



UNITED NATIONS
Economic Commission for Europe

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Opening Statement

Committee on Sustainable Energy
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Good Morning,
Colleagues,
Ladies and Gentlemen,

It is a pleasure for me to open the Committee on Sustainable Energy this morning and to welcome you to the Economic Commission for Europe and to the Palais des Nations. I would like to introduce some of the key issues of energy security and sustainable energy you will be discussing during this Committee session.

Energy trade and cooperation has always been important for UNECE since it was founded in 1947. At that time, it helped alleviate acute post-war coal shortages. East-west energy cooperation expanded thereafter to include work on the production, consumption and trade of coal, electric power and natural gas.

Energy security arose as a priority during the 'energy crisis' of the 1970s as east-west energy trade and cooperation allowed western consuming countries to diversify their sources of oil and natural gas supplies away from the Middle East.

As energy security has risen to the top of the economic agenda again during the last few years, the UNECE Committee on Sustainable Energy has responded with Energy Security Dialogue between governments, energy industries, financial institutions and international organizations. The Committee also has expert groups working on natural gas; cleaner electricity production of coal and other fossil fuels; coal mine methane; energy reserves and resources; and energy efficiency. Most UNECE member states participate in the Committee or its experts groups as well as representatives from other countries including India, China, Japan and selected OPEC member countries.

During the last session of the Energy Security Dialogue on 18 and 19 November 2009, participants discussed the implications of the financial crisis on energy infrastructure investments and the impact on the security of energy supplies. Last year session concluded – inter alia - that the global financial crisis and the economic

recession it induced has led to a global drop in energy demand and significant price volatility, particularly in the hydrocarbon markets, that have reduced and delayed energy infrastructure investments jeopardising energy security in the region.

Moreover, delays in infrastructure investments arising from the crisis also have detrimental effects because they tend to foreclose investment decisions that need to be taken now, lead to decisions that favour short-term returns rather than long-term interests, and can have consequences well beyond the present business cycle which will only become apparent in the medium term.

In response to the crisis, both energy companies and governments have adopted a range of corporate strategies and policy measures to mitigate its impact on business operations, energy sector investments and to stimulate environmentally sound economic development. It would be of great interest to listen views from this year speakers on the directions undertaken from both public and private sector from the time of last year discussion and also how governments and energy industries alike are seeking new or modified agreements and institutional arrangements for international energy cooperation.

Based on these conclusions, the Committee recommended that the 2010 Energy Security Dialogue focus on the energy security implications of gas infrastructure in the UNECE region.

Colleagues,
Ladies and Gentlemen,

Over the course of the next three days, you will have the opportunity to examine and debate a number of topical issues confronting the energy sector, as well as review the progress achieved on your programme of work and that of your subsidiary bodies.

During the morning of today you will have presentations from executives of major energy companies on gas resources and international energy cooperation, with a focus on gas supply options and new developments in gas infrastructures.

This afternoon, high-level representatives from governments and international agencies will focus on energy security, with particular attention to the role of unconventional gas resources.

Recent unconventional gas resource developments could lead to an increase of twenty per cent or more in the world's gas reserves. The emerging shale gas industry and technology in North America permits natural gas to replace coal including in power stations and reduces greenhouse gas emissions.

The debate will continue during the working session tomorrow morning with a focus on international energy cooperation for producer, consumer and transit countries. The session will begin with an introductory presentation made by Mr. George Kowalski. This will be followed by an important discussion on how to ensure international energy security, stabilizing the transit of energy and implementing new processes for a more stable international cooperation system on energy. In this direction, the discussion will consider specific presentations from representatives of Turkmenistan and the Russian Federation.

In the UNECE, we recognise that access to affordable, secure and sustainable energy demands high economic and energy efficiency starting from the harvesting of the primary energy to the delivery of energy services. These basic needs are felt even stronger beyond our own region. This Committee is shaped over the years to be able to make a difference in this respect, even beyond this region, if mandated and funded to do so. We have therefore introduced the notion of efficiency along the entire energy chain from production to consumption in relation to the two priorities of the Secretary General's Advisory Group on Energy and Environment:

- access to energy
- reduced energy intensity

Tomorrow we will also hear about the UN Energy initiative and related matters in order to guide our further efforts in this direction.

Tomorrow afternoon we will have a review of activities of the Subsidiary bodies of the Committee. Your views and guidance on each of these, as well as on the activities of the Committee itself, are essential for the sound conduct of the ECE sustainable energy programme.

In conclusion, I would like to express my thanks and appreciation to all of you for your participation and contribution to this 19th Session of the Committee on Sustainable Energy. My thanks are not only directed to government delegates but also to the representatives of other international organizations and private companies.

I hope the session will advance energy security dialogue further and will result in an even stronger commitment of major stakeholders towards international energy cooperation, with a clear guidance on further directions of UNECE work in the field of energy.

I wish you every success in your work.

Thank you for your attention.