



KEYNOTE SPEECH

BY

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ON

**‘SUSTAINABILITY: ENERGY FOR DEVELOPING NATIONS
SOURCES, OPPORTUNITIES AND CHALLENGES’**

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Honorable Governor,
Honorable Mayors of Daegu and Gyeongju,
Presidents of the Uiduk University and New York Institute of Technology
Distinguished participants from Korea and abroad,
Dr. Harold Oh,
Ladies and gentlemen,

It is a distinct pleasure for me to be here in historic, colorful Daegu, the City of Hope. I bring with me the greetings and best wishes of United Nation Secretary-General Ban Ki-Moon, an eminent son of our esteemed host country. I convey my sincere appreciation to the organizers of this thematically timely and appropriate international conference deliberating on various dimensions of the energy issue as relevant to the developing countries. Special thanks to the Uiduk University and the New York Institute of Technology (NYIT) for hosting this important event. From the UN family, my Office and the United Nations Development Programme (UNDP) are happy to join you in this endeavor.

The title of our conference – “Sustainability : Energy for Developing Countries – Sources, Opportunities and Challenges”- says it all. It expresses very neatly the dimensions and perspectives of the energy issue that is pre-eminent in our minds, in our interactions and in every development dialogue.

Earlier this month, the Intergovernmental Panel on Climate Change of the United Nations released its eagerly-awaited report on the state of climate change. The report gave authoritative endorsement to the conventional wisdom that human activity is almost certainly causing the most dramatic climate shift the earth has witnessed over the centuries.

The human activity in question is, of course, diverse. But much of it is associated with our energy needs and consumption habits. About 80 percent of the world’s energy comes from fossil fuels, the main source of man-made greenhouse gas that is a major factor in global warming. Burning fossil fuels also gives rise to air pollution and acid rain, which have health implications. Yet energy is one of the cornerstones of modern society. It powers economic growth and development. Without energy, poverty, which afflicts half of humanity, cannot be eradicated.

Indeed, unequal energy consumption is one of the glaring features of the disparity between the rich and the poor nations. The world’s richest countries, with only a fifth of the world’s population, account for 60 per cent of commercial energy use. For example, one person in the United States consumes as much fuel as 250 people from poor countries like Niger,

Tanzania and Ethiopia every year. In the meantime, 2 billion people, or one in every three human beings, have no access to modern energy. They have to rely on such traditional energy sources such as wood, charcoal, crop waste and dung. The overwhelming majority of these live in developing countries.

Apart from their toll on the environment through, for example, deforestation, burning biomass fuels like wood fills the homes of the poor with toxic smoke, posing major health problems. Over two million people die every year from breathing the cocktail of toxic chemicals given off by biomass fuels. Indoor air pollution is one of the world's top 10 causes of premature death. A lot of time that could be devoted to other productive activities is wasted foraging for fuelwood and doing work manually. All this holds back development efforts both at the household and at national levels. It also reinforces gender inequalities, as women are disproportionately affected.

Energy-related issues can lead to governance problems within States and affect relations between them. The high cost of oil, such as we are witnessing in recent years, imposes economic burdens on most developing countries. The three groups of vulnerable countries that fall within the mandate of my Office – the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States – all face energy challenges of one form or the other. Their respective UN Programmes of Action put due emphasis on this aspect of their development challenges.

The 50 Least Developed Countries of the world lack the resources to meet their ever-growing energy needs; the Landlocked Developing Countries have to contend with the high cost of importing oil, a problem also faced by the Small Island Developing States because of their relative remoteness from the major markets. Some of these countries, especially the Small Island Developing States, have the added challenge of small populations, which reduces the economic viability of some of the modern sources of energy, such as hydro power plants and the attendant distribution grids. These vulnerable countries are also less equipped to deal with the consequences of climate change while some of them, especially the Small Islands, are more prone to its negative consequences. Doubly disadvantaged are the Least Developed Countries that are also either landlocked or small islands - and there are 28 such countries out of 50.

If a good number of developing countries lack sufficient energy, a number of them, including some Least Developed Countries, have relatively large fossil fuel reserves, and more are being discovered all the time. From oil to coal and natural gas, an increasing number of developing countries are becoming important players in the energy sector as the developed countries and

emerging developing countries look for new sources and assurances for their energy security. Not only does this provide opportunities to these developing countries to meet their domestic energy needs, but it could also provide the much-needed revenue to finance development activities.

It is estimated, for example, that an additional USD 200bn will go to African treasuries as new oilfields are opened in various parts of the continent in the next 10 years. Oil will bring the largest influx of revenue in the continent's history, and more than 10 times the amount African countries receive in official development assistance each year. Regrettably, this bonanza is bringing with it a host of major problems, ranging from environmental degradation to corruption. The consequences, as the situation in countries like Nigeria, Chad and Angola have demonstrated, can be so drastic that one starts to wonder whether these countries wouldn't have been better off without the oil. Conflicts in all these countries have been linked to the oil industry. Also, important is to establish transparent ways of reaching the benefits of the newly generated revenues for improving the quality of life of common people. I believe strongly that such transparency becomes more relevant and meaningful for the energy-rich but otherwise impoverished Least Developed Countries.

