



Statement

by

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to

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Mr. Chairman, Excellencies, Ladies and Gentlemen,

I am very pleased to be here to address the 14th session of the Commission on Sustainable Development (CSD).

One only has to open the newspaper every day to realise that energy issues are increasingly high on the political agenda. However, what should not get lost in the political discussions is that energy is also a fundamental socio-economic issue, without which countries and people within them can not achieve their development potential, nor reduce poverty. At the local level without access to reliable and affordable energy, people are denied basic health or education services and opportunities for improving their lives. Energy therefore is paramount to achieving all the Millennium Development Goals, from education, to health care, to gender equality and ensuring environmental sustainability. This is the basis of UNDP's commitment to cooperation in this area.

At the global level, according to the World Energy Outlook (2003 & 2004) we know that the Earth's energy resources are more than adequate to meet demand; but the picture of investment and supply is skewed across the globe. The five largest countries in the world outside of the OECD - China, Russia, India, Indonesia and Brazil - will need about a third of global energy investment. The transition economies and developing countries together will account for about 60% of global energy investment. We risk a situation where not only will we not be able to achieve the Millennium Development Goals, but a situation where 1.4 billion people will be without electricity in 2030, if the rate of growth in investment and supply projected by the International Energy Agency continues. That is a mere 200 million fewer people without electricity than today. Developing countries will require major investments and improvements in the quality and quantity of energy services, as well as open access to different energy options - and therefore a change in government policies - to reduce the risk that the world's energy needs are almost 60% higher than they are now (World Energy Outlook 2004).

I am delighted that energy for sustainable development is one of the themes of this year's CSD – given the focus of UNDP's work at the country level - and that energy security will also be on the agenda of the G8 meeting in a couple of months. The international community must rise to the challenge to significantly upscale its on-going efforts, as well as invest more heavily in ensuring equal access to energy services. Here, I believe two categories of actions are needed:

First, energy for the poor has to be fully mainstreamed and reflected into national development strategies, such as poverty reduction strategies. Clearly articulating the energy needs of the poor and setting out time-bound national energy targets that are ambitious enough to help achieve the MDGs, can produce far reaching impacts, especially when fully backed by political commitment. In this regard, the Economic Community of West African States (ECOWAS) has provided us with an excellent example, in the form of a White Paper on *Increasing Access to Energy Services for Rural and Peri-Urban populations to Achieve the Millennium Development Goals*. Not only has it articulated the highest political commitment at the regional level, but more importantly it has stimulated policy debates at the national level, such as in Senegal, to upscale and accelerate on-going national efforts for integrating energy access considerations into MDG-based Poverty Reduction Strategies.

Second, mobilising sufficient financial resources, including both domestic and external, is critical. To provide modern energy services for the poor in line with the achievement of the MDGs is estimated to cost roughly US\$ 20 per capita annually over the next 10 years, as detailed in last year's Millennium Project report entitled, *A Practical Plan to Achieve the Millennium Development Goals*. Here, alignment between national visions on energy access and public resource allocations should be the starting point. Once energy access has become a national priority, through the establishment of national access targets, the priority needs to be backed by budgetary allocations. One case in point is Burkina Faso, where strong national budgetary commitments have occurred as a result of mainstreaming energy access into the national policy framework. This has furthermore lead to external resource commitments. Given the strong financial commitments donor governments made at Gleneagles –last year - doubling aid by 2010 through an extra US \$50 billion globally there is a huge potential to drastically scale up the delivery of energy services and make 'energy poverty' history. Much of the capital needed for energy projects will have to come from private and foreign sources. Governments need to ensure that a sound enabling environment is created through systems that create and enforce a sound legal system, to applying the principles of pluralism, transparency and efficient public sector management, in order to attract the private sector resources.

The MDG framework can provide a powerful impetus for stepping up global efforts to provide access to energy for the poor. We need to ensure that all energy options remain open to increase access to energy services for the poor. There need to be a swifter transition to more sustainable energy systems through the increased use of energy efficiency, renewable energy and clean fossil-fuel technologies. Carbon financing provides an excellent opportunity in this regard, to help accelerate transition to more sustainable energy systems and to go beyond the limits of ODA by bringing in additional and significant resources for sustainable development. But unless dedicated, concerted efforts are made, such benefits will not materialize for the poorer countries. UNDP is in the process of establishing a MDG Carbon Facility to provide countries a one-stop shop to access carbon finance services including project development, management and capacity development. Through this facility, UNDP hopes to bridge the worlds of climate and MDGs, that is, to increase access to carbon finance to a broader range of developing countries and to leverage this new funding source to yield both tangible climate change and poverty reduction benefits.

The UN Reform that is currently on-going provides with an impetus to work more closely and collaborate on important issues such as energy. Each of the UN agencies involved in energy issues has a role to play and align with the global coordination and advocacy for energy issues, based on their comparative advantage.

To conclude, political commitment articulated in terms of national energy access targets and public budgetary allocations is critical to up-scale national efforts, align external partners and mobilize additional finance beyond ODA. It is also important that due considerations should be given as to how to monitor on on-the-ground progress in conjunction with the MDG progress reporting processes. If CSD 14 and 15 can mobilize such political commitment and show the way through sharing of good experiences and practices, then this year's CSD cycle will have given us the fuel needed to energize the MDGs and empower the 2 billion poor people with the choices, opportunities and services they deserve.