

COMMISSION ON SUSTAINABLE DEVELOPMENT
Fourteenth Session, New York, 01 – 12 May 2006

Speaking Notes (Final version, 01 May 2006)

ENERGY FOR SUSTAINABLE DEVELOPMENT

General remarks

- Current global patterns of energy supplies and consumption are not sustainable. Increasing demand for energy is challenging global production capacity with, on current trends, large new investments needed to meet higher demand over the next 25 years. There are serious and interlinked challenges in tackling climate change, avoiding air pollution, safeguarding human health, promoting environmentally sound energy and achieving sustainable development on a global scale. We should further reflect that current patterns of energy production and use are a cause of large scale deforestation, reduced biodiversity, greater air pollution adding to climate change and a direct health risk to people everywhere.
- The WSSD outlined the goals, while the Johannesburg Plan of Implementation (JPOI) together with subsequent events provides clear commitments by governments. The EU wants to see progress on a global scale in fulfilling the commitments embedded in the JPOI.
- The EU believes that the principal objective of CSD 14/15 is to accelerate the implementation of JPOI objectives and commitments to steer the world onto a markedly and truly sustainable energy path, in line with the shared objective to avoid air pollution and climate change, and to increase access to reliable, affordable, economically viable, socially acceptable and environmentally sound energy services amongst the world's poor.
- As global energy demand is expected to grow by 60% over the next 25 years (based on the policies in force to day) urgent action is necessary to limit the increase of the related CO₂ emissions. In order to avoid dangerous interference with the global climate, overall mean surface temperature increase should not exceed 2° C above pre-industrial level. Climate change already today is leading to high social and economic costs, particularly in the developing countries, hampering efforts to achieve the Millennium Development Goal's.
- *[The EU suggests that high-level experts from relevant organizations, institutions and companies are invited to survey and analyse a set of relevant themes in order to report back to the CSD with concrete actions for governments, business and stakeholders, UN-agencies and IFIs. In taking this thinking forward, we should bear in mind the following areas where action is needed:*
 - (i) *vision and strategy, including ways to make energy integral parts of existing plans, policies and visions;*
 - (ii) *Finance, including the bridging between available financing and financing needs;*
 - (iii) *Research & Development – with focus both on technology and social and economic dimensions - with the view to synergize and prioritise such undertakings at national, regional and global levels, and;*
 - (iv) *How to ensure effective review and follow up to decisions and undertakings stemming from the CSD.]*

- In measuring progress, we consider it important to ensure effective and meaningful review and follow-up of outcomes of CSD 14/15 on energy. This should build on the recommendations of, *inter alia*, JREC, Bonn Renewables2004, BIREC 2005 and the Energy for Sustainable Development Conference on renewable energy but also encompass efforts to promote energy efficiency and reduce the environmental impacts of fossil fuels.
- Examples of progress made by the EU, in cooperation with other partners include the EU Energy Initiative, Emissions Trading Scheme and Environmental Technology Action Plan as well as partnerships such as REEEP, REN21, MEDREP and JREC. We also welcome the outcomes of the Beijing Renewable Energy Conference and the recent Berlin Conference on sustainable energy consumption, which CSD14 can usefully build on.

Improving access to reliable, affordable, economically viable, socially acceptable and environmentally sound energy services

- Access to reliable, affordable and environmentally sound energy services is an important factor determining the quality of human existence. Secure energy supplies are essential to sustained economic growth, while sustainable development cannot be achieved with environmentally harmful energy production and consumption patterns. In short: Socio-economic wellbeing and sustainable livelihoods need environmentally sound behaviours by civil society, business and individuals.
- The EU is of the view that the gender-related conditions associated with energy sourcing and consumption has to form the basis for energy related interventions. In many developing countries and economies in transition, women are carrying the major burden related to unsustainable biomass sourcing, handling and consumption. As such women and girls, have the most to gain from more advanced energy technology and efficient energy use, in terms of physical burdens, health hazards and ultimately also time-consumption. In relation to energy-management at the household and community level, women are strong agents for development and should constitute the starting point for any intervention when appropriate.
- The UN Millennium Development Goals will not be achieved without improved access to reliable and affordable energy in developing countries. Energy to meet basic human needs should be a development priority, recognising the 1.6 billion people have no electricity in their homes and 2.4 billion rely on basic, traditional biomass for their daily cooking and heating requirements.
- We would in particular like to stress the the JPOI focus on the role of energy in facilitating the achievements of the MDGs and on potentials of viable energy efficiency and affordable renewable energy resources and technologies. Securing substantial progress in this area will provide a strong impetus for improving access to reliable, affordable and environmentally sound energy services in support of sustainable development.
- Basic cooking stoves using traditional biomass are seriously inefficient, as well as a health and safety hazard, especially to women and children. The dire need of coping with these inequalities while profoundly changing energy consumption patterns in all countries calls for a markedly different energy path in both developed and developing countries.
- In addressing the challenge ahead it is crucial to stress that energy access for basic needs **can** be achieved to meet the MDGs simultaneously. Success in the struggle against poverty is achievable. We believe that economic growth can be reached while curbing major increases in the global primary energy consumption. A sustainable and clean energy path, which includes higher energy efficiency, a substantial increase in the use of renewable energies and better energy technologies, is possible for all countries.
- The EU's own *Energy for Poverty Eradication and Sustainable Development Initiative (EUEI)* - launched at the WSSD as a joint commitment by the EU member states and the European Commission - has been instrumental in creating synergies and coordination among Member States and the Commission, as well as providing an important framework for policy dialogue with developing countries, international organisations and other stakeholders. As a result, access to modern, affordable, sustainable, efficient, clean (including renewable) energy services is now a priority area in EU Development Cooperation. Energy also has a key role in important new initiatives such as the Africa-Europe Partnership on Infrastructure.

