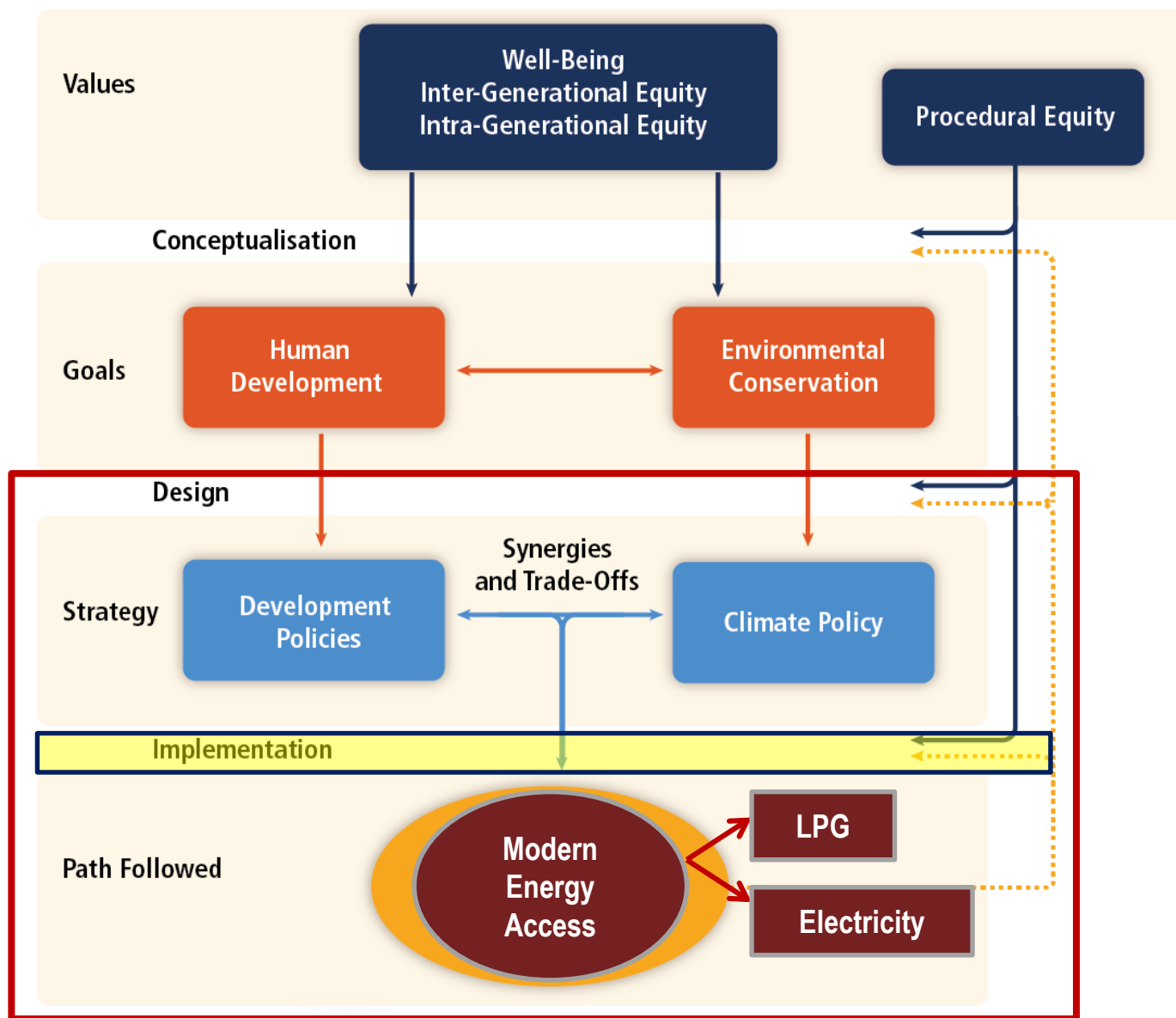


Climate Change and Poverty: Energy Price Channels

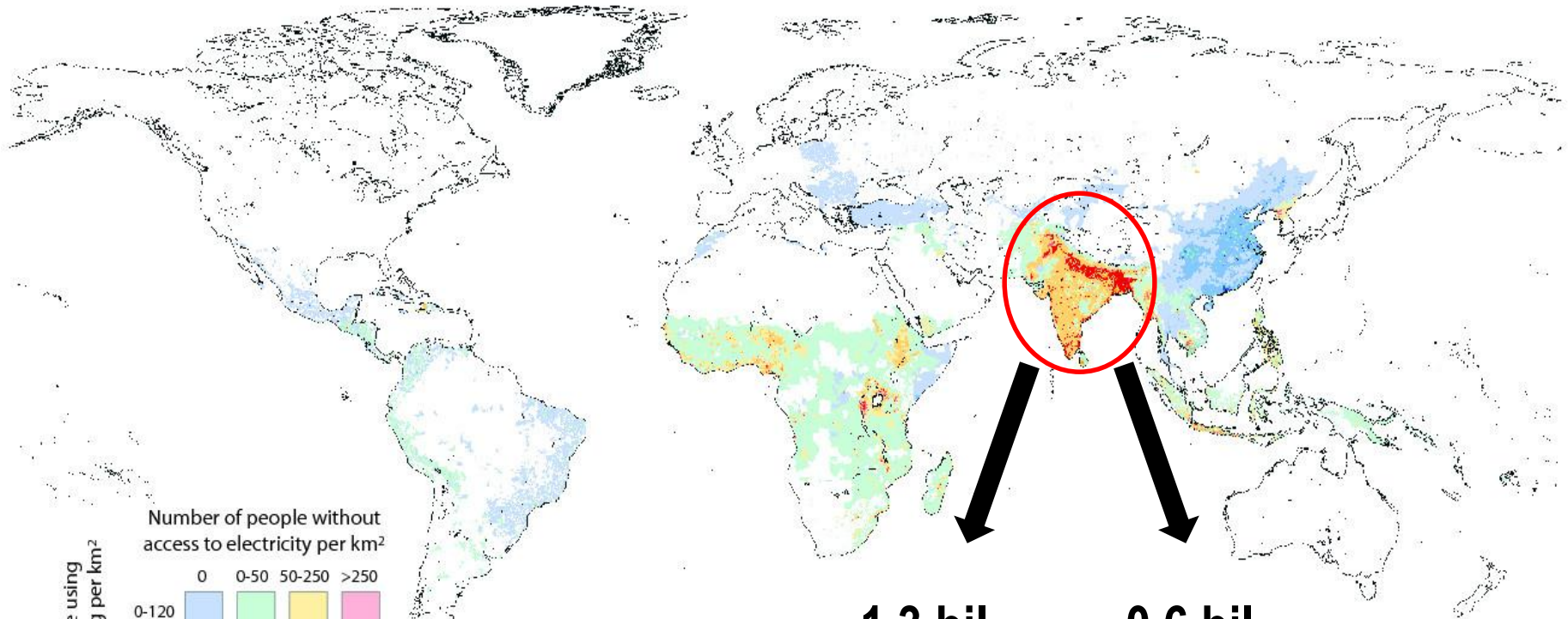
Narasimha D. Rao

Climate Change and Poverty Conference,
World Bank, Washington D.C.

February 9, 2015



Energy Poverty in South Asia



1.3 bil

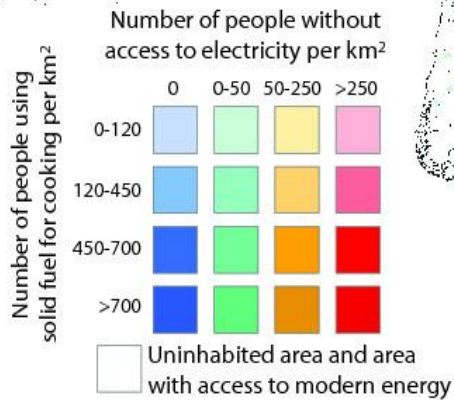
0.6 bil.



