



UNITED NATIONS ENVIRONMENT PROGRAMME

Programme des Nations Unies pour l'environnement Programa de las Naciones Unidas para el Medio Ambiente

Программа Организации Объединенных Наций по окружающей среде برنامج الأمم المتحدة للبيئة

联合国环境规划署



## THE ENVIRONMENT IN THE NEWS Wednesday, 27 August 2008

### UNEP and the Executive Director in the News

#### **Reuters: Scrapping fuel subsidies can help climate - UN study**

Tue 26 Aug 2008, 12:40 GMT

By Alister Doyle, Environment Correspondent

ACCRA (Reuters) - Abolishing subsidies on fossil fuels could cut world greenhouse gas emissions by up to 6 percent and also nudge up world economic growth, a U.N. report showed on Tuesday.

Subsidies on oil, gas or coal are meant to help the poor by lowering the price of energy but the report, issued on the sidelines of a 160-nation U.N. climate meeting in Ghana, said they often backfired by mainly benefiting wealthier people.

The study said fuel subsidies totalled about \$300 billion a year, or 0.7 percent of world gross domestic product (GDP).

"Cancelling these subsidies might reduce greenhouse gas emissions by as much as 6 percent a year while contributing 0.1 percent to global GDP," it said.

People forced to pay higher prices for energy would likely cut back on use of fossil fuels, the main source of greenhouse gases from human activities.

"Governments should urgently review their energy subsidies and begin phasing out the harmful ones," said Achim Steiner, head of the Nairobi-based U.N. Environment Programme (UNEP).

"In the final analysis many fossil fuel subsidies are introduced for political reasons but are simply propping up and perpetuating inefficiencies in the global economy," he said in a statement.

Subsidies were biggest in Russia, with about \$40 billion a year spent mainly on making natural gas cheaper, ahead of Iran with \$37 billion. China, Saudi Arabia, India, Indonesia, Ukraine and Egypt also had big subsidies on fuels.

## POOR

Subsidies are "diverting national funds from more creative forms of pro-poor policies and initiatives that are likely to have a far greater impact on the lives and livelihoods of the worse-off sectors of society," the report said.

It said liquefied petroleum gas (LPG) subsidies in India, aimed at getting fuel to poor households, totalled \$1.7 billion in the first half of 2008. But the report said: "LPG subsidies are mainly benefiting higher-income households".

Some smarter subsidies such as tax breaks, financial incentives or other market mechanisms could generate benefits for the economy and environment if properly targeted, it said and pointed to subsidies to promote wind energy in Germany and Spain aimed at helping to shift from fossil fuels.

Well-devised subsidies in Chile had spread rural electrification to 90 percent of the population from 50 percent in 12 years, it said.

Governments in Accra are working on the building blocks of a new climate treaty meant to be agreed at the end of 2009 to help slow warming temperatures that may bring more heatwaves, more powerful storms and disruptions to water and food supplies.

---

## **AP: UN urges phasing out of energy subsidies**

By ARTHUR MAX – 10 hours ago

ACCRA, Ghana (AP) — A new U.N. report urges countries to phase out energy subsidies, saying they often waste money, do not always help the poor and are bad for the environment.

Gas-rich Russia leads countries spending the most in energy subsidies, laying out \$40 billion a year, according to the U.N. Environment Program report released Tuesday at a 160-nation conference aimed at drafting a new treaty to contain global warming. Oil-exporter Iran is second, spending \$37 billion, while Saudi Arabia, the world's leading oil producer, is also among the top five.

Governments spend as much as \$300 billion a year total in subsidies that encourage consumption and discourage efficiency. The subsidies delay the

transition from dirty energy to more climate-friendly sources of power, said the UNEP report.

Subsidies "don't always help the poor who need it most" and often benefit the wealthy, said Kaveh Zahedi, UNEP's climate change coordinator. "Some countries spend more on subsidizing oil than they do on health and education combined," he said.

Low electricity prices do not help villages that are not connected to the grid, and poor families consume only modest amounts of fuel, the U.N. report said.

Some African countries are known to spend all the foreign development aid they received to pay for the increase in fuel prices, which may be politically popular but economically damaging.

