

Sustainable Building and Consumption Initiative (SBCI)

Launching meeting
Paris 21 February 2006

Opening Note by Monique Barbut
Director UNEP DTIE
(30 minutes)

Ladies and Gentlemen,

It is with great pleasure that I welcome you to this official launch of the United Nations Environmental Programme's Sustainable Building and Construction Initiative. I am especially glad to note that, in spite of a fairly short notice for the invitation to this meeting, we have not only most of the SBCI members present, but also some of our main partners and key experts from the sector. We also have some long-distance guests that we are very pleased that they have found it worthwhile to travel all the way to Paris for this event. I can promise you that you will find value in this meeting, and I hope you will all at the end of the day be as enthusiastic about SBCI as I am.

The United Nations Environment Programme – UNEP - is the leading organisation within UN on environmental protection and sustainable development. Since the Earth Summit in Rio de Janeiro in 1992, the meaning of sustainable development has matured from a theoretical concept and vision for future development, to an urgent necessity, the absence of which has a direct impact on our reality. In a time where headlines are dominated by poverty, terrorism, trade disputes, man-made and natural environmental disasters, freedom of speech and religion, and global epidemics, it has become just all too apparent that it is impossible to address each problem in isolation from the others. Poverty reduction, health care, education, access to goods and services, quality of life, economic development, peace and cultural integrity, are all just different aspects of the larger challenge of sustainable development.

An integrated approach to improving our world and society is clearly called for. At the World Summit for Sustainable Development in Johannesburg in 2002 UN was tasked with seeking to achieve integration in the way we produce and consume goods and services in society. As a result we developed what is now called the Marrakech process - a framework for developing Sustainable Consumption and Production patterns in society. Clearly, the way we consume goods and services is not only a result of our actual needs, but more often also influenced by how goods and services are designed, produced and presented to the consumers. And lack of signals from the consumers to the producers about their needs and wishes, causes a systematic failure in optimizing the features of goods and services, often leading to waste of resources, high costs and environmental degradation.

The case of energy use in buildings is an excellent example of this problem. We have today access to technology and solutions that could significantly cut energy use for heating, cooling and ventilation of buildings. There are today even buildings that can

be entirely independent of external energy supply. These solutions often come at a higher initial cost than more conventional energy designs for houses. However, the operational costs are lower, since less energy is consumed. If you consider the life span of buildings the total costs for more energy efficient houses are also lower than for conventional houses.

But this is where the systematic market failure comes into play: The designers and the builders of the house are typically competing for the construction contract and seek to minimize the construction costs, thereby selecting more conventional and less energy efficient solutions. The property developer is usually also not interested in the long-term energy efficiency as he/she is typically not going to use the building himself, but will sell or let the building to other tenants. Those tenants are the ones that will be shouldering the costs for the energy use. But the tenants have very limited options for influencing the property developer or landlord on the design of the energy system of the house. Thus, even if more energy efficient houses are both cheaper and more sustainable from a life cycle perspective, the market signals still favours older and less efficient solutions.

Within UNEP, the Division on Technology, Industry and Economics here in Paris, is leading UNEP's work on sustainable consumption and production. It was only last year that we celebrated our 30 years anniversary, and we have come a long way since we started out in 1975. A basic realization for our work is that true progress can only come about when you work together with your stakeholders. As opposed to many other organizations in UN, we have therefore not only worked with governments and civil society, but also in close cooperation with the private sector. We have today established partnerships with a range of different sectors, including the financing sector, the telecom sector, the auto manufacturing sector and the tourism sector, just to mention a few. Now, we feel it is about time for us to also move forward with the sustainable development agenda within the building and construction sector

As you all know, the Building and Construction sector is a key sector for sustainable development, both in terms of the important benefits it contributes to society and the considerable negative impacts it may cause if appropriate considerations are not given to the entire life span of buildings. This sector typically contributes with 5 to 10% of employment at the national level and with 5 to 15% of the GDP. It literally builds the foundations for sustainable development, including housing, communications, water and sanitary infrastructures, and provides the context for social interactions as well as economic development at the micro-level. Numerous studies have also proven the relationship between the built environment and public health.

At the same time, the building and construction sector has a significant negative impact. Energy use, use of natural resources, waste generation, and consumption of hazardous materials are examples of prominent environmental impact from this sector. On a global average, buildings are responsible for up to 40 % of the total energy use in society, thereby also contributing to significant CO₂ emissions. 30 to 40% of landfilled waste comes from the building and construction sector, and more than 20 % of fresh water resources is consumed by this sector. Taking into account a growing population and an ageing stock of buildings, needing renovation or replacement, the future outlook suggests that both resource consumption and waste generation will increase in absolute numbers by 30% over the next 20 years.

