



### ***Bali PrepCom 4 27 May - 7 June 2002 Statement***

#### **US Business Council for Sustainable Energy (BCSE) UK Business Council for Sustainable Energy (UKBCSE) European Business Council for a Sustainable Energy Future (e<sup>5</sup>) Australian Ecogeneration Association<sup>1</sup>**

Our organisations represent leading businesses seeking to move **sustainable energy** to the forefront of the policy and business energy agenda.

We support the development of national and international energy policies that will accelerate the delivery of sustainable energy services globally (clean and renewable energy, energy efficiency and combined heat and power technologies, and also public transportation and telecommunications). We call on governments to endorse such policies during ministerial level discussions at the Fourth Preparatory Committee meeting (PrepCom IV) of the World Summit on Sustainable Development (WSSD).

The UKBCSE, BCSE, AEA and e<sup>5</sup> acknowledge the basic right of all people to clean and sustainable energy and support the priority being accorded to energy within the WSSD's sustainable development agenda. This is essential to provide access to safe, environmentally-sound sources of energy to the two billion people in the world without, to achieve significant cuts in greenhouse gas emissions, and to achieve the international development goals set out by UN Secretary General Kofi Annan, and other international leaders.

Specifically we:

- Call on governments to adopt firm national and international goals and market-based policies to help expand access and financing for clean, sustainable energy, and to help increase business confidence to provide long term investment in these technologies.
- Call on governments to adopt a wide-ranging approach to sustainable energy policy, recognising the central role that energy can play in achieving international development targets as well as environmental protection and long term economic and physical security.
- Urge governments to adopt the recommendations of the G8 Renewable Energy Taskforce as key elements of a such an international action plan for sustainable energy, in particular recognising:

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<sup>1</sup> The Australian Ecogeneration Association is the equivalent organisation to the Business Council for Sustainable Energy in Australia.

- the linkage the 'G8' report makes between the feasible action plan it sets out to provide affordable renewable energy to one billion people in developing countries within a decade, and the need to accelerate market expansion in industrialised countries to reduce the costs of sustainable energy technologies globally.
- the importance of strengthened national policy frameworks and new sources of finance in achieving the mobilisation of necessary loans and funds for sustainable energy particularly in developing countries.

In addition the BCSE, UKBCSE, e<sup>5</sup> and AEA support the evaluation and redirection of resources in the energy portfolios of international and domestic financial institutions towards sustainable energy projects; and support the removal of subsidies to non-sustainable forms of energy. Adopted internationally, these measures would ensure consistency with sustainable development objectives, and send a stronger signal to investors of the priority being accorded to clean and renewable energy by the world community.

As business organisations the BCSE, UKBCSE, e<sup>5</sup> and AEA are committed to work with governments, the environmental community and other key stakeholders to develop a policy agenda to accelerate the provision of sustainable energy services worldwide, and an accelerated transition to a low carbon economy.

### **ABOUT THE COUNCILS**

The U.S. Business Council for Sustainable Energy (BCSE) was formed in response to the 1992 Rio Earth Summit's challenge of incorporating the energy industry into the sustainable development discussion. In 1995 BCSE assisted in the creation of the European Business Council for a Sustainable Energy Future (e<sup>5</sup>). e<sup>5</sup> is the leading voice for clean energy, public transport and telecommunication businesses in Europe regarding energy and climate issues. In 2001 progressive energy companies in the UK committed to creating the UK Business Council for Sustainable Energy (UKBCSE). The decade-old Australian Ecogeneration Association is the equivalent organisation in Australia promoting sustainable energy.

The continued expansion of this clean energy industry network is testament to the value of a strong international clean energy business voice on the important role of clean and renewable energy, and end-use energy efficiency in the implementation of sustainable development.

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## **G8 Renewable Energy Taskforce Report – summary of key recommendations**

The G8 Renewable Energy Taskforce report, 2000, was co-authored by Sir Mark Moody-Stuart, former head of Shell, and Dr Corrado Clini, head of the Italian Environment Ministry, at the request of G8 governments. It was charged with reporting on the barriers to renewable energy uptake, and solutions to those.

Key recommendations to achieve the goal of supplying one billion people with renewable energy within a decade were identified in four areas; these involve action by both government and industry:

### **Reduce technology costs by expanding markets, including:**

- Government and industry implement existing and proposed national plans to expand domestic renewable energy markets in order to drive down costs and underpin the development of markets in developing countries
- Government work with International Financial Institutions to develop well-defined 'smart subsidy' programmes (temporary and performance based) to place more resources with International Financial Institutions (IFIs) that can be accessed by private sector project developers on a cost-shared basis
- Government-private sector voluntary global commitment for the use of renewable energy by multinational corporations in their operations.

### **Build a strong market environment, including:**

- strengthen institutional capacity in developing countries to support the development of comprehensive national renewable energy strategies with complementary private sector investment programmes. In sustainable development, power sector reform and other relevant national processes
- Government and industry, *on an expedited basis*, provide support to renewable energy industries for the creation of joint ventures and other manufacturing, assembly etc capabilities in developing countries
- Government expand scope, visibility and funding of innovative approaches that are currently assisting in the development of RE markets in developing countries

### **Mobilise financing, including:**

- Government work on the integration of renewable energy into International Development Goals, including annual reporting on relative financial flows and donor assistance patterns to support renewable energy, and requiring ODA, bi- and multi-lateral agencies to explicitly consider renewables
- Export Credit Agencies (eg ECGD) should extend 'sector arrangements' for other energy lending to renewable energy, could include minimum standards for energy efficiency, carbon intensity (or renewable energy obligations)
- Government call for proposals to mobilise 'patient capital' from industry and private financiers through appropriate tax and other support schemes

### **Encourage market-based mechanisms, including:**

- Work with the International Energy Agency to evaluate the benefits of renewable certificate trading schemes and the assess benefits of enhanced international collaboration
- Government support development of the Clean Development Mechanism (CDM, of the Kyoto Protocol) emissions trading that is conducive specifically for renewable energy
- Government take steps to remove subsidies and incentives for environmentally harmful energy technologies

A full copy of the G8 Renewable Energy Taskforce report can be downloaded [www.renewabletaskforce.org](http://www.renewabletaskforce.org)

The Greenpeace-Bodyshop report 'The Power to Tackle Poverty', another valuable contribution to this topic, can be downloaded at [www.choose-positive-energy.com](http://www.choose-positive-energy.com)