

Summary of Professor Sergio Garribba's remarks given at the 18th session of the Committee on Sustainable Energy, 20 November 2009

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During the annual session of the Committee on Sustainable Energy and the UNECE Energy Week which featured an Energy Security Dialogue (16-20 November 2009, Geneva), Professor Sergio Garibba, G8 Energy Chairman under the 2009 Italian Presidency spoke on the implications of the financial crisis on G8 Energy. In his remarks, Mr. **Garribba informed delegates about the numerous initiatives in the field of energy recently discussed and undertaken by the G8, the G7 and the newly created G20**

Mr. Garribba explained the functioning of the Intergovernmental Panel on Global Environmental Change (IPEC), an institutional offspring of the G8 summit which will focus on energy efficiency (EE) and operate under the umbrella of the International Energy Agency (IEA), although its membership will be enlarged to some non-OECD countries such as China, Brazil, India and South Africa. IPEC recently organised its first meeting and will hold a second one in December 2009.

The themes on which IPEC is focusing are mainly (i) the diffusion of smart grids and their adaptation to generation from multiple renewable sources, (ii) the promotion of sustainable mobility, (iii) the modernisation of coal-fired plants, and (iv) the development of the technologies of choice of the G8 Energy, namely: bioenergy, carbon capture and storage (CCS) and nuclear energy.

Mr. Garribba elaborated the G8 Energy's views on the latter two technologies, stating that such views are completely shared by the Major Economies Forum, a body mandated for the elaboration of a post-2012 comprehensive agreement on climate change. With regard to CCS, the G8 has committed to initiate 20 demonstration projects by 2010 and to complete them by 2020. As for nuclear, the discussion focused on non-proliferation issues and the safety of the fuel-cycle.

Mr. Garribba briefed the audience on the themes discussed at the recent summit in Rome. In the first session, the eight world's largest economies dealt with **emission targets** and the means to achieve them. There was substantial discussion on whether to refer to the lowering of emissions or the lowering of CO₂. Several countries, in particular Saudi Arabia, insisted that "reducing emissions" was preferable to "reducing carbon", because this covered all pollutants, not only CO₂. The second session addressed the impact of the financial crisis, in particular on the level of **investment**, both in fossil fuels and in new energy technologies.

One proposal made by the G8 Energy was the establishment of a **strengthened dialogue between producers, consumers and transit countries**. The group discussed the adequacy of existing international organisations to carry out such dialogue. Further, the **regulation of commodity markets** (in particular the futures market) was considered as part of the solution to find ways to stabilise the price of oil, gas and coal. Another solution identified was the **improvement of transparency** in the energy markets. Mr. Garribba cited the Joint Oil Data Initiative (JODI) of the International Energy Forum (IEF), which was recently extended to the growing natural gas spot market and provides crucial data on investment.

Another issue tackled was that of **access to energy and energy poverty**. He pointed out that energy poverty has far-reaching implications, as over 1 billion people without access to electricity cannot participate in communications, in education, in training and thus have little means to improve their livelihoods. According to the IEA reference scenario, the number of energy poor in the world will pass from 1.3bn to 1.4bn in 2030 unless there was a significant policy change. Supported by ministers from Algeria, Egypt, Libya, Nigeria, and Rwanda, as well as by officers from UNIDO, the G8 Energy identified best practices to fight energy poverty such as policy measures taken in Rwanda and a US proposal for an Expert Group on Energy Poverty with a focus on Africa.

Finally, the G8 Energy discussed the promotion of **renewable energy as a pro-employment, anti-recession measure**. Against the commonly held view of renewable energies as providers of so-called green jobs, some argued that these investments provided returns only in the long-run and that their multiplier effect is slow, while recovery measures would require immediate returns and fast employment creation. The validity of RE to stimulate employment generation and worthy of investment over the long term, despite the lack of immediate gains was noted.

The Committee appreciated the remarks made by Mr. Garribba's and would reflect the conclusions in its final report.

Several delegations and the ECE secretariat posed pertinent questions following his remarks, including whether there was discussion on 2nd and 3rd generation biofuel technologies and concentrated solar power, as well as on the **role of the ECE** in the context of the G8 initiatives. Mr. Garribba stated that, despite the fact that the ECE was not mentioned in the final declaration, its role was taken into consideration by the ministers.

Finally, a comprehensive answer was provided to a question on the **ENI proposal on oil price stabilisation**, put forward by ENI's CEO Paolo Scaroni at the G8 Energy summit in Rome and proposed again by the ENI representative at the Committee. Mr. Garribba informed the audience that the proposal was welcomed by Saudi Arabia, which however did not have specific plans, and that all ministers were prone to discuss the issue within the IEF, which is currently being restructured by an Expert Group. The ENI proposal was, however, not endorsed nor mentioned in the final declaration.