Clearly, the building and construction sector has an important role in the shaping the society of tomorrow. Having a society without the sector is of course impossible. Having a sector that functions as it does today is unthinkable.

We are in UNEP well aware of numerous initiatives, partnerships, organizations and programmes worldwide that in different ways are seeking to improve the sustainability of the sector. Many of them have achieved true progress and a few of them also have had an actual impact on how the sector operates. Nevertheless, the truth is that by and large the sector is still doing business as usual. The reason is that most of these other initiatives are either of local or national character, or have a limited focus on a specific industry within the wider building and construction sector. And they almost always stop short of trying to bring their efforts beyond mere recommendations and guidelines. So in spite of these efforts it is still perfectly possible – in many cases even advantageous from an economic perspective – to just ignore all these efforts, guidelines and recommendations.

This situation is especially apparent when you look at some of the global problems facing the industry. As I mentioned the building and construction sector is responsible for up to 40% of the total energy use in society, with accompanying greenhouse gas emissions. Climate change is perhaps the most serious environmental threat our society is facing and experts around the world now agree that far more drastic measures than have been taken to date to reduce greenhouse gas emissions are required if we are to avoid global collapse of the climate system. It is unthinkable that the building and construction sector, contributing with such a large share of energy use, would remain outside efforts to combat climate change.

The current global mechanism for climate change abatement; the Kyoto Protocol, will come to an end in 2012, after which we are looking forward to a new global agreement. An agreement that by necessity will have to be much more severe in the reduction requirement of greenhouse gas emissions from all sectors of society. Even so, there is today no global, sector-cross cutting effort to enable the building and construction sector to take an active role on greenhouse gas emission reductions. True is that many energy efficiency schemes and incentives exist for buildings at the national level, especially in countries that have a reduction commitment under the Kyoto protocol. But the mechanisms that would enable buildings to be equipped with energy systems optimized for the life time of the buildings are still lacking. And there is no sector-wide effort to prepare the tools and methods necessary to include building stakeholders as active partners under the Kyoto Protocol or what will follow after the Kyoto Protocol.

This is why we in UNEP have made the first priority of the Sustainable Building and Construction Initiative to address the climate change challenge to the building and construction sector, and to enable the sector stakeholders to take an active part in global convention work on climate change abatement. Certainly there will also be other issues on the agenda of SBCI, but the climate change challenge will be the main focus for SBCI.

As some of you are well aware of, UNEP is not new to this sector. We have for many years been addressing various sustainability issues related to the built environment in different ways. A few examples include our urban environmental management system programme, our sector dialogues, and projects on specific energy solutions for buildings. The most recent example is perhaps our Sustainable Building and Construction Conferences in Asia, the final output of which we are looking forward to present in the near future. However, we recognize that this is not enough. That there is now, more than ever, a need to take our work with this sector one step further: to jointly with the stakeholders themselves address the most important global challenges to sustainable development in the building and construction sector.

It is with this background that we are now launching the Sustainable Building and Construction Initiative. We want this to be an initiative that has four specific features:

1. SBCI will be based on a broad partnership of stakeholders, so that we are able to effectively address the issues from a life cycle perspective.
2. SBCI will be a global partnership. We will take into consideration the situation in developing, as well as developed countries. We are aware of that the situation for the building and construction sector looks very different from country to country and for this very reason we do not wish to limit the Initiative to only a group of countries. Global problems require global solutions.
3. SBCI will support sustainable development in the building and construction sector generally, but will have the climate change challenge as its primary focus. As will be explained later today, SBCI will decide its own annual work programme, and we do not wish to limit its mandate. However, because climate change is the overriding challenge for the sector now, and most likely for many years to come, we wish to make this the key focus of SBCI.
4. SBCI will go beyond generating guidelines and recommendations. In our capacity of a UN sponsored partnership with public and private stakeholders, as well as with close links with other sectors and global convention secretariats, we are in a unique position to actively influence key decision makers to make the right decisions. Ultimately we want to create and mainstream market conditions, policies and other conditions that favour the companies that chose to build more sustainably.

