

#### NATIONS UNIES

### ОБЪЕДИНЕННЫЕ НАЦИИ

#### **UNITED NATIONS**

COMMISSION ÉCONOMIQUE POUR L'EUROPE ЕВРОПЕЙСКАЯ ЭКОНОМИЧЕСКАЯ КОМИССИЯ ECONOMIC COMMISSION FOR EUROPE

## PLEASE CHECK AGAINST DELIVERY

Statement by Mr. Ján Kubiš
United Nations Under-Secretary-General
Executive Secretary of the United Nations
Economic Commission for Europe

At the Committee on Sustainable Energy
The UN's Imperatives in Energy,
and the Role of the Regional Commissions

Geneva, 16 November 2011

Distinguished guests, ladies and gentlemen, good afternoon.

It is a pleasure to have the opportunity to address you for a second time today. I listened with great interest to the presentations and discussions this morning. There are no easy answers, no quick fixes to securing affordable and sustainable energy. We have heard in the past that the key to securing a sustainable energy future has been the response to the twin challenges of climate change and energy security. But it is clear that we face a tri-lemma – how to secure supply, reduce environmental impacts and render energy affordable and accessible. Accessing resources in increasingly challenging geographies and geologies, refurbishing ageing infrastructure, and addressing capital constraints are just some of the factors to be added to the increasingly complex equation facing the energy sector.

Sustainable development is only possible if we are able to secure affordable and sustainable energy. Energy markets are globalizing, and it is necessary to take full advantage of that development to achieve our goals. Strong global markets require strong global standards and agreements as well as exchanges of views on best practices. National or bilateral arrangements will not suffice. Consistency requires multilateral arrangements that can only be achieved drawing on the full strength of the United Nations.

# Sustainable development requires:

Energy security, through the efforts for which the UN was first established to prevent future wars. Wisdom in managing social tensions within and between Member States and building economic interdependence and synergies are still required. Energy supply is considered secure if it meets demand in an environmentally sustainable manner at price levels that do not destabilize or damage the economy. Secure supply is therefore robust considering the risk of disruptions, whether physical or political, at prices that are "affordable". Reduced risks enable lower energy security-motivated costs to mitigate them. Supplies must be available at conditions that do not destabilize the economy. Energy security requires investment in diverse primary fuels/sources and technology, and in flexibility. It also requires that the high risks to health and safety in handling large amounts of concentrated energy be mitigated to acceptable levels by quality arrangements from the legal and regulatory systems right down to the last bolt and worker's performance. Policies and programs need to be sustained over time where they are perceived as working for the welfare of society and are therefore supported by the people.

Energy affordability with efficiency from source to service, which requires efficient global markets for energy and services, efficient technical solutions, efficient contractual and fiscal arrangements, efficient regulation, and efficient global standards, agreements and best practices guidance needed for investment to occur. "Affordability" implies that end-use prices should be low without consideration for the ability of users to pay or countries' ability to bear the cost of supply. But the term is nuanced. Affordability must take account of life-cycle costs, including returns on investment. Long term affordability is enhanced by efficient resource management to minimize waste and to optimize the resources available at market prices. Investment and consumption decisions are made in a framework of policies. One cannot oblige buyers or sellers to take decisions that run counter to their economic self-interest. Affordable energy supplies are constrained if investors see no value in bringing the energy to market and therefore choose to waste it, for instance by flaring gas or by causing unnecessary and irreversible underground waste in oil and gas production. Ensuring affordability is achieved by encouraging efficient investments throughout the value chain - from primary energy development to final consumers - and by structuring and regulating activities, infrastructure and markets so that buyers and sellers have fair and cost-effective access to energy markets. It also requires governments to put in place the policies and regulations that empower producers and consumers to respond to prices.

Environmental sustainability is achieved when sustainable resource use meets human needs while preserving the environment so that the needs can be met not only in the present, but also in the future. Consuming energy to produce a good invariably has environment impacts, and with a large and growing population coming out of poverty and using more energy, sustainability is vital.