- The EU is also particularly committed to supporting flexible mechanisms, such as CDM projects, with designs that can help both providing affordable energy to poor people and to create employment opportunities in the pursuits of producing for instance biomass.
- Moreover, the EUEI has mobilised significant resources and actions, including the recently approved EURO 220 million for a new ACP Energy Facility for the delivery of energy services to rural and peri-urban areas and the COOPENER programme, financing projects aimed at creating necessary institutional conditions for improved access to energy.
- In the wider context of development, the EUEI Partnership and Dialogue Facility (PDF) supports national and regional energy planning, while the European Commission in the framework of external instruments is setting up a Thematic Programme on Environment and Sustainable Management of Natural Resources, including Energy, which will support sustainable energy options in developing countries and contribute to poverty reduction. The creation of innovative public-private financing mechanism will be a key issue.

Enhancing energy efficiency to address air pollution and atmospheric problems, combat climate change, and promote industrial development

- Energy efficiency - together with the increased use of renewable energy sources – should be a key component of energy policy. Energy efficiency meets all three goals of energy policy: security of supply, competitiveness and protection of the environment.
- Following the oil price shocks of the 1970s, many countries introduced mandatory energy efficiency standards for new buildings to supplement older standards for structural strength and fire safety.
- OECD countries, for instance, generally began by introducing energy-efficiency standards for each building element, including windows, walls, roofs, and systems for space heating, water heating, ventilation and air conditioning.
- The EU Commission has recently estimated an EU energy saving potential of 20% by 2020, taking into account measures already implemented by EU member states and proposals for a series of additional measures at national or EU-level. In addition, the EU is considering raising the share of renewable energies to the level of 15% by 2015 and to raise the proportion of biofuels, considering a target of 8%. In order to access this potential the important role of the consumer must be emphasised. Education on the preciousness of energy resources and the responsible use of them should start from an early childhood.
- We encourage the developed and developing world alike to remain focused on continuing increasing energy efficiency, with developed countries taking the lead in changing unsustainable patterns of consumption and production and facilitating technology transfer and technology related capacity building.
- We need to transform the way we use energy. To do this, we can use sustainable consumption and production approaches such as encouraging innovation in energy-using products and using the power of public procurement to pull products through to market. The Marrakech Process and Task Forces, that currently focus on sustainable lifestyles, sustainable product policies, co-operation with Africa, sustainable procurement, sustainable tourism, and sustainable building and construction, will be important in driving forward this work.
- Climate change is likely to have major negative global environmental, economic and social implications, and to avoid irreversible impacts of climate change, the EU holds the view that the global mean surface temperature increase needs to be limited to no more than 2°C above pre-industrial levels.
- Adverse effects are already being noted. Much larger reductions in emissions will be needed if dangerous climate change is to be avoided. We strongly welcome the outcome of the Montreal Climate Change Conference having initiated important processes to strengthen and further develop both the UNFCCC and the Kyoto protocol.
- We must strive towards lesser dependency on fossil fuels on a global scale. In the European Union we have achieved some success in pursuing a shift towards increased use of renewable energy, which not only contributes positively to decoupling CO₂ emissions from economic growth, but also realising direct economic gains for households and business applying such technologies.
- We encourage nations in developed and developing countries alike to built on their own and other countries' positive lessons in dealing with emerging issues and define ambitious, but realistic goals in further diminishing CO₂ emissions through energy

efficiency and increased use of renewable energies in a sustainable manner. In doing so, we acknowledge the specific responsibility by countries in the developed world to promote appropriate technology transfer and the means to help establish renewable energy strategies and interventions.

