

“Civil Society Must Discuss about Optimum Utilization of Coal”

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Nandita Mongia

Development planner Nandita Mongia says job facilities must be expanded in rural areas by ensuring energy access for all. “Attaining Millennium Development Goals (MDGs) would not be possible if steps are not taken to ensure job facilities or create income generation scope for rural people, which in turn will need some form of energy,” she said. “I think universal energy access is still a big challenge for Bangladesh. As a result of limited supply, it has not been possible to create job opportunities permanently in rural areas,” said the Head of Energy for Poverty Reduction Project of UNDP regional center in Bangkok.

Nandita Mongia recently visited Bangladesh to undertake a joint exercise with the Ministry of Planning on needs assessment for energy to meet the MDG targets. She shared her experiences with Energy & Power Editor Mollah Amzad Hossain. Following are the excerpts.

EP: You are working for UNDP’s energy & poverty reduction program. How do you relate between energy and poverty reduction with Asia and Bangladesh perspective?

Nandita: Securing energy supply is a critical concern currently. However, it is not always remembered that secured energy supply doesn’t necessarily mean increased energy access. There are two aspects... first, given the energy supply possibilities, how does it match with the demand and second relates to proper distribution of energy that is already at hand. So for many of the developing countries, especially for Bangladesh and Nepal... the problem that I have seen is a question of distribution. Often the power sector policies or energy policies are mainly targeted for large-scale supply options and demands by organized endues sectors. And distribution policies do not take energy supply to the remote areas and the rural areas easily. These linkages have additional costs. The additional costs involve transmission and distribution expenses, over and above the production cost This doesn’t come through easily in planned policies.

So, on the whole, in an analysis of energy-poverty and MDG attainment, this is an issue I have highlighted most often. For Bangladesh, we undertook a study of energy and poverty linkages given Bangladesh’s current conditions. The challenges that we mentioned in the end of this report are about distribution, policy reforms which are linked to regulatory distribution of energy-power and support decentralized energy access, institutional and cross sectoral coordination mechanisms in place which could contribute to poverty reduction. Decentralized rural energy access help attainment of MDG targets easily.

We are recommending repeatedly that while we focus on big picture energy security of a country, we have to also consciously distribute energy in a more equitable way.

EP: You know that in Bangladesh the generation of electricity is at a very low level due to the indecision of policymakers as well as now it is a big challenge for supplying primary energy for power generation. What is your suggestion how Bangladesh can manage these things?

Nandita: Supply shortage often is not as a stand alone issue. It is closely linked with how demand is being managed or demand is being projected. One thing Bangladesh can do on the demand side, which will reduce the demand-supply gap is to undertake demand side management. While growth requires energy, it doesn't require per unit of energy consumption to be so high for industry or transport. Moreover there is energy transmission, and distribution losses, which need to be cut down. It is not in a country's best interest to have limited primary energy resources like coal oil & gas using which we produce electricity but finally distribute it inefficiently.

In many of the big conferences, I look to the ceiling to see whether they are using energy efficient bulbs and most often than not, they are not using CFLs or the air conditioning is too cold & the doors are repeatedly opened to make the room temperature comfortable. This is a waste. It's high time that part of energy supply gap is addressed through the demand side management. That of course will at least particularly solve the problem.

So, coming to your original question... supply side management. Yes, Bangladesh is facing particularly a tough situation on the energy supply side. And that's why we all are discussing about coal as an alternative.

Coal resources are really abundant for Bangladesh but the coal development is in a nascent stage in Bangladesh. Of course, it has to be encouraged to supplement domestic primary energy resource base. But, two issues are attached to that utilization of more coal for supply side management. One, coal mining has local and global socio economic & environmental impacts. Globally, it is not a preferred fuel in the world of climate change especially due to its environmental impacts. Though Bangladesh does not have a particular commitment to bring down its green house emission under any international commitment, it needs to be mentioned that currently its emissions are low. To meet the growing demand for energy the country has to go for coal, but we should try to move towards clean coal. And if clean coal production requires more cost upfront there are mechanisms to finance that. In the context of using clean coal, the opportunities of the clean development mechanism and the MDG carbon facilities need to be explored. A country can use some of the funding sources for financing clean coal technology utilization as well as meeting expenses on socio economic rehabilitation.

EP: You are also saying Bangladesh needs to develop coal sector but civil society is opposing it although some of them do not have clear idea about it.

Nandita: To resolve it, among other things the civil society has to play a role of informed mediator. You have to increase awareness among the people through advocacy programs on the real situation on the ground, objective alternatives and costs there of. The civil society must get informed about the real situation so that they can appreciate the pros and cons of these steps. As a greater good if indeed a policy action is being striving for it. If uninformed and low awareness when the power supply is hampered due shortage of energy, the same civil society will draw attention towards government's failure.

