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**Testimony of Paul O'Brien, Vice President for Policy and Campaigns, Oxfam America, to
House Energy and Commerce Committee, Subcommittee on Energy and Power**

“Benefits of and Challenges to Energy Access in the 21st Century”

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Rayburn Office Building, Room 2123

Mr. Chairman, I want to thank you and Ranking Member Rush for this hearing on the challenges of energy access, especially for the world's poor. I appreciate the opportunity to testify before this subcommittee. This is an important moment for United States leadership in addressing our global energy future in ways that sustain and advance development goals.

Oxfam America is an international relief and development agency committed to developing lasting solutions to poverty, hunger, and social injustice. We are part of a confederation of 17 Oxfam affiliates working in more than 90 countries. Through policy engagement and advocacy, we aim to tackle the root causes of hunger and poverty, and to help people claim their rights.

Energy poverty is a major development challenge for the world's poor. Nearly 600 million people in sub-Saharan Africa live without consistent and predictable access to electricity.ⁱ

Electricity is the key to business growth and economic development—it is what turns the lights on at night for children doing their schoolwork. When it powers a water pump, it can change or save a woman’s life. It keeps drugs safely refrigerated and health clinics operating throughout the developing world.

No one really debates that energy poverty is a critical problem. But Oxfam also believes that solutions to energy poverty should foster long term opportunities and not exacerbate climate change. Global temperature rise—driven in large part through ongoing exploitation of fossil fuels—increasingly threatens the very communities who most need economic development. We believe that sound public policy can and should guide us in the direction of a cleaner energy future—one that does not intensify the challenges faced by the most vulnerable among us.

In my testimony today, I will focus my remarks on the impacts that climate change has on the poor, particularly the millions of smallholder farmers around the world with whom Oxfam works. I will close with some recommendations on how to extend first-time energy access to poor communities around the world.

1. The impacts of climate change hit the poor first and worst.

The evidence is in: growing greenhouse gas emissions from burning fossil fuels contribute to climate change and devastate vulnerable communities around the world.

In country after country, Oxfam is witnessing what is happening to communities as a result of climate change. Throughout Africa, Latin America, and East Asia, our staff and partners are already responding to the serious impacts of climate change, from increasingly severe weather events to water scarcity. We are working with farmers in Senegal, Mali, Ethiopia, and Nigeria to invest in more resilient farming practices to cope with increasingly unpredictable weather trends. We are helping farmers limit their risks with integrated risk management tools, including improved resource management and index-based insurance. We have worked with victims of flooding in Pakistan and Bangladesh. We have helped communities recover from severe storms in the Gulf Coast of the United States, Haiti, and the Philippines. All around the world, in farms and in cities, we have seen homes leveled, businesses destroyed, and livelihoods ruined.

So, in short, we agree with World Bank President Jim Yong Kim who said “If we don’t confront climate change, we won’t end poverty.”ⁱⁱ

People living in developing countries are 20 times more likely to be affected by climate-related disasters—such as floods, droughts, and hurricanes—compared to those living in the industrialized world. In the 1990s alone, nearly two billion people in developing countries were affected by climate-related disasters.

The carbon footprint of the world’s one billion poorest people represents just three percent of the global total. Yet as climate change advances and poor communities are hardest hit we have a responsibility to increase their access to energy in ways that avoid harm and help them adapt.

2. Climate change will increase food insecurity and hunger

As high temperature thresholds are crossed, and weather related disasters increase, crop yields are reduced and agricultural productivity declines. The lifeline of the world's poorest countries, where communities depend on agriculture for their very existence, is being frayed.

Farmers everywhere are seeing crops wiped out because of increasingly extreme and unpredictable weather. This drives dangerous food price spikes, which are already pushing the vulnerable deeper into poverty. We all feel the impacts as prices spike, but the poorest people who are least responsible for climate change are hit hardest because they often spend up to 75 percent of their income on food.

The price of staple foods such as corn, already near all-time highs, could more than double in the next 20 years. Even under a conservative scenario a US drought in 2030 could raise the price of maize by 140 per cent on top of projected long-run price rises.

Current levels of agriculture productivity will decline as extreme weather events increase, dry seasons become longer and hotter, and rainfall patterns become increasingly erratic, affecting rain-fed agriculture production. Projected impacts of climate change on crop yields, which in the tropics and subtropics could fall 10-20% by 2050, could leave an additional 25 million children undernourished by 2050 in developing countries. The long-term decline in productivity will be punctuated by catastrophic crop losses caused by extreme weather events.

3. Climate disasters threaten to overwhelm our global humanitarian system

In the next 40 years, climate-related disasters are projected to displace between 150 million and one billion people. Two billion people live in regions expected to become severely water stressed. At a time when it is getting harder and harder to raise humanitarian funding and global support—look at what is going on in Syria, the Central African Republic, South Sudan and the Philippines—climate change is increasing the likelihood of disasters and health crises.

