

BUSINESS AND INDUSTRY STATEMENT
IPM
Monday 26 February 2007
11h30 – 13h00

Dear Participants,

Business is happy to participate in this interactive discussion with major groups on the occasion of the Intergovernmental Preparatory Meeting for CSD15. We would like to highlight the following:

- A) Business regards energy for sustainable development, atmosphere/air pollution, climate change and industrial development as **interwoven priorities** that require **balanced, integrated and cooperative solutions** involving civil society, governments and business.
- B) Approximately 2.4 billion people have no access to modern energy services. This represents both **an urgent challenge and opportunity** for the business community. In addition, more than half the world's population depends on biomass or other energy that cause unhealthy indoor air pollution. The WHO states that 1.6 million people die every year from indoor air pollution. This area should be given a high priority in light of its health, environmental and social impacts now and today
- C) Climate change is a global problem **requiring a global solution**. Building on past and current emission reductions by the private sector, further action to reduce emissions of greenhouse gases is needed by society in order to stabilize greenhouse gas concentrations at acceptable levels. It affects all pillars of sustainability. Inextricably bound with energy supply and efficiency, climate solutions will have to reflect and integrate economic, social, development and energy needs. With increasingly diverse energy sources, measures should be sector and technology considerate. **Supplying the growing demand for affordable energy will have to work in concert with science and market-based, fair and flexible climate policies.**
- D) Sustainable energy strategies must **be innovation friendly** and **emphasize competitiveness, energy security and the environment**. Achieving economic, social and environmental objectives depends on efficient frameworks that allow market forces to operate and increase long-term certainty for investment decisions.
- F) A successful and sustainable industrial base strengthens society. Industrial development makes its greatest contribution to sustainable development in the context of sound enforced regulation and good governance that relies to the extent possible on sound science, risk management, the market and voluntary approaches that supplement legal requirements.
- G) Innovation and technology deployment come in significant part from business. The business community recognizes the **urgency to act swiftly** and is committed to engage with governments and other societal partners to develop and implement energy-related investment.

B&I would also like to highlight the following five priority areas:

1. Improving access and meeting growing demand: increasing supply and promoting energy efficiency

- All energy sources should be assessed on their merits and relative attributes, recognizing that each faces issues, barriers and opportunities.
- Energy efficiency will help reduce energy costs, energy consumption and negative environmental impacts, including air pollution and climate change. .
- Business will continue to take constructive action in both demand and supply oriented policies and approaches.

2. Enabling Framework Conditions

- The business community can best contribute to addressing energy, climate change and industrial development challenges, when enabling framework conditions are in place.
- Key features of enabling frameworks include open markets; strong institutions and good governance; science- and risk-based regulations that are enforced; protection of intellectual property and due diligence.
- These framework conditions will support energy investments and contribute to energy access and security.

3. Investments and Financing for Sustainable Development

- Significant investment is required to maintain, grow and deliver the energy supplies required to meet future demand in a sustainable manner.
- Business (as a major investor), other investors and governments need to work in partnership to promote energy access and meet growing energy demand.
- Current prioritization and allocation of investments and public funding will influence technologies, infrastructures, and energy options for decades to come.
- Governments can promote and enable investments in energy for sustainable development by leveraging official development assistance, advancing technological cooperation and exploring innovative financing arrangements.

4. Research, Development and Technology Innovation

- Business is investing in technology advancement and deployment of lower carbon, renewable and more efficient technologies. Developing and utilizing both existing and new energy technologies are critical to improve access to energy, promote energy efficiency and reduce greenhouse gas emissions.
- Governments should support business technological development and deployment activities by funding R&D activities; Assisting in capacity-building initiatives through streamlining processes for international cooperation and participation; Supporting R&D and technology transfer across borders; Providing an R&D friendly environment thru a workable effective patent system and engaging major stakeholders on innovation and new technologies.

5. Partnerships

- Business believes that voluntary multi-stakeholder partnerships can make a significant contribution to addressing energy, climate change and industrial development challenges. Successful partnerships allow the strengths and capabilities of participants to be combined for real results.
- The business community works with partners to identify, develop, commercialize and deploy technologies suited to individual national priorities, resource availability and development strategies. Business will continue to play an important role in finding solutions, within its sphere of responsibility, in partnership with other stakeholders.
- Governments, business and civil society need to partner to leverage resources to provide training, share knowledge and skills, share more sustainable energy technologies and cooperate to accelerate their dissemination.