"In the final analysis, many fossil fuel subsidies are introduced for political reasons but are simply propping up and perpetuating inefficiencies in the global economy," said UNEP director Achim Steiner, who also is a U.N. undersecretary general.

In a statement released with the report, Steiner advised governments to "urgently review their energy subsidies and begin phasing out the harmful ones."

Several countries have felt the consequences of cutting subsidies. Last year, riots erupted in Myanmar when cash-strapped authorities raised fuel prices as much as 500 percent. In the last few months, India, China, and Indonesia have all trimmed their fuel subsidies, unable to keep pace with the rapid rise in oil prices.

The U.N. report said money could be redirected into programs that support low income families more directly and should be targeted to promote green energy, such as wind or solar.

Cutting off the subsidies would be good for the environment as it would reduce carbon emissions by as much as 6 percent, said Zahedi.

"It's clearly an area that we need to re-examine in our fight against climate change," he said on the sidelines of the conference in the Ghanaian capital.

The conference is the third session this year working on the details of a climate change accord to succeed the Kyoto Protocol, which expires in 2012. Scientists say the emission of carbon and other greenhouse gases, mostly from fossil fuels, must peak within 10 to 15 years and then drop sharply to avoid potentially catastrophic changes in the climate.

## **USA Today: U.N. urges review of energy subsidies**

ACCRA, Ghana (AP) — Governments spend as much as \$300 billion a year to keep fuel prices low or to help producers, money that often is wasted and fails to help the poor, the U.N. Environment Program said in a report Tuesday.

Cheap energy encourages people to consume more and discourages efficiency. It also delays the transition from dirty energy to more climate-friendly sources of power, said the UNEP report.

Shutting off energy subsidies also would be good for the climate and would reduce carbon emissions by as much as 6%, said Kaveh Zahedi, UNEP's climate change coordinator.

"It's clearly an area that we need to re-examine in our fight against climate change," he said on the sidelines of a 160-nation conference aimed at drafting a new treaty to contain global warming.

Subsidies "don't always help the poor who need it most," and often benefit wealthy households, Zahedi said. "Some countries spend more on subsidizing oil than they do on health and education combined."

Low electricity prices don't help villages that are not connected to the grid, and poor families consume only modest amounts of fuel, it said.

The country spending the most in energy subsidies is gas-rich Russia, with \$40 billion a year. Oil-exporting Iran is second, spending \$37 billion, while Saudi Arabia is among the top five.

Some African countries are known to spend all the foreign development aid they received to pay for the increase in fuel prices, which may be politically popular but economically damaging.

"In the final analysis many fossil fuel subsidies are introduced for political reasons but are simply propping up and perpetuating inefficiencies in the global economy," said UNEP director Achim Steiner, who also is a U.N. undersecretary general.

In a statement released with the report, Steiner advised governments to "urgently review their energy subsidies and begin phasing out the harmful ones."

The report said money could be used instead for programs that support low income families more directly and should be targeted to promote green energy, such as wind or solar.

The conference in the Ghanaian capital is the third session this year working on the details of a climate change accord to succeed the Kyoto Protocol, which expires in 2012. Scientists say the emission of carbon and other greenhouse gases, mostly from fossil fuels, must peak within 10 to 15 years and then drop sharply to avoid potentially catastrophic changes in the climate.

---

**Xinhua: UN: Cutting fossil fuel subsidies could reduce greenhouse gas emission**

www.chinaview.cn 2008-08-27 03:30:20

NAIROBI, Aug. 26 (Xinhua) -- A newly published UN report says scrapping fossil fuel subsidies could play an important role in cutting greenhouse gases while giving a small but not insignificant boost to the global economy.

The report by the UN Environment Program (UNEP) launched in Nairobi on Tuesday challenges the widely held view that such subsidies assist the poor, arguing that many of these price support systems benefit the wealthier sections of society rather than those on low incomes.

They are also diverting national funds from more creative forms of pro-poor policies and initiatives that are likely to have a far greater impact on the lives and livelihoods of the worse-off sectors of society.

