



USAID
FROM THE AMERICAN PEOPLE

ENERGY UPDATE

ISSUE 1

JAN 2004

Powering Economic and Social Development through Expanded Access to Modern Energy Services

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Energy Update is published bimonthly by the Energy Team, Office of Infrastructure and Engineering, Bureau for Economic Growth, Agriculture and Trade.

Energy Team Mission Statement:

Powering economic and social development through expanded access to modern energy services.

“We power development!”

Gordon W. Weynand, Energy Team Leader,
USAID/EGAT/I&E.

To learn more about USAID's energy work, visit us at
http://www.usaid.gov/our_work/economic_growth_and_trade/energy/

COMING NEXT ISSUE

Please submit articles for the December-January issue of Energy Update. The focus of the next issue will be **"The South Asia Regional Initiative for Energy (SARI/E) - Past and Future: The strategic importance of energy security in South Asia."** Stories on other topics are also welcome for the feature section, and project updates are requested for Notes from the Field.

Initial submissions must be 500 words or less in length and should include contact information. The deadline for submission of articles is **January 20, 2006**. Please e-mail your articles to the Editor Davida Wood (dwood@usaid.gov).

Articles are accepted for publication from employees of USAID, associated organizations, contractors, and other partners in development.

LETTER FROM THE GUEST EDITOR

The last issue of Energy Update discussed the critical link between energy sector reform and improved energy access. Central to this discussion was the issue of whether the appropriate regulatory framework could play a role in providing the needed incentives to attract private sector investment to historically unattractive and neglected peri-urban and rural areas. This edition of Energy Update continues to explore the issue of energy access through the lens of public-private partnerships. USAID has placed a significant emphasis on public-private partnerships as a way to both leverage limited public sector funds and to attract the private sector into emerging markets and new sectors. In particular, this issue of Energy Update focuses on USAID's signature public-private partnership in the energy sector - the Global Village Energy Partnership (GVEP), and provides some concrete examples of the successes and future direction of GVEP.

The Global Village Energy Partnership is a 10-year, implementation-based partnership, which seeks to increase access to modern energy services in a manner that enhances economic and social development and reduces poverty. GVEP was one of over 209 partnerships for sustainable development launched at the World Summit for Sustainable Development (WSSD) held in Johannesburg, South Africa, in 2002. These partnerships -- voluntary, collaborative initiatives aimed at implementing sustainable development -- vary widely in size, scope, and funding. For all of their differences, however, these partnerships are nearly universal in their focus on achieving results and meeting goals. GVEP's goals are quite ambitious -- over 50,000 communities and 400 million people with increased access to modern energy services by 2014.

How does GVEP plan to meet these ambitious goals? Its first step was to assemble a diverse set of both traditional and non-traditional energy partners. Since WSSD, GVEP has attracted over 800 partners of which 42% are NGOs, 30% are private sector entities, 10% are developed and developing country governments, 8% are consultants, and 3% are multilateral organizations. Interestingly, less than 50% of these partners consider "energy" as their primary line of business. The remainder of the partners represent the cross-sectoral interests of agriculture, rural development, finance, health, education, etc. -- indicating GVEP's cross-sectoral philosophy of energy development.

GVEP's hallmark intervention has been working with countries to develop national action plans for increasing access to modern energy services. These frameworks are based on the GVEP principles of cross-sectoral energy development targeted at economic growth and poverty alleviation. Abeeku Brew-Hammond, manager of the GVEP technical secretariat, discusses GVEP's success in assisting Senegal in the redesign of an existing rural electrification strategy to better meet their cross-sectoral development objectives. To date, national action plans have been developed, or are in process, in approximately 20 GVEP target countries, including Bolivia, Dominican Republic, Brazil, Mexico, Guatemala, Honduras, Burkina Faso, Cameroon, Ghana, Kenya, Mali, South Africa, Tanzania, Senegal, Uganda, Zambia, Philippines, and Sri Lanka.

In order to realize its targets, however, GVEP must now facilitate the important transition from planning to implementation of these national action plans. The article from Alexandre Mancuso (USAID/Brazil) highlights Brazil's success in implementing their GVEP national action plan. In Brazil, the national action plan was completed in March 2005 and has been integrated into the Government of Brazil's "Light for All" program, which has already brought energy services to 1.5 million Brazilians and created an estimated 115,000 jobs. Brazil is not alone in this regard, and several countries, including Mexico and Guatemala, are beginning to implement rural electrification programs based on these national action plans. GVEP's continued progress will hinge on its ability to replicate this success, and begin implementation of other national action plans. GVEP must also continue to expand its scope to target urban populations lacking energy services. We refer you to the April-May issue of Energy Update which discuss USAID's activities that support expanding urban energy services in line with the objectives of GVEP.

Recently, GVEP held its first Partners' Assembly in Brasilia, Brazil. The Assembly was attended by over 170 participants from 50 countries and was marked by lively discussions on topics that will be critical in determining the future direction and success for GVEP. Topics of debate included how to best design a reporting framework for capturing GVEP results, how to improve GVEP's communication strategy so these results can be disseminated, and how to better engage non-donor GVEP partners including the private sector.

The Assembly was also marked by several side events, including a media training workshop that was sponsored by USAID, detailed in the article by Francine Steininger from the Institute for International Education (IIE), and a half day workshop on GVEP's work with microfinance institutions as highlighted in an article by Judy Siegel (President, Energy and Security Group). The GVEP Action Program Fund (GAPfund) was also launched at the Assembly. The GAPfund is intended to support projects that contribute to the implementation of national action plans and is discussed in an article from the fund manager, Winrock International.

GVEP is one of three key components of the Presidential Clean Energy Initiative (CEI). As the designated lead USG agency for GVEP, USAID has a long history of engagement and leadership on the GVEP Board and a successful track record of implementing and reporting on GVEP related programs. USAID's contributions to GVEP are recorded on a semi-annual basis through the Presidential Initiative Report (PIR) system (previously called OPIN). The Clean Energy Initiative PIR results have proven to be a powerful tool for telling USAID's story to other USG agencies and to the international community. In particular, USAID's Clean Energy Initiative results will provide a solid underpinning for the USG's message at the United Nations sponsored Commission for Sustainable Development (CSD), which will focus in 2006 and 2007 on the themes of energy and climate change. The USG's message at CSD is that access to energy is critical to economic growth and poverty reduction, and that improving energy sector governance is important to increasing energy access. The Clean Energy Initiative PIR results demonstrate USAID's commitment to addressing these issues and highlight effective, field-tested programs to achieve concrete results through partnerships such as GVEP.