itimes.com



onechildoneight.org



Analytical Challenges

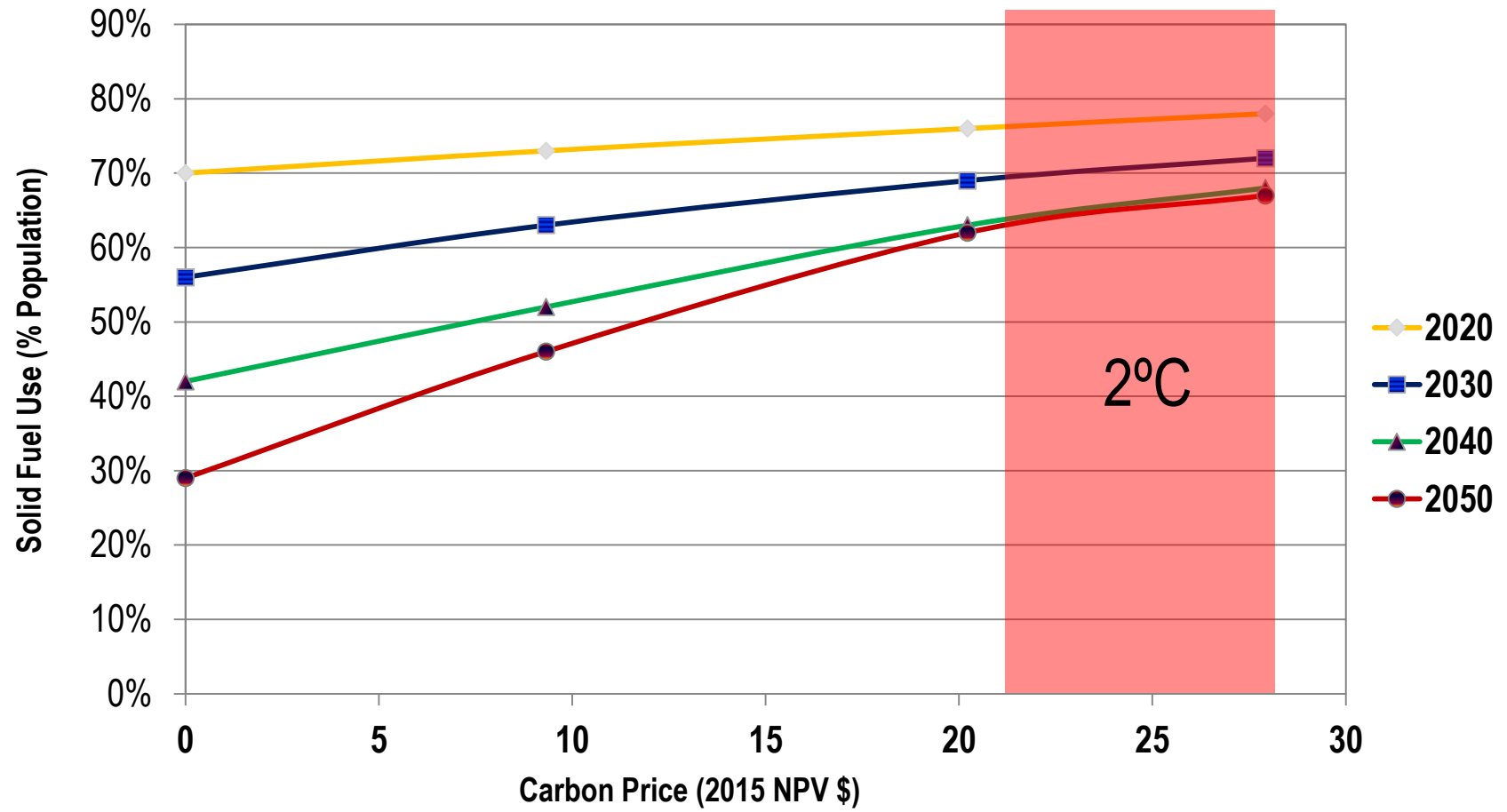
- Economic (income) and spatial (urban/rural) heterogeneities are considerable
- Under stringent climate policies, energy prices create differential impacts on different socio-economic groups
- Energy prices driven by economy-wide use of energy



