

Air Pollution/Atmosphere and Climate Change and Linkages to Energy for Sustainable Development

NGO speech, Gunnar Boye Olesen, INFORSE-Europe/Eco-Forum/92-group/CURES¹

Just like there was a general consensus at last week's climate conference in Montreal on the urgency to address climate change, a starting point for this conference must be that our current ways of producing and using energy are simply not sustainable, for climate reasons, for air pollutions reasons as well as for supply reasons. They must be transformed as part of sustainable development.

Because of the need for changes, a number of NGOs have developed their own visions and strategies for future energy supply, combining massive use of energy efficiency and renewable energy. These strategies and visions draw a completely different picture than the business as usual scenarios presented by the International Energy Agency and other. They point at a development with decreasing energy consumption in our region – driven by efficiency. It is now well documented that such developments are possible; that they can be realised with our present standards of living; and that they could reduce our impact on the environment to sustainable levels. In addition a development along these lines would reduce the need for investments in new energy infrastructure. The 16 trillion needed for investments according to IEA might not be needed with such a development, less will be needed, but a larger share for end-use efficiency. Even though the sustainable development might be cheaper, it will only happen with the right policies and measures in place. In our increasingly globalised societies, this includes global cooperation. This is also what CSD is about.

One global cooperation that steers solutions on the ground in many countries are the Multilateral Development Bank's (MDBs) and their loans. They are nucleus for large investments and they drive private capital to the projects they favour. In energy there are several good examples of MDB lending that contributes to sustainable development; but there are many bad ones. In a number of countries, MDB lending have been a driver for unsustainable hydro and for large increases in CO₂ emissions, also where better alternatives are available.

Thus, it is crucial to address the MDBs and other public lending such as from Export Credit Agencies. We are happy to learn that they will be involved in this process, but CSD should go beyond that and give the guidance. From the NGOs we support the proposal to phase out MDB lending for fossil fuels, and we certainly agree that they should not make loans for nuclear power. For renewable energy, lending should be limited to sustainable use of renewable energy. While this seems obvious, it is certainly not always the case. In particular large hydropower have a legacy of creating large external effects, sometimes to the extent where the net effect on society and environment becomes negative. Fortunately there are ways out. If hydro project follows the guidelines of the WCD, it is possible to make hydro sustainable. It is time to implement these guidelines.

Another driver of the development is public support, including R&D. We are as other stakeholders concerned that R&D budgets in renewable energy and energy efficiency are decreasing. This does not reflect the urgency of the transition to sustainable systems, and must be addressed. With the decisions to increase R&D budgets in some countries, such as in the EU countries, a share of this increase must be used for sustainable energy. It is, however, not just a

¹ International Network for Sustainable Energy (www.inforse.org), European Eco-Forum (www.eco-forum.org), Danish 92-group (www.92grp.dk), Citizens United for Sustainable Energy and Sustainability (www.cures-network.org)

question of increasing R&D budgets. There are more R&D funds for nuclear power than for renewable energy. This includes R&D funds for nuclear fusion, a technology that is not likely to give results in our lifetime. We advocate a proper allocation of existing R&D budget to sustainable energy, both for R&D and for market introduction.

Of course a very more important driver for transition to sustainability is policies. I will not repeat the full set of policies needed for a transition to sustainable development in energy. There are many well-know measures, and when introduced in concert and with enthusiasm they can drive changes. As it is not among our usual NGO demands to call upon you to work with enthusiasm in the governments, it is needed to work with coherent policies for sustainable development, where good laws are not negated by other regulations. I think enthusiasm for the sustainable development and good cooperation among government departments will help to achieve this.

In addition, it is also needed to set a level playing field and include all costs for the different technologies, including the external costs, a risk premium for technologies with hazards, and costs for future costs of decommissioning. JPOI called for a phase out of subsidies that inhibit sustainable development. We strongly support that and we urge you to take it up in these cycles of CSD. In this region, many fossil fuel subsidies have been phased out in many countries and sectors. This has benefited the environment and contributed to sustainable development. Sometimes it has been done too fast for parts of the societies adapt. Lessons have been learned and now countries stand in good positions to phase out remaining unsustainable subsidies as part of a just transition to sustainable energy. The CSD can play a crucial role here in reviewing the progress in phasing out the subsidies that inhibit sustainable development in energy, following the decisions in Johannesburg.

As a guidance for policies, we support time-bound targets, in introduction of renewable energy and energy efficiency as well as in phase out unsustainable subsidies. This was raised by a country representative in the discussion yesterday, and this should not be a lonely voice.

Another reflection on yesterdays and today's interventions is that just as the trade unions see problems in the current market transformation where public monopolies are replaced with markets with private players, we also see environmental problems in this. It requires strong regulation, including environmental and climate regulation, if it is to lead to sustainable development. Therefore we cannot agree with the uncritical support of market liberalisations included in the background paper to this meeting. Further, I would also like to echo my colleague that yesterday stressed that we cannot agree with the uncritical description of nuclear power in the background paper. We find nuclear as one of the most problematic forms of energy and that it is not a part of sustainable development.

Now we all have a year of reviews in front of us in CSD. This can be crucial year to get new knowledge, maybe break new ways, and build new consensus on solutions. We hope that this meeting can give be a starting point for fruitful reviews. I already mentioned the need for review of phase out of unsustainable subsides. Further reviews should cover the progress in renewable energy and energy efficiency as called for in Johannesburg, sustainability of all energy sources, and the progress in providing energy in a sustainable way to the more than two billion people that lack access to energy today. In addition, we support that the review include the many good cases and initiatives such as proposed at the BIREC and as a follow-up from the Renewable2004 conference in Bonn last year.

Yesterday, at a side event, was flagged the idea of picking winners at the beginning of each CSD cycle. While I will not try to suggest winners among persons or countries involved, we

should start to discuss winners among the outcome. So hereby a few suggestions for outcome that could be winners, and that could make all of use involved in this process become winners:

- several speakers have mentioned the need for cooperation on standards and labelling for energy efficiency of goods. A suggestion could be a global cooperation supporting the labels and standards introduced by many countries and regional market regulators as the EU. This also has strong linkages with trade as many of the goods are traded worldwide. It is important that such a system is supportive to national and regional actions, and is not delaying new initiatives addressing the growing types of appliances and apparatus that need to be included.
- renewable energy and energy efficiency does not have an institutional home on a global level. Effective international cooperation on renewable energy efficiency will be an important help for sustainable development. Several NGOs have proposed a new institution for renewable energy and energy efficiency. Increasing coordination of existing organisations is also important. There are a multitude of roles to be filled such development guidelines, assisting countries in building sustainable energy strategies and strategies to provide energy for poverty reduction, technology transfer, and assisting phase out subsidies as part of a just transition. CSD should consider this.
- a cooperation on financing for sustainable energy seems obvious, exchanging ideas and solutions that support local sustainable solutions, to reduce poverty but also for a transition to more sustainable energy systems throughout the world. This could be an important vehicle to make the energy lending of MDB's sustainable, mainly building of existing structures.
- as the speaker from Norway and European Commission pointed out, air pollution is a growing concern, and a global problem. CSD should address this.
- finally we should already now consider how we want to implement the results from CSD in the ECE region. Eco-Forum propose to draw a link to the Environment for Europe that have been successful in Pan-European environmental cooperation.

Many of us will be happy to cooperate with you on these and the other good ideas for a successful outcome of CSD.