The new UNEP report, *Reforming Energy Subsidies: Opportunities to Contribute to the Climate Change Agenda*, says globally around 300 billion U.S. dollars, or 0.7 percent of global GDP, is being spent on energy subsidies annually.

The lion's share is being used to artificially lower or reduce the real price of fuels like oil, coal and gas or electricity generated from such fossil fuels.

Cancelling these subsidies might reduce greenhouse gas emissions by as much as 6 percent a year while contributing 0.1 percent to global GDP, according to the report.

"In the final analysis many fossil fuel subsidies are introduced for political reasons but are simply propping up and perpetuating inefficiencies in the global economy -- they are thus part of the market failure that is climate change," said Achim Steiner, UNEP executive director.

The report acknowledges that some subsidies or mechanisms, whether in the form of tax breaks, financial incentives or other market instruments can generate social, economic and environmental benefits.

The report also accepts that there may be cases where some subsidies can, if well-devised and time-limited, meet important social and environmental goals.

But the report argues that many seemingly well intentioned subsidies rarely make economic sense and rarely address poverty.

The report therefore challenges the widely-held myth that scrapping fossil fuel supports would hit the poor.

The report concludes that in many developing countries the real beneficiaries of such subsidies are neither the poor nor the environment but well off households, equipment manufacturers and the producers of the fuels.

"There are now less than 500 days before the crucial climate change convention meeting in Copenhagen in late 2009," said Steiner.

"Governments should urgently review their energy subsidies and begin phasing out the harmful ones that contribute to the wasteful use of finite resources and delay the introduction of renewables or more efficient forms of generation while creating disincentives and barriers to public transport up to energy saving appliances," he added.

---

### **Daily Nation (Kenya): Scrap fuel subsidies, UN urges**

By ALPHONCE SHIUNDU and PETER MWAI

Posted Tuesday, August 26 2008 at 20:19

Fuel subsidies should be scrapped, if the fight against the increase in greenhouse emissions is to be won, the United Nations has said.

Speaking in Nairobi during the local launch of a United Nations Environment Programme report titled "*Reforming Energy Subsidies: Opportunities to Contribute to the Climate Change Agenda*", the executive director Achim Steiner, said the move would boost efforts towards renewable energy.

The subsidies, which could be in the form of tax breaks or financial incentives "rarely make economic sense and rarely address poverty," the UNEP boss said.

Dr Steiner called for increased investment in geothermal power projects to reduce the current dependence on electricity.

He asked the Government to take advantage of the high number of Kenyans keen on harnessing solar energy for electricity, especially in areas not currently served by the National Grid.

Kenya, according to the UNEP boss, has the highest per capita concentration of solar energy in Africa.

In the new report launched internationally in Accra, Ghana, UNEP says that scrapping fossil fuel subsidies would reduce green house gas emissions by close to 6 per cent, and at the same time boost the global economy by 0.1 per cent.

The terse report said the incentives normally lead to increased levels of consumption and waste, in effect escalating the harmful effects of energy use on the environment.

Dr Steiner said that fuel subsidies tend to favour the wealthy in society, because they “target those who have vehicles.”

He added, “...many fossil fuel subsidies are introduced for political reasons but are simply propping up inefficiencies in the global economy and are part of the market failure that is climate change.”

According to the report, the subsidies “divert national funds from more creative forms of pro-poor policies that are likely to have a greater impact” on the society.

“They can place a heavy burden on government finances, weakening the potential for economies to grow and reducing the potential to invest in social equity,” the report says.

The global environmental body pegs the annual amount spent on energy subsidies at \$300 billion.

But even as UNEP calls for subsidies to be scrapped, it takes into account that some of the mechanisms “can generate social, economic and environmental benefits.”

The Government has already formed a task force under the ministry of environment to deal with climate change and its effects on development.

Environment minister John Michuki said the issue of climate change “will be given the national attention it deserves.”

The Environment ministry is already working on ways to develop scenarios to inform the Treasury on the impacts of climate change on the economy.

Dr Steiner accused economists and policy makers of ignoring environmental perspectives when developing the economic agenda.