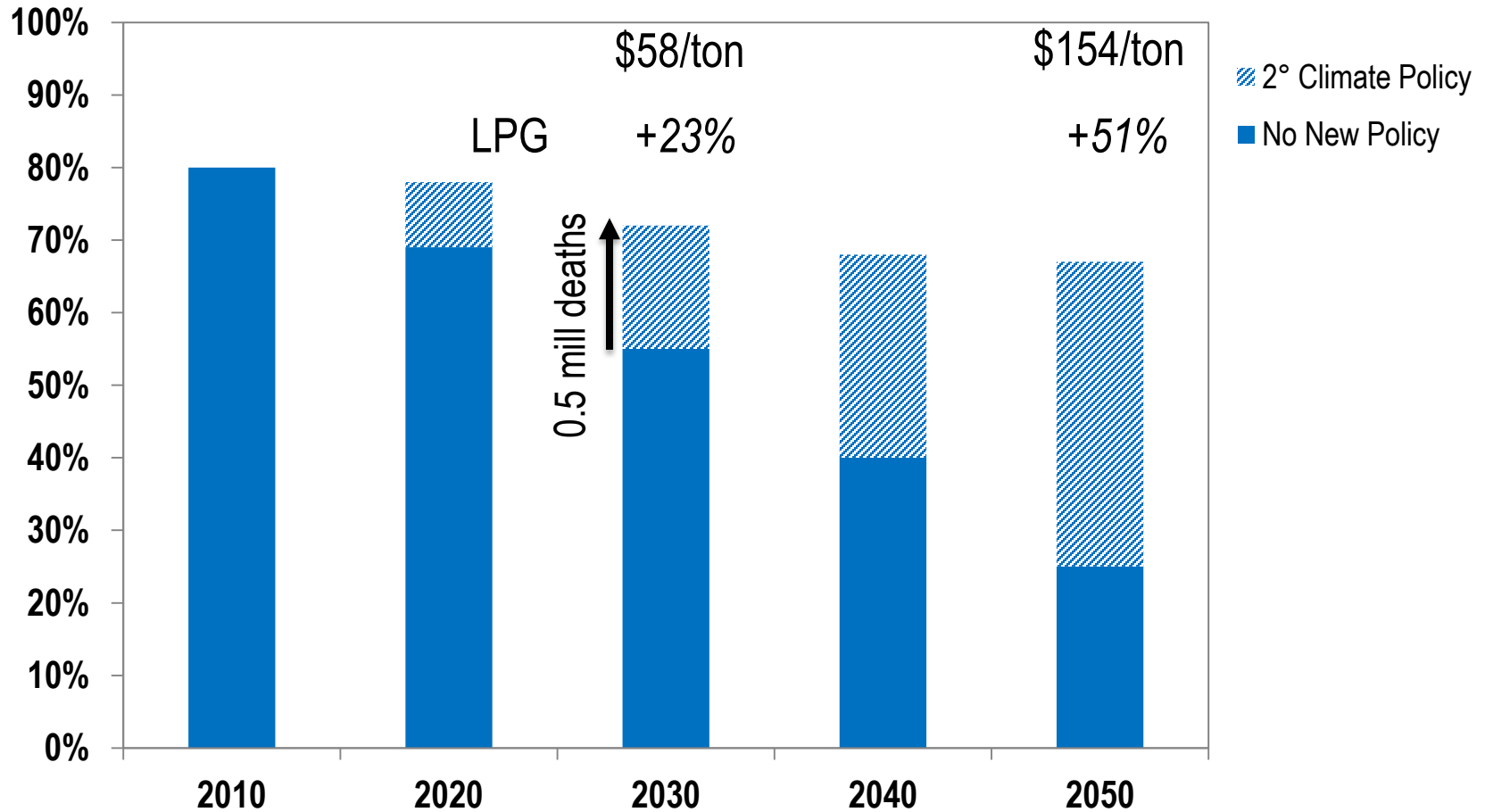
Key Messages

- Carbon pricing can (significantly) reduce the uptake of modern cooking fuels and electricity use by poor households
- The extent of this impact is mediated (substantially) by implementing institutions and existing 'pro-poor' policies
- A broader view of energy poverty (beyond household use) is essential to understand energy price impacts

