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**ECONOMIC COMMISSION FOR EUROPE**

**COMMITTEE ON SUSTAINABLE ENERGY**

Fifteenth session  
Geneva, 28 – 30 November 2006

**REPORT OF THE COMMITTEE ON SUSTAINABLE ENERGY  
ON ITS FIFTEENTH SESSION**

*Executive Summary*

The fifteenth session of the Committee on Sustainable Energy was held in Geneva from 28 to 30 November 2006. This document reports on the procedural matters, such as election of Committee officers, approval of the programme of work for 2007-2008 taking into account the 2004-2005 biennium evaluation, adoption of the revised Terms of Reference for the Committee, and substantive issues, such as the implementation of the UNECE reform and the review undertaken of each of the programme activities, the specialized projects, sub-regional activities in the field of energy, and the work of the Regional Adviser on Energy. The actions taken by the Committee are also summarized. In the line with the request of the Executive Committee, the Committee reviewed the terms of reference and mandates for all its intergovernmental bodies. All the terms of reference adopted and details of the extensions granted to the mandates are included. This document also details the discussions undertaken on emerging energy security risks and risk mitigation and the recommendations made in this area, including that the Committee should undertake a broadly shared intergovernmental expert/technical dialogue on energy security in selected areas and the agreement to seek strategic guidance from the Commission on which of these areas should be given priority during the 2007 session of the Committee on Sustainable Energy.

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*For practical reasons, Part Two of the present report is being issued in a separate addendum (ECE/ENERGY/68/Add.1)*

- I. Programme of work for 2007-2008 in the field of energy: overview and Programme activities
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- IV. Working Party on Gas, Terms of Reference
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- VI. Ad Hoc Group of Experts on Coal Mine Methane, Terms of Reference
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- IX. Ad Hoc Group of Experts on the Supply and Use of Gas, Terms of Reference
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## I. ATTENDANCE

1. The fifteenth session of the Committee on Sustainable Energy was held from 28 to 30 November 2006 with the participation of 230 representatives from the following 38 UNECE member States: Albania, Armenia, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Italy, Kazakhstan, Latvia, Lithuania, Malta, Moldova, Montenegro, Norway, Poland, Portugal, Romania, Russian Federation, Serbia, Slovakia, Switzerland, Tajikistan, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland, United States of America and Uzbekistan. Representatives of the European Community also participated.
2. Representatives of India, Islamic Republic of Iran, Kuwait, Singapore and Sudan attended under Article 11 of the Commission's Terms of Reference.
3. The United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), United Nations Framework Convention on Climate Change (UNFCCC), United Nations Industrial Development Organization (UNIDO), United Nations Intergovernmental Panel on Climate Change (IPCC), International Labour Organization (ILO) and the International Atomic Energy Agency (IAEA) were also represented.
4. The following intergovernmental and non-governmental organizations were in attendance: Council of Europe, Council of European Energy Regulators (CEER), Energy Charter Secretariat, European Liquefied Petroleum Gas Association (AEPGL), European Regulators' Group for Electricity and Gas (ERGEG), EUROSTAT, International Committee for Coal and Organic Petrology (ICCP), International Energy Agency (IEA/OECD), International Energy Forum (IEF), International Emissions Trading Association (IETA), International Sustainable Energy Organisation (ISEO), International Organisation for Standardization (ISO), Organization for Security and Cooperation in Europe (OSCE), Renewable Energy and Energy Efficiency Partnership (REEEP), Stability Pact for Southeastern Europe, Union of the Electricity Industry (Eurelectric), World Business Council for Sustainable Development (WBCSD), World Coal Institute (WCI), World Conservation Union (IUCN) and World Energy Council (WEC).
5. The Chairperson of the Committee on Sustainable Energy opened the meeting, outlining the format and speakers for the Keynote Opening Session. He then noted that a new UNECE Executive Secretary, Mr. Marek Belka, had been appointed in February 2006.
6. The Executive Secretary, Mr. Marek Belka, addressed the meeting noting the challenge of ensuring that the availability of secure energy at reasonable prices and the protection of the environment are fully compatible, not only in principle, but also in practice over time. He further noted that the energy markets and the energy industries in the UNECE region today are at a crossroads, experiencing profound change with the driving forces for this including public opinion, governments and the market itself. Mr. Belka then requested delegates to consider how the neutral platform offered by the UNECE could continue to be used to address a number of the current energy challenges and how best to mitigate tensions among member States regarding energy security. Addressing the energy challenges would require a renewed commitment from UNECE countries for a broadly based intergovernmental dialogue on the principles underlying energy relationships and trade, on energy security and on sustainable energy development.