He asked Mr Michuki to use his position as Finance minister to streamline the mess that financial policy has on the environment.

The call to have subsidies scrapped comes less than two years before a climate change convention meeting is held in Copenhagen.

---

### **RedOrbit: Cutting Ties to Fossil Fuels**

Posted on: Tuesday, 26 August 2008, 21:55 CDT

A U.N. study found that doing away with fossil fuel subsidies could in fact cut greenhouse gas emissions by 6 percent globally, as well as increase world economic growth.

Experts believe subsidies on oil, gas and coal are meant to help the poor by lowering the price of energy, but they typically backfire by mainly benefiting the wealthy.

The study estimated that energy subsidies totaled about \$300 billion a year or 0.7 percent of world gross domestic product (GDP).

"Canceling these subsidies might reduce greenhouse gas emissions by as much as 6 percent a year while contributing 0.1 percent to global GDP," the study noted.

People with lower income would likely cut back on use of fossil fuels if they were forced to pay more.

"Governments should urgently review their energy subsidies and begin phasing out the harmful ones," said Achim Steiner, head of the Nairobi-based U.N Environment Programme (UNEP).

"Many fossil fuel subsidies are introduced for political reasons but are simply propping up and perpetuating inefficiencies in the global economy," said Steiner.

Russia had the largest subsidies totaling about \$40 billion a year spent mainly on making natural gas cheaper.

Iran checked in with \$37 billion, while China, Saudi Arabia, India, Indonesia, Ukraine and Egypt also had big subsidies on fuels.

"Some countries spend more on subsidies than on health and education combined ... they stand in the way of more environmentally friendly technologies," said Kaveh Zahedi, climate change coordinator at UNEP.

The report said liquefied petroleum gas (LPG) subsidies in India totaled \$1.7 billion in the first half of 2008.

The report suggested smarter subsidies such as tax breaks, financial incentives or other market mechanisms could generate benefits for both the economy and environment if properly targeted. Examples include subsidies to promote wind energy in Germany and Spain that are aimed at helping to shift from fossil fuels. Researchers said in a dozen years, well-orchestrated subsidies in Chile spread rural electrification to 90 percent of the population.

The UN said Africa was beginning to benefit from a U.N. project to help investments in clean technologies such as wind or geothermal power. China, India and Brazil have won a majority of the 3,500 projects.

UNEP spokesman Nick Nuttall said new projects started during recent months in Mozambique, the Democratic Republic of Congo, Madagascar, Mauritius, Mali and Senegal.

---

## **AHN: Report: Cutting Fossil Fuel Subsidies Would Slash Greenhouse Gas Emissions**

August 26, 2008 6:22 p.m. EST

Windsor Genova - AHN News Writer

Accra, Ghana (AHN) - Eliminating the world's \$300 billion annual subsidies for fossil fuel could slash global greenhouse gas emissions by 6 percent, according to a United Nations report released during a climate change conference here Tuesday.

The U.N. Environment Programme (UNEP) report, titled "Reforming Energy Subsidies: Opportunities to Contribute to the Climate Change Agenda," said eliminating the subsidies could also boost gross domestic product worldwide by 0.1 percent.

Tax breaks, financial incentives or other market instruments only artificially lower the prices of fuel, coal, gas and electricity generated by fossil fuels and does not really benefit the poor, the report said. Citing the case of India's \$1.7 billion liquefied petroleum gas (LPG) subsidy in the first half of the year aimed at getting

the fuel into poor households, the report said, "LPG subsidies are mainly benefiting higher-income households" as well as equipment manufacturers and the producers of the fuels.

"Governments should urgently review their energy subsidies and begin phasing out the harmful ones that contribute to the wasteful use of finite resources and delay the introduction of renewables or more efficient forms of generation while creating disincentives and barriers to public transport up to energy saving appliances," said Achim Steiner, U.N. under-secretary general and UNEP executive director.

The report was launched in the latest round of the U.N. Framework Convention on Climate Change in Ghana. The convention aims to forge a new greenhouse gas reduction agreement among countries.

Huffington Post: [UN urges phasing out of energy subsidies](#)

ACCRA, Ghana — A new U.N. report urges countries to phase out energy subsidies, saying they often waste money, do not always help the poor and are bad for the environment.