Security, affordability and sustainability need to be addressed together. In this context, all technologies have a role to play on the path to a sustainable energy future. End-use energy efficiency, followed by improvements in the efficiency of

all types of electricity generation is essential in the most important sector, the electricity sector. Also a priority for reducing the carbon intensity of energy will be switching out less efficient coal-fired power for gas, reconfiguring smart, green cities, introducing cost-effective renewables, and developing and introducing new technology such as smart grids, carbon capture and storage, and electric vehicles/batteries. The role that nuclear power might play will depend on the industry's ability to compete on the basis of cost with an acceptable safety framework.

While completely clean energy production and use is highly desirable from a environmental sustainability point of view, it is not happening and is also not likely to happen soon because it is technically not possible today and it does not satisfy the dimensions of affordability and security.

The UNECE is working actively toward attainment of the Millennium Development Goals. We are structured and developed to deliver the standards, agreements and best practices to address the challenges. In the areas of sustainable energy development for the UNECE region, the UNECE aims to facilitate:

improvement of the overall efficiency of the energy system, from source to use, to ensure full and fair access to energy services, improvement of the energy intensity of ECE economies (and thereby the overall economic productivity of the energy system), and progressive reduction in the carbon intensity of the sector including, among other things, the cost-effective introduction of new and renewable energy sources.

Last month, the Secretary General Ban-Ki Moon spoke to the UNECE's Executive Committee, and in both his formal remarks and in his subsequent responses to questions he highlighted repeatedly the importance of sustainable energy in meeting the millennium development goals and the five imperatives that he had set out at the General Assembly meeting in September.

The first imperative he discussed is sustainable development. The human family has now welcomed its 7 billionth citizen. We face a 50-50-50 challenge: in the first 50 years of this century, the global population will have grown 50 percent and in that time we must cut greenhouse gas emissions by 50% to avert a climate change disaster. An important component of meeting this challenge will be the SG's new Sustainable Energy for All initiative that he launched last month in September and that Mrs. Ploutakhina will describe in a few moments.

The second imperative mentioned is prevention. He primary point was addressed to armed conflict, but he also raised a wider agenda that includes development, and he mentioned water and energy resources, including dam safety, in Central Asia specifically.

The third imperative is building a safer and more secure world. The Secretary General was very clear that our work on building economic ties between Central

Asia and Afghanistan is a solid contribution to stability and security. He also noted contributions in safety, including notably the work on the safety of coal mines that this committee will be considering.

The fourth imperative is supporting nations in transition. Both within the UNECE region but also between the UNECE and the other regions experience sharing and providing needed institutional support in the areas of policy, regulations, norms, and standard are of critical importance.

The SG's fifth imperative is doing more for women and youth.

The SG observed that we need the full engagement of both – in government, business and civil society. This is as vital in energy as it is in other sectors.

The SG particularly commended us for our practice of involving hundreds of national experts and practitioners from governments, academia and the business community in our deliberations. Because of this engagement, the results are "owned" and credible, and our norms, standards and recommendations are embraced. We share our best practices throughout the UN system, and we collaborate with the range of important international organizations. As the SG noted, many of the norms and standards developed first here are used more and more by the EU, the Eurasian Economic Community, and the Customs Union. This is a genuine contribution to stronger economic cooperation and integration. This is the power of partnership that will be so crucial to our shared success in the future.

UN-Energy is the United Nations' mechanism for inter-agency collaboration in the field of energy. It was established in 2004 to help ensure coherence in the United Nations' multidisciplinary response to the need for sustainable development and to support countries in their transition to sustainable energy. The core fields of access to energy, renewable energy and energy efficiency - UN-Energy's clusters - have garnered major attention and experienced rapid growth in investments and policy-related focus with an ever-growing number and variety of players involved.

