Summary Report

Working Document
Energy for All – Time for Action
21 – 23 June 2011, Vienna, Austria

Introduction

The Vienna Energy Forum (VEF) 2011 “Energy for All – Time for Action”, co-organized by the United Nations Industrial Development Organization (UNIDO), the Austrian Federal Ministry for European and International Affairs, and the International Institute of Applied Systems Analysis (IIASA), brought together some 1,200 participants from 125 countries representing policymakers, civil servants, scientists, energy experts, and NGOs. More than 50 members of government and several former Heads of State or Government attended. The meeting drew extensive media coverage, including live broadcasts by the BBC.

On 21 and 22 June 2011, UNIDO together with UN Energy and other partners organized a Ministerial Meeting that focused on the role of energy and green industry in the context of the Rio+20 themes and objectives, including green economy, poverty eradication and sustainable development. The outcome of this meeting was presented to the Industrial Development Board of UNIDO on 23 June as a Chair’s Summary by Ms. Elizabeth Thompson, Executive Coordinator of the UNCSD Rio+20 Conference.

The influential Círculo de Montevideo (CdeM) met in Vienna on 21 - 24 June for its 2011 annual meeting. The CdeM acts as a permanent forum for reflection among its 30 prominent members, aiming at reviewing and identifying strategies and means for promoting sustainable industrial development in the region of Latin America. Members of the CdeM include former presidents and heads of state, academics, policy-makers, leaders of international agencies and global leaders in different areas. The President of the CdeM, H.E. Mr. Sanguinetti accepted the invitation made by Mr. Kandeh Yumkella, UNIDO Director-General to come to Vienna at the time of the VEF. Several Members of the Circulo participated in sessions of the Vienna Energy Forum.

On the margins of the Vienna Energy Forum, several smaller consultations or side-events were organized by interested stake-holders. These included, among others,

- A side event on the definition of access to energy by the German Federal Ministry for Development Cooperation (BMZ);
- A side event on renewable energy in developing countries by the Austrian Development Cooperation;
- A side-event on clean energy access for all by the Global Network on Energy for Sustainable Development (GNESD);
- A side-event by the Global Alliance for Clean Cookstoves;
- A side-event on Bioenergy by FAO;
- An informal meeting of the International Advisory Board for the Oslo Conference on Financing Access for the Poor;
Informal consultations on the Paris – Nairobi Initiative;
A meeting of the Global Energy Assessment (GEA) Council; and
A BBC World Debate “Powering Development in the 21st Century”

Vienna Energy Forum - Conference Proceedings

During the Opening Session moderated by Ms. Irene Freudenschuss-Reichl, Director General for Development Cooperation and Convenor of the Global Forum on Sustainable Energy (www.gfse.at), statements were made by Mr. Johannes Kyrle, Secretary General for Foreign Affairs, Austria; Mr. Detlof von Winterfeldt, Director, International Institute of Applied Systems Analysis (IIASA, www.iiasa.ac.at) and Mr. Kandeh Yumkella, Director General, UNIDO (www.unido.org). The speakers welcomed the Forum participants on behalf of the co-sponsors and underscored the key theme of the conference, which focussed on Access to Energy for All and its linkages with upcoming global events such as COP-17 in Durban in December 2011 and the Rio+20 Conference in May 2012.

Thereafter participants heard a video message from Mr. Ban Ki-Moon, Secretary-General of the United Nations, and opening speeches by Mr. Olusegun Obasanjo, Former President of Nigeria, Mr. Julio Maria Sanguinetti Coirolo, Former President of Uruguay, Mr. Henry Puna, Prime Minister of the Cook Islands, Ms. Monique Barbut, CEO and Chairperson of the Global Environment Facility; and Mr. Mohammed Ibn Chambas, Secretary General of the ACP-Group. The Opening keynote address was given by Mr. Arnold Schwarzenegger, Former Governor of California, USA, who emphasized the importance of clean and renewable sources of energy for increased energy access.

The opening ceremony was followed by a Pre-Launch of the Global Energy Assessment (GEA, www.globalenergyassessment.org), two high-level panels, six thematic plenary sessions, six parallel round tables and a closing plenary session.

Ms. Michele Bachelet, Executive Director, UN Women, underscored in a video message the important benefits of energy access for the full realization of women’s rights and participation in economic, social and political life.