These are just the direct impacts. Migration and refugee crises, increasing inequality and vulnerability to disasters, will only incite further instability and popular unrest as governments struggle to meet the needs of their people. The United States may be forced to address these significant threats to international stability and national security.

These are some of the reasons why we are calling for the United States to take preventive action to achieve a dramatic and immediate reduction in the greenhouse gas emissions that cause climate change.

4. The United States government has a role to play in promoting responsible energy development

The real question before this committee is *not* whether countries should have access to their own fossil fuel wealth to generate power, whether it is oil, gas or coal. Oxfam has worked for

more than a decade in countries around the world to help citizens hold their governments accountable and ensure that revenues from natural resource extraction, including fossil fuels, are spent on providing essential public services and flow to poverty reduction. Nor is the question whether people in developing countries have a right to increase their carbon footprint in order to develop. The real question for this committee is whether the United States should be incentivizing developing countries to meet their energy needs through fossil fuel extraction.

Through its development and investment policies, the United States will determine whether our efforts to address energy poverty will position us as a laggard or leader in supporting pro-poor renewable energy technologies. As a global innovator, we believe the United States government should find the win-win in this equation.

Today, the House Foreign Affairs Committee is marking up the Electrify Africa Act, an important piece of legislation which, like President Obama's Power Africa Initiative, aims to address energy poverty in Africa. With many of our NGO colleagues, Oxfam believes that this legislation should reflect key principles of responsible energy development, including:

Prioritize not just energy production but quality “access:” “Energy access” should focus on households and services such as healthcare and education in poor, rural, and marginalized communities, where access is limited. While strengthening the stability and reliability of electricity supply for industrial development connected to the centralized power grid is also important for economic growth, we should be clear that addressing energy poverty requires a tailored strategy.

Prioritize renewable energy development: In expanding energy access, legislation should prioritize clean, renewable energy sources, including off-grid and mini-grid solutions. There are several reasons this prioritization makes sense:

First, exploitation of fossil fuels carries with it long-term costs—for the climate, for human health, and often for the ecosystems, natural resources and communities from which they must be extracted. Unfortunately, these costs typically aren't recorded in the ledgers of the corporations that profit from fossil fuel development, but instead are borne by all of us.

Second, those who live without access to energy live in remote, rural communities that aren't reached by the conventional electricity grid. The International Energy Agency (IEA) has indicated that conventional grid extension is viable for urban areas and only about 30% of rural areas, leaving 70% of rural areas in need of mini-grid or off-grid solutions.ⁱⁱⁱ Renewable energy is better suited for such decentralized power needs, and in fact, in the scenario developed by the IEA for universal access to energy, 65% of that energy comes from renewable sources. In my own experience in rural Afghanistan, I saw micro hydro dams and solar initiatives appear all over the country. I saw small businesses starting and girls doing their homework at night under light-bulbs that would not have been there if we had opted for centralized power schemes.

We recognize the important role played by the Overseas Private Investment Corporation, which, thanks to their greenhouse gas reduction policy, has advanced a portfolio devoted to renewable resources that has grown dramatically in recent years, making it a development investment leader in renewable energy projects that increase energy access.

Additionally, renewable energy capital costs have plummeted in recent years and are expected to drop still further. According to a 2013 market research paper by Deutsche Bank, in South Africa solar energy for residential use is already capable of being deployed more cheaply than the current price of electricity from the grid.

Our third principal for responsible energy development is about the importance of responsible governance institutions: The promotion of energy access should also support inclusive, transparent, and accountable processes for planning, implementation, and management. Investments should ensure compliance with international best practice fiduciary standards and social and environmental safeguards, and in cases of potentially significant environmental and social impacts, communities must have the right to free, prior and informed consent to projects.

While renewable energy technologies present many advantages over fossil fuel development, we recognize that a mix of energy sources will be needed to fully address energy poverty around the world. When natural gas investment is part of the solution, its development needs to be under the same best practice economic, environmental, and social safeguard assessments to ensure clear public interest that benefits the poor.

Oxfam does not believe that we should try to solve climate change on the backs of the poor.

We must support affordable, available clean energy technologies that benefit communities today and in the future. That is why we want more investment, innovation and leadership focused on

21st century solutions to our energy and climate challenges. We urge Congress to use its authority towards that end.

I thank the committee for the opportunity to share Oxfam's views and I am happy to answer questions you may have.

ⁱ IEA 2011. Energy for All: Financing Access for the Poor. P 10.

http://www.iea.org/media/weowebiste/energydevelopment/weo2011_energy_for_all.pdf

ⁱⁱ World Bank Group President Jin Yong Kim, July 13, 2013. "Ending Poverty Includes Tackling Climate Change."

<http://www.worldbank.org/en/news/opinion/2013/07/10/op-ed-ending-poverty-includes-tackling-climate-change>

ⁱⁱⁱ IEA 2011. Energy for All: Financing Access for the Poor. P 21.

http://www.worldenergyoutlook.org/media/weowebiste/energydevelopment/weo2011_energy_for_all.pdf