Jeffrey Haeni

Guest Editor, Energy Update

Energy Team

Office of Infrastructure and Engineering

The Global Village Energy Partnership



Harnessing Energy for People, Productivity, and Poverty Reduction

Goal

Increase access to modern energy services around the world

Desired outcomes

- 400 million people and 50,000 new communities served
- Significant number of countries with energy-poverty reduction programs
- Cadre of trained entrepreneurs
- Increases in productivity, incomes, environmental conservation, quality of life
- Implementation vehicle for Millennium Development Goals
- Large-scale replication of innovative, business, technical and financial energy models

Objectives

- Catalyze country commitments to energy-poverty reduction in rural, peri-urban and urban areas
- Bridge the gap between investors, suppliers & users to mitigate barriers to energy access
- Facilitate policy and regulatory frameworks for scale-up to engage private sector & civil society
- Serve as a marketplace for lessons learned and best practices
- Create and maintain effective coordination mechanisms among stakeholders
- Provide access to cleaner, more affordable energy sources for productive, social and consumptive uses including lighting, cooking and heating services

Partners

- Over 800 donor governments, developing countries, international organizations, industry, and members of civil society

Partners commit to

- Increase energy access and reduce poverty
- 10-year "implementation-based and demand-driven" program
- Advance market principles: energy sector reform, diversity of energy providers and funders
- Consider multiple technologies, sectors & delivery approaches
- Focus on the poor
- Coordinate with related activities (national, local, regional) & partnerships
- Report on results

For more information on the Global Village Energy Partnership, visit www.gvep.org

Special Report: Global Village Energy Partnership (GVEP): Increasing Access to Modern Energy Services

USAID has placed a significant emphasis on public-private partnerships as a way to both leverage limited public sector funds and to attract the private sector into emerging energy markets. This special report provides some concrete examples of the successes and future direction of USAID's signature public-private partnership in the energy sector - the Global Village Energy Partnership (GVEP).

Brazil: Luz Para Todos - Light for All

In Brazil, almost 97% of the population has access to electricity services. This leaves the other 3%, 12 to 15 million people, lacking reliable electricity service. Among the 97% with access are numerous communities that receive barely 4-6 hours of electricity per week because they cannot afford more fuel for the diesel-fired generators that provide electricity. Most of this unserved and underserved population lives in Brazil's north and northeast regions and in isolated areas with low human development index rates.

To meet this access challenge, the Government of Brazil (GoB) passed legislation in 2002 stipulating that 2015 would be the deadline to have all Brazilians connected to electricity services. In 2003, the GoB launched Luz Para Todos - the Light for All Program (LpT), which pushed this deadline forward to 2008. The LpT program determined that electrical access should be provided without initial cost to consumers and set up cost subsidy mechanisms to finance the program, with cost recovery processes to be phased in over time.

In its first year, 2004, the program resulted in 100,000 new electrical connections – a figure much below the expectations of the GoB. Light for All faced a problem that stunted its growth.

Private companies run 93% of Brazil's electricity distribution market and were only interested in connecting those areas where the traditional grid extension solution could be applied, and only connecting those new customers who were involved in productive activities that enabled them to pay the electricity bill. This resulted in lower rates of electrical connections than were expected. Most of those unconnected or underserved were among Brazil's poorest citizens who could not afford to pay their electricity bills.

Light for All was Brazil's response to the universal access challenge and the GoB sought ways to increase the rate of electrical connections and to convert new electricity users into viable users -- customers who could afford to pay their electric utility bills.

This required adding a social and economic development component to the Light for All program, to transform a universal access program into a universal development program.

USAID and UNDP presented the GVEP initiative to the GoB's Ministry of Mines and Energy (MME), as a means of integrating the goal of universal access with the social and economic transformation needed to facilitate access. USAID provided technical assistance to the GoB to prepare an action plan.

The formulation of the GVEP/Brazil Action Plan was divided into two phases: The first involved the design of the plan itself, and the second a field test. The first phase was completed by the end of 2004 and incorporated into the overall Light for All program plans.

The GVEP/Brazil Action Plan then became the LpT Integrated Action Plan, which aimed to:

- (i) provide other development activities like health, education and credit alongside electricity; (ii) propose and implement productive uses for energy, making new customers viable consumers; (iii) foster and support partnerships between the community, the utility companies, the private sector, and local and national governments; (iv) promote ownership of electrical service so that new customers become active players in the integration process; and (v) increase the interest of financial institutions other than the GoB.

The field test phase of the GVEP Action Plan was initiated in mid 2005 with the training of 254 LpT agents all over Brazil. These agents will act as disseminators of GVEP principles, and apply these principles in the field while preparing new communities to receive electricity services.

USAID is also partnering with UNDP and the GoB to implement six demonstration projects to prove the effectiveness of the Action Plan in the field. Two have already been inaugurated and have demonstrated the social and economic transformation process that can take place once access to electricity is provided.

LpT is showing stronger results in its second year of implementation. Now 1.5 million people have new access to electricity services and an estimated 115,000 jobs have been created. Yet, this number is still well below LpT's plans and the goal of providing universal service provision by 2008 is still a long way off. The 1.5 million customers do demonstrate that the GVEP principles are facilitating LpT implementation and improving the services received. In its second year, LpT also introduced community consultations to determine the priority of energy needs to be addressed. LpT will commit over R\$ 3.8 billion Brazilian Real (approximately US\$1.6 billion) to bring energy services to 12 million people by 2008-2010 to stimulate economic growth and reduce poverty.

The road ahead brings new challenges, such as the necessity to review regulations and develop new models to attend those communities where traditional grid extension is not technically nor economically viable, the promotion of renewable energy based distributed generation vis-à-vis fossil fuels, and the revision of LpT intermediate goals, all while keeping the commitment to the 2008 deadline. Brazil is committed to GVEP and this commitment is producing good results: an MME senior staffer was elected to the GVEP Board, and agreements were set during the GVEP Assembly in October 2005 to "export" the LpT approach to Cameroon and Mozambique.

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Select Alumni of USAID Journalists Workshops take GVEP Message Home

Energy Journalists Participate in GVEP Partners' Assembly and Media Workshop

GVEP's objective, to bring together developing and industrialized country governments, public and private organizations, multilateral institutions, consumers and others in an effort to ensure access to modern energy services by the poor, is often not well understood by the wider range of affected citizens and stakeholders who could benefit from its support services.

As part of an effort to improve communications and outreach to a wider stakeholder audience, the GVEP's first Partners' Assembly included a select group of USAID-trained energy journalists from 12 countries in Asia, Africa and Latin America. The Assembly was held from October 20-21, 2005 in Brasilia, Brazil.

Of over 100 alumni from previous USAID media training events, 16 journalists (with a collective audience of over 3.1 million) were selected to take part in the Partners' Assembly and associated events. A special workshop was developed for this select group to provide a basis for understanding energy-poverty reduction, to share strategies for writing on energy and to upgrade their skills and knowledge in reporting on energy issues.

GVEP action plans, case studies, and Brazil's Luz para Todos (LpT) program were presented and discussed with an eye towards lessons learned and next steps for accelerating GVEP's goal of energy-poverty reduction.

Journalists interviewed GVEP officials, country coordinators and other members involved in GVEP activities to better understand what GVEP brings to the global community and how more people could benefit from this partnership. They learned about programs from other countries that could be effectively adapted to their own.

Journalists left the Assembly with a greater understanding of what GVEP offers to its partners and how stakeholders in their countries could access GVEP resources, information, and contacts that may be gained through collaboration with GVEP partners. They also came away with a greater understanding for energy as a means of development and the opportunities for the cross-fertilization of ideas resulting from South-South initiatives.

