

Energy at the World Summit on Sustainable Development

A report by the *UK Business Council for Sustainable Energy*

Implications from Johannesburg

The challenge of ensuring the international political agreement supporting a 'substantial increase' in the share of renewable energy (albeit non specific) is reflected substantively in national energy policymaking

Consolidation of growing international political support for renewable/sustainable energy: how to ensure international 'partnerships' can be used to accelerate uptake of renewable energy.

Energy in Johannesburg

The controversial issues relating to energy on the political agenda in Johannesburg were:

1. renewable energy target
2. time specific assessment of energy subsidies which inhibit sustainable development with a view to their phase out
3. level of action on energy access (for poverty alleviation)

These matters, together with the reference to Kyoto Protocol, were in square brackets at the outset of the conference. Officials and Ministers (in the UK Margaret Beckett and Michael Meacher were most active on this issue) were due to spend the first week finalising the 'Plan of Implementation' and reaching agreement on these and other areas, prior to producing a text for Heads of Government to agree at the start of the second week.

Energy – specifically the question of adopting a global renewable energy target - remained one of the most controversial issues throughout the talks, delaying agreement on the 'Plan of Implementation' by a whole day, much of that with political 'sides' in deadlock.

Results in Brief

All targets and timetables rejected

1. The specific renewable energy target was rejected (see politics, and full text below), instead countries stated that “*with a sense of urgency*” they would “*substantially*

increase the global share of renewable energy sources, with the objective of increasing its contribution to total energy supply,”

2. Reference to 2007 for a review of progress of developed country action towards a progressive phase out of energy subsidies was rejected; instead the form is now *‘take action, where appropriate’* to phase out energy subsidies that inhibit sustainable development,
3. The weaker language was also adopted in terms of developing plans for increasing access to energy, retaining those within existing UN agreements e.g. CSD9).

Note: while a global renewable energy target was criticised for being a blunt instrument it was the only element on the political table that signalled any real shift in commitment on the energy question and, as such, it became the symbol of whether countries were prepared to act, or retain the status quo. The fact that this point remained controversial throughout, indicates the stakes and interests at play – which were in fact, very similar to dynamics at the climate change negotiations.

Climate: China and India ratified during the WSSD, and Canada and Russia indicated their intent to ratify. The latter would result in the entry into force of the Kyoto Protocol.

Political Dynamics

The EU arrived with a proposal for a target of 15% global energy supply from renewable energy by 2010, this target applying to all renewables. ‘All renewables’ (large hydro, traditional biomass) account for 13.9% of primary energy supply today, EU came under criticism for not being sufficiently ambitious, and supporting environmentally harmful sources such as large hydro. In addition the EU was supporting a 2% increment for OECD countries i.e. those countries should increase renewable energy supply by 2% by 2010 compared to levels in 2000.

The EU and Brazil held talks looking for convergence between their positions on RE target: Brazil had come to Johannesburg taking international leadership on the issue supporting a 10% target for share of renewables globally by 2010, but only applying to ‘modern renewables’ (excludes large hydro and traditional biomass)– this definition accounts for only around 2% of today’s primary energy supply - more ambitious than that of the EU, Brazilian proposal envisaged trading between nations to achieve the goal. An alliance of north and south countries - Norway, Brazil, Mexico, Argentina and the Philippines - declared support for a target for ‘new renewables’ at a press conference at the end of the first week, this was backed by the Latin American and Caribbean countries also supporting the Brazil target.

It looked as if some compromise would be possible on the ‘pro-target’ side between EU and Brazil, possibly extending the 2010 deadline, and possibly over the inclusion of large hydro with the proviso that strict environmental and social impact assessment (or the World Commission on Dam criteria) would be applied. However there was too little time to broker a robust accord and split the G77 (G77 comprises a very wide range of interests from OPECs to the Alliance of Small Island States).

This left the way open for the anti-target lobby: US and OPEC countries leading Australia, Canada and Japan to hold sway. G77 continued to negotiate under one umbrella (inevitably lowest common denominator) so the EU was left rather isolated (with and a handful of others including Norway, Iceland, Switzerland, New Zealand), and did not press its position forward under pressure not to hold up the agreement on the overall Plan of Implementation.

In response to the failure over the renewable target, the EU put forward a ‘coalition of the willing’ approach at the final plenary session – countries that already have, or want to adopt, national or regional renewables targets (not specific level). Several countries spoke out in support of renewable energy and the EU’s statement in their closing remarks. Specifically Bulgaria, Cyprus, Czech Rep, Estonia, Hungary, Iceland, Latvia, Lithuania, Malta, NZ, Norway, Poland, Romania, Slovakia, Slovenia, AOSIS, Switzerland and Turkey all signed up to it, and the European Commission noted that Argentina, Brazil, Croatia, Chile, Egypt and Uganda all supported it from the floor.

On nuclear a couple of countries noted that in their view the text did not include nuclear energy technologies, and India for example stated that it did. The division over nuclear energy was at the core of previous attempts to reach multilateral statements of agreement on energy (CSD9).

Other Energy Text

There were of course other paragraphs related to energy that had been agreed prior to Johannesburg and those remained unchanged. The full text of the Plan of Implementation can be downloaded from www.johannesburgsummit.org

The UK

The Prime Minister announced, in a speech in Mozambique the day before arriving at the Summit that, from April 2003, the UK’s Export Credit Guarantee Department (ECGD) would set aside at least £50 million worth of cover per year for supporting renewable energy exports. In addition, the UK launched the Renewable Energy and Energy Efficiency Partnership (REEEP) – see below.

