Excellencies,

Ladies and Gentlemen,

It gives me great pleasure to welcome you all to the second session of this important global forum, which is being co-hosted by UNIDO together with the Government of Austria and the International Institute for Applied Systems Analysis and supported by many other organizations in this wonderful setting of the Hofburg Palace in Vienna.

I am very encouraged to see so many presidents, ex-presidents, ministers, high-level experts in energy and economics, and industry and civil society representatives from around the world gathered here today.

Large parts of humanity live without access to modern energy services. These are services that most of us take for granted, like light, fuel for heating and cooking, and mechanical power.

It is widely accepted that the lack of access to affordable, reliable, energy services is a fundamental obstacle to human, social, and economic development – and so is lack of energy a major impediment to achieving the Millennium Development Goals (MDGs), since energy services have a profound effect on productivity, health, education, safe water, and communication services.

Despite the efforts of many committed people working on excellent programmes, about 1.5 billion people still don’t have access to electricity, and around 3 billion people rely on traditional biomass and coal as their primary source of energy – a clearly unsustainable and unacceptable situation.
The issue is a stark illustration of the deep inequity that exists between the rich and poor – roughly, the poorer three-quarters of the world’s population use only 10% of the world’s energy.

A few success stories in increasing access to modern and reliable forms of energy do exist - countries such as China, Peru and Vietnam have improved access for their citizens substantially in the last decades – but across sub-Saharan Africa, and in parts of Asia, people are living without basic energy services.

**Excellencies**

**Ladies and Gentlemen,**

Our conference this week is entitled: “Energy for all – Time for action”. Let me explain this a little further.

The demand for energy in developing countries is expected to grow dramatically, and increases in population and improvements in living standards are adding to the scale of the challenge. If ‘business as usual’ conditions persist, the future is stark: over the coming decades the total number of people without access to modern energy services will not decrease.

Current efforts are thus insufficient in scale and scope. This is why in April 2010 the UN-Secretary-General’s Advisory Group on Energy and Climate Change (AGECC) called for the adoption of a target to achieve universal access to modern energy services by 2030.

Two other targets comprise a 30/30/30 goal towards sustainable energy for all, namely universal access to all by 2030; a 40% reduction in energy intensity by 2030; and achieving 30% renewable energy in the overall energy mix by 2030.

During this forum we will look forward for a sustained political focus. Energy access must move up the political and development agendas to become a central priority. To this end, the UN General Assembly named 2012 as the International Year for Sustainable Energy for All.

We need to focus on refining and delivering existing national and regional plans and targets. A recent paper showed that 68 developing countries have electricity targets, but in order to meet them, these countries will require financial support, capacity development, and better
regulation and governance structures. The same is true of regional plans for energy such as those prepared by the EAC and ECOWAS. These plans provide an excellent foundation for immediate action.

A focus on developing bankable projects, establishing regulatory policies that improve country investment attractiveness, and supporting human and institutional capacity development will be the critical first steps.

Excellencies,

Ladies and Gentlemen,

During this important forum, we will look forward to:

**International recognition, and a common vision, for universal energy access:**

Universal access to reliable energy services is fundamental to socio-economic development. Lack of energy is one of the main causes of extreme poverty. This link was already recognized by global consensus at the 2002 Johannesburg World Summit. Without access to modern forms of energy it is highly unlikely that any of the objectives of the Millennium Development Goals will be achieved.

**A common agreement to define and measure energy access:**

One of the challenges facing the global development community is that there is no consensus on exactly what energy access means. One of the generally accepted definitions of energy access refers to access to clean, reliable and affordable energy services for cooking, heating and lighting. However, the AGECC Report (2010) provides that access to sufficient power for productive use is the minimum required to achieve the objectives espoused in the MDGs, as it is this increase in productivity that can improve income-generating opportunities.