Through this media activity, USAID has mobilized an alumni base that is already informing their audiences of GVEP accomplishments and message. Seventeen articles have been written since the event, linked to the discussions at the Assembly.

One participant felt he would be able to write..."more about the people side of the energy issues and [he has] received valuable statistics on how energy affects their lives...." "Also, I will write stories about experiences of other countries that can be examples to my own".

A Nepalese journalist wrote a story that promotes the potential South-South learning experience between Brazil and Nepal (“Nepal Can Learn from Brazil Experience of Electrification”). A Brazilian journalist wrote about the success of Honduras working with GVEP and conducting a gap analysis to address the energy-poverty nexus “Government, Private Initiative and Third Sector formulated a plan to expand electricity where 40% lack access”).

Alumni also provided a summary of lessons learned during this week with GVEP and ideas for how GVEP could reach out more effectively to the media.

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GVEP GAPfund Launched in October 2005

The Global Village Energy Partnership (GVEP) is an international partnership established at the World Summit for Sustainable Development in South Africa in 2002.

In order to aid the activities that serve to achieve GVEP goals and objectives, a GVEP Action Programs Fund (GAPfund) has been set up through a contract of the World Bank’s Energy Sector Management Assistance Programme (ESMAP). The initial phase of the GAPfund will be for 18 months with a funding of US\$1.3 million, depending on fund availability.

Winrock International, a US-based nonprofit organization, has been selected as the GAPfund Manager. Winrock International works to help the poor and disadvantaged increase long-term productivity, equity, and responsible resource management, including through access to energy services.

The Fund is meant to assist projects that contribute to the national action plans initiated by GVEP in several countries and address the following GVEP themes:

- Capacity Development, to enhance policy frameworks, entrepreneurial development, consumer organization, and credit systems aimed at expanding the number and the capabilities of enterprises operating in rural markets and increasing access to energy services.
- Funding Facilitation, to work with a broad range of local, bilateral and multilateral financiers in expanding existing programs and financial instruments to better suit the needs of investors and energy consumers.

- Knowledge Management, to enable the sharing of information on innovative approaches, lessons learned and best practices for improved energy service delivery, while providing a forum for networking among partners.
- Results and Impact Monitoring and Evaluation, to track energy services and their impact on poverty reduction and sustainable development, while enhancing partner accountability.

The GAPfund will support a variety of projects that vary in monetary size. The majority of projects considered will be in the US \$10,000-50,000 budget range. Proposed project duration should be three to twelve months, based on the nature of the activities proposed.

Winrock International issued a formal request for proposals at the end of October, and proposals will be received until January 31, 2006. The request for proposals is posted on the GVEP website at www.gvep.org/.

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Increasing Access to Microfinance for Energy Services

Micro credit has largely evolved into a private (non-profit) sector initiative that has outperformed virtually all other forms of development lending. Experience shows that microfinance can help the poor to increase income, build viable businesses, and reduce their vulnerability to external shocks. It can also be a powerful instrument for self-empowerment by enabling the poor, especially women, to become economic agents of change.

Although there are some important examples of effective micro-credit for renewable energy projects, in general, micro-finance is an untapped market for the small-scale energy sector.

Based on past experience with energy projects and discussions with private firms, entrepreneurs, and consumer groups, it is evident that access to affordable loans (that match income flows) by consumers is a major hurdle to increasing energy services, with the poor paying a high proportion of their income (up to 12%) for inefficient, poor quality energy.

Over the past two years, USAID, in conjunction, with the Global Village Energy Partnership (GVEP), has been active in strengthening the linkages between microfinance and the provision of modern energy services for poverty reduction. These efforts began with a workshop on microfinance and consumer lending held in May 2004, in Manila, Philippines.

As a result of the momentum gained by the event, USAID and GVEP initiated a number of substantive activities on energy-micro finance, including forging strategic partnerships with prominent members of the microfinance community (e.g., Women's World Banking), creating training materials, and supporting capacity development initiatives in energy and microfinance.

Most recently, USAID and GVEP have been working with the Small Enterprise Education and Promotion Network to conduct a Practitioner Learning Program entitled "Microfinance and Consumer Lending to Improve Access to Energy Services in Eastern and Southern Africa." The training program is working in Zimbabwe, Tanzania, and Uganda to examine how microfinance institutions can better incorporate loans for energy services into their standard lending portfolios.

The Partnership has also facilitated work between the Self Employed Women's Association, an India-based micro finance institution (MFI), and the Solar Electric Light Company in India, to design lending products that increase the purchasing power of energy consumers.

USAID and GVEP are committed to continuing to bridge the gap between delivery of modern energy services for the poor and the design of financial products tailored to meet their needs and ability to pay. These services will help to increase income opportunities, alleviate poverty, and improve the lives and livelihoods of those most in need.

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Senegal Wins Award for Best GVEP Action Plan

The GVEP partnership forum provided an excellent opportunity to highlight outstanding achievements of GVEP partners through the presentation of several awards, including best GVEP partner and best GVEP national action plan. The best GVEP national action plan was awarded to Senegal based on their recent work to develop an impressive, cross-sectoral rural electrification strategy.

The Senegalese Agency for Rural Electrification (ASER) was created in 1998 with the objective of raising the rural electrification rate of 5% in 1998 to 15% by 2005, 30% by 2015 and more than 60% by 2022. Initially, Senegal developed a traditional grid extension plan to achieve these objectives. However, after taking part in the February 2003 GVEP workshop in Dakar, the Senegalese delegates chose to dramatically revise their existing rural electrification plan.

With support from the World Bank's Energy Sector Management Assistance Programme (ESMAP), Senegal amended what was then a traditional grid extension plan to include demand driven, multi-sectoral strategies incorporating productive uses of modern energy services, called PREMs (Multi Sector Energetic Projects).

More specifically, they systematically analyzed rural regions and designed energy projects best suited to each region based on local economic and social needs. In regions rich in cattle production, for example, energy projects incorporating dairy processing were emphasized, while in regions with a need for modern cooking fuels, projects for improving LPG distribution networks were developed.

To date, more than 20 PREMs have been identified. These PREMs, developed by GVEP Senegal, have focused on a wide variety of cross-sectoral applications, including health, fisheries, agriculture, and crafts.

Senegal has recently received funding of over US \$50 million from the African Development Bank (AfDB), World Bank, and KfW Bankengruppe (KfW banking group) for their national rural electrification program, of which \$4.5 million will be utilized to fund an initial round of 4 PREM projects.

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Gordon Weynand Elected to Global Village Energy Partnership (GVEP) Board of Directors

Gordon Weynand, Energy Team Leader of USAID/EGAT/I&E was recently elected to the GVEP Board of Directors. He filled one of approximately six vacated Board seats. Some of you may know that Griffin Thompson of the U.S. Department of State, and formerly of USAID, occupied one of those seats over the past two years.