In that speech he also reiterated the importance of the Kyoto Protocol, pointed out that it is not ‘radical’ enough, and stated the need for a 60% reduction in emissions to stabilise the global climate system and stop further damage from climate change - see <http://www.number-10.gov.uk/output/Page5987.asp> for the full speech

Partnerships

These so-called ‘Type 2’ agreements, rather predictably, took a backseat within the actual political negotiations, although they were given high-level media launches. The UK had a meeting of its REEEP and is now seeking written input from any interested parties on the development of this initiative.

The UK, EU and several other partnership initiatives are frameworks containing, at present, little content – activities are intended to be developed with the ‘partners’ involved, creating a potential opportunity to shape this work, if thought sufficiently enduring. UKBCSE and WWF for example are signed-on to the REEEP initiative. A full list of partnerships is up on the official website is at: http://www.johannesburgsummit.org/html/documents/summit_docs/2908_partnershipsummary.pdf

The European Commission is currently developing its ‘coalition of like minded countries’ (above) and what this might mean in practice, including linkages with its ‘Partnership’ initiative. Inputs are invited to peter.horrocks@cec.eu.int

Other talked of partnerships include the Global Village Energy Project, and UNEPs network of energy knowledge centres.

The most immediate next step is a meeting on 20th and 21st of September in Marrakech, Morocco, concerning the ‘Mediterranean’ renewable energy initiative and the Med2010 project towards large scale integration of PV and wind energy in the Southern and Eastern Mediterranean countries - see <http://www.ome.org> for more information.

Business

Several business organisations supported an international renewable energy target, and within that a focus on the ‘new renewables’ technologies to stimulate appropriate market development, cost reduction and confidence in these technologies. Companies tended to be more interested in the specifics of national plans for renewables in the post-Johannesburg arena. However this list demonstrates a growing a substantive business lobby now prepared to get behind sustainable energy technologies.

Supporting organisations and companies included:

US Business Council for Sustainable Energy

Australian Business Councils for Sustainable Energy

UK Business Council for Sustainable Energy

European Business Council for a Sustainable Energy Future (e5)

Shell

BP

Canadian Environmental Industries Association (supported an international renewable energy target, but not specific on technology)

Brazilian Business Council for Sustainable Development (branch of WBCSD).

Other companies such as the Bodyshop, IT Power and ITDG as well as Baker & MacKenzie from the UK were supporting Renewable Energy targets, the European Wind Energy Association President was also there, as were several member companies from the US Business Council for Sustainable Energy including geothermal (Ormat), small solar PV and consultancy interests.

Shell had developed a proposal for setting up a *'one million solar homes'* fund, and the Global Environment Facility (GEF) has already agreed to provide a proportion of the funds if the rest of the money is forthcoming.

The energy business lobby included World Nuclear Association, Eurelectric, BNFL, World Coal Institute, IPIECA, International Chamber of Commerce, International Gas Union, Eskom from South Africa and others – of the 10 names put up for participation at a formal consultation with business and other NGOs on energy, only one participant was explicitly from the 'clean energy' lobby. However there were relatively few energy related participants (in comparison to the climate change negotiations).

Final Energy Text

The final controversial paragraphs on energy were agreed at 8.30pm, Monday 2nd September. The key paragraph which originally contained reference to renewable energy targets is 19(e) below. 19p(bis) on subsidies originally contained reference to a review by 2007.

- 8** Take joint actions and improve effort to work together at all levels to improve access to reliable and affordable energy services for sustainable development sufficient to facilitate the achievement of the Millennium Development goals, including the goal of halving the proportion of people in poverty by 2015, and as a means to generate other important services that mitigate poverty, bearing in mind that access to energy facilitates the eradication of poverty. This would require actions at all levels to:
- 19** Call upon Governments, as well as relevant regional and international organisations and other relevant stakeholders, to implement, taking into account national and regional specificities and circumstances, the recommendations and conclusions of the Commission on Sustainable Development concerning energy for sustainable development adopted at its ninth session, including the issues and option set out below bearing in mind that in view of the different contributions to global environmental degradation, States have common but differentiated responsibilities. This would include action at all levels to:
- 19(e)** Diversify energy supply by developing advanced, cleaner, more efficient, affordable and cost-effective energy technologies, including fossil fuel technologies as well as renewable energy technologies, hydro included, and their transfer to developing countries on concessional terms as mutually agreed. With a sense of urgency, substantially increase the global share of renewable energy sources, with the objective of increasing its contribution to total energy supply, recognising the role of national and voluntary regional targets as well initiatives where they exist, and ensuring that energy policies are supportive to developing countries' efforts to eradicate poverty, and regularly evaluate available data to review progress to this end.
- 19(p)bis** Take action, where appropriate, to phase out subsidies in this areas that inhibit sustainable development, taking fully into account the specific conditions and

different levels of development of individual countries and considering their adverse effect particularly on developing countries.

- 19(s)** Countries are urged to develop and implement actions within the framework of the ninth session of the Commission on Sustainable Development, including through public-private partnerships, taking into account the different circumstances of countries, based on lessons learned by Governments, international institutions and stakeholders and including business and industry, in the field of access to energy, including renewable energy and energy-efficiency and advanced energy technologies, including advanced and cleaner fossil fuel technologies.

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