Meeting growing needs for energy services through increased use of renewable energy, greater reliance on advanced energy technologies, including advanced and fossil fuel technologies

- The recent year's geopolitical developments and surging energy prices have shown that the short-term risks to security of energy supply are growing while at the same time energy demand is constantly increasing. The world's vulnerability to supply disruptions will increase as international trade expands, and flexibility of oil demand and supply will diminish. Energy expenditure will occupy a still larger share of the economy, especially in countries lacking own energy resources.
- The different energy-related challenges are unevenly distributed among countries. Diversified challenges and circumstances require site-specific and custom-made solutions. There is a profound need for flexible and pragmatic approaches while adhering to common goals and commitments. We therefore recognize that countries and regions experience different challenges and opportunities, which must be taken into consideration in any global assessment of implementation. The EU believes every country, depending on its specific situation regarding energy production and consumption, should make its energy portfolio more sustainable and more efficient.
- The EU believes that a momentum for serious actions by governments has materialised due to the convergence of steep rises in oil prices and an increasing political readiness to acknowledge the challenge at hand and the socio-economic consequences of inaction. Energy efficiency as well as security of supply is now placed higher on the agenda than at any time since the seventies due to its simultaneous impact on carbon emissions and industrial competitiveness.
- The trend towards convergent energy priorities by governments is reflected in numerous initiatives since the WSSD in Johannesburg. Many such initiatives at the national and multilateral level deserve praise and mentioning. Among these are the *UN-Energy* providing a possible framework for assisting governments in national policy making; The *Marrakech process on sustainable Consumption and Production* with its many initiatives related to sustainable energy production and consumption; the *39 WSSD energy partnership* with their array of bilateral, regional and multilateral initiatives; the *Bonn renewable 2004 conference* and its resulting declaration and action programme; the *Beijing International Renewable Energy Conferences 2005* commitments towards increasing the global share of renewable; the *Johannesburg Renewable Energy Coalition's* promotion of renewable energy through cooperative efforts, and finally the *G8 Gleneagles* Plan of Action on Climate change, clean energy and sustainable development.
- The Johannesburg Renewable Energy Coalition has been instrumental in enhancing the dialogue and common understanding on the potential of and barriers to be overcome in the area of renewable energy. JREC is chaired jointly by the European Commission and Morocco, and has grown from 66 to 91 countries, 57 of which are developing countries. Together we have supported the Bonn 2004 and Beijing 2005 renewable energy conferences, and are now working on concrete proposals for action for CSD15 in the policy and finance area.

Investing in energy and industrial development: challenges and opportunities

- Common areas of priority has emerged between nations with otherwise different agendas, and the higher price of oil is changing the feasibility and market conditions for renewable energy, environmentally sound energy technology and energy savings in households, the public sector, industry and transportation.
- Financing remains a significant barrier to implementation. One of our objectives for this cycle needs to be identifying options for bridging the finance gap for cleaner energy technology and services. The recent World Bank Energy Week outlined some of the risks and the options. We should seek to build on this work and experience. Following the Gleneagles G8 Summit, the World Bank is leading on the development of an Investment Framework for scaling up public and private investment into low carbon technologies.
- Barriers also remain in the areas of governance, including the integrating of access to energy services into national development / poverty strategies; in finance including finding a way to meet the cumulative investment need of \$16 trillion between 2003 – 2030 to meet projected energy demand by converting the world's resources into available supply; in building the capacity of governments, businesses and local communities including through the provision of information, and in technology, where further research, development, cooperation, transfer and support is required. A conducive investment climate and innovative finance, such as the CDM and JI are essential to tackling this challenge.
- At the country level, there is a need for development of coherent and long-term national strategies for energy access, energy efficiency, energy diversification, renewable energy, reducing the environmental impacts of fossil fuels etc. In achieving a consistent sustainable energy development more vigorous actions are required by governments in partnership with key stakeholders
- EU encourages CSD14 to add emphasis on the need for integrating full-fledged energy dimensions in national development plans, including Poverty Reduction Strategies, national development strategies and other relevant policy plans. Aspects to be covered include access to affordable energy and technology, energy efficiency, use of local energy sources and actions to tackle climate change and manage climate risks.
- We need to add focus on the instrumental role of public authorities, *inter alia* in the phasing out of harmful energy subsidies as set out in paragraph 20(p) of the JPOI and in the design and implementation of incentives with the view to promote efficient, transparent and competitive markets for energy. In line with this, EU also supports an improved use of regulatory and market based frameworks and incentives.
- The improvement and optimising of efficiency in energy markets also calls for the use of transparent and competitive public and private procurement and effective exchange of best practices, including partnerships between relevant actors in the market.
- In relation to international energy governance, the EU calls for energy policies which considers long term energy needs; effective administration; policy coherence with related sectors; economic instruments and conducive investment climate; infrastructure investment, and at the *regional level* EU finds a need for enhanced emphasis on strategies for regional beneficial cooperation and trade of energy, while at the *global level*, there is a need for strengthened global coordination and cooperation among the multilaterals and various international initiatives and decisions as well as securing more financing for the energy sector through nurturing investor confidence by creating enabling environments for investors, including the protection of intellectual property rights.

- We welcome the Sustainable Energy Finance Initiative of UNEP providing a platform that facilitates financiers with the tools, support, and global network needed to conceive and manage investments in the complex and rapidly changing marketplace for sustainable energy technologies.