Feature Article

Effects of Oil Prices on Electric Utilities in Select Countries

The rapid and large oil price rise experienced during 2004-2005 has created widespread concern about its impact on low-income countries and on poor households in many countries. The June-July issue of Energy Update focused in part on the impact of higher oil prices on low-income countries and on the poor. The following excerpts, drawn from various web sources, focus on the impact of high oil prices on electric utilities in select countries.

Guatemala

The Comisión Nacional de Energía Eléctrica (CNEE) authorized an 18% increase in electricity tariffs for clients not included in the social tariff plan for the August-October 2005 trimester. Despite abundant rains in July—which allowed the country to generate increased levels of hydropower temporarily—summer droughts, and especially the increase in the price of oil were the main causes for the tariff move. The Instituto Nacional de Electrificación (INDE) had to provide more energy generated from plants burning bunker, a fossil fuel derived from oil, whose price on international markets has been constantly rising over the past few months, thus greatly increasing costs. The decision taken by CNEE was also possible thanks to a subsidy granted by the Government through INDE. INDE announced it would provide 110 million quetzales (approximately US\$1.8 million) to prevent the tariff for consumers of up to 300kVh/month from rising. The sustainability of the social tariff system in Guatemala is difficult, and current trends in the price of fossil fuels make subsidy policy even more problematic.

In August, the Government went further, announcing that it would not be able to continue subsidizing the price of electricity at current petroleum price trends for much longer. Some 60% of the country's electric power is produced through fossil fuel combustion. The Government and INDE are pursuing a diversification toward other energy sources in the production of electricity. Carlos Colom Bickford, President of INDE, presented a Catalog of Small Hydroelectric Plants in August. The plan, presented before municipal representatives, consists of 36 small hydro projects to be built on 40 rivers all over the country. Mr. Colom said that the country only uses 11% of its hydro potential, and Esbin Guevara, President of the Electric Energy Commission of the National Association of Guatemalan Municipalities (Anam), also expressed the hope that this plan may reduce the country's dependence from oil. Oscar Berger, President of Guatemala, announced a \$10 million commitment from the Government. A minimum investment of \$550,000 is needed for each project. The generation of 1 GW can save 67,000 gallons of fuel.

Honduras

Prices of fossil fuels are severely affecting Honduras, and in particular the Empresa Nacional de Energía Eléctrica (ENEE), which is in extremely severe financial conditions. More than 70% of the country's demand for electricity is served through contracts with thermal producers. About half of the fuel entering the country is burned to produce electricity. Efforts are being made to both protect the population from the oil crisis, and at the same time save ENEE from financial collapse.

In August, the President of the National Congress Porfirio Lobo Sosa proposed a resolution aiming to eliminate the "fuel adjustment" in residential tariffs, a mechanism that allows ENEE to absorb changes in international prices of oil. ENEE currently has to pay thermal generators on the basis of contracts indexed to international prices of fuel. Recent increases have been so high that tariffs have become hardly sustainable for customers. However, the fuel adjustment is part of an agreement with the IMF, which has halted the resolution unless the government can identify another funding source to cover the price differential.

In September, a decree was approved by President Ricardo Mauro to compensate increases in the price of petroleum products. To soften the cost to consumers, an 80 Lempiras (US \$4) bonus granted to customers who consume 100kVh/month or less was raised to 135 Lempiras, and extended to customers consuming 300kVh/month or less. According to ENEE, 84% of residential customers will benefit from the measure, i.e. 640,000 households or three million Hondurans. The Ministry of Finance has approved 390 million Lempiras (US \$20.6 million) to subsidize this policy.

Many representatives in Parliament demanded that contracts between ENEE and thermal energy producers be revised, since their harsh conditions are what really cause difficulties to both ENEE and its customers. The Comisión Nacional de Energía proposed in October that ENEE raise its service tariff to partially compensate its losses due to high prices in gasoline. On October 18, the National Congress approved a \$100million bond issue to help ENEE, which is at risk of bankruptcy. Angelo Bottazzi, head of ENEE, said that this is an extreme measure, given that their debt stems from unpaid debts from public sector energy users. Meanwhile, some private thermal energy producers have expressed their willingness to revise contracts with ENEE. The government is also currently engaged in keeping retail gasoline prices constant, and has recently approved a 300 million Lempira (US \$15.8 million) subsidy in its agreement with the IMF for this purpose, although officials admit that they may not be able to sustain such price controls through the end of the year.

Chile

In October, the Comisión Nacional de Energía (CNE) delivered its report on calculations of the wholesale price of electricity that distribution companies pay to generators (about 40-50% of the price for final consumers). Clients of the Sistema Interconectado Central (SIC) will suffer an increase of about 2.3%. According to CNE, the variable that most impacted the increase was the great surge in prices of diesel.

Argentina

Increases in oil prices are usually good news for Argentina, historically a net exporter of oil. Self-sufficiency has recently worked as a barrier against surging oil prices, and at the same time it has allowed the Government to keep gasoline prices artificially low, also due to the growing taxes imposed on fuel exports. However, this situation is going to change in the medium term. Experts say that in three years Argentina will become a net oil importer. Government estimates are more optimistic, but the fact remains that reserves are running low, production is currently decreasing as it never has, and investment in exploration and new production is insufficient.

Investment in exploration and production of gas is also dramatically low, and this has made it increasingly necessary to purchase imported liquid fuel from Venezuela for many combined cycle generation plants in the country. The potential impact on marginal cost of electricity production is great, therefore the Government is currently subsidizing such purchases, and at the same time imposing price caps and restrictions to prevent impacts on consumer tariffs. The sustainability of this situation, in the absence of new production and under current trends in fuel prices, is extremely difficult. Structural changes must occur; otherwise in a few years international fuel prices may severely impact the country's power sector and the economy more generally.

Indonesia

In August, the power grid connecting the islands of Java and Bali collapsed. Origins of the problem are well known: too little generating capacity in the face of ever growing demand for electricity. Indonesia continues to struggle with electricity shortages, and has declared it wants to add 24,000 MW of installed capacity by 2013. State-owned power company PLN announced plans for a tariff increase in 2006, and also requested increased subsidies from the Ministry of Energy and Mineral Resources. The Government's subsidies to gasoline have contributed to the inability to subsidize the PLN, especially in its purchases of gas. Even if recent renegotiation of IPP contracts has helped, scarce capacity continues to be an unresolved problem. Several plants owned by PLN today only have very scarce reserves of oil fuel (BBM). PLN Director, Ali Herman Ibrahim, said this matter is relatively grave because the role of BBM-powered plants is still significant. Of a total of 97,000 gigawatt hours (gWh) generated by PLN, 18% comes from plants using BBM. The electricity generated by such plants is especially necessary at peak load. The government has encouraged PLN to only use coal or natural gas for future power plants, thus avoiding oil. Soaring global oil prices have forced PLN to announce it would cut oil use at its power plants from 30% today to a 5% by 2009.