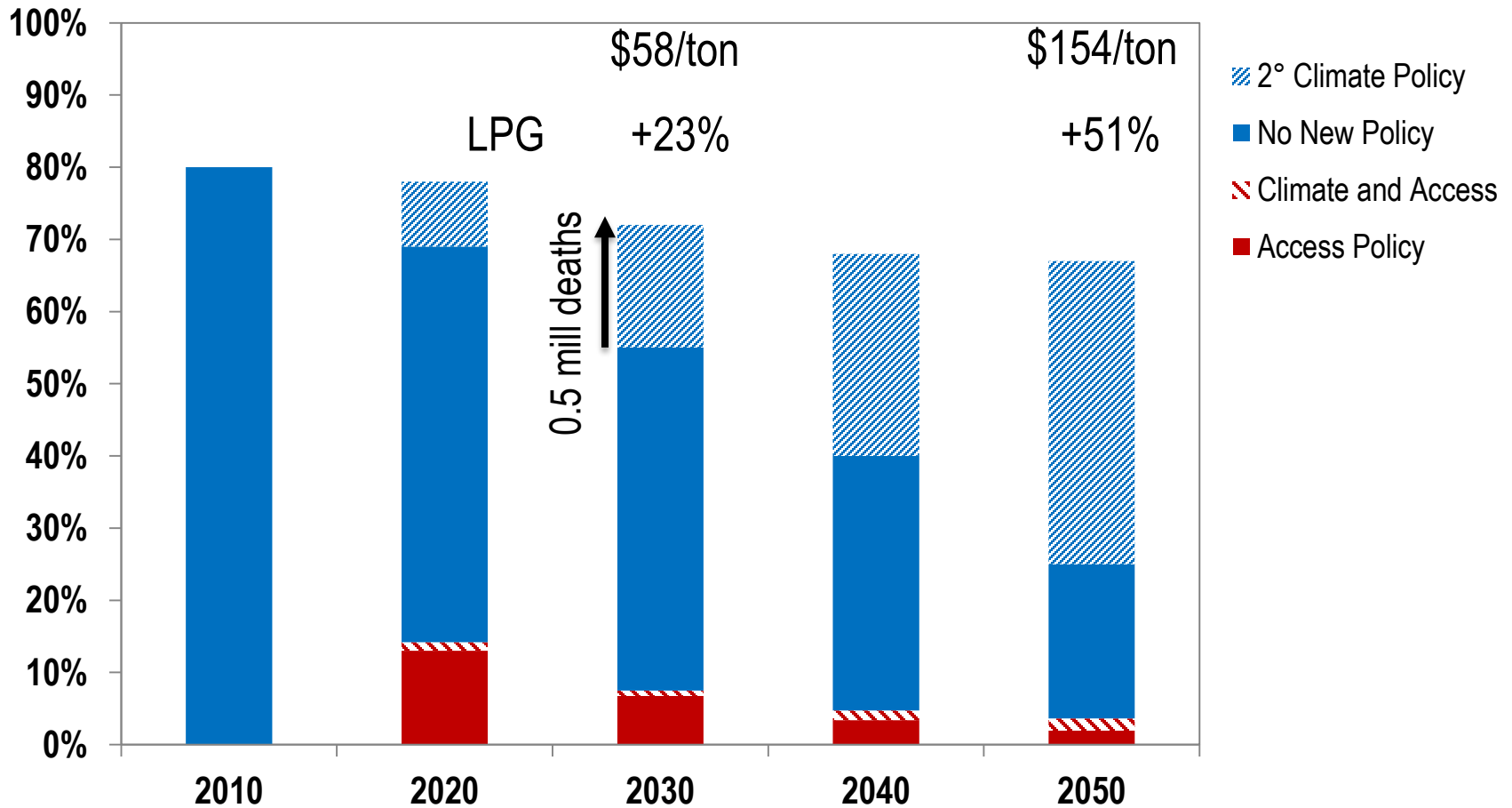
Solid Fuel Dependence with 2°C