UN-Energy aims to promote system-wide collaboration in the area of energy with a coherent and consistent approach, as there is no single entity in the United Nations system that has primary responsibility for energy. Its role is to increase the sharing of information, encourage and facilitate joint programming and develop action-oriented approaches to co-ordination. It was also initiated to develop increased collective engagement between the United Nations and other key external stakeholders. UN-Energy brings together members on the basis of their shared responsibility, deep commitment, and stake in achieving sustainable development.

I would like to highlight the important role of the United Nations' five Regional Commissions, a role that all too often goes unnoticed as we work both individually and collectively at a technical level to improve the living standards of current and future generations at the global level.

Discussions at the General Assembly have recognized the disparities and

variations in the achievement of the Goals between regions, sub-regions, countries and within countries. The General Assembly requested the Economic and Social Council to hold a discussion on sustained, inclusive and equitable economic growth for accelerating poverty eradication and the achievement of the Millennium Development Goals during its substantive session of 2011. The Assembly also called on the regional commissions to facilitate discussions of this issue through our analytical work and support in the sharing of best practices and lessons learned, and the promotion of regional and sub-regional economic cooperation.

The Executive Secretaries of the Regional Commissions have held regular meetings to further strengthen coordination and collaboration among the commissions. The regional dimension of development is now recognized as being critical for an effective and coordinated response for addressing an evergrowing number of trans-boundary issues. Regional organizations and groupings have evolved as important players in the development agenda. Regional commissions have come together to identify ways in which the United Nations system, and regional commissions in particular, could engage more deeply and more effectively with the policy frameworks and initiatives developed by regional and sub-regional organizations.

Regional commissions are jointly implementing a number of interregional projects in the areas of access to energy, energy efficiency, renewable energy, social protection and statistics, in partnership with a wide range of United Nations and non-United Nations organizations.

As we will hear in more detail shortly, the SG's High-level Group on Sustainable Energy for All will be responsible for mobilizing action by all stakeholders on energy access and energy poverty. The Regional Commissions are also part of that initiative – where we can, subject to our resources, and where appropriate, we facilitate, we mobilize, and we provide our technical input and support to global UN imperatives.

As indicated by our name, the Regional Commissions deliver at the regional level, notwithstanding that there are instances where our expertise dictates that a global focus is needed. Examples of this global application of regional outputs are the UNECE's key work on vehicle regulations involving technological innovations to make cars safer and more environmentally sound. We also have this Committee's flagship global standard for the reporting of fossil energy and mineral reserves and resources – the UNFC, and the Coal Mine Methane best practices guidance. In all such cases we cooperate, collaborate and share information with our sister Commissions.

"Delivering as one UN" is a key motivation for us and we interact and cooperate with partners from the United Nations family where possible. The global United Nations agenda has regional perspectives. The Regional Commissions contribute to enhancing the effectiveness of the UN through the regional implementation of outcomes of global UN Conferences and Summits. We give focus to the global mandates of the United Nations in the economic and social fields, and we do so in cooperation and partnership with other global players

and key stakeholders, notably the business community. Whilst our terms of reference are set by our parent body, ECOSOC, we can also be mandated by the General Assembly to undertake specific tasks. For example, the Commissions were mandated to provide regional inputs to the preparations for the UN Conference on Sustainable Development (Rio+20) that will take place in Brazil in June next year.

Ladies and gentlemen, the Regional Commissions are without question focused on the detail of improving the lives of our citizens on a day-to-day basis. We set out norms, standards and conventions to facilitate international cooperation within and outside our regions. We constantly strive to make a difference in areas where we have a niche, we are focused in our activities and the effects of our efforts resonate across borders.

This Commission's major aim is to promote pan-European economic integration. Our 56 member States dialogue and cooperate under the aegis of UNECE on economic and sectoral issues. However, all interested United Nations Member States may participate in our work. Well over 70 international professional organizations and other non-governmental organizations, as well as the private sector, take part in UNECE activities. The diverse array of stakeholders represented in this room today bears witness to that.

The Regional Commissions offer unique multilateral platforms with the underlying goal to stimulate change and innovation.

