

Working Group 4

The North-South Conflict:

Energy Consumption and Sustainable Development

Key Conclusions

- The risks associated with a changing and more variable climate are increasing (e.g., storms, floods, droughts), resulting in both economic losses and loss of human life – there are also risks associated with abrupt changes in climate
- Climate change is an additional risk in developing countries which are already stressed, adversely impacting on water resources, agriculture, human health, coastal zones and ecological systems
- Developing countries and poor people are most vulnerable
- Climate-related risks are not insured in most developing countries, but new opportunities are potentially available for poor people in developing countries
- Adaptation needs integrating climate considerations into sector and national economic planning
- Governance and fighting corruption are critical issues – all relevant stakeholders must be involved, from governments, private sector and civil society - a level playing field is needed by the private sector to fight corruption practices in the energy sector - civil society can play a vital role – accountability is needed for all stakeholders, including the NGOs
- Knowledge is critical – both the dissemination of current information as well as the generation of new knowledge – e-networking

Key Conclusions

- Energy is needed for poverty alleviation and economic growth – energy sector reform is needed to attract private sector investments
- There is an urgent need to find an approach to address human-induced climate change that has full ownership of both industrialized and developing countries
- The Clean Development Mechanism of the Kyoto Protocol is a financing vehicle that can transfer billions of dollars annually to developing countries and stimulate the development of low-carbon technologies – but the KP and the CDM dies in 2012
- Therefore, a long-term stable and equitable (differentiated responsibilities) regulatory framework that involves all major emitters (including the USA, China and India) is needed to address climate change, which would then stimulate the development of appropriate domestic policies and investments in climate-friendly technologies by the private sector
- New financing instruments are needed to complement the current grant mechanisms (e.g., the GEF) and carbon financing mechanisms – new business models are needed

Key Conclusions

- While a long-term framework is being negotiated there is a need to:
 - encourage bilateral and regional initiatives - the EU can send a vital signal by extending the time-frame of their carbon trading system
 - energy efficiency and renewable energy technologies,
 - ensure continuity of the carbon market beyond 2012,
 - increase investment in public and private sector energy R&D (e.g., Carbon Capture and Storage)
- One issue that is attracting significant attention, is bio-energy, however, there are environmental, economic and rural development issues – could decrease GHG concentrations if coupled to CCS