



Statement by Stakeholder Forum on behalf of NGOs to the CSD14 session

This statement was made by **Paul Jackson** and is based on the outcomes from the Stakeholder Forum Round Table on Financing Renewables.

Chairman distinguished delegates. I am speaking on behalf of Stakeholder Forum and the NGOs. In March Stakeholder Forum organized a roundtable with UNEP FI and stakeholders in London to look at the issue of obstacles and constraints to mobilising finance for renewables. The report is available at the back of the room and I want to highlight a few of the recommendations that came out of the roundtable.

The focus of new **research and development** should be on both renewable energy and energy efficiency. While investment in developing renewable energy is paramount to increase its cost competitiveness with carbon based energy sources, the cost savings possible from increased energy efficiency, both through more efficient technologies and stricter regulations on energy use should be at the forefront of all policy decisions on energy. Further work needs to be done to make investments in energy efficiency more attractive

Research and Development needs to focus on influencing policy as well as on technology development. This would provide a better enabling environment for future renewable energy projects, and would act as a spur to long-term growth in the sector.

Developed country governments and **International Financial Institutions** (IFIs) should provide grants for demonstrations of new technology to further encourage investment and innovative programmes, especially at the local level, to encourage the development of locally owned, and therefore more secure, renewable energy technologies.

South to South transfers should also be encouraged. Transfers between countries at similar levels of development can play a critical role to develop techniques to achieve successful commercialisation and integration. Barriers to North – South trade of renewable energy and energy efficiency technologies and products must be assessed and removed.

There is a need for *joined up policy*, incorporating mechanisms and instruments such as targets, taxes and incentives. These mechanisms and instruments need to be **meaningful, measurable and transparent**. And they need to be well publicised by governments at all levels, with help from NGOs and other stakeholders. This will produce a stable economic environment for investment.

Without such stability, the long-term viability of investments cannot be guaranteed.

Current energy subsidies provided to fossil fuel industries do not reflect the true costs of producing that energy. Governments agreed at the World Summit for Sustainable Development to take action where appropriate to phase out energy subsidies that inhibit sustainable development. This is critical to redress the balance to allow renewable energy to become financially competitive.

The **positioning of some non-renewable energy industries**, such as clean coal and nuclear power, as 'next generation' solutions to climate change and CO2 emissions problems is acting as a further barrier for investment in renewables. A recent UK Sustainable Development Commission publication on the UK need for nuclear power concluded that the UK could reach its CO2 targets and provide energy through renewables and energy efficiency alone.

The present centralised energy infrastructure model is at odds with a decentralized renewable energy system. There is a requirement for a move away from this old model to allow for **real** growth in renewables.

There is not yet a clear indication on **which renewable energy sectors** will make the transition to large scale production in the future. Unfortunately this uncertainty is holding back large scale investment. These types of risk factors need to be underwritten or mitigated by governments and IFIs to stimulate markets to invest in renewable energy.

The current trend whereby **obsolete products or appliances and technologies** are sold to developing countries further entrench the problems surrounding renewable energy. There is a need for investment in more energy efficient appliances for developing countries. Enforced redundancy of inefficient products or appliances and technologies will allow more efficient products to fill the gap.

In addition the **NGO coalition** has asked for us to emphasise that:

In order to speed up the increase of the share of sustainable forms of energy in the global energy mix, decisive financial policies and measures are called for. Anticipating CSD15, the setting up of an **International Sustainable Energy Fund** would be an important step. An ISEF would give assistance and financial support to all UN member states for the development, promotion and accessibility of sustainable forms of energy. It would use funds from moneys saved by phasing out of subsidies for unsustainable forms of energy, especially by governments of developed countries. During the transition period, the ISEF would be important in facilitating and alleviating a global shift from unsustainable to sustainable forms of energy.