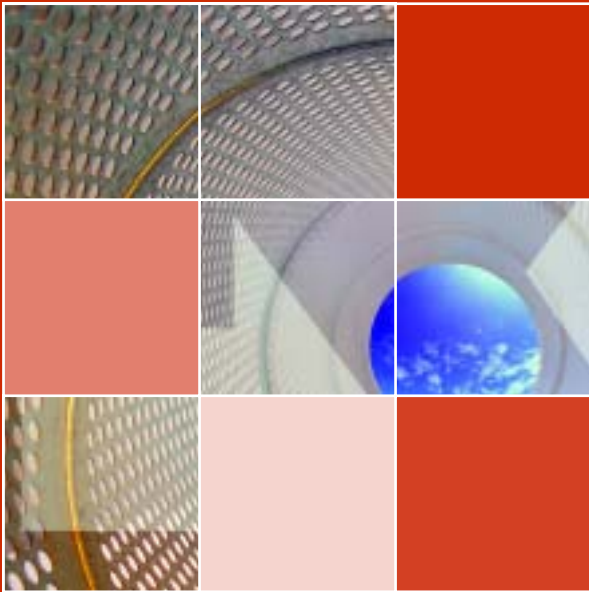


# Business Action for Energy | BAE



“Working for  
Sustainable Solutions”

BAE is a temporary platform comprising an international and multi-sectoral network of businesses, through the representation of their associations, to facilitate business input to CSD 14 and 15 on energy-related issues. The initiative aims to deliver common views amongst BAE participants and does not substitute for or attempt to coordinate individual, corporate, sector or other activities.

**Founding organizations of BAE are:**

- > International Chamber of Commerce (ICC)
- > World Business Council for Sustainable Development (WBCSD)
- > World Energy Council (WEC)

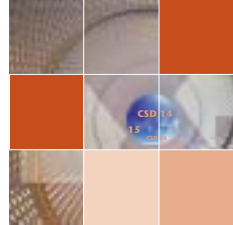
**Participating organizations of BAE are:**

- > International Aluminium Institute (IAI)
- > International Emission Trading Association (IETA)
- > International Hydropower Association (IHA)
- > International Petroleum Industry Environmental Conservation Association (IPIECA)
- > Union of the Electricity Industry – EURELECTRIC
- > World Coal Institute (WCI)
- > World LP Gas Association (WLPGA)
- > World Nuclear Association (WNA)

More details on BAE can be found at  
[www.businessaction.org](http://www.businessaction.org).

A joint initiative for UNCSD 14 and 15 by the:

International Chamber of Commerce (ICC) [www.iccwbo.org](http://www.iccwbo.org)  
World Business Council for Sustainable Development (WBCSD) [www.wbcsd.org](http://www.wbcsd.org)  
World Energy Council (WEC) [www.worldenergy.org](http://www.worldenergy.org)



## Background

CSD 9 was a landmark intergovernmental meeting, linking energy and sustainable development. In this regard, five areas for action were highlighted: access to energy and modern energy services, energy efficiency, renewable energy, advanced fossil-fuel technologies and energy and transport.

The Johannesburg Plan of Implementation reflected international consensus that:

- > Access to energy is essential to poverty alleviation and as such underpins economic, social and

environmental aspects of sustainable development.

- > The aim is to provide safe, accessible and economically viable energy in all forms while reducing associated negative environmental impacts.
- > Energy considerations should be integrated into social, economic and environmental policies.
- > Progress will depend on increased use of renewable energy, improved energy efficiency, advances in energy technology and more sustainable use of all forms of energy.

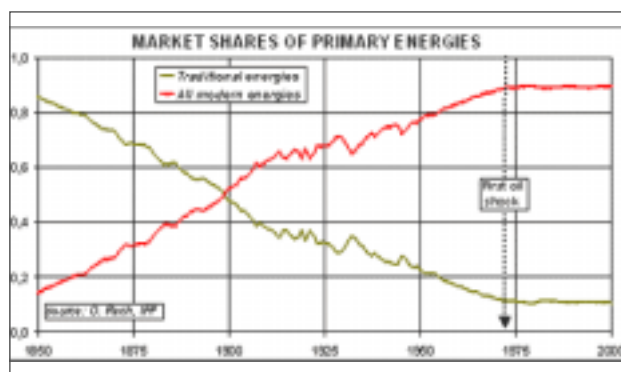
## Global energy trends

The energy challenge encompasses many different areas relating to demand (heat, habitat, industrial processes, transport, electricity) and to supply (availability and price of natural resources and structure of the energy system).

