



Welcome Statement by Mr. Ján Kubiš

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Opening Remarks to the Committee on Sustainable Energy

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Excellencies, distinguished delegates, ladies and gentlemen,

On behalf of the UNECE secretariat I would like to welcome you to this meeting of the Committee on Sustainable Energy. This is the 20th Jubilee meeting, and it comes at a very important moment for our region, and indeed for the world.

Global warming, pollution, depletion and degradation of natural capital, reduced biodiversity and vulnerability of populations in the face of natural disasters are some of the current sustainability challenges.

As you may recall, the 1992 Earth Summit put sustainable development as a top priority on the United Nations' agenda. Today, almost 20 years later, in the run-up to the 2012 UN Conference on Sustainable Development (or Rio+20), the United Nations continues to work hard to make sustainable development a success. The Rio+20 Conference will discuss "the green economy in the context of sustainable development and poverty eradication" and the UNECE region is of critical importance in this endeavor.

On the one hand, the ECE region has been a large emitter of greenhouse gases that cause global warming. In fact, it accounts for about one-half of global greenhouse gas emissions. On the other hand, it is a leader in efforts to improve the environment.

As you will hear both this morning and during the course of this meeting, the environmental challenges for the energy sector are enormous. The time to act is now. And there is a need to act on a scale that will address the challenge. The change will not come overnight and policy responses must be bold if the world is to get on the path to a sustainable future. There is need to:

- address market failures that hinder improvement of energy and carbon intensities
- invest in end-use energy efficiency
- improve the efficiency of existing coal-fired power stations
- progressively switch to natural gas away from coal
- pursue and develop projects that cost-effectively capture and store carbon since countries with coal will use it
- if countries wish to maintain the nuclear option, it is easy to say but hard to do. It can only happen if the nuclear sector meets its safety obligations and can be cost competitive
- develop new technology including renewable energy so it can contribute to cost-effective attainment of environmental goals

In sum, each technology has a role to play, there is no single solution.

UNECE's mandate and expertise includes energy very prominently - specifically, the ability for UNECE members to secure affordable and sustainable energy supply.

The mandate, though simply stated, is in fact complex. It includes security. It includes affordability. And, it includes sustainability.

First, security. 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. Such a definition implies supply that is robust in the face of disruptions, whether physical or political, at prices that are "affordable".

In this context, energy security requires investment, diversification of primary fuels, technology and flexibility. Above all, it requires governments to put in place the policies and regulations that empower producers and consumers to respond to prices.

Second, affordability. This is the most challenging. It implies that end-use prices should be affordable - without considering the ability to pay or the cost of supply. But the term is nuanced. Affordability takes account of life-cycle costs, including returns on investment, and both the resources and requirements of the buyer. Ensuring affordability is equivalent to ensuring that investments are made throughout the value chain - from primary energy development to final consumers - and that all involved have fair access to energy markets. Above all, it requires governments to put in place the policies and regulations that empower producers and consumers to respond to prices.

Finally, the UNECE mandate includes sustainability. Sustainability has three inter-related dimensions:

- Economic, where investment and consumption decisions are made in a framework of sensible policies.
- Environmental, where 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
- Social and political, where policies and programs are sustained over time because they are perceived as working for the welfare of society and are therefore supported by the people

The energy sector is at the nexus of economic and environmental sustainability. The world is changing rapidly in terms of environmental considerations, technological progress, and globalization. And the pace of change is accelerating.

The economic challenge is to secure affordable and sustainable energy services for energy consumers. However, because the world is changing so rapidly, governments cannot afford to bet on specific technologies. It is investors who should be putting their capital at risk. Governments should focus on providing a long-term, stable framework for all energy chains from the source to final use to ensure "proper" investment and consumption decisions.

Energy efficiency is often described as low-hanging fruit where investments pay for themselves quickly. But it is not getting done, and there are many reasons why: tariffs, subsidies, opaque information, financing constraints, market structures, and so forth. UNECE is committed to working with its partners to ensure that the rate of uptake of energy efficiency investments is optimal -- meaning, in all honesty, double today's rate. Member States can make no better choice than improving energy efficiency to address their energy security, environmental and economic challenges.

However, though the benefits are well-known, the potential for improving energy efficiency remains largely untapped and implementation lags. It is curious that the most obviously beneficial policy is not being implemented at the needed scale or scope.

In all of these areas, UNECE's work is expected to have a direct, material impact and to catalyze or accelerate the transition to a sustainable energy future. We will need your help in doing so, and we look forward to working with you.

2012 has been declared the Year for Sustainable Energy for All. The UN's Millennium Development Goals include alleviating energy poverty, improving the energy intensities of national economies, and encouraging renewable energy technology as an instrument in de-carbonizing the energy sector.

The challenge is to meet these goals with rational, effective policies. Today's imperatives are clear: promulgate sensible economic, energy, transport and environmental policies, address market failures, build capacity for technology transfer, and develop financial instruments that are appropriate for local circumstances.

The work that is being done must be seen as benefiting society as a whole if policies are expected to be sustained.

During the course of the next three days this committee will consider the full dimensions of the challenges we face, and on Friday morning will reach conclusions about how the UNECE can contribute to putting us on the path to a sustainable energy future. We welcome you, and I wish you the best success in your deliberations.