficult to compare evidence across programmes. Insufficient learning from existing programmes, as information is often not published or made available to other practitioners, results in duplicative projects with poor results.

# How to fill the gap and achieve sustainable energy access for displaced people Improved Planning and Coordination

Establishing formal planning and coordination mechanisms for energy in displacement settings should be considered, with the aim to directly engage key decision makers and programme staff at all levels. Crucially, displaced people and host communities must be included in the design and implementation of energy

programmes to ensure that their needs and priorities are reflected. Some informal coordination mechanisms, including the Safe Access to Fuel and Energy (SAFE) Humanitarian Working Group, currently exist at the global and national level and could be incorporated into this process.

### Policy Changes and Increased Advocacy

At an international, multilateral level, policy makers should recognise the need for energy for displaced people, and include the provision of safe and sustainable energy to displaced populations in global policy agendas. At the agency level, organisations of all types engaged in humanitarian assistance need to incorporate energy considerations and best practices into core programming. At the national level, host countries can examine where sustainable energy solutions can contribute to national and local sustainable development objectives – facilitating relevant aid and investment – and consider how to incorporate displaced people as empowered and productive members of society.

#### **New Financing Mechanisms**

In the short term, funding for energy programming needs to be incorporated into budgets for humanitarian assistance. Given the cross-cutting nature of energy access, funding for energy activities could be incorporated into existing budgets for health, food security, protection, and other areas. In the long term, there is a need to bolster finance for sustainable infrastructure and renewable energy investments, as well as support humanitarian agencies to incorporate energy programming into their budgets, address energy needs in displacement settings, and shift to more environmentally sustainable modes of delivery. To match the growing needs and achieve progress on a larger scale, new financing mechanisms need to be explored, such as CAPEX free business models, crowd investments, a shift from grant funding to impact investment or corporate engagement, peer to peer transitions, and blockchain backed applications.

## **Building Institutional Capacity for Better Energy Response**

Trainings and technical expertise must be incorporated into sustainable energy solutions and targeted, audience appropriate capacity building techniques should be made available institutionally, from top level policy makers to end-users. The skills and capacities of displaced people and host communities should be utilised, to ensure that they have an active role in future energy interventions, with appropriate technical knowledge to enable delivery, and to create jobs and livelihood opportunities for both displaced and host communities. Where possible, cleaner or renewable technologies should be introduced together with proven energy technologies that communities know and can maintain.

## Improved Data, Evidence, Monitoring and Evaluation

Coordinated effort around data for energy needs and interventions must be high-quality, accurate and relevant for users. Relevant data should be automatically collected utilising already-existing mechanisms when possible, and integrated into humanitarian responses. Data should be digitally shared openly between stakeholders. Where possible, data should be harmonised and standardised to enable comparison and to facilitate effective monitoring and evaluation.

#### **Interlinkages with other Sustainable Development Goals**

Studies show that two-thirds of the SDGs depend on access to clean and affordable energy.

#### **Environment**

Improving energy response for displaced people has a direct link to the environment. With access to renewable, reliable energy sources, harmful environmental practices such as deforestation from firewood collection and CO2 emissions from diesel generators can be mitigated. Energy assessments and environmental assessment should be carried out in parallel.

#### **Economic Development**

Having access to sustainable energy enables livelihood opportunities. For example, micro-businesses like barbers and tailors can operate machinery, and use increased hours of light to for income generating activities.

#### **Gender Equality**

Energy poverty has a direct effect on women's and girls' quality of life as they are traditionally the family members spending time collecting firewood over long distances in often remote locations, which exposes them to risks of sexual and gender based violence, including rape and sexual assault. The lack of fuel for cooking and other household needs can also increase tensions, the risks of intimate partner violence, and conflict with surrounding communities.

#### Education

Reducing the burden of firewood collection on children and young people can improve school attendance and retention, increasing access to education.

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