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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.
- The establishment of an institutional framework and transparency that can attract investment by domestic and international actors is of great importance. This means among other things a stable and transparent governance structure. Those countries that have been most successful in implementing reforms in these areas have achieved higher rates of investment and economic growth.
- A key initiative that is currently being developed by some governments and private actors on a voluntary basis is the Investment Climate Facility for Africa, which will be a pan-African private-public facility aimed at supporting improvements to investment climates on a national, sub-regional, regional and continental basis. This facility will have the flexibility to address a range of investment climate issues, including those that are specifically related to increasing investment in environmental assets.
- It is also important to develop governance conditions and public participation that enable poor people themselves to access, invest in, develop and manage those environmental

assets that are fundamental to their livelihoods and health. This includes inter alia strengthening property and resource rights, better regulation of access to environmental assets and the effective enforcement of conservation rules and environmental sustainable measures.