In September, the Government of President Susilo Bambang Yudhoyono eventually announced that the price of gasoline would nearly double and that of kerosene (a common cooking fuel in the country) would triple. Officials said they had no choice, since fuel subsidies have grown to about one-third of Government spending, more than the budget for health or education. Once a net oil exporter, Indonesia now has to import oil, and surges in the price have made its position unsustainable. The situation is worsened by the country's weak currency, since worries about the budget position triggered a drop in the Rupiah in September. Protests in the country have been widespread, and the Government is considering direct payments to the poorest households, but price increases cannot be avoided given the government's budget.

Vietnam

Rising oil prices have affected electricity production costs. According to the Electricity of Vietnam (EVN), provider of 97% of power in the country, the third oil price hike pushed production costs of the company up to VND171.3B (US\$10 million) in the month of August, up 26% compared with earlier in the year. Total spending by the EVN on electricity production since late 2004 was estimated to be at VND641.2B (US\$40.6 million). EVN has to sell electricity to some groups at prices below cost (for example, farmers pay about half the production cost of electricity), and has been using turnover from other groups to compensate, including foreigners. However, in early 2005 the Ministry of Industry reduced power prices for FDI to the same levels as their Vietnamese counterparts; the aim was to attract more FDI, but this created more difficulties for EVN, which faced losses as prices of coal, oil and gas increased steadily. To overcome difficulties caused by the surging oil price while not being allowed to change electricity charges, the EVN is planning to use electric sources that have lower costs. EVN is currently building several new gas thermal steam turbines, and plans to increase water levels in hydro power plant reservoirs. Six new hydro projects will also start at the end of 2005.

This summer, EVN failed to meet demand due to a drought that drained hydro plant reserves, and the situation is likely to happen again. In September EVN officials declared that the country will face serious electricity shortages in the next five years regardless of considerable investment already made and new planned power plants being put into operation. New capacity construction is still too low, and plants under construction require new funds, yet EVN has been unable to borrow commercially because of Central Bank limits on net equity capital. Meanwhile, the situation of oil production in Vietnam is problematic. Production in existing fields is flat or slightly decreasing, and there is little increase in production at newer fields. The key problem is an absence of both capital and technology to lift production at the newer fields. Entry by foreign oil firms into the industry is exceedingly difficult, and those that are already operating there face an excessively regulated environment marked by unexpected changes and lack of coordination between key government entities. Vietnam's power supply should grow at about twice the rate of its economy in order to meet demand, i.e. at around 15%. The Government is taking action in order to address ever-increasing demand for power as the economy grows. Over 40 new plants are planned between late 2005 and 2010, and the new electricity law sets the framework for a liberalization of the power sector.

Contact: Davida Wood, USAID/EGAT/I&E/Energy, email: dwood@usaid.gov

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Oil Prices Predicted to Stay High

The Energy Department significantly increased its projection for oil prices in 20 years to about \$54 a barrel after concluding that Middle Eastern oil-producing countries are spending less than previously expected on expanding production.

That price is about \$21 higher than had been predicted in 2004 by the department's Energy Information Administration. The projections often change year by year, though officials said the gap between last year's estimates and this year's projections is unusually large. As prices have become volatile, analysts have had difficulty in accurately projecting them.

Oil prices have soared as worldwide demand has increased faster than production. The report, updated annually, said the United States and "emerging Asia -- notably, China -- are expected to lead the increase in demand for world oil supplies, keeping pressure on prices through 2030."

The Energy Department analysis is in constant 2004 dollars and includes a number of scenarios that could significantly alter prices. The "reference case" scenario, which assumes no policy changes, predicts that oil will cost about \$47 a barrel in 2014, climb to about \$54 a barrel in 2025 and \$57 a barrel in 2030.

The oil prices reflect the average price that U.S. refiners pay for premium imported crude oil. Those prices tend to be close to benchmark crude oil prices on the New York Mercantile Exchange. Prices now are slightly above \$60 a barrel on the mercantile exchange.

The forecast also calls for declines in natural gas prices, which have risen to unusually high levels during the past year. The average wellhead price -- slightly lower than prices on the New York Mercantile Exchange -- is forecast to fall to \$4.46 per thousand cubic feet in 2016 and rise to about \$5.90 per thousand cubic feet in 2030. Prices are now above \$10 per thousand cubic feet.

Higher oil prices should lead to increased demand for unconventional transportation fuels, including ethanol and biodiesel, according to the analysis. The report predicts that at those higher prices, less oil will be consumed than had been anticipated. The report expects that drivers will purchase more-fuel-efficient vehicles.

Because of changes in the supply and demand forecasts, the Energy Information Administration expects net oil imports will meet 60 percent of U.S. demand in 2025; the agency had forecast 68 percent last year.

Source: Oil Prices Predicted to Stay High, Washington Post, Justin Bloom, December 13, 2005

Notes From The Field

Improving Access To Heat In Armenia

It has been over a decade that the population of Armenia lacks access to central heating. While the winter in the country can be quite severe, people over time got used to seeking various options to heat their homes. Some use electric heaters, often self-made, others, who have natural gas, install heaters in their apartments that are thought quite dangerous and fail to provide comfortable environment. When used for heating, the electricity appears to be an expensive source. A family monthly spends as much as 100 USD on electricity bills because of using electric heaters. The situation is worse in the rural communities where the poverty is higher than in the urban centers. Often, the only option rural residents can afford is wood or pressed dung used as heating fuel. The environmental damage caused to forests by uncontrolled tree-cuttings will not be recovered for decades.

Through its Energy Efficiency, Demand-Side Management and Renewable Energy Program (EE, DSM, RE Program), USAID invested significant resources to increase the efficiency of energy consumption in Armenia as well as to initiate improvements in the area of urban heating through the use of energy efficient technologies. Starting from 2001, more than \$1.5 million USD have been provided by USAID to Advanced Engineering

Associates International (AEAI), the Program contractor, for the implementation of energy efficiency projects in the sectors of high energy demand - commercial, industrial, municipal and residential sectors.

This year, USAID co-sponsored 16 pilots primarily focusing on heat supply. AEAI rehabilitated heating infrastructures on selected sites, built boiler houses, and installed internal heating systems. Other necessary measures which produced additional savings of energy and money include weatherization of windows to minimize cold air infiltration and installation of regulating valves on radiators which allowed occupants to control the inside temperature and adjust it as needed.

Municipal and residential projects have incredible importance as they help to provide reliable and affordable heating to beneficiaries from medical, educational and other institutions, and residential buildings. At the event dedicated to the completion of the project in Sevan Town Hospital, the hospital's Chief Medical Officer noted, "Majority of resources – business, government and development aid - is still centered in the capital, thus depriving the rural communities of the opportunity to develop. We could hardly rehabilitate the hospital's heating system only by our own efforts without USAID co-sponsoring and AEAI's support."

This work is being carried out with Advanced Engineering Associates International (AEAI). Contact Olga Mandrugina, om@aeai.net



Heating system of this orphanage in Gavar town has been rehabilitated with USAID funding

USAID Contact: Walter Hall, USAID/EGAT/I&E/Energy, email: whall@usaid.gov

Historic Treaty to Boost South East Europe Energy Integration

Note: In the January-February 2005 issue of Energy Update we provided an overview of USAID's role in South East Europe (SEE) energy integration. For several years, USAID's Europe and Eurasia (E&E) Bureau has played a role in supporting collaboration among utilities in SEE through the Regional Electricity Transmission Planning Project and has assisted the European Commission to develop the framework for the Community Regulatory Board, which is one of the central bodies established under the Treaty.

