

BUSINESS AND INDUSTRY MAJOR GROUP

AIR POLLUTION TALKING POINTS for the IPM (26 Feb – 2 Mar 2007)

28 FEBRUARY 2007

REDUCING INDOOR AIR POLLUTION FROM TRADITIONAL BIOMASS FUELS

- More than half the world's population depends on biomass or other energy that results in unhealthy indoor air pollution, and according to the IEA, that is expected to continue to rise. The WHO states that 1.6 million people die every year from indoor air pollution. This area should be given a high priority in the overall cluster of energy and other issues for this CSD cycle, in light of its health, environmental and social impacts now and today.
- The use of traditional biomass fuels for cooking and heating arises from a complicated set of factors, ranging from cultural tradition and behavior to the burdens and limits of poverty. In this context, a particularly important factor is lack of access to safer energy services. As we have said elsewhere, this access is a key ingredient in reducing poverty and providing essential services including education, food preservation, communications and health care. Currently, approximately, 2.4 billion people do not have access to modern energy services and rely on traditional energy sources. Lack of access to energy hinders development (including the Millennium Development Goals), undermines economic growth and poses strains on the environment.
- Access to energy requires enabling conditions in place that also set the stage for other societal benefits. Key features of these enabling frameworks include:
 - Open markets;
 - Strong institutions and sound governance;
 - Risk management;
 - Protection of intellectual property;
 - Due diligence;
 - Rule of law and honouring contracts;
 - Cost effective, consistent policies and regulations based on transparent, stable, economic and uniformly enforced regulatory systems.

These framework conditions will support energy and other infrastructure investments and capacity building, contributing to better options to traditional biomass.

REDUCING OUTDOOR AIR POLLUTION, TAKING INTO ACCOUNT ITS RELATION TO TRANSPORTATION, INDUSTRY, URBAN DEVELOPMENT AND ENERGY PRODUCTION AND CONSUMPTION

- This cluster of critical societal needs underscores the importance of integrated energy, transport and environmental policies and concerted implementation by governments in partnership with other stakeholders.
- Technological innovation by the private sector is critical to continuing advances in reducing emissions from mobile and stationary sources.

- Business is investing resources towards technology advancement and deployment of less polluting, 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 air pollution and greenhouse gas emissions.
- Recognizing that ongoing technological innovation may provide solutions to current challenges, all energy sources should be considered as options to meet increasing energy
- Governments need to support business technological development and deployment activities by:
 - Funding R&D activities directly (research centers) and indirectly (universities);
 - Assisting in capacity-building initiatives by streamlining processes for international cooperation and participation;
 - Supporting R&D and technology transfer across borders, by lowering tariffs, maintaining strong intellectual property right protection and establishing trade agreements;
 - Providing an R&D friendly environment by guaranteeing a workable effective patent system;
 - Engaging major stakeholders in discussions on the advancement of innovation and new technologies.

Significant investment is required to maintain, grow and deliver the energy supplies required to meet future demand in a sustainable manner, to address climate change mitigation and adaptation, while also improving air quality. Business (as a major investor), other investors and governments need to collaborate and work in partnership in this endeavor.

Current prioritization and allocation of funds will influence technologies, infrastructures, and energy options for decades to come. Changes in energy systems happen slowly because of the large investment base and infrastructure, the long lead time and lifetime of installed fixtures and the ongoing investments that are required to maintain and grow capacity.

Governments can promote and enable investments in improved, less polluting technologies by leveraging official development assistance, promoting technological cooperation and exploring innovative financing arrangements.

Additional financial resources to replace and expand energy infrastructures are imperative. Additional funds have to be sourced from donors, multilateral agencies, and through foreign direct investment, particularly for developing countries.

Governments and donor agencies are urged to assist innovative partnerships (between local governments, the private sector and civil society) that use various sources of funding to jump-start and test shared-risk models. Donor agencies should also streamline the process of releasing official development assistance for relevant projects and initiatives.