



Riksrevisjonen

Office of the Auditor General of Norway

The Office of the Auditor General's investigation of Norwegian development assistance to clean energy

Document 3:12 (2013-2014)

Delivered to the Storting 6/25/2014

Download document



Document 3:12 (2013-2014)

Summary

Background and objective for the audit

Of the world's population, 1.3 billion do not have access to electricity, and more than 95 per cent of those who lack both electricity and other modern energy, live in developing countries in Africa and Asia. Contributing to better access to energy, with development of renewable energy and an electricity grid, is a key objective for Norwegian development assistance.

The objective of the audit has been to assess to what extent Norwegian development assistance to clean energy is in line with the Storting's goal of stimulating economic growth and better living conditions for the poor. The audit mainly covers assistance provided to the seven priority partner countries for clean energy: Ethiopia, Liberia, Mozambique, Nepal, Tanzania, Uganda and East Timor. During the audit period 2000-2013 these countries received about NOK 3.9 billion, out of a total Norwegian assistance to clean energy amounting to 12.26 billion.

Findings and recommendations

Norwegian development assistance has contributed little to increase access to clean energy:

- The aid has led to little increased renewable power generation in the priority partner countries.
- The Ministry of Foreign Affairs lacks sound policy instruments to spur private investments in countries with weak framework conditions.
- Norwegian-supported initiatives for developing power grids have weak economic sustainability.

Not much assistance has reached the poorest:

Over half of the assistance to the priority partner countries has been spent on developing the electricity grid, but connection to the grid is too expensive to be within reach for many poor families – it is primarily the richest households that avail themselves of this opportunity.

Rural electrification has not lead to any major increase in productive activities and economic growth to benefit the poor, as the Ministry of Foreign Affairs had expected.

In the view of the Office of the Auditor General (OAG), there is thus a risk that the objective of reaching the poor will be attained only in the very long term.

The Office of the Auditor General recommends that the Ministry of Foreign Affairs

- consider how technological advances within renewable energy may be utilised better to encourage increased and more stable power generation in the recipient countries and reach the poor segment of the population more efficiently
- consider alternative measures that can trigger private investments in clean energy in those countries where the framework conditions are weakest

Weaknesses in the planning of capacity building projects cause implementation problems:

Among these projects – 27 in the priority partner countries – several have had weak progress and a lack of results. In several recipient institutions, the projects have not been grounded in the management, and the institutions have not had the economic resources and the personnel to make the projects a priority.

The OAG recommends the Ministry of Foreign Affairs to make sure the planning of capacity building pays more attention to the recipient organisation’s organisational challenges, capacity and competence.

The Ministry of Foreign Affairs' inadequate planning and decision-making basis weakens its ability to manage aid effectively:

The OAG recommends the Ministry of Foreign Affairs to make sure the embassies conduct and improve the analyses that are used to set priorities and make decisions regarding development assistance to clean energy.

This will create a decision basis which may lead to initiatives that are better suited to the conditions in the partner countries.

Ministry/ministries:

- Ministry of Foreign Affairs

Modified: 10/19/2015 11:54 AM
