

UNECE Energy Security Forum Report for G8 Summit



The Energy Security Forum, under the auspices of the UNECE, recently submitted the findings of its Study on Emerging Energy Security Risks and Risk Mitigation in a Global Context to the Government of the Russian Federation in preparation for the G8 Summit in St. Petersburg.

Prepared in response to the request of the Special Envoy of President Vladimir Putin on International Energy Cooperation during the 2005 annual meeting of the Energy Security Forum, the report provides conclusions and recommendations on global energy security issues.

Global energy security risks...

The report concludes that global energy security risks have increased sharply because of steeply rising oil import demand in developing countries; the narrowing margin between oil supply and demand that has driven up prices; the volatility of oil prices arising from international tensions, terrorism and the potential for supply disruptions; the concentration of known hydrocarbon reserves and resources in a limited number of the world's subregions; and the restricted access to oil and gas companies to the development of hydrocarbon reserves in some countries.

...can be mitigated

It recommends that governments in producing and consuming countries can mitigate these risks significantly by promoting investment in the energy sector in order to meet future demand by providing the legal frameworks, regulatory environments, tax incentives together with fair and transparent processes to foster the public-private partnerships needed to promote and protect investments in new oil and natural gas supplies and enhance the secondary recovery of hydrocarbons.

Producer-consumer dialogue

As a first step in this process, the Energy Security Forum recommends that G-8 governments launch a new multilateral producer-consumer dialogue. It should be based on the interdependent interests of energy producing and consuming nations and the need for reciprocal relations between them within the framework of the UNECE. The dialogue should be between representatives of governments, energy industries, the financial community and relevant international organizations in the following areas: a) data and information sharing and increased transparency, b) infrastructure investment and financing, c) legal, regulatory and policy framework, d) harmonization of standards and practices, e) research, development and deployment of new technologies and f) investment/transit safeguards and burden sharing.

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