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Economic Commission for Europe**Committee on Sustainable Energy****Working Party on Gas****Twenty-third session**

Geneva, 22 January 2013

Report of the Working Party on Gas on its twenty-third session**I. Introduction**

1. The twenty-third session of the Working Party on Gas was held on 22 January 2013¹.
2. The session was attended by 65 participants from the following UNECE member States: Bulgaria, Croatia, Czech Republic, France, Hungary, Ireland, Italy, Latvia, Netherlands, Norway, Poland, Romania, Russian Federation, Serbia, Spain, Switzerland, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland and United States of America.
3. Representatives of the European Union also participated.
4. The following intergovernmental, non-governmental and other international institutions and organizations were represented: Eurogas, International Association for Natural Gas Vehicles (NGV Global), International Gas Union (IGU), World Energy Council (WEC) and World Trade Organization (WTO).

II. Adoption of the Agenda (agenda item 1)

5. The provisional agenda (ECE/ENERGY/WP.3/2013/1) was adopted.

¹ Official documents of the session are available at <http://documents.un.org/>. Selected presentations delivered at the meeting are available on the UNECE website at: <http://www.unece.org/energy/se/docs/wpgasx.html>.

III. Election of officers (agenda item 2)

6. The Bureau was elected in January 2012 for a two-year term until January 2014 as follows: Mr. Alexander Karasevich (Russian Federation), Chairman, Mr. Francisco de la Flor Garcia (Spain), Mr. Tamas Korosi (Hungary), Mr. Gheorghe Radu (Romania) and Mr. Gilles-Henri Joffre (France), Vice Chairmen. In line with the new guidelines on rules and procedures, the Working Party agreed that the UNECE secretariat will invite member States in October/November 2013 to nominate candidates for the Bureau in preparation for the January 2014 session of the Working Party on Gas.

IV. Natural gas markets in the UNECE region: key issues and trends – Round Table (agenda item 3)

7. Leading experts on the UNECE gas industry from Belgium, Norway, Spain, the Netherlands, United Kingdom of Great Britain and Northern Ireland and United States of America presented the key issues and trends in the natural gas markets in the region. The competitiveness of natural gas in the energy markets in Europe and North America, production and consumption trends, investment challenges and changing market structure were among the main topics of interest for meeting participants.

8. Delegates requested that the Secretariat produce a summary of the Round Table and post it on the website of the UNECE Working Party on Gas.

V. Matters arising from the twenty-first session of the Committee on Sustainable Energy and the on-going informal consultations on the energy sub-programme related to the Working Party on Gas (agenda item 4)

9. The Secretariat reported that the Committee on Sustainable Energy (CSE) had endorsed the outcome of the informal consultations regarding the sustainable energy subprogramme conducted under the auspices of the UNECE Executive Committee (EXCOM).

10. The secretariat cited those outcomes that related to natural gas:

VII. Natural Gas

Objective

Provide a forum for multi-stakeholder dialogue on ways to promote the sustainable and clean production, distribution and consumption of gas in the UNECE region

Areas of Work

Policy dialogue and exchange of information and experience among UNECE member countries on:

- (a) Gas-related issues of regional relevance, including the role of gas in the global energy mix;
- (b) The relation between natural gas and the environment.

Concrete Activities

Studies, delivered in a timely way, on the sustainable and clean production, transport, and use of gas, including on:

- (a) Issues that emerge from natural gas market studies carried out in the past;
- (b) Methods of preventing gas losses and leakages during production and distribution.

Maintain a transparent dialogue between governments and the gas industry through the extra-budgetary Gas Centre programme.

11. In addition to the foregoing endorsement, the CSE had instructed its Chair and Bureau to undertake consultations with member States to render the outcome document operational. The Bureau of the CSE will work with the Bureau of the Working Party on Gas to develop the material that it needs in order to engage with member States.

12. The secretariat reported that, in the framework of the UNECE reform review, member countries had agreed new Guidelines on Practices and Procedures that all subsidiary bodies will have to implement.

VI. Use of gas in transport (agenda item 5)

13. The Chairman of the joint UNECE-International Gas Union study on use of gas in transport (under the title Natural Gas Vehicles and submitted to the UNECE secretariat in August 2012) presented the main findings of the draft study.

14. Delegates expressed their gratitude to all contributors to the study and invited the UNECE secretariat to post this draft study on the UNECE website for comments, suggestions and further consideration by member States.

VII. Current state and prospects of liquefied natural gas in the region of the Economic Commission for Europe (agenda item 6)

15. A member of the UNECE study group on liquefied natural gas delivered a presentation on the current status of the UNECE study on the current state and prospects of liquefied natural gas in the UNECE region.

16. Delegates expressed their gratitude to all contributors to the study and invited the UNECE secretariat to post the draft study, when available, on the UNECE website for comments, suggestions and further consideration by member States.- The Working Party on Gas invited the UNECE secretariat to support efforts of the study group to organize a meeting with LNG producers in 2013 on the results of the study.

VIII. Underground gas storage in Europe and Central Asia (agenda item 7)

17. The Chairman of the UNECE study group on the UNECE study on Underground Gas Storage (UGS) in Europe and Central Asia presented the results of the completed draft study.

18. Delegates expressed their gratitude to all contributors to the study and invited the UNECE secretariat to post this draft study on the UNECE website for comments, suggestions and further consideration by member States.

18a. Delegates regretted the delays encountered to finalise the studies and underlined the need to ensure that studies can be concluded in a timely manner in order to keep their added value in a quickly changing environment.

