



UNECE Weekly

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UNECE Energy Security Forum to Assess Energy Security Risks and Global Financial Markets

– a new initiative of the UNECE Sustainable Energy Section –

Why the focus on energy security?

Energy security is today of uppermost importance to policy makers, energy industries and the general public. There is an increased sense of vulnerability and concern about the future availability of reasonably priced energy. The instability and continuing conflict in Iraq, the tensions in the Middle East, sabotage and terrorist attacks in major oil and gas producing countries, the unfavourable investment climate in a number of producing countries, the growing energy import dependence of major consuming countries, and the corporate and policy failures, such as the Enron bankruptcy and the electric power blackouts in North America and



Europe that occurred in 2003, are all contributing to heightened anxieties.

In response to these pressing issues, the United Nations Economic Commission for Europe (UNECE) Committee on Sustainable Energy launched an Energy Security Forum (ESF) during its annual session on 20 November 2003. A unique group comprising energy companies, the Organization of Petroleum Exporting Countries (OPEC), key consuming countries, major non-OPEC hydrocarbon exporters and leading financial institutions was brought together to determine how energy security risks can be mitigated through dialogue.

What is the Energy Security Forum...

The general objective of the ESF is to enhance dialogue on the security of energy and petroleum based on the diversity of views expressed at the United Nations to assess risks, and develop and promote risk mitigation options with the petroleum industry, UNECE governments and financial institutions. Selected recommendations and results of the ESF's operations will be communicated to the UN Secretary-General and to other bodies of the UN system, such as the Economic and Social Council (ECOSOC) and the Security Council.

The Forum has made considerable progress in implementing the decisions taken by its founding members, including, for example, electing the Governing Board and its Officers and agreeing upon the ESF Terms of Reference, work methods and specific objectives. The Forum has also decided upon its future programme of work. At a meeting of the ESF held in Geneva in March 2004, the leadership of the Governing Board was accorded to Mr. Vagit Alekperov, President and Chief Executive Officer, LUKOIL (Russian Federation).

Dedicated Energy Security Forum Web Site

The Energy Security Forum will maintain a dedicated web site for information exchanges on energy security matters and electronic publishing of the results of its activities. This will be located on the UNECE web site and linked to the web pages of the Committee on Sustainable Energy at

the address: www.unece.org/ie/se/ensec.html. Background studies of topics selected by the annual session of the Forum will be prepared by the UNECE secretariat, consultants, sub-contractors and subsequently posted on the ESF web site as part of the information exchange.

Global Energy Security Summit Geneva – 10 December 2004

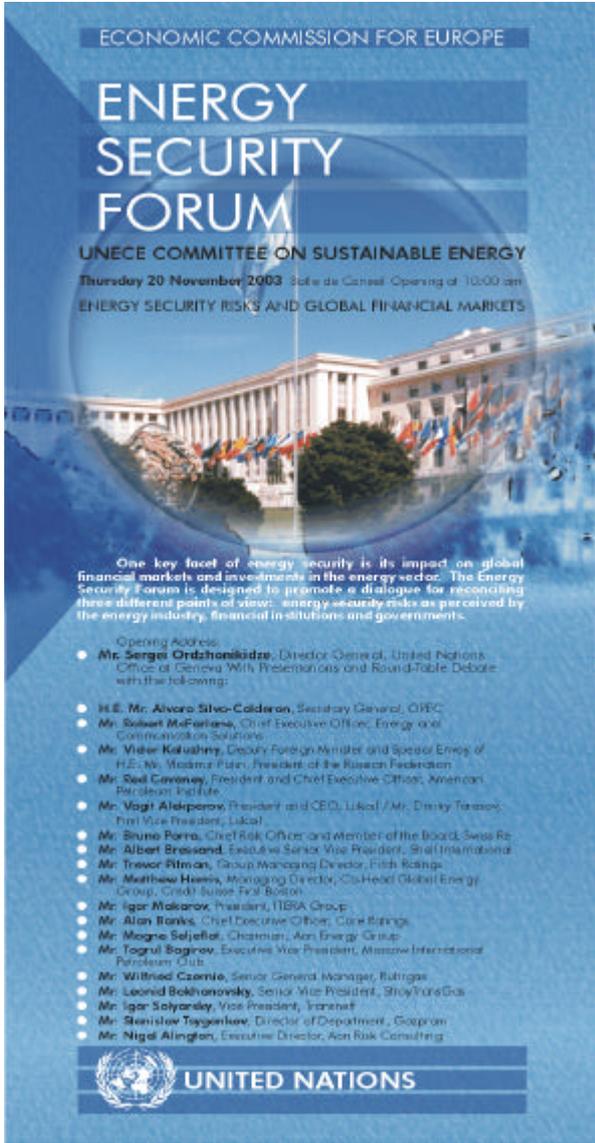
A **Global Energy Security Summit** (GESS) will be held at the Palais des Nations in Geneva on 10 December this year to determine recommendations to governments on how to mitigate the emerging energy security risks and challenges. The provisional title of the meeting is "Emerging Energy Security Risks and Risk Mitigation in the Global Context". The Summit will focus special attention on the Caspian region. It is also anticipated that leaders of selected oil producing countries will participate in this important event. In addition, the conclusions and recommendations of two studies being undertaken by the ESF on **Emerging Energy Security Risks and Risk Mitigation in the Global Context** and **Energy Developments in the Caspian Region** will be presented and debated during the Summit.

