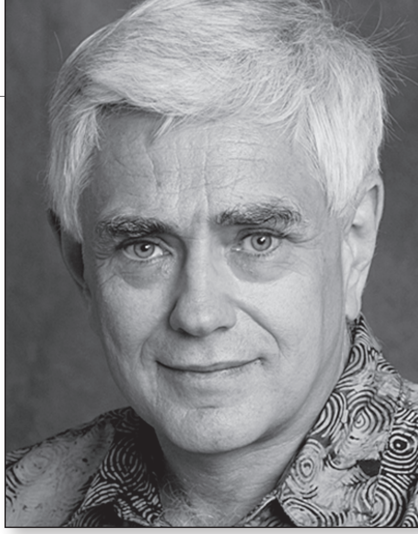

By Bruce Rich

Coal Plants and Barefoot College

As the urgency of fighting global warming grows, so does the disappointment with the climate negotiations. At times the process has resembled an elaborate decade-and-a-half exercise of kicking the proverbial can (in this case a desperately needed agreement on large greenhouse gas reductions by all major emitters) down the road. Worse, the international agencies that are positioning themselves to manage new funds for climate mitigation and adaptation in developing nations are continuing to finance major new investments in fossil fuel intensive power, especially coal plants.

A lead example remains the World Bank, which while increasing its lending for renewable energy and efficiency, also continues to lend for new coal plants. Last June it approved a $180 million loan — first of a planned series — for life extension and rehabilitation of existing coal plants in India. According to the bank, there is at least 25 gigawatts of coal-fired capacity in India that with more investment can be rehabilitated and modernized, which does make them more efficient (and emit less carbon) but also extends their operating life by decades.

On October 29, the bank approved $379.1 million in loans and guarantees for a new 600 megawatt coal-fired power plant in Botswana — a country where there is a huge potential for solar thermal power development, estimates former lead economist in the bank's environment department David Wheeler, now at the Center for Global Development. The bank is also considering lending $3.75 billion to the South African national utility to help finance more than 12 gigawatts of new coal-fired plants.

Continuing to fund dirty power projects instead of low-carbon energy technology only ends up hurting the poor in the long run by placing them at increased risk of extreme weather, sea level rise, and natural disasters. The World Bank states in its flagship World Development Report 2010 that "developing countries are more exposed and less resilient to climate hazards," that "developing countries will bear most of the costs of the damages — some 75–80 percent," and that "warming of 2° Celsius could result in a 4 to 5 percent permanent reduction in annual income per capita in Africa and South Asia, as opposed to minimal losses in high-income countries."

International agencies continue to finance major new investments in fossil fuels

An alternative global energy path is feasible. Stanford and University of California researchers Mark Jacobsen and Mark Delucchi estimate in the November issue of *Scientific American* that the supplies of wind and solar energy potentially accessible are many multiples of current and projected world energy demand. In addition, the generating costs of these technologies would be less than those of fossil fuels and nuclear. The researchers maintain that scaled up wind power will cost half the estimated 2020 generating and transmission expenses of fossil fuels, and solar thermal power would be at parity.

Meanwhile, India is finalizing a National Solar Mission, which envisages installing 20 gigawatts of photovoltaic and solar thermal power by 2020 and 200 gigawatts by 2050. The ambition of this plan is breathtaking; world solar power production is now around 14 gigawatts.

The vision for an alternative path can be found among the very poor in developing nations, in whose name public international finance continues to subsidize giant coal plants. Take India's Social Work and Research Centre — known as the Barefoot College — founded by Ghandian social activist Bunker Roy in 1972. The Barefoot College has trained hundreds of poor villagers as grassroots solar power installation workers and engineers. They've installed photovoltaic units across India in the poorest and most remote areas and have expanded their efforts to villages in eight other countries in Asia, Africa, and South America. It is a bottom-up effort to provide climate-friendly electricity and employment from which centralized international agencies could learn much — in fact help to replicate if they changed their modus operandi.

After nearly four decades of witnessing the mixed record of international development lending in India, Bunker Roy wrote in a 2007 *New York Times* oped that "any goal that is driven from the top by international donors and governments not accountable to the communities and without financial transparency is doomed to fail. That model encourages colossal falsification of figures, the excessive hiring of private consultants and contractors, conflicts of interest and a massive patronage system." No more timely words could be spoken as we consider Copenhagen and beyond.

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