Gas-rich Russia leads countries spending the most in energy subsidies, laying out \$40 billion a year, according to the U.N. Environment Program report released Tuesday at a 160-nation conference aimed at drafting a new treaty to contain global warming. Oil-exporter Iran is second, spending \$37 billion, while Saudi Arabia, the world's leading oil producer, is also among the top five.

Governments spend as much as \$300 billion a year total in subsidies that encourage consumption and discourage efficiency. The subsidies delay the transition from dirty energy to more climate-friendly sources of power, said the UNEP report.

Subsidies "don't always help the poor who need it most" and often benefit the wealthy, said Kaveh Zahedi, UNEP's climate change coordinator. "Some countries spend more on subsidizing oil than they do on health and education combined," he said.

Low electricity prices do not help villages that are not connected to the grid, and poor families consume only modest amounts of fuel, the U.N. report said.

Some African countries are known to spend all the foreign development aid they received to pay for the increase in fuel prices, which may be politically popular but economically damaging.

"In the final analysis, many fossil fuel subsidies are introduced for political reasons but are simply propping up and perpetuating inefficiencies in the global

economy," said UNEP director Achim Steiner, who also is a U.N. undersecretary general.

In a statement released with the report, Steiner advised governments to "urgently review their energy subsidies and begin phasing out the harmful ones."

Several countries have felt the consequences of cutting subsidies. Last year, riots erupted in Myanmar when cash-strapped authorities raised fuel prices as much as 500 percent. In the last few months, India, China, and Indonesia have all trimmed their fuel subsidies, unable to keep pace with the rapid rise in oil prices.

The U.N. report said money could be redirected into programs that support low income families more directly and should be targeted to promote green energy, such as wind or solar.

Cutting off the subsidies would be good for the environment as it would reduce carbon emissions by as much as 6 percent, said Zahedi.

"It's clearly an area that we need to re-examine in our fight against climate change," he said on the sidelines of the conference in the Ghanaian capital.

The conference is the third session this year working on the details of a climate change accord to succeed the Kyoto Protocol, which expires in 2012. Scientists say the emission of carbon and other greenhouse gases, mostly from fossil fuels, must peak within 10 to 15 years and then drop sharply to avoid potentially catastrophic changes in the climate.

### **Other Environment News**

#### **Denver Post**

*The new energy economy*

By John D. Podesta and Timothy E. Wirth

August 25, 2008

As leaders of the Democratic Party gather to nominate their presidential ticket, they confront an economy in trouble. Voters are worried about the relentless shocks that have buffeted the nation: falling home prices, loan foreclosures, and bank failures; a weaker dollar that has cut consumers' buying power, even as

prices spike for gas and food and steel; layoffs in banking and construction and manufacturing.

In the background loom even larger threats to our prosperity: our dependence on oil, which puts our national security at risk, and the accelerating buildup of heat-trapping gases in the atmosphere, already changing the climate in fundamental and unpredictable ways.

Americans are feeling personal pain and rising anxiety about where all this is headed. They want a new vision for the economic revitalization of the nation and American leadership in the world. The next president will have a precious moment to point the way and mobilize the country and the international community toward a brighter future. At the heart of this opportunity is energy, remaking the vast energy systems that power the nation and the world.

Tuesday, energy and climate change will be the subject of a day-long Rocky Mountain Roundtable organized by the Denver 2008 Convention Executive Committee. The three sessions put this subject into the right context: "The Business of Climate Change," "Energy in a Carbon-Constrained Economy," and "The New Energy Economy."

The technologies we need to begin this economic transformation already exist today, and the dollars will flow if we just change the rules of the energy game, rules that have favored the old ways of doing business with tax breaks, regulatory incentives, and lip service to alternatives, and stop using the atmosphere as a garbage dump for our emissions. As a first step, we must cap our emissions and put a price on carbon. The investments that will result from this decision will be a powerful stimulus for economic growth, competitive advantage, and new jobs — good jobs in manufacturing, installation, and research, entry-level jobs and high-wage jobs alike.