For further information on the ESF Summit, please contact Mr. Alexandre Chachine (e-mail: alexandre.chachine@unece.org). Updates on the status of the Summit will also be posted regularly to the ESF web site.

Future Programme of Work of the ESF...

The following topics have been chosen by the Forum members for in-depth consideration and study over the coming years:

- **Emerging Energy Security Risks and Risk Mitigation in the Global Context:** an appraisal of the new risks that can be anticipated in the near future and how these can be averted or mitigated in order to secure energy and petroleum supplies at acceptable prices.
- **Energy Developments in the Caspian Region:** an assessment of the key energy developments in this region.
- **Risk Assessment of New and Existing Energy Transportation Corridors:** an assessment of the energy security and investments risks involved in regional, sub-regional and intraregional pipeline projects.
- **Energy and Petroleum Security Risks of the Energy Balance in the UNECE Region:** an analysis of key measures to enhance the security of energy and petroleum supplies, such as United States–European Union–Russian Federation cooperation, coupled with energy efficiency improvements to provide robust, least-cost options compatible with sustainable energy development objectives.
- **Energy Security, Management and Corporate Governance in the Energy Sector:** an assessment of the relevance of good corporate governance for energy and petroleum security and the implications of company failures and bankruptcies in the energy sector, including commodities trading companies.



ECONOMIC COMMISSION FOR EUROPE

ENERGY SECURITY FORUM

UNECE COMMITTEE ON SUSTAINABLE ENERGY
Thursday 20 November 2003 Salle de Conseil Opening at 10:00 am
ENERGY SECURITY RISKS AND GLOBAL FINANCIAL MARKETS

One key facet of energy security is its impact on global financial markets and investments in the energy sector. The Energy Security Forum is designed to promote a dialogue for reconciling these different points of view, energy security risks as perceived by the energy industry, financial institutions and governments.

Opening Address:

- Mr. Sergej Orzhonikidze, Director General, United Nations Office of Geneva With Presentations and Round-Table Debate with the following:
- H.E. Mr. Alvaro Silva-Calderon, Secretary General, OPEC
- Mr. Sylvain McParlane, Chief Executive Officer, Energy and Communication Solutions
- Mr. Vidler Kalushny, Deputy Foreign Minister and Special Envoy of H.E. Mr. Vladimir Putin, President of the Russian Federation
- Mr. Saul Greenway, President and Chief Executive Officer, American Petroleum Institute
- Mr. Vagif Alekperov, President and CEO, Lukoil / Mr. Denys Tarasov, First Vice President, Lukoil
- Mr. Bruno Perra, Chief Risk Officer and Member of the Board, Swiss Re
- Mr. Albert Brossard, Executive Senior Vice President, Shell International
- Mr. Trevor Pittman, Group Managing Director, Fitch Ratings
- Mr. Matthew Hayes, Managing Director, Co-Head Global Energy Group, Credit Suisse First Boston
- Mr. Igor Makarov, President, IBSA Group
- Mr. Alan Banks, Chief Executive Officer, Core Ratings
- Mr. Magne Seljelid, Chairman, Aon Energy Group
- Mr. Tagrul Bagirov, Executive Vice President, Moscow International Petroleum Club
- Mr. Wilfried Czernie, Senior General Manager, Buhigas
- Mr. Leonid Bokhanovsky, Senior Vice President, Shoyfars O&G
- Mr. Igor Solyarsky, Vice President, Intransit
- Mr. Reinislaw Tegenhove, Director of Department, Gooprom
- Mr. Nigel Allington, Executive Director, Aon Risk Consulting

UNITED NATIONS

Available ESF Publications

In November 2002, the first UNECE event on energy security was organised, notably a Roundtable on "Security of Energy Supply" at the time of the annual session of the Committee on Sustainable Energy. Interactive proceedings of this Roundtable have been published by the UNECE as a CD-ROM entitled "*New Energy Security Threats*". In November 2003, an Energy Security Forum was held focusing on "*Energy Security Risks and Global Financial Markets*" – interactive proceedings of this event have similarly been published as a CD-ROM.

Details on how to obtain a copy of either/both CD-ROMs are available on the ESF website at: <http://www.unece.org/ie/se/ensec.html>

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