

World Coal Association

Energy poverty and sustainable development policy statement

Key points

- Access to modern energy sources is key to sustainable economic and social development.
- As nations develop they seek secure, reliable and affordable sources of energy to strengthen and build their economies – coal is a logical choice in many of these countries because it is widely available, safe, reliable and relatively low cost.
- The world faces a huge challenge in meeting the future energy needs of developed and developing countries. All available sources of energy will be needed to meet this challenge.
- If the world is to meet global emissions reduction targets while meeting the ever-growing demand for energy, then advanced coal technologies – such as high efficiency low emissions power generation and carbon capture and storage (CCS) - must be supported by governments and other international institutions.
- In addition to its energy benefits, coal contributes to economies and communities through responsible mining and supporting industrial processes, such as steel production, and is therefore a key component of sustainable development.

Integrated priorities

The world faces significant challenges in facilitating sustainable development and poverty alleviation in the developing world. Energy plays a key role in meeting these challenges.

However, an effective response to the legitimate aims of energy security and economic development, including poverty alleviation, must also integrate with global action on climate and environmental concerns.

These issues are inextricably linked. The world's least developed countries need access to low cost energy, but they are also the most vulnerable to the impacts of policies aimed at reducing anthropogenic greenhouse gas (GHG) emissions.

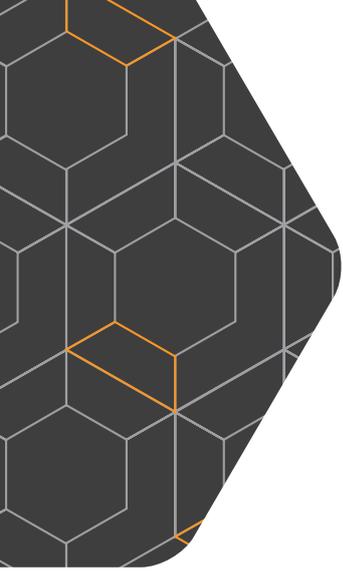
As both developed and developing economies continue to grow, the demand for energy will only increase. Secure, affordable and sustainable sources of energy are key to addressing the challenge of energy security and poverty alleviation whilst also reducing greenhouse gas emissions. Significantly reducing poverty in developing economies is a necessary first step to reducing greenhouse gases. Absent this first step, developing economies will not have the capacity to focus their attention on reducing their greenhouse gas emissions.

Ensuring secure, affordable and sustainable energy requires a diverse energy mix and coal is a key part of that mix. It is both an essential energy resource for electricity generation and a vital raw material for industrial production e.g. steel, chemicals and cement. Coal is vital for long-term sustainable development and can be used in a manner consistent with GHG reduction goals.

International action on energy and development

As economies develop and grow they look for reliable, affordable sources of electricity. Energy also plays a central role in sustainable economic and social development, yet the Millennium Development Goals fail to include energy access as a key target.

Many countries have access to indigenous coal resources and use those supplies to fuel their energy needs. These countries must be supported to use their natural resources consistent with global climate objectives.



In order to meet joint sustainable development and greenhouse gas reduction goals, governments and the international community should support action that:

- Includes a target of universal access to modern energy by 2030 as part of the Millennium Development Goals to promote eradication of poverty through access to affordable, reliable sources of energy, including coal, which support provision of employment, health care and education.
- Recognising that different countries will meet their energy needs from different sources, promotes the deployment of the cleanest and most efficient coal technology available – including advanced high efficiency, low emission coal-fired power generation and in suitable environments, alternative coal technologies such as underground coal gasification and coal bed methane utilisation.
- Facilitates the development of CCS technology because according to all credible scenarios rapid and large-scale deployment of CCS in both developed and developing countries is necessary to limit the global temperature rise to less than two degrees.

These priorities can be met by:

- 1 Financing CCS and advanced coal-fired power generation through the Green Climate Fund and supporting these technology transfers through the technology mechanism, both of which were established in Cancun in December 2010.
- 2 Finalising the inclusion of CCS in the Clean Development Mechanism (CDM) and continuing the inclusion of advanced coal-fired power generation as eligible projects under the CDM.
- 3 The various international development banks providing loans for the deployment of CCS and advanced coal-fired power generation where coal is identified as an efficient means of electricity generation in developing countries. These institutions must also support development of power grids to deliver electricity where it is needed.
- 4 Joint action by aid donors and recipients in recognising where energy needs are a key challenge to development and where supporting the deployment of CCS and advanced coal-fired power generation can contribute to the achievement of development objectives.

Coal's role in society

In addition to the important role it plays in meeting the world's energy needs, the production and utilisation of coal makes a significant contribution to society.

- Across the globe many communities benefit from being centres of coal mining. They benefit from the jobs, royalties, infrastructure and other improvements that mining brings; while responsible mining companies, such as those who form the World Coal Association, see mine safety as critical and strive to ensure zero-harm as the key priority for their operations.
- Coal also forms a key component of many industrial processes and is a key part of almost 70% of the world's steel production. Steel is a fundamental material for modern life. The manufacture of steels ultimately delivers the goods and services that growing economies demand – healthcare, telecommunications, improved agricultural practices, better transport networks, clean water and access to reliable and affordable energy. Steel is a vital building block for development – facilitating economic growth and poverty alleviation.