Those "green" jobs will be in the manufacturing sector, producing wind turbines, solar thermal power plants, biofuels refineries, and plug-in electric hybrid vehicles. They will be in the building sector, working in partnership with utilities to reduce the energy waste in every home, business, school and hospital in America. They will be modernizing the electric power grid to make it more reliable and resilient, capturing emissions from our power plants to enable the clean use of fossil fuels, upgrading urban transit, and building high-speed rail to provide alternatives to our roads and highways.

We have seen results like this in Colorado already, thanks to the state's leadership on renewable energy, through enactment of a renewable portfolio standard and most recently on Aug. 15 with the announcement by Vestas, the Danish wind turbine company, that it will build two more factories here, adding 1,350 new jobs to bring its total in the state to 2,450.

The Democratic Party platform recognizes the energy opportunity in its section on "Investing in American Competitiveness" — but it does not go far enough. The size and urgency of this task require a president willing to make it the top domestic priority in the White House — not pigeonholed as an energy initiative or environmental initiative or even as a security initiative, but made the centerpiece of his economic agenda. Indeed, it will demand that the president refocus the mission and responsibility of all relevant government agencies and convene them in a new National Energy Council in the White House.

The success of this year's candidates and next year's elected leaders will rise and fall on how they address the energy issue. Those who convey the scale and scope — and opportunity — of transforming our energy economy will succeed.

[http://www.denverpost.com/ci\\_10293577](http://www.denverpost.com/ci_10293577)

---

## **Globe and Mail**

Renewable energy technology stores the wind underground

*By Ernest Scheyder*

*August 26, 2008*

NEW YORK — One problem perhaps more than any other has proven a drag on the long-term prospects for wind power: how do you turn on the lights when the wind isn't blowing?

A New Jersey company said Tuesday it has joined with Michael Nakhamkin, one of the top thinkers in energy storage, to develop new ways to trap wind-generated power in underground reservoirs.

Mr. Nakhamkin has helped develop technology to pull excess energy off the power grid — usually at night when usage has waned — to run compressors that pump air into sealed, underground caverns that once held oil, salt or natural gas.

During periods of higher demand, the air is released and heated to run air expansion turbines. The heating process uses about 100 megawatts of power from natural gas and 200 megawatts of power from the compressed air.

The announcement comes just as a drilling boom for natural gas heats up nationwide. Natural gas has supporters in both the private sector and in Washington because it releases fewer of the greenhouse gases that can lead to

global warming and because it has been found domestically in massive quantities.

While this still involves fossil fuels, Mr. Nakhamkin said emissions, compared with traditional turbine systems, are far lower.

“This technology significantly reduces fuel oil and natural gas consumption,” he said.

In urban areas where underground storage isn't feasible, or where bedrock makes drilling expensive, ground-level pipes can be used to store the air, though capacity is diminished.

“We really think this is a game-changer for the renewables industry,” said Roy Daniel, chief executive officer of Energy Storage and Power LLC, a joint venture between PSEG Energy Holdings and Mr. Nakhamkin.

PSEG Energy Holdings is investing about \$20-million (U.S.) in the project, and plans to market and license the technology.

“We're pretty bullish on the market right now,” Mr. Daniel said.

Compressed air in a cave about a third the size of the New York Giants' football stadium – roughly 21,500,000 cubic square feet – would be enough to power a 300-megawatt turbine for 8 hours, Mr. Daniel said.

That load could power about 200,000 homes – a small city – for about 8 hours, said John A. Stratton, an electrical power systems professor at the Rochester Institute of Technology.

“That's a healthy load,” he said. “It's going to get us through the peak of the day by using excess energy at night.”

While the process isn't totally efficient – energy is lost while being transferred – it “makes wind a very different kind of energy than it is today,” Mr. Stratton said.

<http://www.theglobeandmail.com/servlet/story/RTGAM.20080826.wwindpower0826/BNStory/Business/>

## **Slashing fossil fuel subsidies could curb greenhouse gas emissions – UN**

26 August - Challenging the widely-held view that fossil fuel subsidies benefit the poor, a new report by the United Nations Environment Programme (UNEP) calls for cutting back on such mechanisms to curb on greenhouse gas emissions and propel economic growth.