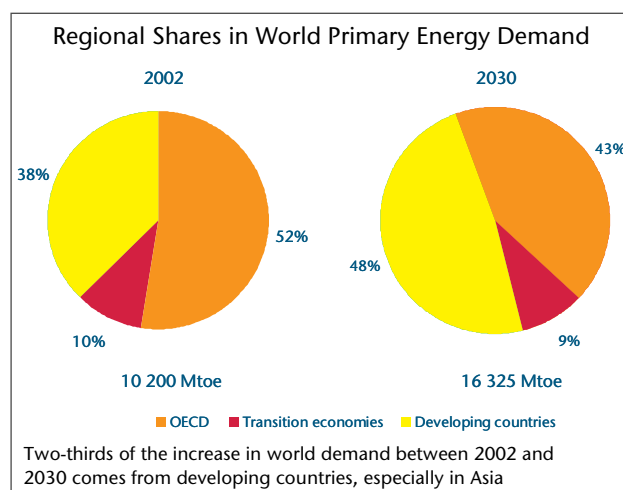
Beyond access to modern energy services and related industrial applications, access to electricity is a key element in reducing poverty and providing essential services such as education and health care. But some 2.4 billion people still do not have access to modern energy services and rely on traditional energy sources associated with several health risks.

While the use of traditional sources has been significantly reduced over the last 150 years, this reduction has stalled. If this continues, 1.4 billion people will still not have access to modern energy sources by 2030. Lack of access to modern energy services is especially critical in parts of Sub-Saharan Africa and South Asia, in particular in rural areas.

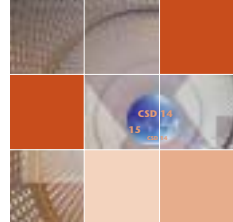
These energy access inequalities are further highlighted by the disproportional consumption of energy worldwide.



Source: O. Rech, IFP



Source: IEA: World Energy Outlook (2004)



## Key energy issues

### 1. Energy for Economic Growth and Development

The provision of adequate supplies of reliable, affordable energy fundamental to economic growth and development.

### 2. Enabling Framework

Business and Industry can make the best contribution to meeting these needs within proper enabling framework conditions including transparent and stable economic and enforced regulatory systems, financing mechanisms and free markets and fair competition.

### 3. Open Markets and Innovative Financing

Open markets provide the best conditions for investment in and provision of energy. Governments should also promote and enable investments in energy by leveraging official development assistance, promoting technological cooperation and exploring other innovative financing arrangements that would prioritize and support energy for sustainable development.

### 4. Integrated Policies

Energy challenges should be addressed through integrated policies that also take into account development priorities and needs; social conditions and aspirations; trade rules; environmental policies including climate change, air/atmospheric pollution policies; adaptation options; vulnerability priorities; innovation opportunities; and technology transfer policies.

### 5. Managing and Reducing Environmental Impacts

The environmental impacts of energy use and production should be addressed in the context of other urgent priorities including energy security, energy efficiency, economic development, climate change, quality of life, job creation and other environmental impacts.

### 6. Research, Development and Technology Innovation

Ongoing technological innovation may provide solutions to current and future challenges. All relevant stakeholders should allocate resources to research and development of new technologies. Businesses already dedicate substantial resources in technology advancement and the development of innovation.

### 7. Energy Efficiency

Energy efficiency is critical to any comprehensive sustainable energy strategy. Joint efforts by

governments and businesses are key to continuing the promotion and enhancement of energy efficiency along the value chain. In particular, energy efficiency decreases the consumption rate of energy thereby improves energy security and reduces the negative impacts in the supply and use of energy.

### 8. Partnerships

Governments, businesses, and other key stakeholders need to work in partnership for a sustainable energy future. Business will continue to play an important role in energy solutions, within its sphere of responsibility, in partnership with other stakeholders.

### 9. Energy Security

Long-term energy security of supply is needed to ensure that energy can foster sustainable growth. This is especially crucial considering the increase foreseen in energy demand.