**A robust international framework that clearly articulates an energy access target:**

In order to garner the required support, an international goal for energy access would be a useful catalyst for action. At a global level, the AGECC has proposed that the United Nations system and its Member States commit themselves to ensuring universal access to reliable, affordable, sustainable and modern energy services by 2030 – and, where it proves feasible, from low-GHG-emitting energy sources. At regional and national level, many economic communities and governments are committed to targets for energy access.
Understanding the potentials of the renewable energy for energy access:

The potential of renewable energy sources is vast. The speed with which this potential can be utilized and contribute to the energy access agenda is largely dependent on the level of support by governments to stimulate technological advances and help make renewable energy a competitive option. According to the 2010 World Energy Outlook of the IEA, the greatest scope for increasing the use of renewables in absolute terms lies in the power sector, and mostly from wind and hydropower sources.

Renewable energy sources are also a great option for rural and remote areas which are sparsely populated. For these areas, decentralized off-grid systems are often the best and only solution to provide access to electricity.

A pathway to sustainable energy for a green economy:

Since the advent of the Industrial Revolution, energy systems have gone through several transformations triggered by the availability of newly found, cheaper, and more efficient sources of energy. Each of these transformations (particularly those that brought us our current energy systems) has brought significant progress and improvements in the quality of life for millions. Unfortunately, this has come at a price. The current energy systems that have brought us so much progress are also proving to be either the source of the environmental problems or linked to some of the major challenges we face today.

A list of concrete energy actions to address climate change:

The Copenhagen Accord established a non-binding objective that limits the increase in average global temperature to two degrees Celsius above pre-industrial levels. The UNFCCC Cancun agreements reaffirmed this objective and proceeded to make important decisions to support concrete action at the country level. This included the decision to establish a Green Fund to support countries in the immediate and near future.

The main challenge is that the window of opportunity for taking concrete and effective actions to stabilize and reduce GHGs is extremely small. Any action that we do not take today or in the near future would have an adversely higher cost in the future.

According to scientific consensus, in order to have a reasonable chance of achieving the 2 degree Celsius goal, the concentration of GHGs would need to be stabilized at a level no higher than 450 ppm CO2 equivalent. Scenario work carried out by various groups, including
the GEA and the IEA, conclude that in order to achieve this objective, a radical transformation of the energy systems would need to take place.

Most importantly, the scenario work also points to the need for immediate action at the country and local level.

A partnership for financing energy access:

Providing universal energy access will pose a number of critical challenges, some of which are related to gaps in national and local institutional capacity and governance required to produce, deliver, manage, operate and maintain these solutions. Additionally, accessing and allocating sufficient financing will be a major obstacle to achieve universal energy access.

The GEA estimates that the global investments required are about 60 billion USD annually, a relatively small fraction of the total energy infrastructure investment required by 2030. The magnitude of the resources required makes it evident that the solution is for major public–private partnerships nurtured by innovative policies such as feed-in-tariffs and other innovative mechanisms. Such investments will result in multiple benefits that, in practice, offset some of the costs of these investments in the long term.

Excellencies,

Ladies and Gentlemen,

Given the centrality of energy issues to every aspect of the sustainable development agenda and the opportunity that the Vienna Energy Forum provides for giving further consideration of these issues ahead of the United Nations Rio+20 Conference on Sustainable Development that will take place in Rio de Janeiro in 2012, UNIDO is, in parallel to this Forum, also hosting a Ministerial Level Meeting on Energy and Green Industry.

With a view to contributing to the Rio+20 debate and its outcomes, the Ministerial meeting, to be held today and tomorrow, will focus on three global objectives: a) expanding access to clean energy, b) reducing energy intensity, and c) building green industry in the context of sustainable industrialization and poverty eradication.

More than 40 ministers will participate in round-table discussions to share best practices, programmes and other steps in support of scaling up of clean energy and greening industrial development.
A Chair’s summary endorsed by the Ministerial meeting participants will be developed as a contribution to the Rio+20 process and we also hope to feed the outcome of the Ministerial into a decision by UNIDO’s Industrial Development Board, which is running concurrently with the Vienna Energy Forum.

Excellencies,

Ladies and Gentlemen,

You have a full and challenging agenda over the next three days. I hope that the main message you will take from my words to you this morning is that: **Now is time for action.**


We urgently need a long-term solution to the world’s energy needs, and this can only be achieved through working together.

Thank you.