The first ever multilateral treaty in South East Europe was signed in Athens, Tuesday, October 25th, 2005. The Energy Community Treaty, signed by the European Union and Croatia, Bosnia and Herzegovina, Serbia, Montenegro, Macedonia, Albania, Romania, Bulgaria and UNMIK on behalf of Kosovo, will create the legal framework for an integrated energy market. Negotiations with Turkey are ongoing for joining the treaty at a later stage.

As a result of the Energy Community Treaty, the Internal Market for Energy will be extended into the Balkan Peninsula as a whole. This means that the relevant EU *acquis communautaire* on energy, environment and competition will be implemented there. Market opening, investment guarantees and a harmonized regulatory environment in the energy sector will be enhanced.

This is the first time in history that all of these states and territories have signed a legally binding treaty and is a milestone in reconciliation after the wars of the 1990s. The Energy Community Treaty is consciously modeled on the European Steel and Coal Community that was the genesis for the European Union.

The treaty will create a sound policy framework for investments, up to \$20 billion in the electricity sector to reach EU standards by 2015. It will also facilitate the expansion of the natural gas system to create an intermediate gas market between the Caspian Sea and the European Union. From a strategic point of view, the treaty creates a supply route for gas into the European Union from the Middle East and the Caspian region that will increase competition and expand security of supply through diversification.

Special Coordinator of the Stability Pact for South Eastern Europe Erhard Busek said that the "implementation of this treaty will have far-reaching political, economic and social consequences for all of us, among them the development of a stable and efficient energy supply in South Eastern Europe, the introduction of market based regulatory systems and the geo-political importance of securing different supply routes for energy in Europe." He emphasized that this Treaty highlighted the benefits of regional co-operation for SEE stating that from an economic point of view the demands facing SEE are so great that only through regional co-operation can limited resources be put to the most efficient and effective use.

Mr. Busek used the opportunity in Athens to highlight the excellent leadership of the European Commission in this energy initiative and thanked international financial institutions and bilateral donors such as the USA, Canada, Germany and France for their commitment to the Energy Treaty.

The Treaty signing and donor coordination meeting were attended by Deputy Assistant Administrator Woody Mefford and Robert Ichord, Chief, Energy & Infrastructure Division, *Bureau for Europe & Eurasia*. USAID has played a significant role in the progress to date with well targeted Mission and Regional resources to advance regulatory harmonization, investment planning and competitive electricity market design. The USAID Missions in Albania, Croatia, Bosnia and Herzegovina, Kosovo, Macedonia, Bulgaria and Romania all share the credit for a concerted and coordinated effort.

Significant work remains. The force of the Treaty will help and the excellent donor coordination to date bodes well for the future.

Contact: Robert Ichord, Chief, Energy & Infrastructure Division, Bureau for Europe & Eurasia, email: rarcher@usaid.gov

Recent Events

USAID's Fred Schieck Signs New EGAT GDA on Capitol Hill to Improve Energy Efficiency and Access in the Developing World

On Wednesday, October 26, 2005, USAID Deputy Administrator Fred Schieck signed a Memorandum of Understanding with the International Copper Association (ICA) for a new EGAT-sponsored public-private partnership to promote energy efficiency and access to modern energy services worldwide. J. Steven Whisler, ICA Chairman and CEO of Phoenix-based Phelps Dodge, signed on behalf of ICA. U.S. Representative Jim Kolbe of Arizona hosted the signing ceremony on Capitol Hill and witnessed the event.

The \$5 million partnership, entitled the Sustainable Energy Use Alliance, will provide support to a range of energy programs globally over a three-year period. EGAT's Energy Team will manage this GDA and contribute \$750,000; GDA has committed \$250,000; and ICA will provide \$4 million in direct and indirect funding through its worldwide network of experts, 38 member companies, and other partners, representing a 4:1 match.

"USAID is proud to work with the International Copper Association to increase energy efficiency and access in the developing world. Energy efficiency helps growing economies and improves competitiveness in an environmentally sustainable manner, while providing basic infrastructure services at a lower cost. Increasing access to energy can help poor households improve their quality of life and create new opportunities for income generation and help to meet the goals of the Presidential Clean Energy Initiative," said Schieck.

Global energy demand is expected to increase by over 50 percent from the year 2000 through 2020, with the major growth in energy demand to occur in developing countries, and require some \$10 trillion of public/private investment each year. Such investment is essential to fuel continued economic growth as well as increasing energy services to unserved areas. USAID is working globally to help its client countries meet their energy needs and this partnership will offer expanded work in this important area.

USAID has supported energy efficiency for more than a decade to help promote economic growth, environment, and other key development objectives. Energy efficiency can also be a very cost-effective option to deal with

climate change. As an outcome of the G-8 Summit in July in Scotland, an agreed Plan of Action for climate change was developed, which included “transforming the way we use energy by improving efficiencies in power generation, transportation, buildings and appliances.” Furthermore, the promotion of efficient energy use is also a core component of the new Asia-Pacific Partnership for Clean Development and Climate, announced by the White House in July of this year. President George W. Bush also stressed the importance of energy efficiency at his address to the 16th Annual Energy Efficiency Forum on June 15, 2005 at the Ronald Reagan Building, where he noted “... increasing energy efficiency will help consumers save money. Increasing energy efficiency will leave businesses with more capital, will make businesses more competitive. Increasing energy efficiency will help reduce our energy consumption...”

The Energy Team currently plans to implement about five projects over the three-year period. These would include: promotion of energy-efficient industrial and agricultural motors/pump sets in India, normalization of electricity access in peri-urban/slum areas in Brazil, India and Morocco, and support for a rural electrification Master plan and follow-on pilot projects in Zambia.

The International Copper Association, headquartered in New York, is a not-for-profit, 501(c)(6) organization with 38 member companies representing 80 percent of all copper produced and used each year throughout the world. ICA executes programs and initiatives in more than 50 countries through regional offices in Brussels, Santiago, Singapore and New York and through 27 copper promotion centers on six continents. Programs include the safe and effective delivery of electricity, potable water and gas; the effects of copper on human health (copper being an essential nutrient) and the environment; and the development of new technologies that contribute to economic development and improved quality of life.

Contact: Jas Singh, USAID/EGAT/IE&E/Energy Team, email: jsingh@usaid.gov

Central Asian Energy Organizations Form Regional Eco-Energy Alliance

Over the past year, Central Asian governments, institutes and private firms have been assisted by the USAID EcoLinks program in forming a new regional organization to promote markets for Renewable Energy and Energy Efficiency in Central Asia. EcoLinks is the USAID Eurasian -American Partnership for Environmentally Sustainable Economies that works to assist industries and municipalities in Eastern Europe and the former Soviet States to address environmental challenges. EcoLinks promotes market-based solutions to environmental problems facing industries and municipalities in the E&E region by seeking to catalyze cross-border environmental business partnerships between local E & E businesses, municipalities, and associations in the region with counterparts in region and in the United States.