IX. Review of the work of the UNECE Gas Centre (agenda item 8)

19. The UNECE Secretariat reported on the work of the Gas Centre over the previous 12 months and planned for the following 12 months.

20. The representative of the Netherlands expressed support for the activities of the Gas Centre and pointed out that any decisions regarding mandates and activities should be made in accordance with the outcomes of the reform review discussions and should be considered first of all by the new chair of the Committee on Sustainable Energy. He also requested the Gas Centre to pay attention to its role as a platform for dialogue between the gas industry and government and to ensure access of government representatives to meetings of the Gas Centre.

X. Ad Hoc Group of Experts on the Supply and Use of Gas (agenda item 9)

21. The Chairman of the Ad Hoc Group of Experts on the Supply and Use of Gas briefly reported on the status of the Group that was scheduled to hold its 13th session on 23rd January 2013 (see document ECE/ENERGY/WP.3/GE.5/2013/1). The main item to be considered is its future programme of work in the framework of the on-going UNECE reform review process.

XI. Review of the activities of other subsidiary bodies of the Committee on Sustainable Energy (agenda item 10)

22. The UNECE secretariat delivered presentations on the following bodies, activities and projects: Ad Hoc Group of Experts on Cleaner Electricity Production from Coal and Other Fossil Fuels, Ad Hoc Group of Experts on Coal Mine Methane, Energy Efficiency 21 Programme, Global Energy Efficiency 21 Project and Expert Group on Resource Classification.

23. Delegates requested the UNECE secretariat to post those presentations on the UNECE Working Party on Gas' website.

XII. Recent developments and medium- and long-term prospects and policies in the gas industry, including trade of gas (agenda item 11)

(a) Review of the gas situation and prospects in the region of the Economic Commission for Europe

24. Representatives of UNECE Governments, gas companies and organizations from the following countries presented or submitted reports on the gas industry and gas market operations in 2012: Croatia, Hungary, the Russian Federation, Serbia, Spain and Ukraine. Those reports dealt, among other issues, with changing market structure, competitiveness issues, and consumption and production trends as well as sustainability.

25. Delegates requested the UNECE secretariat to post those reports on the UNECE Working Party on Gas' website

(b) New developments in the European and world market of natural gas vehicles (NGVs) – Blue Corridor and other projects

26. A representative of NGV Global and a delegate from Belgium provided an update on the dynamic trends in the use of natural gas in the transport sector worldwide, with the UNECE region still lagging the recorded strong world growth in the recent years.

27. Delegates requested the UNECE secretariat to post those presentations on the UNECE Working Party on Gas' website.

XIII. Overview of the activities of other international organizations in the field of gas (agenda item 12)

28. A representative of the International Gas Union submitted information on their on-going activities in the field of natural gas in 2012. Delegates requested the Secretariat to post this presentation on its website and invited Eurogas to submit a short report on their activities in the last year, also to be posted on the website.

XIV. Future activities of the Working Party (agenda item 13)

(A) Programme of work for 2013-2016

29. In the framework of the mentioned decisions of the Committee at its twenty-first session (28-30 November 2012), agenda item 4 above, derived from the current outcome of the on-going informal consultations on the energy sub-programme for the Working Party on Gas, delegates from the UNECE member States:

(a) Requested the Bureau of the Working Party on Gas to support the Bureau of the Committee on Sustainable Energy as it engages with member-countries in view of preparing proposals for suitable future concrete activities of the Working Party on Gas;

(b) Thanked participants from France, Hungary, Romania and the Russian Federation for their ideas on possible future Working Party on Gas activities (carbon capture and storage, energy saving and security of gas supply) and invited the Chair of the Committee on Sustainable Energy to take them into account when consulting with member States on the work programmes of the CSE and its subsidiary bodies;

(c) Recalled the need to focus on a limited set of priorities, and requested the Secretariat, given the limited resources available, the workload associated with each activity and the new Guidelines on Practices and Procedures, when facilitating the member State decision-making on possible activities, including new studies, to provide them with draft terms of reference containing, among other elements, the objectives of the proposed activities, the expected results, the added value for the region (and in the case of studies, the existing literature), the required financial and human resources, deadlines, indications on how activities will be coordinated with and complementary to activities in other fora and existing studies, and overall evaluation of their usefulness;

(d) Invited all parties involved to contribute to the successful conclusion of the studies on liquefied natural gas, underground gas storage and natural gas vehicles before the end of 2013.

(B) Provisional calendar of meetings for 2014

30. Delegates adopted the following provisional Working Party on Gas calendar:

Nineteenth session of the Executive Board of the Gas Centre, Monday, 20 January 2014;

Twenty-fourth session of the Working Party on Gas, Tuesday, 21 and Wednesday, 22 January 2014;

Fourteenth session of the Ad Hoc Group of Experts on Supply and Use of Gas, Thursday, 23 January 2014.

XV. Other business (agenda item 14)

31. The Working Party on Gas expressed its deep appreciation to the Gazprom-Promgaz's and Deloitte Services' generosity which made possible the organization of social gatherings at the occasion of this session of the Working Party on Gas.

XVI. Dates of next meeting (agenda item 15)

32. The dates of the twenty-fourth session of the Working Party on Gas were set at 21-22 January 2014. Decisions regarding the duration of the meeting will be taken when the agenda is considered by member States.

XVI. Adoption of the report of the meeting (agenda item 16)

33. The report of the twenty-third session of the Working Party on Gas will be distributed to member States for comment and approval in line with the Guidelines on procedures and practices for UNECE bodies, then posted on the website.