The challenge of energy for developing countries is therefore manifold. It is about availability, access, efficiency, quality and sustainability. The primary question for developing countries is how to develop clean, efficient, affordable, sufficient and sustainable energy, without which they would not be able to reach the Millennium Development Goals and achieve their broader development objectives. New directions are, therefore, clearly needed.

First, we should devote much greater attention to renewable energy. Although the cost of generating energy from renewable sources such as solar and wind have been declining, the use of such sources remains woefully underutilized. Renewable energy provides only about 4 per cent of the world's commercial energy; with half of this contributed by hydropower. Wind and solar power are the fastest growing sources of renewable energy, but they are starting from a low installed base. These forms of energy are particularly relevant to poor and vulnerable countries, as they can be implemented on a small scale and in a more decentralised manner. This has been repeatedly demonstrated in a number of poor countries, where the installation of a few solar panels has revolutionised community life by not only meeting domestic energy needs, but also facilitating the delivery of vital social services such as health, education and water.

We need to scale up investment in mature renewable energy sources, particularly solar, wind and hydro. We also need to intensify research and development into promising sources like tidal energy, ocean thermal conversion, hydrogen and fuel cells.

Second, and perhaps far less costly, we need to use the energy already available more efficiently. Conventional power stations waste 65 per cent of the energy they generate. We must find ways to capture and use that wasted energy. We must make greater use of energy-saving technologies, such as hybrid vehicles and power-saving appliances. Many studies have demonstrated that rich countries could actually reduce their energy use without compromising economic growth through increased efficiency. A recently launched campaign in the United States has estimated that if every American swapped just one conventional electric bulb with an energy-saving bulb, the country could save 8 billion US dollars in energy costs and eliminate two million cars' worth of greenhouse gas emissions.

But energy efficiency is not only relevant to the developed countries. Equally significant gains, in relative terms, could be made in the developing countries from such simple technologies as energy-saving cooking stoves.

Third, we need to reduce the pollution generated by fossil fuels, for example through greater use of clean coal and technologies that emit less carbon dioxide. I believe that where alternatives exist, governments should, as a policy measure, raise the cost of using the more polluting energy sources while making the cleaner energy sources cheaper.

Finally, we need to think more outside the box. A recent study in South Africa has, for example, shown that creating two time zones in the country would lead to a saving of a massive 500 megawatts of electricity per year as a result of staggered economic activity. That is more than the amount generated by many poor countries. Such a measure would also be environmentally beneficial, as it would reduce in the number of new power generation plants required to meet growing energy needs.

What we need is a revolution in how we generate and use energy. For such a revolution to happen, all countries will need to invest more in clean, renewable energy sources. The private sector, as well as civil society, has a major role to play, but the appropriate policy framework must be in place. For the majority of developing countries, which lack the financial and

technical resources to undertake the necessary investments, international cooperation arrangements are critical.

South-South cooperation is one aspect of such international cooperation that remains underutilized. Technology transfer and undertaking joint projects for contiguous countries could make a major contribution to meeting the energy needs of developing countries more efficiently. As a footnote, I should mention that the potential for international cooperation in the energy sector – as well as other sectors – will be a subject of discussion of a forthcoming Ministerial meeting of the 50 Least Developed Countries hosted by Turkey in Istanbul. Indeed, the fact that energy will be one of the four main themes at the conference, which will be organized under the title “Making Globalization Work for LDCs”, is testimony to the importance of energy to development and poverty reduction efforts.

All countries need to be more rigorous in carrying out what they have agreed to do internationally. More of them should participate in the market for carbon emission allowances. More use should be made of flexible tools such as the Kyoto Protocol’s Clean Development Mechanism to support climate-friendly sustainable development projects in developing countries. In this connection, the Least Developed Countries need to be assisted to develop the capacity to participate and benefit fully from such tools. Because of the lack of such tools, LDCs have only attracted 3% of Clean Development Mechanism projects. Greater use of such mechanisms in the LDCs has the potential of generating at least some of the resources needed to develop clean and renewable energy sources in those countries.

Climate change should not be viewed as a separate challenge; measures to mitigate it, and adapt to it, need to be integrated into global energy debate and national sustainable development strategies. Outcomes of Rio and Johannesburg global summits as well as other international agreements provide the necessary guide posts towards meeting these challenges.

Distinguished participants, we have the knowledge and resources to conquer the poverty that blights a large segment of our humanity, and to safeguard our planet and its climate for generations to come. Developing clean, affordable and sustainable energy sources is central to winning the war against poverty and protecting our only habitat.