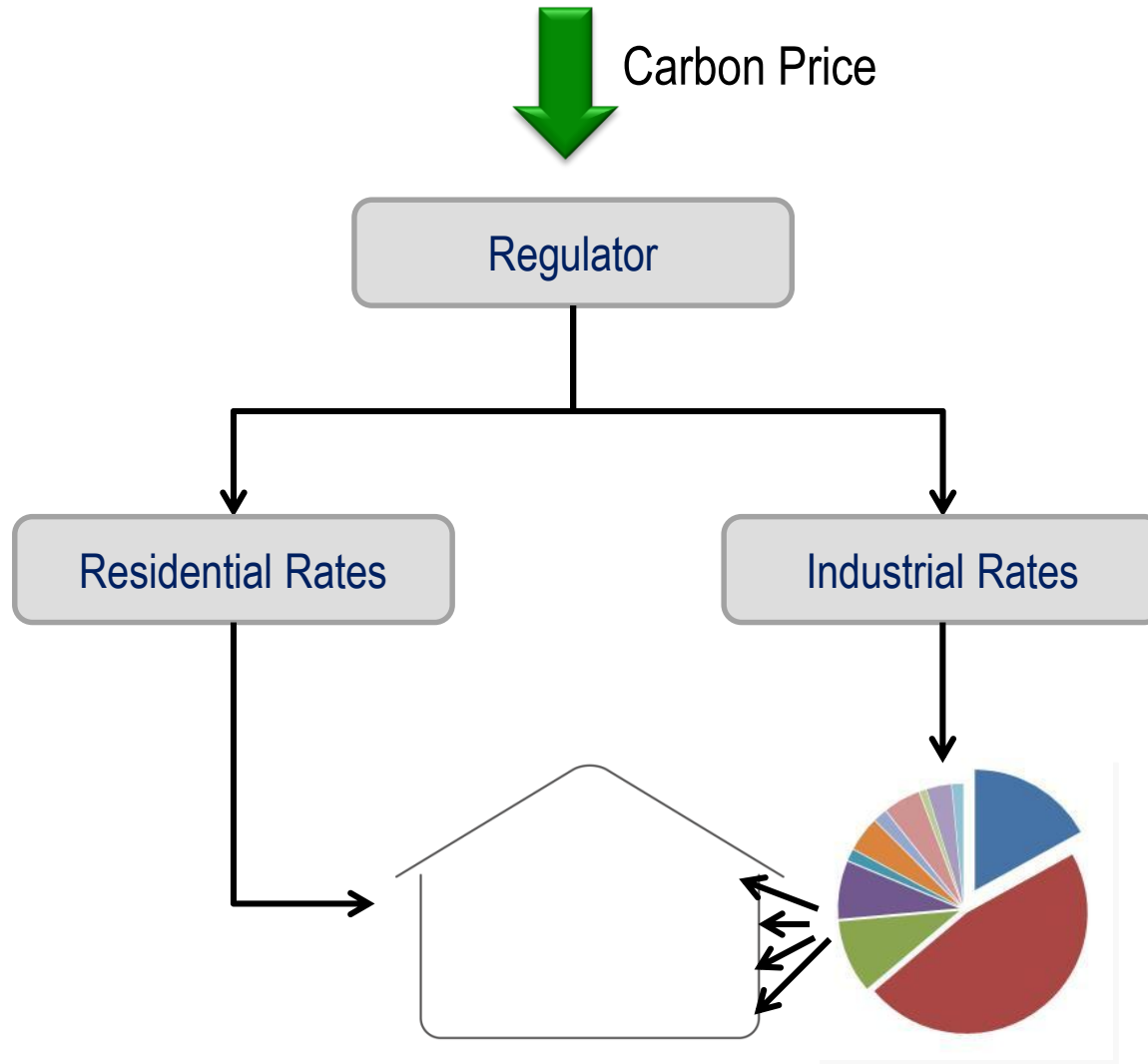
Solid Fuel Dependence with 2°C