You will learn more about the details of SBCI in a moment, and I would like to draw your attention to both the SBCI information note, and to the addendum to the note, named “SBCI Structure 2006”, which are both included in your meeting package. But I would like to highlight a few special features of the Initiative:

SBCI will be a membership driven effort. However we will also partner with some other important organisations and Initiatives. I wish to mention two of them in particular:

1. Under the Marrakech Process on sustainable consumption and production, many governments have established intergovernmental task forces on specific subjects related to sustainable consumption and production. Finland just recently launched a task force on sustainable building and construction, with a focus on energy efficiency in buildings. I am very happy to announce that we have with us here today the coordinator of that task force, Ms. Kaarin Taipale, who will also make a presentation about the Task Force today. SBCI and the Task Force will work together in many areas and as a first joint activity we are now carrying a global study on energy efficiency and climate change in the built environment.
2. Along with governments, the finance sector is perhaps the most influential sector outside the core group of building and construction stakeholders, that through their business practices affect what considerations are included when constructing buildings. UNEP has since more than 10 years been working through our UNEP Finance Initiatives, with more than 160 of the largest banks, insurance companies and investors in the world. UNEP FI has this year started a working group on responsible property investment, that will look on many of the same issues as SBCI will, but from the perspective of financiers. We are therefore very lucky to also have M. Jean-Paul Sicard with us today (*he will arrive about 11.30*), and to confirm that the working group on responsible property investment will be another close ally to SBCI.

Another feature of SBCI, not to be missed of course, is that UNEP is the hosting organisation. This has certain advantages, not only because of our leverage with governments and international conventions, but also because we are normally able to provide some extra strength to Initiative activities, from our in-house resources. For this first year of SBCI we wish to give SBCI a flying start, which is why I have approved three extra activities to support SBCI:

- Firstly, we are preparing a global study on energy use, energy efficiency, climate change performance and related tools in the building and construction sector. This is a study that we are carrying out together with the Marrakech Task Force on Sustainable Building and Construction, and that will also constitute the first study the SBCI Think Tank to work on.
- Secondly, we are proposing to support a project on financing mechanisms for energy efficiency in buildings, and to make this the first task for the SBCI Working Groups. Clearly this would link closely with the work of UNEP Finance Initiative's Working Group on Responsible Property Investment.
- Thirdly, to also substantiate the SBCI focus outside climate change, we are preparing to engage in the development of a hands-on manual for sustainable reconstruction of buildings in tsunami affected areas.

This will still only be additional supporting activities to the main activities in SBCI, but we hope they will contribute to giving the Initiative a good start.

Now, having said this, I also want to say a few words about today's meeting: This meeting is the official launch of SBCI. It means that from today SBCI is officially in

business. The SBCI secretariat is already established. We have 10 confirmed members and expect several more to join over the next few weeks. We will convene the first SBCI board meeting as soon as is convenient for all members, tentatively in March.

The road to establishing this initiative has not been completely straight. Starting out as an idea within the SBC Conferences in Asia, it has then matured and developed, and even changed focus a few times, under the influence of potential partners, members, and experts in the sector. While the core idea has remained the same – as outlined above – we have remained open for suggestions for how to improve this idea.

The purpose of this launching meeting is not only to introduce to you and to the world, SBCI itself, its members and partners, but also to give you an opportunity to provide feed-back and input to the Initiative.

This morning we will listen to presentations of SBCI members, and our partners the Marrakech Task Force on Sustainable Building and Construction, and the UNEP Financing Initiatives Working Group on Responsible Property Investment. We will also listen to a presentation about the formal set-up and structure of SBCI by the SBCI team in UNEP. We have then invited two speakers to provide us with their perspectives on the needs and challenges for SBCI. The first speaker is Mr. Wim Bakkens, Secretary General of the International Council for Research and Innovation in Building and Construction. We are very proud to have such an eminent speaker at this launch. The second speaker is Mr Zhang Yue, CEO of Broad Air Conditioning. Mr. Zhang is leading a company that in many ways is leading the idea and application of sustainable development in China's industry, and who also personally received the China-Europe Sustainability award in 2004. Coming all the way from Shanghai we are honoured by his presence.

After lunch – we have arranged for a buffet to be served in this room – we will then have a panel discussion, chaired by Mr. Wim Bakkens, on the needs & challenges for SBCI. I hope you will all be active participants in this discussion and look forward to receive your honest recommendations on how to best make SBCI a success.

Now, I have the great pleasure of welcoming the following companies and organisations as members of SBCI:

- Lafarge
- Skanska
- Sinotech
- Arcelor
- Monplaisir
- Gravel
- Martinet
- Ademe
- National Office of Potable Water (ONEP) (Morocco)
- City of Madrid

It is really with great pleasure that I welcome you to this Initiative. It is no secret that without members there would be no Initiative. We are truly grateful that companies

and organisations such as yours are willing to work with us and to show the way for others to follow. Throughout history, great ideas have started out as small efforts that with the help of a few committed people, have often grown into revolutionizing movements. Let's hope this will also be the case for SBCI. In any case, I am convinced that you will all find it worthwhile and rewarding to engage in SBCI. I am very much looking forward to work together with all of you.

Ladies and gentlemen, with this introduction, I would like to once again welcome you all to this meeting. I look forward to talk with you, and listen to all of you throughout the day.