There is no scope to think that coal mine development will entirely be a negative one. The civil society's opinions about the anticipated problems need to be heard for the development of coal mines and the government should fully engage in analyzing civil society's opinions whether their reservation are based on solid ground and informed judgments. If yes, they absolutely need to be addressed before proceeding. Typically the issues are about resettlement. Is there adequate land for it? Is there any scope for income generation? You have to see whether people are ready to leave their old villages. How are they being compensated? Moreover, you have to see whether their life standard is improving or not.

In many countries, promises are being made to the people but not much is being done for them as a final follow up. I have witnessed many such incidents in south Asian countries and in such cases, the government is not being able to monitor it. NGOs can come forward to properly monitor it and NGOs must be impartial in undertaking such jobs. It must be kept in mind, the people who are being evicted have limited or no strength to protest. So, the main responsibility of the civil society would be to aware the government whether the evicted people are given the promised facilities as mentioned during the project's clearance phase. In China, civil society has limited role but they have been active in India and the Philippines. The civil society can do the same here in Bangladesh.

EP: It has been mentioned in the strategic paper that equal opportunities must be ensured for people of all regions to achieve MDGs but it is not happening. Employment opportunities are not being created in the country's northwestern region due to non-availability of energy. Some experts say coal mine development can be a solution to this problem. But controversy has created over it. You are working on coal mine, economy and community development. What are your suggestions?

Nandita: I am coming to the point in a different way. There is huge scope to generate employment through developing coal mining as an industry. However, for the local people to find employment, they must be trained up. But would they get such training? What are the immediate employment scopes for them? Would the people who have lost their land for mining get priority in social and economic activities? NGOs and civil society must work with these important issues. These issues and their implementations must be discussed besides discussing whether the coal mines will be developed or not. Such facilities were given to people in central mining areas of India. It is my personal experience that resolving energy crisis is a must for development of energy-starved region. It is the prime condition to create employment opportunities for improving the standard of life of the poor.

EP: You were talking about decentralized energy supply system for Bangladesh. Would you explain it?

Nandita: Let me try using an example. You said that northern region is agriculture-based. Agricultural waste can be used for electricity generation and its technology is not costly and certainly it could be a good business opportunity for private sector. Think about rice husk. With this, it is possible to produce electricity through co-generation in many locations. It can be helpful to supply electricity to a small area. Besides biomass, there is scope to generate power by using bio-gas. Bangladesh can do it easily through encouraging the private sector enterprises, SMEs etc. Although it would be an alternative to grid-power, it could play a vital role in providing energy in smaller communities and rural areas, creating employment opportunities.

EP: Solar home system has witnessed a massive expansion in Bangladesh as decentralized energy but people are getting it at a high cost.

Nandita: You know, solar home system is rather costly as an upfront cost when not subsidized. It lights some bulbs, runs televisions, charges batteries. But, it will not directly contribute to motive power. On the other hand, cogeneration-based power generation has two benefits: its low-cost and economic return is very quick. It makes income-generation easier, creates payback scopes of people. Further I think, Bangladesh should go for micro hydro, mino hydro and piko hydro projects, in feasible terrains.

EP: Do you think that the government should enact a law for implementation of energy saving appliances?

Nandita: Absolutely. This will support demand side management I was referring to earlier. You can do these voluntarily or as mandatory measures in selected sectors. If former, the expected results will be slower to achieve and for this reason, I think a law is needed to make the mandatory use of some obvious gadgets: energy saving bulbs and other equipment, especially white goods. Our study shows that energy demand can be reduced by 25 percent though energy saving measures. It will be successful when the government takes steps about establishing minimum standard, labeling, regulatory activities and compliance in place. For this the government does not need to invest large funds. Once the regulatory environment is in place the business sectors will invest in making CFL and tools for efficient use of energy. What you need is proper regulatory system. Right now there is no incentive or motivation to get out of producing and consuming products that are inefficient but cheap in the short-run, but longer term they cost more. But it does not mean that Bangladesh will have to be efficient like Europe in one stroke. You have to start because you have no time to waste. You have to take the country to a level ultimately comparable to global standards.

You have to ensure quality of energy efficient equipment because people will lose their interest if they are given sub-standard equipment. For example, people in Vietnam a few years back lost their interest in using such equipment when sub-standard Chinese equipment were supplied to them. In India and several other countries in South Asia, there is Bureau of Energy Efficiency (BEE), which ensures the standards of such products and manufacturers are given necessary training to identify, and achieve them through energy audits.

