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Electricity: An Essential Component of Sustainable Development

Electricity is intrinsically linked to the environmental, social and economic dimensions of sustainable development. Electricity powers the development infrastructure that is essential to economic and social activities, such as water supply and sanitation, industrial manufacturing, telecommunications systems, healthcare and education. Energy poverty, the lack of commercial sources of energy necessary for economic growth, is among the most significant challenges to sustainable development. The E7's experience in the global community has shown that affordable access to reliable and safe electricity plays an essential role in achieving sustainable development.

E7 Approach to Sustainable Development

The E7 mission is to play an active role in protecting the global environment and in promoting sustainable development through the efficient generation and use of electricity. The E7 member companies consider the secure and reliable supply of electricity to be a key aspect of sustainable development and a corporate responsibility. All sources for power generation – coal, natural gas, oil, nuclear, and renewable, including hydroelectricity – present challenges and opportunities to sustainable development: all sources can be managed sustainably. Sustainable development requires a well balanced energy mix. Therefore, E7 members undertake domestic efforts to reduce environmental emissions and impacts through efficient generation, transmission and distribution of electricity. The E7 members support efficient use and conservation of energy and work to limit environmental impacts through systematic audits and mitigation measures.

The E7 Commitments to Sustainable Development

Each E7 member believes that it is critical to incorporate sustainable development principles based on the goals of Agenda 21 into its corporate activities. The establishment of the E7 Network of Expertise for the Global Environment in 1992 and the creation of the E7 Fund for Sustainable Energy Development in 1998 were significant steps to help promote sustainable development through electrification initiatives in developing countries. For the last 10 years, the E7 members have discussed commitments and have demonstrated actions through new programs, capacity building, transferring of knowledge and technology, and demonstration projects. This document presents the E7's progress towards sustainable development as well as its future commitments.

Progress Towards Sustainable Development

- The E7 Network of Expertise for the Global Environment pools each member's diverse expertise and implements Human Capacity Building in developing countries. The Network has completed 26 Human Capacity building projects in cooperation with electric companies in developing countries and government institutions worldwide.
- The E7 has completed 2 Activities Implemented Jointly (AIJ) projects in Jordan and Indonesia that reduced and avoided significant emissions of greenhouse gases.
- The E7 Fund for Sustainable Energy Development finances the construction and procurement of E7 sustainable energy development projects in developing countries.
- The E7 Climate Change Working Group together with its worldwide partners, including utilities in developing countries, has published position papers, organized multi-stakeholder dialogues, and participated in international conferences to contribute to the framework, policies, and mechanisms that address climate change.
- The E7 has formed Working Groups of experts and mandated them to examine various policy issues of interest to the global electricity industry. Subjects that have been addressed in the past include: Social Trust, Regional Electricity Co-operation and Integration, Internationalization and Nuclear Energy. Position papers and policy statements prepared by these working groups have facilitated communication with international organizations and electric utilities from developing countries.
- The E7 has formed partnerships with non-governmental organizations, utilities in developing countries and community organizations to promote sustainable development.
- The E7 has published a report on behalf of the global electricity sector for the 2002 World Summit on Sustainable Development. The report sets two goals: Electric companies should implement best practices to guide their operations, and electric companies should share their expertise in partnership with governments and non-governmental organizations, financial institutions, and technology providers from around the world to help focus their sustainable development activities on expanding access to electricity for all people.

Future Actions in Pursuit of Sustainable Development

After 10 years of progress towards sustainable development, the E₇ has learned a great deal from its partnerships and initiatives in developing countries. The E₇ believes that understanding the needs of people, engaging in open and trusting dialogue and sharing its diverse expertise are crucial to implementing successful projects that contribute to sustainable energy development.

The Chairmen, on the occasion of the tenth anniversary of the E₇ at the Tokyo Summit, are pleased to highlight actions currently underway and planned, to continue to support our pursuit of sustainable energy development.

1

The E₇ is committed to promoting sustainable development by carrying out in-kind Human Capacity building activities in developing nations.

- The E₇ is engaged in three human capacity building projects in Thailand, Indonesia, and Southern Africa.

2

The E₇ is committed to exploring new technologies and mechanisms to reduce, avoid, or sequester greenhouse gas (GHG) emissions.

- The E₇ is implementing a renewable energy demonstration project to install photovoltaic systems for medical facilities and water pumps in the W Park, one of Africa's largest fauna reserves.
- The E₇ is currently working with authorities, potential partners, and interest groups to explore the feasibility of proceeding with renewable energy projects in the Galapagos and Bolivia. These initiatives are expected to demonstrate the potential for GHG emission reductions, eligibility under the Clean Development Mechanism, and to further the desire for sustainable development.
- The E₇ will publish the lessons learned from these projects in order to contribute to the development of the governance framework for future CDM projects.

3

The E₇ is committed to fostering and strengthening its grassroots relationships with local organizations and other stakeholders based on mutual trust and ongoing dialogue.

- The E₇ continues to underline the importance of relationships and partnerships with local communities in all of its initiatives.

4

The E₇ is committed to sharing its expertise in partnerships with governments and non-governmental organizations, development institutions and technology providers from around the world to help focus their sustainable development activities on expanding access to electricity to all people in a clean and affordable manner.

- The E₇ is strengthening its existing partnerships and exploring new alliances to better carry out its mission.

5

The E₇ pledges to promote education, public awareness and training as a process to promote sustainable development and improve the capacity of the people to address environment and development issues.

- The E₇ Micro-Solar Distance Learning Program provides information communication technology to isolated villages in developing countries using renewable energy systems.
- The E₇ has established the Sustainable Energy Development Scholarship Program for graduate and post-graduate studies in sustainable energy development for students from Developing Countries.