



United Nations

# UNECE Weekly

Economic Commission for Europe

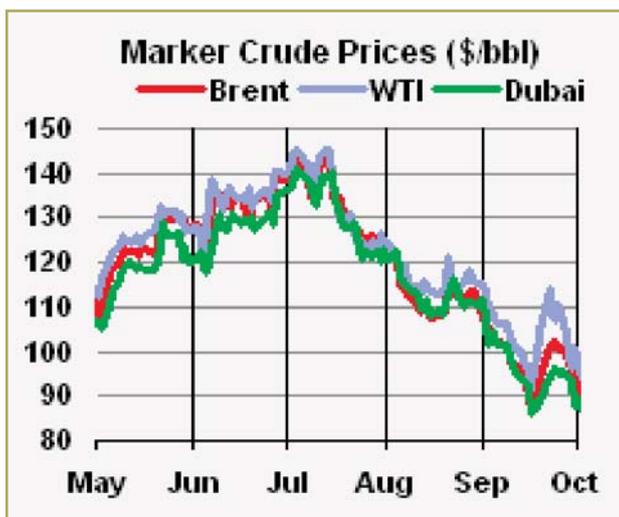
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## STRATEGIC ALLIANCES FOR ENERGY SECURITY ANNUAL EXPERT DIALOGUE OF THE COMMITTEE ON SUSTAINABLE ENERGY

WEDNESDAY, 19 NOVEMBER IN CONFERENCE ROOM XII, 10 A.M.

*New energy security risks are emerging from the global financial crisis, the volatility of oil prices and sharp fluctuations in oil demand. As oil prices reached a nominal record high of \$147 per barrel before dropping back down to around \$60 per barrel, the UNECE Committee on Sustainable Energy will hold its annual expert dialogue on energy security during its annual session.*

*“Strategic Alliances for Energy Security” will bring together key experts from governments, energy industries, the financial community and relevant international organizations.*



Source: International Energy Agency

### Reacting to recent sharp fall in oil prices

Secure energy supplies will require large long-term investments in energy technologies and infrastructure. Cooperation between national oil and gas companies and international oil and gas companies will be vital to mobilize the capital and technology needed for these investments. However, volatile oil prices have led to divergent views on how to proceed.

For example, the recent sharp drop in oil prices has led Saudi Aramco to reassess all new production expansion, while the French oil and gas company Total has called for continued investments to avoid supply shortages when the global economy begins to recover.

While energy consuming countries seek the security of energy supplies, energy producers seek the security of energy demand to diminish the risks associated with large long-term investments. Oil demand and prices are likely to continue rising in the medium- and long- term. Indeed, global energy needs are expected to increase by more than 50% by 2030, according to the International Energy Agency.

Although hydrocarbon reserves and resources are abundant globally, they are concentrated in a few geographic regions some of which are

economically vulnerable and unstable. Even developing these reserves in some countries is difficult because of the restricted access given to international oil and gas companies.

*Strategic Alliances for Energy Security* will include presentations on the energy security implications of corporate planning and commercial strategy from executives of major energy companies, such as Gazprom, Total, E.ON Ruhrgas AG, Shell, Eni, SOCAR and GdF-Suez. \*

### Who is participating from the governmental sector and the European Commission?

Government representatives will focus on the complementary nature of national energy security strategies. Presentations are expected from:

- ▶ Natig Aliyev, Minister of Industry and Energy, Azerbaijan
- ▶ Jean Lamy, Deputy Director of Energy, Department of Economic Affairs, Ministry of Foreign and European Affairs, France
- ▶ Massoud Hashemian, Assistant Deputy Minister of International Affairs, Ministry of Oil, Islamic Republic of Iran
- ▶ Duysenbay Turganov, Deputy Minister of Energy, Kazakhstan
- ▶ Sergei Mikhailov, Director, Department of State Energy Policy, Ministry of Energy and Industry, Russian Federation
- ▶ Gregory Manuel, Special Adviser on Energy to the Secretary of State, United States
- ▶ Jean-Arnold Vinois, Head of Unit Energy Policy and Security of Supply, DGTREN, European Commission.

*Not an official record - For information only*

## New strategic alliances to be announced

This year a new form of industrial cooperation on energy security is also emerging among the companies participating in the UNECE Energy Security Dialogue. New strategic alliances will be announced between Russia's Gazprom and at least two European natural gas companies, notably on the formation of joint venture energy efficiency companies.