Turning to the focus of this gathering "securing affordable and sustainable energy", I would like to emphasize that energy solutions cannot be driven by individuals – be that individual countries or individual companies – and must rely on collaboration. This is where the United Nations has a role to play – our convening power cannot be found elsewhere and neither can it be underestimated.

At the end of August this year, <u>Secretary-General</u> Ban called for a clean energy revolution to help transform the global economy and put the world on a cleaner, safer, more equitable path. He noted that the United Nations system is advocating three energy targets which will help address the "energy poverty" that exists in much of the developing world. Together, the objectives will enhance equity, revitalize the global economy and help protect the world's ecosystems. I think it is appropriate for me to re-iterate these three objectives: (i) ensuring universal access to modern energy services, (ii) doubling energy efficiency, and, (iii) doubling the renewable energy share in the overall global energy mix. To quote Mr. Ban "These targets are challenging, but they can be met".

The UN regional commissions have a clear and challenging role to play in meeting not only these targets, but also the Millennium Development Goals. However, we cannot hope to achieve the Millennium Development Goals if we do not, simultaneously, address the issue of energy access. Today, more than three billion people still rely on traditional biomass and coal for cooking and heating, and some one and a half billion people still have no access to

electricity. This situation is clearly unacceptable.

From Geneva, to Bangkok, to Beirut, to Addis Ababa to Santiago, UNECE and its sister Regional Commissions collaborate on initiatives in the economic, social and related fields. Making economic growth more inclusive and sustainable is an imperative for us all and we only have to look at the history books, in particular to the Industrial Revolution, to see that economic growth is inextricably linked to energy. And just as energy is tied to our economy, our future is dependent upon equitable access to sustainable energy.

The Regional Commissions are jointly implementing a number of interregional projects in the areas of access to energy, energy efficiency and renewable energy. I am pleased to note that UNECE is leading the important initiative on global energy efficiency. This activity is building on the successful Energy Efficiency 21 Programme that was started here at UNECE more than a decade ago.

Working together, the Commissions provide an unrivalled and unique global network of experience sharing and capacity building. We serve to offer expert assistance, policy best practices, analytical tools across countries, training and seminars. A key strength of the Commissions is the norms, standards, regulations, policy recommendations, guides and best practices that our extensive network of experts develop, all of which work for the real economy and for sustainable development. We also recognize the need for a multistakeholder approach if we are to achieve meaningful results. Our work on Public Private Partnerships or PPPs is unrivalled in the UN system – public/private dialogue was never more critical than it is today. UNECE is a key organization for achieving sustainable development goals. And if we combine our ability to achieve results and meaningful outcomes with those of our sister Commissions, as well as the UN's many specialized agencies and intergovernmental bodies, then we should and can be a catalyst for action. We are active agents for change.

If we are to achieve the goals identified by Secretary General Ban that I outlined earlier, then what we need most is strong, sustained political leadership to drive such a clean energy revolution forward at the speed and scale necessary. The United Nations Regional Commissions working in partnership with industry will help ensure that the necessary political will is generated, that the regulatory and policy frameworks are put in place, and that the needed investments are made. This forum and the dialogue under the Committee on Sustainable Energy is an example of how this can be achieved ... a platform to move from words to action.

Through our unique interagency cooperation we offer and bring policy coherence at the regional and global levels.

Ladies and gentlemen, the Regional Commissions are well placed to contribute to the key imperative of sustainable development that we face. I would like to draw your attention to a number of initiatives that the Regional Commissions are addressing together: the green economy, the upcoming climate change (COP-

17) discussions in Durban and Rio+20 that I mentioned earlier. They all offer tools for achieving sustainable development while respecting the environment. With our involvement and convening power we can all work together allowing us to move beyond short term national interests and forge solutions for the greater good.

In closing, the Regional Commissions have and do play a key role within the UN family in promoting and facilitating a sustainable and inclusive energy future. We demonstrate through our daily work that progress is possible, and stand prepared to do what is required of us in filling the essential role of the UN.

Thank you for your attention.