EP: Experts across the world say that energy availability must be ensured to achieve MDGs. You are working on it directly but nothing is being done in Bangladesh on this issue. What type of cooperation can Bangladesh get from other Asian countries?

Nandita: We should keep it in mind that it would not be possible to achieve MDGs if energy supply is not ensured. A driving force is needed for income generation. Cooperation from Asian countries can be both at large and small scale. At the larger political level cross-border energy trade is being discussed within SAARC & ASEAN countries. I will not get into the larger political discussion except mention that regional cooperation on energy can only enhance our collective security. At a smaller scale there can be project level collaborations and cooperation on lessons learnt and best practices that have enhanced energy access for communities and decentralized groups of consumers. We recently completed review of energy access projects helping in poverty reduction. Some 28 projects were reviewed in different countries under these issues. And from these, some 12 projects are reflected in a compendium of best practice across Asia & Pacific countries. It serves well as a reference document.

Every government needs an advocacy tool on what should be done to highlight a good work or successful handling of challenging issues. Of the mentioned projects, three are in Bangladesh but how many entrepreneurs know about it? If you have such a tool, you can inform the people about it. NGOs can also play an effective role. What is important is that entrepreneurs should be developed from lower level. Results of a work must reach at the national level from lower level. What I mentioned earlier, the government or the company must talk to the NGOs that are working in mining areas of the northern region. The NGOs must be briefed about the measures the government or the company is going to take for rehabilitation of the people and protection of environment of the mining area. NGOs can give their suggestions about it. If acceptable, steps must be taken to motivate the community with the help of the NGOs.

EP: Please tell us something about your visit to Bangladesh?

Nandina: I have come here to carry out a need-assessment on MDGs along with the Planning Commission. It is one type of review. Our main work is to see where we are and what we have to do in achieving the targets. What type of training and how much money are needed, what types of resources we have and what things we need beyond these. How the private sector will participate, what will be the role of community and how much assistance and loans will be required. I am hopeful of getting a clear picture by July-August next about what we have achieved and what we have to do.

EP: What can we do to ensure supply of energy?

Nandita: Government must construct infrastructure for energy supply. For example, if coal mine is needed to develop for extraction of coal, government must decide it. If government does not have capacity to invest fully, local and foreign private companies can be partners. Government can involve civil society in deciding what type of contract is being done, what would be the rate of royalty and what the country would get. But the civil society must be responsible. And if it cannot be done efficiently and properly, resources will go out of the country, people will not be benefited. The government has sought support from UNDP for it and UNDP has given its support. The government can seek expertise from outside if such experts are not available in the country. Government must formulate the necessary law and rules and then the private sector will come forward. On the other hand, different government agencies like LGED can work on renewable energy. NGOs can be involved in it. You have to work collectively to use all energy resources to ensure energy security. If necessary, steps to be taken for sub-regional cooperation.

EP: You are saying about sub-regional cooperation. How can it be initiated?

Nandita: It is actually cross-border energy trade. Thailand and Cambodia are trading energy. Steps must be taken to successfully explore whether Bangladesh can import energy from neighbors.

EP: In comparison to many other countries it is said that Bangladesh is in better position on resources and demand. It has become a big challenge for Bangladesh to take a decision about its use. How can we face it?

Nandita: I want see it from a different direction. The responsibility of experts and civil society is to identify issues and they can also say which project the government can do and how. Which one needs local private sector's assistance and which one needs foreign investment.

EP: Energy sector needs US\$20 billion investment in the next 12 years that is not possible for government alone to mobilize. But some people are opposing foreign investment.

Nandita: It is not possible for any developing country to go alone in this effort. Besides physical investment, availability of skill set is very important. Efficient and highly skilled manpower is available in the region and investment too is also there but the government must be efficient to make investor friendly atmosphere and yet not strike deals contrary to long-term national interests. Along with investment comes the question of efficient revenue management from the investment streams.

EP: You mentioned about informed civil society. How can we take it ahead?

Nandita: The government cannot go alone for. Academia, journalists, intellectuals and experts have to share with open mind, disseminate debate and accept the ground level reality. It is possible to build informed civil society through outreach and advocacy. Share information with all and reach consensus through dialogue.

EP: Developing manpower for future. What can be done to educate children about energy conservation and efficient use at school level? Is there any initiative in other countries?

Nandita: It can be explained in different ways. Some subjects can be incorporated in school level curriculum and many countries are doing it. Radio-TV program can be developed. A quiz contest was organized to educate children of Pacific Island about environment. Such programs can be taken up in Bangladesh. Media can take an initiative with the help of local authorities, schools, donor agencies and other interested parties. Certainly, it will yield good results.

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