Working through the EcoLinks program, USAID and the US Department of Energy helped launch a working group of Central Asian experts on renewable energy market development at a workshop in Washington, DC in October 2004. This working group reconvened at the Regional Conference on Renewable Energy Market Development in Central Asia held on September 19th and 20th, 2005 and co-sponsored by Chevron and UNDP. The conference brought together more than 70 key government officials, energy experts and private firms from Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. The participants discussed modes for increased cooperation between the Central Asian Republics on renewable energy and energy efficiency, the potential for incorporating of RE and EE into national energy strategies, policy options, and environmental, social and economic issues by-country.

At the conclusion of the Almaty conference government representatives and working group members from all four Central Asian Republics endorsed the founding of a regional sustainable energy organization for the region. This new regional “Eco-Energy Alliance” will be a multi-national association of institutions, government agencies, private sector enterprises, NGOs, financial institution representatives and research institutes for the better coordination, promotion and prioritization and funding of renewable energy and energy efficiency project activities on a regional basis - in furtherance of existing cooperative activities. The working group prepared a draft charter of the new organization on November 15, 2006. The working group expects registration of the new organization in each country and the establishment of a coordinating office in Tajikistan or Kyrgyzstan by early 2006.

Contact: Gerry Gold, USAID/EGAT/I&E/Energy Team, email: ggold@usaid.gov

Geothermal Resource Council Meeting

In September, the EGAT Energy Team funded travel by two Ethiopians and organized a program in which they and a Kenyan delegation participated at the Geothermal Resource Council Meeting in Reno, Nevada. The travel support was part of the Energy Team's overall support for renewable energy resource development in Africa. Approximately 35 U.S. geothermal developers or specialized service providers attended the program and subsequently met with the delegation. Geothermal is a renewable energy source which can complement potentially drought affected hydropower, can support remote rural electrification programs and contribute directly to job-creating commercial developments in such areas and can provide a less costly electricity source for many African countries than presently used depletable fossil fuels. EGAT (Walter Hall) and others have been assisting in the development of USG programs to further the development of these projects throughout East Africa where the resource is believed to exceed several thousand megawatts.

Contact: Walter Hall, USAID/EGAT/I&E/Energy Team, e-mail: whall@usaid.gov

Long-Term Energy Outlook

The U.S. Department of Energy (USDOE) released its Annual Energy Outlook 2006 report on December 12, 2005. The Annual Energy Outlook report presents a midterm forecast and analysis of US energy supply, demand, and prices through 2030. The projections are based on results from the USDOE's Energy Information Administration's (EIA) National Energy Modeling System. To view the entire report please visit <http://www.eia.doe.gov/oiaf/aeo/index.html>

U.S. Energy Secretary Samuel Bodman made the following statement regarding the EIA's Long-Term Energy Outlook:

"Today's forecast from EIA emphasizes something we already know – demand for energy around the world will continue to grow as economies expand and prosperity spreads.

"It also demonstrates that many aspects of President Bush's National Energy Policy and the energy bill he signed this summer will have a positive impact for decades to come: we will see more hybrids on the road as tax incentives continue to spur consumer interest and make them more affordable; nuclear power will expand as companies receive protections against bureaucratic delay; expanded use of coal, America's most abundant energy resource, can occur in an environmentally friendly manner thanks to investments in clean coal technology; and the use of renewable energy will continue to grow as development and deployment are assisted by new tax incentives.

"However, along with anticipated increases in demand come forecasts for higher prices, demonstrating that there is more to do - we will continue to encourage Americans to be more energy efficient; we will continue to urge energy companies to invest in new production and refining capacity to meet demand; we will continue to encourage the participants in the Alaska Natural Gas Pipeline to complete their negotiations and begin development so that the vast natural gas resources in Alaska can reach the lower 48 states; and we must expand domestic production of oil and natural gas in environmentally responsible ways, starting with ANWR."

Sources:

Statement from U.S. Secretary of Energy Samuel W. Bodman, Regarding EIA's Long-Term Energy Outlook, USDOE press release, December 12, 2005

Annual Energy Outlook 2006, Energy Information Administration, USDOE, December 2005, <http://www.eia.doe.gov/oiaf/aeo/index.html>

Obituary

Matthew Eugene Buresch

It is with deep regret that we inform you of the recent death of Matthew Eugene Buresch – a colleague who many of us in the development community have worked with over the years.

Matthew Eugene Buresch, 51, a senior energy economist at the World Bank, died of melanoma November 24 at his home in Washington D.C. Mr. Buresch who lived in Washington for 17 years, had a career in international economic development that took him to more than 30 countries. He was devoted to renewable energy and published a book, “Photovoltaic Energy Systems: Design and Installation” (1983), on the topic.

He had worked at the World Bank private-sector power reform since 2004. He previously was a senior manager at Deloitte & Touche and manager at a number of consulting firms, and professor of Business strategy at the American University of Bulgaria.

Mr. Buresch was born in Great Neck, NY. He received BA from Antioch University and MS in Technology and Policy from Massachusetts Institute of Technology.

Mr. Buresch is survived by his wife Lyubomira Dzhonova Buresch, children Jasmina and Eugene, his mother Joan Buresch-Talley and two sisters and a brother.

Mark Murray Joins PDAM

Mark Murray was recently appointed Director of the Office of Professional Development and Administrative Management (PDAM), within the Bureau for Economic Growth, Agriculture, and Trade. Prior to this, Mr. Murray was Program Leader for Energy Sector Governance within the Energy Team, Office of Infrastructure and Engineering. Mr. Murray worked on energy sector governance issues and capacity building, partnership, and technical assistance activities focusing on improving energy service delivery through legal and regulatory reform, institutional development and public participation. Mr. Murray joined USAID in 1992. Prior to coming to USAID, Mr. Murray was Director of Research with the Council for Renewable Energy Education. He holds an M.A. in International Communication from the School of International Service of the American University in Washington, DC, as well as an B.S. in Instructional Media, and an A.A.S. in Photographic Illustration from Rochester Institute of Technology in Rochester, NY. The Energy Team thanks Mark Murray for his years of service and wishes him the very best in his new position.

Energy Team Restructuring

The EGAT/Energy Team recently adopted a new mission statement and underwent a reorganization of staff and thematic focus.

Mission Statement

“Powering economic and social development through expanded access to modern energy services”

Expanding access to affordable, reliable, efficient, and clean energy services empowers people to take a giant step out of poverty into a better future. Access to energy increases economic growth, employment opportunities, private sector investment, and competitiveness; strengthens democracy and fosters political stability through improved transparency and communication; enhances national security; increasing energy

security; improves quality of life by enabling better health care, education, and access to clean water; and protects the environment and public health. The Energy Team achieves this goal by strengthening energy sector governance and energy markets through policy, legal, regulatory, and commercial reform; improving the operational and commercial performance of public and private sector institutions; piloting innovative business models, financing approaches, and public-private partnerships with businesses, entrepreneurs, and NGOs; and enhancing public understanding and participation in the provision of energy services. The Energy Team also works to improve the efficiency and reduce the environmental impact of energy production and use.