In the morning sessions of 22 and 23 June, summaries of the previous days’ most salient points were given to conference participants by Mr. Ged Davis, Co-President, Global Energy Assessment (GEA) Council. The proceedings of the plenary sessions and round tables were coordinated by Mr. Pradeep Monga, Director, Energy and Climate Change Branch, UNIDO and his VEF team.

The summaries of various plenary sessions and roundtables as well as the power point presentations are available at the VEF 2011 site on the UNIDO web-site.

The International Institute for Sustainable Development (IISD) covered the VEF 2011; its report is on-line at www.iisd.ca/ymb/energy/vef/2011/.

The VEF addressed the following topics in its various sessions:

- High-level Panel I – Paving the Way for Universal Energy Access
- High-level Panel II – Sustainable Energy for a Green Economy
At the Closing Plenary on 23 June 2011, Ambassador Carsten Staur, Permanent Representative of Denmark to the United Nations in New York and Co-Chair of the Friends of Sustainable Energy for All Group briefed participants on the ministerial consultation on energy and green industry in the context of the Rio+20 process.

Thereafter Ambassador Irene Freudenschuss-Reichl, Austria, and Professor Nebojsa Nakicenovic, IIASA and Vienna University of Technology, made a presentation that sought to capture the findings and common ground established during the Vienna Energy Forum and to put forward recommendations for future steps.

Participants supported – by acclamation – the three energy goals of the Vienna Energy Forum (also stated by the United Nations Secretary General in his message to the Forum):

**BY 2030**

**UNIVERSAL ACCESS TO MODERN ENERGY**

**REDUCTION OF ENERGY INTENSITY BY 40%**

**INCREASE OF THE RENEWABLES SHARE TO 30%**

In their explanations of the three goals Ambassador Freudenschuss-Reichl and Prof. Nakicenovic underscored, inter alia, that the three energy goals are aspirational and ambitious but also achievable.

They summarized that the goal of sustainable access to modern energy is directly related to the Action Agenda for Sustainable Energy for All in accordance with General Assembly resolution 65/151. Universal access would lead to multiple co-benefits for reaching MDGs as energy is central to all eight MDGs. Access is central for enabling productive activities, education, health, reduction of air pollution, creation of new markets, and to the transition
toward sustainability. The goal requires action on regional, national, municipal levels, including formulation of development strategies and road-maps. They also pointed out the high congruence of access cost estimates at VEF of about US$ 40 billion per year. While they are high in absolute levels, they correspond to only about 3% of energy investments or 8% of energy subsidies and thus appear to be financeable with appropriate institutional frameworks and incentive structures.

The goal for reducing energy intensity by 40% is about promoting energy efficiency or “doing more with less”. This second goal is essential because energy efficiency improvements are cost effective, often referred to as “low-hanging fruit”, but require up-front investments and financing to cover the delivery costs. They require integrated, inter-sectoral approaches, e.g. urban planning, architecture, and new policies, institutions and business models for realizing the efficiency potentials fully.

The third goal of increasing the renewable share to 30% corresponds to doubling of the current 15% share in final energy. Renewables are available widely and have immense potential to provide future energy needs. For example, smart-grid and off-grid solutions are often already cost competitive and can bring energy services to rural areas while more centralized and large-scale solutions might be more compatible with growing urbanization in the world. Renewables improve resilience and energy security and are likely to create jobs and local income.

Participants also commented that in addition to a goal that supports the deployment of renewable, a consideration should be given to a higher-level goal that will address the overall objective of reducing carbon intensity of the energy sector and in doing so will capture all the pathways for a global transition to low-carbon economy. Furthermore, it was also noted that the proposed goals should be verified for consistency with the objective of getting the world on track for limiting the global warming to 2°C and eventually to 1.5°C targets.

Ambassador Freudenschuss-Reichl and Prof. Nakicenovic closed their summary by highlighting the need for a transformation of energy systems away from fossil fuels and high carbon intensity. This need is reinforced by the aspirations for affordable, safe, secure and sustainable energy services that current energy systems cannot bring to almost half of humanity. Major transformative changes are needed to achieve the universal access, greater efficiency and the renewable energy goals. A prerequisite is a large, early, and sustained investment in new energy, strategic planning for tomorrow, tapping new energy sources and empowering people and institutions, i.e. large scale capacity building.

The theme of the Vienna Energy Forum, “Time for Action”, translates into a need for new institutions, policies, incentives, rules, regulations and behaviors. The change would bring multiple co-benefits for better security, lower pollution, improved health and environmental protection. It is critically important to avoid lock-in of carbon intensive investments...