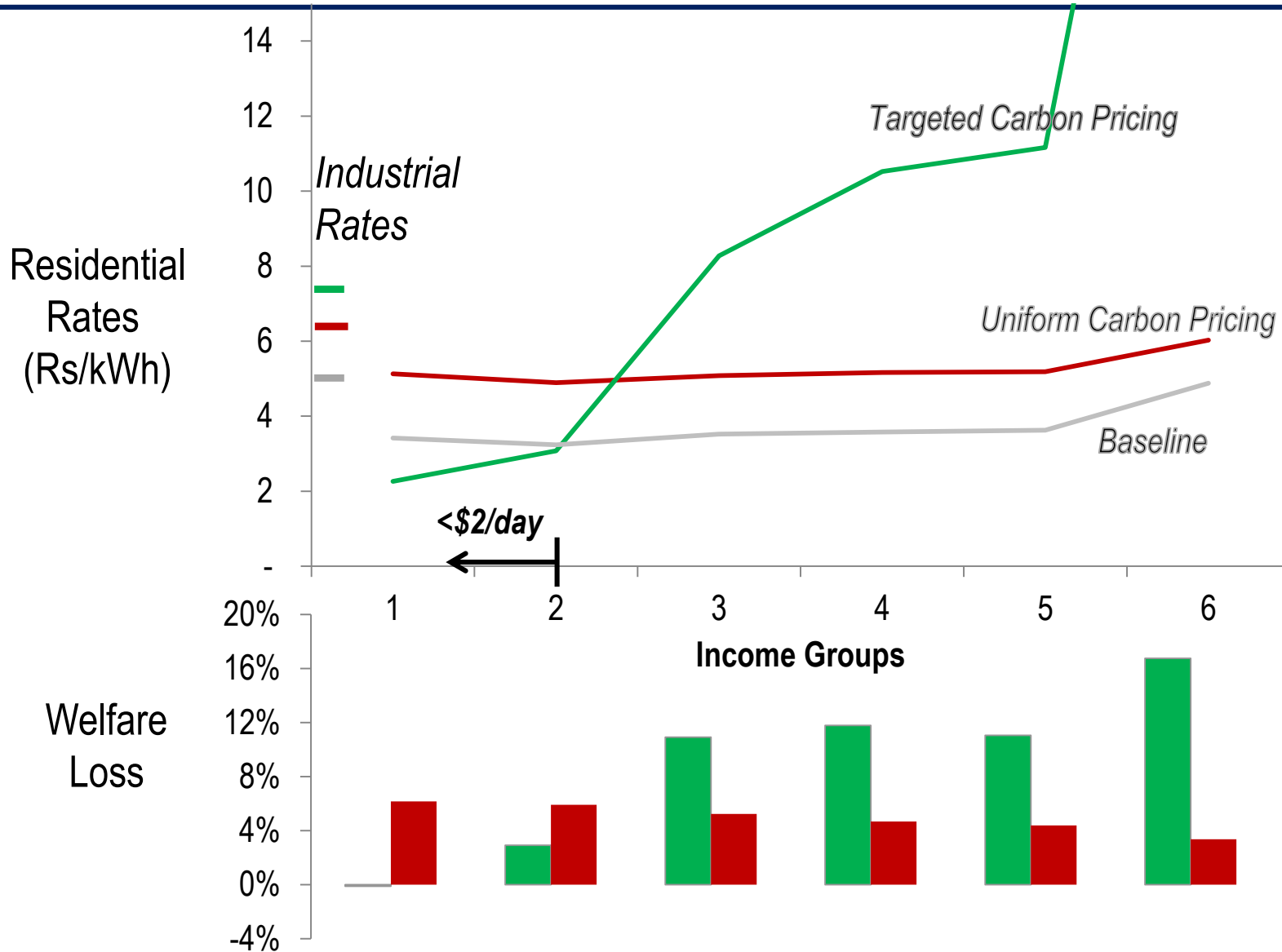
Solid Fuel Dependence with 2°C and Access Policies



