

BUSINESS ACTION FOR ENERGY

Working for Sustainable Solutions

ENERGY FOR DEVELOPMENT



The Issue

Access to modern energy services is a key ingredient in reducing poverty and providing essential services including education, food preservation, communications and healthcare. Currently, approximately, 2.4 billion people do not have access to modern energy services and rely on traditional energy sources. The lack of access to energy hinders development (including the achievement of the Millennium Development Goals), undermines economic growth and strains the environment.

Key Policy Recommendations

1. All energy sources should be assessed on their merits and relative attributes, recognizing that each faces issues, barriers and opportunities including cost, performance, safety, environmental impact, primary resource depletion and energy security.
2. Business supports energy efficiency to help reduce energy costs, energy consumption and negative environmental impacts.
3. The business community can best contribute to addressing energy challenges when enabling framework conditions are in place. Key features of enabling frameworks include: open markets; strong institutions and sound governance; risk assessment and management; and protection of intellectual property.
4. Significant investment is required to maintain, grow and deliver the energy supplies required to meet future demand in a sustainable manner. Business (as a major

investor), other investors and governments need to collaborate and work in partnership in order to promote energy access and meet growing energy demand.

5. Business is investing in the development and deployment of lower carbon, renewable and more efficient technologies. Developing and using both existing and new energy technologies are critical to improving access to energy, promoting energy efficiency and reducing greenhouse gas emissions.
6. Business believes that voluntary multi-stakeholder partnerships and voluntary agreements can address energy challenges. Successful partnerships allow the participants' strengths and areas of expertise to be combined for practical and visible results. The business community works with partners to identify, develop, commercialize and deploy technologies suited to individual national priorities, resource availability and development strategies.

Successful Case Studies and Partnerships

Many companies are continuing to take a pro-active role in improving access to energy and its reliability in various developing countries. Many of these initiatives have been developed through partnerships with a range of partners, including UN agencies, international institutions and local governments. Examples of actions include:

1. ABB: Access to electricity program.

ABB and WWF have teamed up to ensure the sustainable development of the Ngarambe village in Tanzania.

BAE is an ad-hoc, temporary business initiative bringing together a comprehensive network of global businesses. It brings together international, regional and sector organizations and major energy producers and consumers.



ABB focuses on the productive use of electricity in order to generate economic growth and social progress. ABB supplied the generator, installed underground cables and low-voltage equipment, and trained local people to run the power supply. WWF provides guidance on issues ranging from reducing deforestation and sustainable forestry to healthcare and environmental education.



2. EDF, Tenasol: Affordable solar power lights up rural households.

Temasol, a joint venture between Electricité de France (EDF), Tenasol and Total, specializes in solar electrification. Its innovative project in Morocco will provide solar power to more than 58,500 rural households across 24 provinces. In the first phase (2002 – 2005), Temasol supplied electricity to 16,000 customers across four provinces. In 2005, the company commenced a second phase to install solar power for 37,000 families in 20 regions. A further stage is planned to supply an additional 5,500 households.

3. Shell: Improving lives with the flick of a switch.

It is estimated that approximately 9 million people, or 2 million households, in Sri Lanka do not have access to the electricity grid. Shell Solar Lanka, a subsidiary of Royal Dutch/Shell, intends to target this market. Customers will be able to save money over the lifetime of the solar home system and move away from the inconvenience and recurring cost of kerosene lanterns and battery charging. Better service is also part of the program.

4. Eskom’s Energy Efficiency Program.

Eskom’s Demand Side Management program is being undertaken in collaboration with the South African Department of Minerals and Energy. The overall target/objective is to save 4,255 MW over a period of 20 years, to mitigate the negative impact on the environment via energy efficiency targets and to support local job creation. There is currently an annual DSM target of 152 MW that will be increased to higher levels as the markets gain momentum in DSM implementation.



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