In his closing remarks, the Director-General of UNIDO - Dr. Kandeh Yumkella emphasized the centrality of energy issues to every aspect of the sustainable development agenda and the opportunity that the second Vienna Energy Forum provided 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. He underscored the significance of the Vienna Energy Forum, which has become an important milestone in contributing and shaping the global energy agenda, and flagged the three energy goals endorsed by
participants. Looking forward, he pointed to several up-coming opportunities to implement these energy goals. These include, inter alia:

- The IRENA High-Level Africa Consultative Forum on Renewable Energy meeting in July;
- The African Energy Ministerial in September in South Africa;
- The Oslo Conference on the Financing of Energy Access for the Poor (10 and 11 October 2011);
- The Paris – Nairobi Initiative
- The Rio+20 process and conference;
- COP 17 - the Durban Conference of the Parties to the UNFCCC;
- The proclamation of 2012 as the International Year of Sustainable Energy for All; and
- The United Nations Secretary General's Campaign on Universal Access to Energy by 2030
Ministerial Meeting on Energy and Green Industry – Proceedings

Ministers of Economy, Energy, Industry, Foreign Affairs and Environment, as well as high-level government representatives from seventy-seven countries across the world met in Vienna at the invitation of the Director-General of UNIDO and UN-Energy, in conjunction with the second Vienna Energy Forum, to consider the complex and urgent challenges concerning sustainable development and energy, and to consider an action agenda for achieving progress in this field. They were assisted in their deliberations by panels of experts.

The participants noted that nearly half of world's population does not have access to modern energy services and that 1.5 billion have no access to electricity at all. They noted the three global objectives set out for the meeting in the context of sustainable industrialization and poverty alleviation: a) expanding clean energy access; b) enhancing industrial energy efficiency; and c) promoting green industry as an integral component of the transition to a green economy.

The Ministers had rich discussions focusing on key pathways for global sustainability that included energy poverty eradication and greening the industrialization process. They recognized that energy poverty and imbalance in energy distribution both globally and nationally have a negative impact on the achievement of the Millennium Development Goals, in particular for efforts to eradicate poverty and achieve sustainable development. They noted that energy poverty hampers sustainable economic and social development, with dire consequences for the quality of life and health for nearly half of the world’s populations and with particularly harsh consequences for women and children. They noted that current energy systems were inadequate to meeting the needs of the world’s poor, nor were they supportive of the transition to low-carbon growth and green economy.

The Ministers expressed the hope that their deliberations at this meeting will contribute to the outcome of the United Nations Conference on Sustainable Development (RIO+20), to be held in Rio de Janeiro, Brazil in June 2012. The Ministers noted that these discussions will also contribute towards the implementation of General Assembly resolution 65/151 on the International Year for Sustainable Energy for All. General support was expressed for the Green Economy as a theme of the RIO+20 conference.

The Ministers expressed their appreciation to Mr. Kandeh Yumkella for his leadership in advancing the Agenda for Sustainable Energy for All as well as for his Green Industry Initiative.

The Ministers supported the three clear goals for the Energy Agenda placed before them:

- Ensuring universal access to modern forms of energy for all by 2030
- Reducing global energy intensity by 40 per cent by 2030
- Increasing the share of renewables to 30 per cent by 2030
The Ministers noted that these goals, emanating from the report of the Secretary-General’s Advisory Group on Energy and Climate Change and from the Report of the International Panel on Climate Change as well as the Global Energy Assessment prepared by International Institute of Applied Systems Analysis, constituted three essential pillars for a sustainable vision for Rio+20 and beyond. Their discussions reaffirmed the centrality of the three energy goals to sustainable development and a global transition to a green, low-carbon economy.

The Ministers noted with appreciation UNIDO’s Green Industry Initiative which provides the international community and national governments with a platform for fostering the positive role of industry in achieving sustainable development. This initiative represents a two-pronged strategy consisting of: a) Greening of Industry: ensuring that all industry, regardless of sector, size and location, continues to improve its environmental performance and resource productivity, and b) Creating Green Industry: stimulating the development and creation of industries that deliver environmental goods and services. The role of industry in bringing about a green economy was acknowledged.

The Ministers stressed that the growth of the energy sector should be supported and guided by governments, notably in their capacity to create an environment conducive to investment, in accordance with the circumstances and priorities of individual countries. Related to this, the crucial issues of good governance and adequate institutional framework were mentioned as a prerequisite. A proposal to set up an independent energy access fund was brought to the attention of the meeting participants.