At the same time, a global consensus among governments seems to be growing that energy efficiency is the most effective method of mitigating climate change. This is because there is a vast potential for efficiency improvements to reduce carbon dioxide emissions that can be implemented very quickly, cheaply and reliably. \*

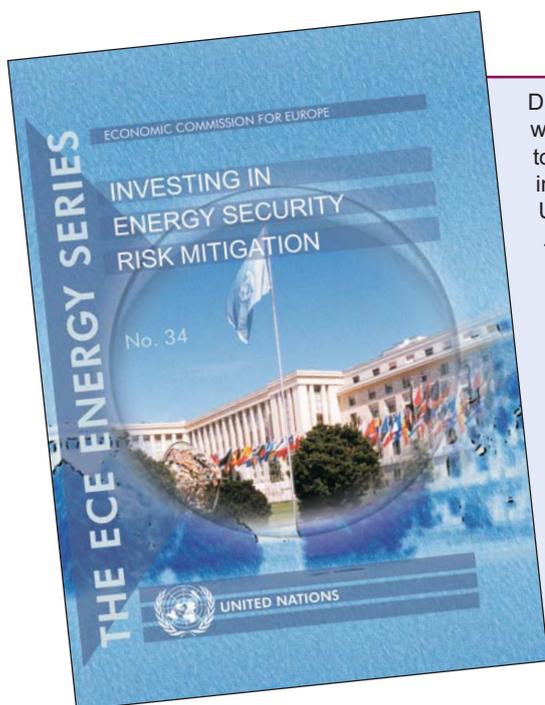
## Energy efficiency also important for energy security

While energy efficiency can reduce carbon emissions, it is also needed to ensure the energy security of the European region. The strategic interest of energy importing countries is for exporting countries to produce and use hydrocarbons as efficiently as possible.

Western importing countries have the technology, management practices, policies, regulations, standards and experience in financing efficiency improvements. Energy exporting countries generally do not. They tend to use their energy inefficiently, keeping domestic energy prices below world market levels.

The East European market for energy efficiency projects with a payback period of less than five years is estimated to be between 5 and 10 billion euros. For energy exporting countries, revenues from increased oil and gas exports could be used to repay investments. \*

## Launch of "Investing in Energy Security Risk Mitigation"



During the seventeenth session of the Committee on Sustainable Energy, UNECE will release "Investing in Energy Security Risk Mitigation". This is the latest addition to the ECE Energy Series, in which new challenges in making these much-needed investments are summarized based on the findings of the on-going dialogue at UNECE.

This publication, which will be presented on 19 November by George Kowalski, former Director of the UNECE Sustainable Energy Division, examines the investment prospects and financing of the hydrocarbon sector in the light of the need to enhance global energy security. A security that, in the particular meaning of affordability of energy supplies, has gained in visibility due to the dramatic increase—and also vulnerability as we see today—in oil prices over the past several years.

Energy security risks tend to be perceived differently by governments, the energy industries, the financial community, international organizations and associations and other partners of the civil society. This UNECE work contributes to a better understanding of these perceptions of energy security risks through the enhancement of international dialogue and cooperation on energy security.

Available from the UN Publications, Sales and Marketing Section ([unogbookshop@unog.ch](mailto:unogbookshop@unog.ch)).

### Other important events taking place as part of UNECE Energy Week

#### 17-18 NOVEMBER

- Second Session of the Ad Hoc Group of Experts on Cleaner Electricity Production from Coal and Other Fossil Fuels
- Cleaner Electricity Forum: Carbon Capture and Storage (18 November)

#### 20 NOVEMBER & 21 NOVEMBER (MORNING)

- The Committee on Sustainable Energy will continue its seventeenth session by considering the cooperation and coordination with other intergovernmental and non-governmental organizations, a review of activities of the subsidiary bodies of the Committee, cooperation and coordination with other Sectoral Committees of the Commission, and its programme of work in the field of energy for 2009.

For more information visit [www.unece.org/energy](http://www.unece.org/energy) and/or contact Gianluca Sambucini ([gianluca.sambucini@unece.org](mailto:gianluca.sambucini@unece.org)).