Thematic Focus

The new structure (see below) will regroup staff and technical activities under three thematic areas:

Energy Market Development

Activities include programs that strengthen energy sector economic and democratic governance and energy markets (both national and regional) through policy, legal, regulatory, and commercial reform; improve the operational and commercial performance of public and private sector utilities and regulatory institutions; and enhance public understanding and participation in the provision of energy services

Multilateral Coordination & Energy Partnerships

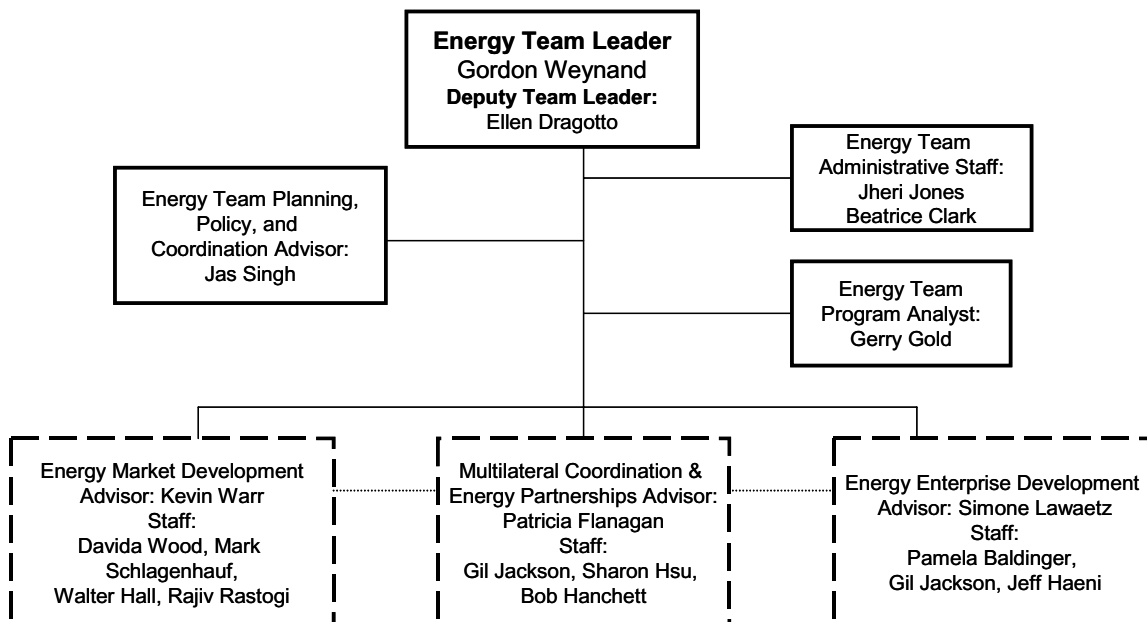
Involves the coordination and management of the Team’s participation in energy programs and activities that engage the team with multilateral organizations, inter-agency processes, intergovernmental activities, Presidential and Agency initiatives, and global partnerships.

Energy Enterprise Development

Activities include programs to improve energy service delivery through piloting innovative business models, financing approaches, and public-private partnerships with businesses, entrepreneurs, and NGOs in urban and rural areas; and improving the efficiency and reducing the environmental impact of energy production and use.

For more information, contact Gordon Weynand, EGAT/I&E/Energy Team, email: goweynand@usaid.gov

Team Organization



Calendar

Commission on Sustainable Development Week (CSD)

May 1-12 2006, New York

The fourteenth session of the UN Commission on Sustainable Development (CSD-14) will meet at UN Headquarters in New York from 1-12 May 2006 and focus on the areas of "Energy for Sustainable Development, Industrial Development, Air Pollution/Atmosphere, and Climate Change."

The United Nations Commission on Sustainable Development (CSD) was established by the UN General Assembly in December 1992 to ensure effective follow-up of United Nations Conference on Environment and Development (UNCED), also known as the Earth Summit. The CSD meets annually in New York, in two-year cycles, with each cycle focusing on clusters of specific thematic and cross-sectoral issues.

The CSD 14/15 sessions (2006-2007) will focus on the thematic cluster of energy for sustainable development, industrial development, air pollution/atmosphere and climate change.

At CSD 14, the U.S. government and specifically USAID will focus its efforts on increasing access to modern, clean, healthy, and efficient energy services through the following:

- Governance: Stronger policy and regulatory frameworks that lead to increased public and private sector investment are essential for increased access to energy services.
- Technology mix: A technologically neutral approach that endorses the full spectrum of energy technologies, including conventional, advanced, renewable, and energy efficiency, to provide affordable and secure energy services.
- Public-private partnerships: Public-private partnerships for increasing access to modern, clean, healthy, and efficient energy services and continuing to work with bilateral and multilateral agencies, civil society and industry to assess the need for additional partnerships and initiatives.
- Finance and expanded private sector engagement: Active participation of the private sector and an increased ability of public sector funding to leverage commercial grade. Working with all sectors, including industry, to identify existing financing gaps and to provide creative solutions to finance the full range of energy projects.

The CSD sessions are open to broad participation from both governmental and non-governmental actors, and support a number of innovative activities, such as the Partnerships Fair, the Learning Centre and a series of panels, roundtables and side events. The High-level segment features dialogue among Ministers, and Ministers also hold a special dialogue session with Major Groups.

For more information, please visit <http://www.un.org/esa/sustdev/csd/review.htm>

For more information, contact Gordon Weynand, USAID/EGAT/I&E/Energy, email: goweynand@usaid.gov

World Bank Energy Week 2006

Clean Energy for Development

March 6 - 8, Washington DC

The World Bank Group's Energy Week is the preeminent gathering of policy makers and practitioners engaged on strategic issues of energy and development. Energy Week 2006 is a key event in the energy calendar that will build on the G8 Plan of Action adopted at Gleneagles that outlines the way ahead on clean energy, infrastructure, climate change and Africa, and it will contribute to the discussions on energy and development to be taken up at CSD14 the high level forum that forges international political consensus on priority actions in May. Energy Week 2006 will comprise a three-day executive conference at which senior-level energy and finance industry executives, senior donor and developing country government officials, partners stakeholders and leading-edge thinkers of the energy world will offer new ideas and insights on issues of clean energy development, energy security, energy access and energy sector financing.

Energy Week 2006 is also an information sharing event on the lessons of experience from current energy projects and programs in developing countries and it provides an opportunity for World Bank Group staff, developing country practitioners and partners to network and share their operational experience and enhance their cutting-edge knowledge and skills.

Energy Week 2006 will precede the Development Marketplace (DM) a competitive grant program that identifies and provides direct support for innovative, grassroots development ideas. The objective of DM2006 is to recognize and support local initiatives that increase access to sustainable, affordable, and safe water, sanitation, and energy services for poor people in developing countries.

Participation is by application and invitation. Online registration can be accessed via the World Bank website at <http://wbln0018.worldbank.org/finance/register.nsf/Energy?openform>