The publication argues that many of these subsidies benefit wealthier portions of society and divert national funds from policies to help the poor. Some \$300 billion – or 0.7 per cent of global GDP – is spent to support the price of energy annually, and most of these funds are used to lower the real prices of fuel, coal, gas and electricity generated by fossil fuels.

Eliminating these price support systems could slash emissions by up to 6 per cent a year while providing a 0.1 per cent GDP boost worldwide, the report contends. While acknowledging that subsidies can at times generate social, financial and environmental benefits, it makes the case that many of these mechanisms are seldom economically sound and hardly ever tackle poverty.

“In the final analysis many fossil fuel subsidies are introduced for political reasons but are simply propping up and perpetuating inefficiencies in the global economy – they are thus part of the market failure that is climate change,” UNEP Executive Director Achim Steiner said.

The report, entitled “Reforming Energy Subsidies: Opportunities to Contribute to the Climate Change Agenda,” was launched today in Accra, Ghana, during the latest round of UN Framework Convention on Climate Change (UNFCCC) global climate change negotiations.

With talks to conclude a successor to the Kyoto Protocol – whose first commitment period ends in 2012 – expected to wrap up late next year in Copenhagen, Mr. Steiner called on governments to phase out subsidies that contribute to wasting finite resources and delaying the creation of more efficient forms of energy. According to the report, Russian subsidies are the largest, with the country spending some \$40 billion annually to reduce the price of natural gas, followed by Iran, which spends \$37 billion, and then China, Saudi Arabia, India, Indonesia, Ukraine and Egypt.

UNEP also announced today that a mechanism under the Kyoto Protocol that allows industrialized countries to offset some of their own emissions by investing in cleaner energy projects in developing countries had made headway in sub-Saharan Africa.

Although the main beneficiaries of this programme have been rapidly developing economies such as China, Brazil and India, six countries – the Democratic Republic of the Congo (DRC), Madagascar, Mauritius, Mozambique, Mali and Senegal – have had new Clean Development Mechanism (CDM) initiatives over the past 18 months.

“Whereas fossil fuel subsidies are an example of a blunt policy instrument, perpetuating old and inefficient economic models, the CDM is an example of a more intelligent, market-based mechanism that is fostering the transition to a modern green economy,” Mr. Steiner noted.

The number of CDM projects in sub-Saharan Africa, while still low, is growing steadily and could rise from the current 49 programmes in 12 countries to 230 by 2012. At present there are close to 3,500 CDM initiatives worldwide.

### **UN agencies join forces to combat environmentally-related diseases in Africa**

26 August - A United Nations-sponsored conference that aims to tackle the environmental causes of diseases that claimed almost 2.5 million African lives each year begins in Gabon today.

In 2002 alone millions of Africans died because of unsafe water, pollution, poor sanitation, inadequate waste disposal, insufficient disease control measures and exposure to chemicals.

“African countries share common ecosystems and the impact of the environment on the health transcends national borders. Accelerated efforts are required to deal with the outbreak of diseases caused by changes in the environment,” said Regional Director of the World Health Organization (WHO) for Africa, Luis Sambo. The WHO and the UN Environment Programme (UNEP) jointly organized the First Inter-Ministerial Conference on Health and Environment in Africa, which is being hosted by the Government of Gabon, under the slogan “Health security through healthy environments.”

The four-day conference – attended by health ministers, environment ministers, policymakers, bilateral and multilateral institutions, non-governmental organizations (NGOs) and high-level experts – will explore the evidence linking health with the environment.

It aims to combat environmentally-related health problems as well as obtain the institutional and investment changes necessary to reduce environmental threats to health.

“This conference is a step toward future collaborative efforts between the WHO, UNEP, and Ministries of Health and Environment to implement integrated activities that promote health and sustainable development,” stressed Dr. Sambo.

UNEP Deputy Director Angela Cropper added: “While our knowledge has been increasing about how ecosystems and species and the quality of the environment relate to human health, there is a lag in concerted policy and action to address this relationship.”

