

Remarks of Greg Puley, Head of OCHA Climate Team

***Panel One: The Impact of Rapidly Changing Sources and Costs of Energy on Humanitarian Aid
and Development***

DIHAD, Dubai, 13 March 2023

Your Highnesses, Excellencies, distinguished panelists, ladies and gentlemen.

It is a great pleasure for me to share some thoughts with you today on a topic of utmost concern to the humanitarian sector and to the people we serve.

OCHA is mandated by the United Nations General Assembly to coordinate the global response to save lives and protect people in emergencies. We and our partners are delivering on this mission in a world that has been fundamentally changed by the climate crisis. Most of our work is in, and with, communities that are both the most impacted and the least responsible for that crisis. This reality requires that we think and act differently, including in response to a number of fundamental questions. How are emergency needs likely to evolve as climate change accelerates extreme weather events? What are our responsibilities to transform our own ways of working? And, how can we support the communities most impacted by climate-related emergencies towards a more sustainable and resilient future?

We cannot answer any of these questions without thinking seriously about access to energy. This is both because *inequitable* access to energy serves as a major driver of poverty and vulnerability, and also because *equitable* access to energy can be a key enabler of emergency response and an indispensable part of a more resilient future— as reflected in SDG 7.

To put it another way, when it comes to escalating humanitarian needs, energy is a big part of the problem, and energy must also be a big part of the solution.

Today's panel touches upon the cost of energy and its impact on humanitarian needs, so allow me to emphasize three main points in this area.

Firstly, **rising energy costs are regressive**. We know from our experience that when energy costs rise, the most vulnerable will be hit hardest. People living in poverty already spend a disproportionate amount of their income on food and fuel. Rising energy costs threaten lives and livelihoods among the most vulnerable and crisis affected people, exacerbating humanitarian need and compounding suffering due to conflict and climate events.

This regressive impact is to be found not only on a local scale, but also on a global scale. Many of the fragile states most dependent on basic food imports include those with major humanitarian needs like Afghanistan, Haiti, Somalia, Yemen, and the Central African Republic. Increased costs hit especially hard in contexts like these, where governments lack the economic resources to manage them. Extreme indebtedness restricts these governments' ability respond to greater costs for food and energy, as well as make desperately needed investments in climate adaptation. This leaves communities more reliant on humanitarian aid.

Secondly, rising energy costs have cascading effects that impact both directly and indirectly on people in emergencies. Because of their link to fertilizer prices, food production, and transportation, elevated energy costs put access to adequate, nutritious food even further out of reach for hungry people. While food and fertilizer prices have eased from their early 2022 peaks they remain elevated. In Africa, fertilizer prices remain at twice their pre-crisis level, and affordability remains a serious issue. WFP projects that nearly 350 million people will face serious food insecurity in 2023, nearly double the number in 2020.

Increased transportation costs also mean that with finite resources, humanitarian actors must make agonizing choices around reaching fewer people, with less assistance. WFP calculated that

when costs rose abruptly at the start of 2022, the cost of delivering aid had risen by \$42 million a month compared to 2019.

Thirdly, lack of equal access to reliable and sustainable energy can contribute to **higher risks and higher pressures on communities and ecosystems** already under extreme stress. In situations where firewood is a main source of fuel, the competition for dwindling natural resources is frequently a trigger for tension between displaced people and host communities. As our partners in UNHCR have demonstrated very clearly, limited access to energy can have severe repercussions on the safety and security of refugees and internally displaced people, including their exposure to heightened risks of sexual and gender-based violence. In light of the enormous exposure of communities in crisis contexts to the rising threat of extreme heat, lack of reliable access to energy presents a critical barrier to sustainable cooling options. And finally, lack of access to clean cooking resources also has negative impacts on local ecosystems. Environmental degradation from tree-cutting for firewood can be long-lasting, expensive, and difficult to reverse.

For these reasons and more, the Secretary-General's call for a *Renewables Revolution* is not only about making the drastic cuts in emissions that are necessary to avert climate catastrophe. It is also about closing the energy access gap and ensuring a just transition where no-one – including especially people in humanitarian contexts - is left behind.

In order to play its part in enabling this just transition, it is critical for humanitarian actors to examine and transform our own ways of working. To take one example, electricity in humanitarian operations (such as for offices, water distribution, logistics centers, and warehouses) is often produced through diesel generators. One study found that among a small number of the largest humanitarian actors, more than 11,000 diesel generators were being operated in humanitarian settings, resulting in a combined spending of more than \$100 million per year on fuel, and equating to almost 200,000 tonnes of CO₂-equivalent. In addition to the high financial and carbon costs, this reliance on diesel, there is the added risk of ensuring a sustained supply line in what are often fragile and unstable environments. Both to reduce our

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own footprint and to improve affected peoples' access to sustainable sources of energy, we must find a better way.

Important steps are already being taken in this direction, and I would like to close by highlighting just a few of them.

The Climate and Environment Charter for Humanitarian Organizations was developed by our friends in the Red Cross and Red Crescent movement and has been endorsed by nearly 350 humanitarian organizations. It commits partners to 'maximize the environmental sustainability of our work and rapidly reduce greenhouse gas emissions', including by accelerating our own use of sustainable energy. Participating organizations set specific, measurable targets towards reaching this goal.

The global food security cluster, co-led by FAO and WFP the support of dedicated NGO partners, is supporting humanitarian country teams to integrate access to energy into each step of the humanitarian programme cycle.

Within the United Nations system, the Secretariat's Climate Change Action Plan commits to achieving 40% use of renewables by 2025, and 80% by 2030.

Finally, the Global Platform for Action on Sustainable Energy in Displacement Settings has provided the humanitarian sector with a critical forum to work together to remove the barriers to energy access for people in emergencies. This focus on cooperation and collaboration is key. Replacing one individual diesel-generator is time consuming, inefficient, and often not interesting for private developers. But by working together more effectively and taking a country-wide rather than individual agency approach, humanitarian actors can realize the economies of scale necessary to attract private sector partners to support both emergency operations and the communities we serve. One relevant example of such a partnership a collaboration between the International Organization for Migration and the Norwegian Company Scatec Solar to solarize the

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humanitarian hub in Malakal, South Sudan. We need to work together to build many more such examples.

To encourage and accelerate this kind of collective approach, the Global Platform for Action, with support from UNDP and NORCAP, have rolled out, with generous seed funding from the German Federal Foreign Office, a Decarbonizing Humanitarian Energy Multi-Partner Trust Fund. Efforts like this one deserve widespread engagement and support.

In making investments like the ones to be prioritized by the new Fund, it is critical to consider strategies to crowd in both public and private finance. High risks of project termination and high up-front costs can be among the barriers to significant new investments in clean energy solutions in humanitarian settings. To bring these kinds of initiatives to the necessary transformative scale, innovative solutions will be needed to assist private sector in de-risking investments in the most fragile contexts.

I hope that this week's discussion at DIHAD will provide us all with an opportunity to explore solutions like these, and help us to realize the enormous potential of the clean energy transition to power people living in emergencies to a future of resilience. Thank you.