With respect to renewable energy deployment, five key areas were mentioned: (i) credit worthiness of the energy sector, (ii) planning for tomorrow, (iii) integrating all energy sources with a green bias, (iv) financing the energy transformation and (v) empowering local people and private sector. The very fast pace with regard to renewable energy technology development and deployment provides great opportunity for both industrialized and developing countries. It was noted that a detailed roadmap for renewable energy deployment would provide a useful tool.

A number of specific measures related to fostering sustainable energy were mentioned, notably the need for off grid applications; promotion of entrepreneurship for rural growth; new financing models; the necessity of measures for demand mitigation; and energy efficiency policies and measures; public financing of research and development; and active private sector involvement. They noted the importance of establishing partnerships for clean technology, technology transfer and financing, in exploring viable energy sources.

The Ministers welcomed the priority attention that the UN Secretary-General is giving to the issue of sustainable energy for all and the steps he is initiating in this regard. Ministers discussed the need for effective communication to all stakeholders. They further noted the plans to launch a global campaign to implement the universal access to sustainable energy agenda.

Agreeing that the issue of energy is urgent, the Ministers welcomed the call for action and endorsed the view that there was a need to act together, act now and act differently. They called upon UNIDO and its partners to develop an Action Agenda, with goals and identifiable measurable benchmarks.
As part of the interrelated events organized at the Hofburg by UNIDO and the Government of Austria, the influential Círculo de Montevideo (CdeM) met in Vienna from 22 to 24 June. The President of CdeM, H.E. Mr. Sanguinetti (former President of Uruguay), accepted the Director-General’s invitation to hold its 15th year anniversary sessions during the VEF event. This initiative is part of regular national and regional consultations UNIDO is holding with high level authorities in the region, in order to enhance UNIDO’s appreciation and understanding of the Latin America and Caribbean (LAC) region’s social and economic development needs and politics at large.

The CdeM acts as a permanent forum for reflection among its some 30 prominent members, aiming at reviewing and identifying strategies and means for promoting sustainable industrial development in the Latin America region. Members of CdeM include former presidents and heads of state, academics, policy-makers, leaders of international agencies and global leaders in different areas. Several members of CdeM e.g. Mr. Enrique Iglesias, Secretary General, Ibero-American Secretariat (SEGIB) and Ms. Rebeca Grynspan, Associate Administrator, UNDP, participated in sessions of the Vienna Energy Forum as well as at the 39th IDB opening session and at IDB’s side event (Mr. Jose A. Ocampo, former Executive Secretary of ECLAC and Undersecretary General of DESA) on “Making the most of a Commodity Boom: The Case for Industrial Diversification”.

Additionally to CdeM’s open and closed sessions (23-24 June), a Latin American Round Table in front of the diplomatic and business communities was organized on 22 June with the full support of the Austrian Ministry of Foreign Affairs in association with UNDP and SEGIB, with the main objectives to review the issues and challenges faced by those countries. The issues were addressed in “Latin America today: Political context Business Opportunities”. The welcome remarks were made by Mr. Kandeh Yumkella, UNIDO Director-General and H.E. Mr. Michael Spindelegger, Vice Chancellor and Federal Minister for European and International Affairs of the Republic of Austria, opened the Round Table. Afterwards the Austrian President, H.E. Mr. Fischer personally received and hosted CdeM members at the Hofburg.

On 23 and 24 June CdeM’s open and closed sessions took place under the title: “15 Years Later: A Changing World?” The topics for the CdeM’s sessions included for instance:

- “Access to energy sources and the preservation of the environment; necessary condition to enhance the public good” by Mr. Enrique V. Iglesias
- “Integration and Social Cohesion” by Ms. Rebeca Grynspan
- “Globalization in Business and Governance” by Mr. Manuel Marín
• “Institutional and International structure of integration for global public goods” by Mr. Carlos Magariños
• “Financial structure, a necessary guarantee” by Mr. José Antonio Ocampo
• Perspectives of energy and development by Mr. Alejandro Bulgheroni
• “The state as guarantor, an independent justice system and equitable growth” by Mr. Ricardo Lagos
• “The new paths of Latin America, 15 years later by Mr. Felipe González, and Mr. Julio María Sanguinetti

The summaries of open and closed sessions will be received from CdeM’s Secretariat and made available on the UNIDO web-site