

2 January 2008

## **Seventh Meeting of the Global Forum on Sustainable Energy**

# **„Energy Efficiency for Developing Countries: Strong Policies and New Technologies“**

**21 – 23 November 2007**

**Vienna International Center, Austria**

The Seventh Meeting of the Global Forum on Sustainable Energy (GFSE-7) was held from 21 – 23 November 2007 at the Vienna International Centre, Vienna, Austria. The meeting convened under the theme “Energy Efficiency for Developing Countries – Strong Policies and New Technologies” and considered policies, case studies, and initiatives related to improving and promoting energy efficiency in developing countries, as well as opportunities, barriers, and the way forward.

GFSE-7 was organized by the Austrian Development Cooperation in cooperation with the Austrian Energy Agency and the Austrian Ministry of Agriculture, Forestry, Environment and Water Management, REEEP and co-sponsored by UNIDO, UNDP, and the City of Vienna.

The meeting was opened by Irene Freudenschuss-Reichl, Director-General for development cooperation in the Ministry for European and International Affairs, who welcomed participants in her quality as convenor of the GFSE. Brigitte Öppinger-Walchshofer, Managing Director, Austrian Development Agency (ADA) highlighted her organization’s commitment to support partner countries to implement sustainable energy strategies.

Johannes Kyrle, Secretary General for Foreign Affairs, emphasized the importance of secure, reliable and affordable energy for political security and development. He added that Austria had just decided to work with ECOWAS to establish a center for renewable energy and energy efficiency in West Africa. Elfriede Anna More, Director, Austrian Ministry of Agriculture, Forestry, Environment and Water Management, highlighted Austria's expertise in environmental technologies, which is being leveraged through a number of technical cooperation programmes with developing countries.

Kandeh Yumkella, Director General, UNIDO, stressed that rising fuel prices pose significant challenges to developing countries with limited foreign exchange reserves. He urged all stakeholders to consider systems approaches to energy design and management, including closer linkages between global business practice and environmental compliance.

Monyane Moleleki, Minister of Natural Resources, Lesotho, emphasized the threat of climate change and said efforts to achieve energy access for developing countries should be environmentally responsible and "leapfrog" the past errors of industrialized countries. He outlined his country's energy efficiency initiatives, noting that improving energy efficiency requires government and private sector cooperation, appropriate legislative and regulatory instruments, capacity building, including for energy audits; a review of energy tariff policy; and cooperation with development partners.

The meeting brought together representatives from governments, agencies, UN bodies and international organizations, academia, business and industry, civil society and financing institutions. Participants met in eight expert panel sessions to hear presentations and engage in discussions on a variety of relevant topics, including scenarios for developing countries, energy efficiency and industrial development, carbon finance, investing in energy efficiency, and connections to poverty reduction in urban and rural areas. Participants also visited Schwechat Brewery for a practical demonstration of energy efficiency in production processes.

A summary of the proceedings of GFSE-7 has been prepared by a team of the Earth Negotiating Bulletin and is posted at [www.iisd.ca/ymb/gfse7/](http://www.iisd.ca/ymb/gfse7/) .

Following are some salient points of the rich and intense discussions which were submitted by Irene Freudenschuss-Reichl, the Convenor of GFSE, to the concluding session of the meeting, enriched by the subsequent discussion and circulated to participants for written comments before being finalized on the responsibility of the Convenor.

### **Some Salient Points**

1) We bother about energy efficiency – defined as decreasing the use of energy per energy service without substantially affecting the level of these services - for at least two main reasons:

- because it makes economic sense, is good for individual business operations; good for the health of people (as in the case of reducing indoor air pollution caused by inefficient cooking methods and other environmental harms caused by smog, effluents, thermal pollution); good for the development of cash-strapped national economies who can economize on imported fuel; good for overtaxed energy systems who can reduce load-shedding;
- because concern for the global climate compels us to use every possible avenue to reduce GHG emissions.

2) It is cheaper to save 1 MW than to produce it and there are significant non-energy benefits to energy efficiency.

3) It is possible to decouple economic growth and energy consumption. It is desirable to promote this decoupling as much as possible through leapfrogging for which technology cooperation is needed. It was suggested to refine the energy intensity indicators commonly used for monitoring the progress towards energy efficiency.

4) Different approaches will be pursued in a perspective of poverty reduction:

- e.g. in a poor rural areas with no proximity to a grid where access to decentralised renewable energy and energy efficiency considerations can and should be combined from the outset.

- or in poor urban areas /slums (situated under a grid, but not necessarily connected legally); given the Millennium Development Goal (MDG) target of reducing the number of slum dwellers, care should be taken to integrate energy efficiency, slum electrification and other sustainable energy considerations into the pursuit of the realization of this MDG.

5) Regional specificities are significant and warrant a regional approach. Examples came

- from the Latin American region where OLADE has developed a regional program on energy efficiency
- from Africa where regional energy integration progresses and various power pools are evolving but no concerted regional approach to energy efficiency exists as of yet
- from the Caribbean and Pacific island nations which feature similar structural characteristics, but not real regional approaches, despite support from regional organizations such as CARICOM or SOPAC.

6) Sector specificities are of relevance. The meeting heard invitations to single out some particular areas for urgent action, such as

- thermal plants
- water utilities which often are the largest users in municipal energy budgets
- lighting
- cooking and space heating
- industry / hospitality sector
- end-consumers where information and awareness raising is needed to overcome entrenched cultural/mental barriers.

GFSE-7 did not address transport at all, even though it is acknowledged that large scope exists for energy efficiency improvements in the transport area.

7) In addition to regional and sector specificity, the meeting was reminded that mountain specificities (characterised by inaccessibility, fragility, marginality, diversity, niches) with specific types of landscapes, such as range lands or high mountain

regions, require tailor-made approaches to improve energy access and energy efficiency.

8) Regarding the linkage between energy efficiency and protection of the global climate it was criticized that the share of energy efficiency (EE) projects in overall JI/CDM projects is very small which points to the existence of strong barriers. EE measures often have to be installation specific, hence they are difficult to reproduce. This calls for an improvement of relevant methodologies. In addition, costs for project implementation are high compared to annual certified emission reduction (CER) generation which would imply that better prospects exist under a programme of activities. The requirement of additionality is often hard to meet. Kick starting energy efficiency projects requires seed money.

9) Energy Efficiency should be mainstreamed into development cooperation endeavours in general. It was suggested that a concise guide on how that could be done might be elaborated by a concerned UN-agency.

10) The urgent need for S-S-technology exchange and learning was emphasized. In this context REEEP announced the launch of an Energy Efficiency Partnership in Bali as well as the elaboration of a tool kit.

11) Special emphasis should be given to the development of small business models/cases for energy efficiency at the level of the local market; capacity building should be enhanced.

12) Guidance by the government at the level of policy was deemed to be very important. The meeting was reminded that most employees of national energy organisations work on supply side issues, and do not necessarily integrate energy efficiency concerns. National policies for energy efficiency in buildings and building codes that include passive building techniques should be promoted.

Contact:  
Irene Freudenschuss-Reichl  
Convenor of GFSE  
[irene.freudenschuss-reichl@bmeia.gv.at](mailto:irene.freudenschuss-reichl@bmeia.gv.at)  
[www.gfse.at](http://www.gfse.at)