



# United Nations Industrial Development Organization

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## Industrial Development Board

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Item 8 of the provisional agenda

### UNIDO activities in environment and energy

## UNIDO activities related to energy

### Report by the Director General

In compliance with decision IDB.40/Dec.7, the present document provides information on progress achieved in implementing the decision, thereby reporting on UNIDO activities in the area of energy. The document will update the information included in the report by the Director General presented to the fortieth session of the Industrial Development Board (IDB.40/16) and complement chapter 4 of the *Annual Report of UNIDO 2012* (IDB.41/2).

## I. Introduction

1. UNIDO continues to expand its energy portfolio in all dimensions. Energy has universally been recognized as the key catalyst that promotes industrial development, especially in developing countries and least developed countries (LDCs). UNIDO strives to support sustainable development fueled by sustainable sources of energy.

2. The Global Action Agenda<sup>1</sup> identified 11 action areas to achieve three objectives under SE4ALL (ensuring universal access to modern energy services; doubling the global rate of improvement in energy efficiency; and doubling the share of renewable energy in the global energy mix) by 2030. At this moment, UNIDO strives to galvanize support from private and public stakeholders to make a global political and financial commitment. The initiative brings together the global convening power of the United Nations, the ability to mobilize bold commitments and leverage large-scale investment, and a rapidly expanding knowledge network.

<sup>1</sup> The Global Action Agenda was launched by the Secretary-General's High-level Group on Sustainable Energy for All in April 2012.

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3. Additionally, UNIDO notes that the scope of investments needed requires the Organization to play the strategic role of a facilitator and focus on high impact technology demonstration projects. According to the Renewable Energy Policy Network for the 21st Century (REN21), private investment in renewables could be more than \$500 billion a year by 2020.

4. UNIDO realizes that the need for partnerships and local knowledge is paramount. While national political support is necessary, resources cannot be mobilized without private sector participation. Thus UNIDO strives to support an environment and a level playing field that will enable the private sector to consider investing in renewables as a financially viable option to yield economic rent rather than to merely reduce greenhouse gases (GHGs).

5. UNIDO is a specialized United Nations agency whose mandate is to promote sustainable industrial development. One of the prerequisites for industrial development to flourish in a sustainable manner is that an assured supply of affordable and clean energy must be guaranteed. To this end, UNIDO continues to pursue activities related to energy covering a range of issues and areas including industrial energy efficiency, renewable energy, low emissions technologies and global forums.

## **II. Industrial energy efficiency**

6. UNIDO has been a leader in providing policy support for standardization of energy management standards. UNIDO's industrial energy efficiency ongoing project portfolio at the end of 2012 amounted to around \$90 million with a widespread geographical coverage.

7. The Organization remains at the forefront in the promotion and support of best available industrial energy efficiency practices and technologies. As mentioned in the report presented to the fortieth session of the Board (IDB.40/16), after the successful launch of the ISO 50001 energy management standard, UNIDO has focused its technical assistance projects and programmes on providing support for the implementation of energy management systems in industry in line with ISO 50001 and building the related capacity of industrial users and national service providers.

8. As of March 2013, about 3,500 decision makers, 2,200 enterprises and 500 national consultants have been reached by UNIDO's tailored training programmes, and about 100 companies are in the process of implementing energy management systems and energy efficiency optimization projects. While energy management standards and energy systems optimization have remained primary areas of UNIDO technical assistance, tangible efforts are under way to expand the programme portfolios in response to emerging and foreseen needs. These initiatives are undertaken with a view to enhancing the leverage of UNIDO's multiple industrial, trade and technology related competencies.

## **III. Renewable energy**

9. The overall objective of the Organization's activities in the field of renewable energy is to enable developing countries and economies in transition to embark on a green growth pathway by increasing the availability and use of renewable energy,

particularly for productive uses, i.e. uses that allow the application of renewable energy to create goods and services directly or indirectly for the production of income or value, including positive impacts on jobs, education, health and gender equality.

10. The objective of the draft renewable energy strategy is to build sustainable industries on renewable energy, through a three-fold approach: (a) mainstreaming the use of renewable energy in industrial applications, in particular in small and medium-sized enterprises (SMEs), to increase their competitiveness and reduce dependence on fossil fuels; (b) create business development opportunities through increasing access to energy through renewable energy mini-grids; and (c) support innovative business models, particularly in rural areas, by augmenting the use of locally available renewable energy sources.

