



EMBARGOED until 3 pm (UK-time) on 25 February 2016

Coal power is not the solution for the billions living in poverty

25 February 2016

Ramping up the production of coal is not needed in the battle to end extreme poverty and could in fact hinder progress, development organisations have argued.

The group, led by CAFOD, Christian Aid and the Overseas Development Organisation, has produced 'Coal, Poverty and Development', the second in a series of "Frequently Asked Questions" looking at whether coal power is needed to drive economic development and poverty reduction.

The analysis highlights how the rapid declines in the average cost of renewables have weakened coal's competitiveness throughout much of the world.

'Coal, Poverty and Development' also points out that claims of coal fighting poverty historically are often exaggerated, while burning coal for power can damage the prospects of inclusive and sustainable growth needed to drive poverty reduction.

The coal industry remains the number one contributor to carbon dioxide emissions - which are hitting the poorest people hardest. According to the International Monetary Fund, coal is also costing trillions of dollars in damage to the environment and human health each year.

Despite this, the coal industry is still reaping billions of dollars in government subsidies annually.

Dr Sarah Wykes, CAFOD's lead analyst on climate and energy explained:

"Historically, industrialisation has enabled some countries to boost economic productivity, employment and income levels. But this doesn't automatically translate into gains for poor people - and it doesn't have to be fuelled by coal."

Ilmi Granoff, Senior Research Fellow at ODI agreed:

"It is foolhardy to plan development around coal technologies that are wrecking the climate. Cleaner energy sources now provide a more attractive option to deliver development gains globally."

Notes to editors

- ‘Coal, Poverty and Development’ will go live at 3 pm (UK-time) and the URL will be www.odi.org/FAQ-coal-poverty-development
- Christian Aid, CAFOD, ODI produced this analysis with support from partners – including Practical Action, Oxfam, Vashudha Foundation (India), and the Institute for Essential Service Reform (Indonesia)
- Research by the Overseas Development Institute and Oil Change International, *“Empty promises: G20 subsidies to oil, gas and coal production”*, found G20 country governments are providing \$452 billion a year in subsidies for the production of fossil fuels
- The IMF working paper, *“How Large Are Global Energy Subsidies?”*, found the wider societal costs of coal subsidisation amounted to \$3.1 trillion, or 3.9% of global GDP in 2015.
- The 2014 report by CAFOD, *“Climate Change and Vulnerability: Pushing People over the Edge”*, found climate change will hit people who are living in extreme poverty the hardest

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