### 10. Large investment base and infrastructure

Maintaining and growing the energy supply required to meet future demand will require significant investments. Changes in energy systems can only happen slowly due to the large investment and infrastructure base, long lifetime of installed capacity and the massive investments in equipment and infrastructure required to maintain and grow capacity.

### 11. Market Based mechanisms

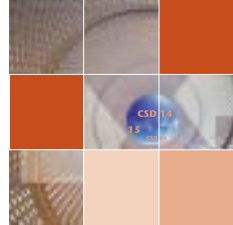
Market-oriented policies are a useful complement to other regulatory and policy approaches. Subsidies should be avoided, and where applied, should not distort markets and enable access to energy for sustainable development. "Getting prices right" is a complex concept which should in theory encompass and reflect social, environmental and economic aspects.

### 12. Consumer Behavior

Consumer understanding and reaction are key factors of success for addressing the energy challenge.

### 13. All energy sources

All energy sources should be considered in meeting the increasing energy demand. They should be evaluated based on their merits and relative attributes recognizing that each presents opportunities, issues, and barriers.



## Business action

Many companies are continuing to take a pro-active role in improving access to energy and its reliability while reducing environmental impacts in all regions of the world. Many of these initiatives have been developed through partnerships, including with UN agencies, international institutions or local governments.

With regard to climate change many companies have adopted voluntary emission reduction targets beyond compliance with legally required reductions. Results have already been achieved in curtailing emissions growth and investing in the technologies on which the world will rely

to reduce emissions and in developing energy efficient products that will allow sustainable growth. Industry has played a primary role in delivering those achievements and will be critical to the research, development and deployment of future low emissions technologies.

Industry is working to promote both energy conservation in operations and 'beyond the fence' through partnership with other sectors. Further information is available on the BAE website at [www.businessaction.org](http://www.businessaction.org) which also includes the links to all BAE participants websites.

## Overview of BAE participants

**IAI** – The IAI is the global forum of aluminium producers dedicated to the development and wider use of aluminium as a competitive and uniquely valuable material. The IAI in all its activities supports the concept that aluminium is a material that lends itself to improving world living standards and developing a better and sustainable world environment.

**IETA** – IETA is dedicated to ensuring that climate protection is addressed through the establishment of effective systems for trading in greenhouse gas emissions by businesses. IETA members seek to develop an emissions trading regime that results in real and verifiable greenhouse gas emission reductions, balancing economic efficiency with environmental integrity and social equity.

**IHA** – The International Hydropower Association is a non-governmental mutual association of organizations and professionals. Through its international membership, the Association is established as a global organization advancing hydropower's role in meeting the world's water and energy needs by championing continuous improvement and sustainable practices; building consensus through strong partnerships with other stakeholders and driving initiatives to increase the contribution of renewables and hydropower in particular.

**IPIECA** – IPIECA aims to raise awareness and improve industry performance on key environmental and social issues including climate change, biodiversity, social responsibility, oil spill response, fuels, and sustainability reporting. This is achieved by sharing and promoting good practices and producing guidelines, standards and metrics.

**EURELECTRIC** – Seeks to contribute to the competitiveness of the electricity industry, to provide effective representation for the industry in public affairs, and to promote the role of electricity in the advancement of society. It identifies and represents the common interests of its members and assists them in formulating common

solutions to be implemented and in coordinating and carrying out the necessary actions.

**WCI** – The objectives of the WCI are to provide a voice for coal in international policy discussions on energy, promote the role of clean coal technologies in improving the environmental performance of coal, highlight the role of coal in energy security, improve understanding of the importance of coal for electricity generation and other industries, form strategic partnerships, ensure decision-makers of the contribution of coal to social and economic development and disseminate information.

**WLPGA** – The World LP Gas Association promotes the use of LP Gas worldwide to foster a cleaner, healthier and more prosperous world. The LP Gas Rural Energy Challenge, a partnership with the UNDP, was designed to support the achievement of critical energy-related sustainable development goals. LP Gas is an increasingly essential component of sustainable development, contributing to economic and social advancement, while delivering real environmental and health benefits.

**WNA** – The World Nuclear Association seeks to raise awareness on the use of nuclear energy as a means to provide clean, reliable and affordable electricity and to help reduce greenhouse gas emissions as a contribution to sustainable development.

### Contact us

Please refer to the following website for further information [www.businessaction.org](http://www.businessaction.org)

You can also contact the secretariat for assistance:  
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