11. UNIDO's approach is to focus on responding to Member States' priorities and needs while engaging with a full range of stakeholders, including the private sector. UNIDO's renewable energy ongoing project portfolio at the end of 2012 covered over 30 countries and stood at more than \$60 million. It is largely funded by the Global Environment Facility (GEF), while around 15 per cent of the total budget is made available by bilateral and international donors and recipient governments. In 2013, UNIDO will continue to work together with donors and partners to set priorities for future projects. The Organization will collaborate with GEF to establish the GEF-6 priorities, and with the European Union by contributing to its development objectives and programmes under its new multi-annual framework programme for 2014-2020.

#### **IV. Regional Centres for Renewable Energy and Energy Efficiency in Africa**

12. UNIDO was the main technical partner of the Economic Community of West African States (ECOWAS) in the establishment process of the ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE). The Centre was created in 2010 with strong financial support from the Governments of Austria and Spain. Based on the successful model, UNIDO has been invited by both the Southern African Development Community (SADC) and the East African Community (EAC) to assist with the creation of similar regional sustainable energy centres. Significant progress has been achieved in previous months. Project documents for both Centres have been developed, and key stakeholder workshops involving all EAC and SADC countries have been held successfully. It is the intention of UNIDO to create a strong South-South cooperation network between the regional sustainable energy centres in Africa.

13. The Government of Austria has committed to provide €2.5 million for the establishment and first operational phase of both Centres through UNIDO. Further funding will be mobilized from other key donor partners, including GEF and EU. It is the intention of UNIDO to create a strong South-South cooperation network between the regional sustainable energy centres in the Economic Community of West African States (ECOWAS), SADC and EAC regions from 2014. The vibrant network can play an important institutional role in achieving the goals under the Sustainable Energy for All Initiative (SE4ALL).

## **V. Global Environment Facility — UNIDO Global Clean Technology Programme**

14. Building on the success and the lessons learned from the “Greening of COP17” project (Clean Technology Innovation Competition component) in 2011 in South Africa, UNIDO along with the Global Environment Facility (GEF) has developed a global flagship programme to promote clean technology innovations in SMEs and support clean technology entrepreneurs around the world, thereby enhancing engagement with the private sector and scaling up momentum for sustainable development.

15. UNIDO together with its key partners, such as GEF, the Ministry of Micro, Small and Medium Enterprises of India and the Federation of Indian Chambers of Commerce and Industry, launched the Cleantech project in India in May 2013. The launch was well attended by several industry leaders, heads of trade associations and prominent representatives from the civil society.

16. In the biennium 2013-2014, in addition to India, UNIDO will work closely with the GEF team and national partners to launch Cleantech projects in several countries, which among others will include Armenia, Brazil, Malaysia, Nigeria, Pakistan, Russian Federation, South Africa, Turkey and Viet Nam.

## **VI. Vienna Energy Forum 2013: “One year after Rio+20: The energy future we want”**

17. The Vienna Energy Forum (VEF) is an initiative launched in 2009 by UNIDO, the Federal Ministry of European and International Affairs of Austria and the International Institute for Applied Systems Analysis (IIASA). This biennial Forum seeks to replicate the success of 2011 which witnessed the participation of over 1,200 participants consisting of leading energy experts, high-level policymakers and representatives of governments, international organizations, civil society and the private sector. The Vienna Energy Forum’s main sponsor is the Federal Ministry of European and International Affairs of Austria alongside further contributions received from the Federal Ministry of Economic Cooperation and Development of Germany and the Government of Poland.

18. The VEF 2013 will contribute to the discussions on how energy should be integrated into the post-2015 global development framework and will draw on content and thought leadership of key processes and major partnerships, such as the Sustainable Energy for All (SE4ALL). The VEF 2013 seeks to outline the road map for converting commitments to kilowatt hours and reaffirm the VEF as a globally recognized platform for mainstreaming the sustainable development agenda.

## **VII. Action required by the Board**

19. The Board may wish to take note of the information provided in the present document.