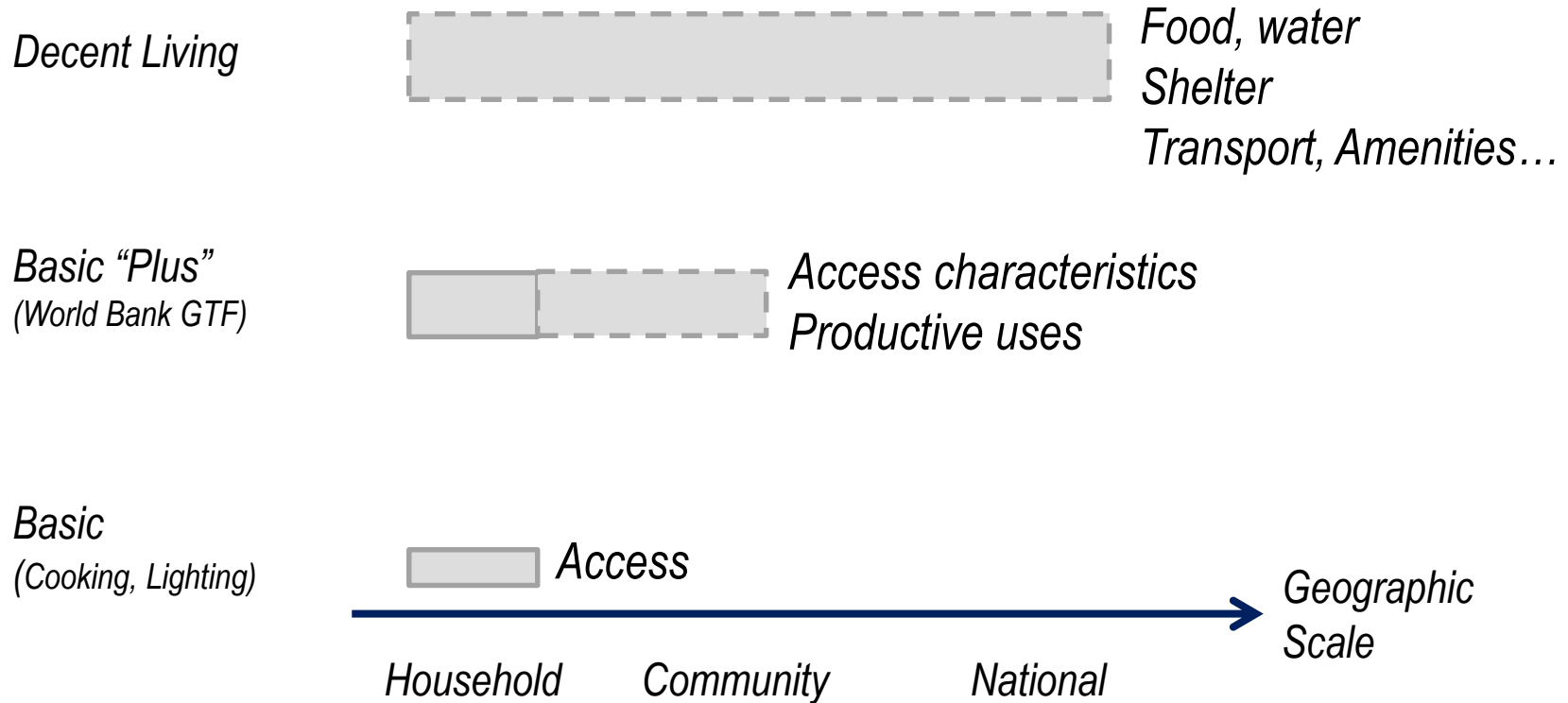
Electricity Price Distributional Impacts



Regulatory Price Discretion - India



Poverty and Energy Poverty



☐ ↑ Scope of development impact

Conclusion

- Having in place policies in place for scaling clean cooking could ameliorate adverse distributional impacts of climate mitigation
- A broader view of energy poverty reveals vulnerabilities to energy pricing beyond access

THANK YOU

nrao@iiasa.ac.at