## **II. ADOPTION OF THE AGENDA (Agenda item 1)**

Documentation: ECE/ENERGY/67

7. The agenda was adopted.

## **III. BUREAU OF THE MEETING (Agenda item 2)**

8. The elected officers were as follows: Chairman: Mr. Jean-Christophe Füg (Switzerland); Vice-Chairpersons: Mr. Renaud Abord-de-Chatillon (France), Mr. Sergei Mikhailov (Russian Federation), Mr. Laszlo Molnar (Hungary), Mr. Nick Otter (United Kingdom), Ms. Barbara McKee (United States of America) and Mr. Alexandru Sandulescu (Romania).

9. The outgoing Chairman, Mr. Laszlo Molnar, was thanked for his significant contribution and commitment during his term in office.

## **IV. IMPLEMENTATION OF UNECE REFORM AND MATTERS ARISING FROM THE SIXTY-FIRST SESSION OF THE COMMISSION RELATED TO ENERGY ACTIVITIES (Agenda item 3)**

Documentation: ECE/ENERGY/2006/1

10. This agenda item was taken up together with agenda item 13 Programme of Work.
11. The Director of the Sustainable Energy Division informed the meeting on the outcome of the recent UNECE Reform process, notably the decisions taken by the Commission at its Ad Hoc Informal Meeting in December 2005, with the adoption of the Work Plan on ECE Reform (E/ECE/1434/Rev.1), as well as at its sixty-first session, in February 2006 (E/2006/37 – E/ECE/1444). The implications for the Committee on Sustainable Energy of the reform are contained in paragraphs 52 and 53 of E/ECE/1434/Rev.1.
12. The Director then briefed the meeting on the matters arising from the sixty-first session of the Commission as outlined in the paper prepared on this issue (ECE/ENERGY/2006/1).
13. The Committee:
  - (a) Welcomed the presentation on this issue;
  - (b) Welcomed with appreciation the outcome of the reform, which demonstrated UNECE member countries' political support for the sustainable energy activities within the organization;
  - (c) Noted the request outlined in the Work Plan on ECE Reform for the Committee on Sustainable Energy to streamline its activities and improve cooperation with other relevant institutions, in particular the International Energy Agency and the Energy Charter; and

- (d) Further noted the request outlined in the Work Plan on ECE Reform for the Committee to strengthen activities in the fields of energy efficiency, cleaner energy production, energy security and diversification of energy sources, taking into account environmental concerns and also that special attention should be given to cooperation with the Committee on Environmental Policy, the Committee on Inland Transport and the Committee on Timber.

**V. EMERGING ENERGY SECURITY RISKS AND RISK MITIGATION, A GLOBAL OVERVIEW: REPORT ON GLOBAL ENERGY SECURITY AND THE CASPIAN SEA REGION; AND REVIEW OF THE ENERGY SECURITY FORUM  
(Agenda item 4)**

Documentation: ECE/ENERGY/2006/2 and ECE/ENERGY/2006/3

14. Energy and energy security are policy areas that are increasingly of concern to UNECE member countries. However, despite the growing public attention and efforts by countries to develop a common understanding of energy security risks and risk mitigation strategies, there continues to be wide differences among member States on key aspects of energy security, including their causes and appropriate policy responses. In order to enhance dialogue between member States and to promote the possible convergence of views on energy security issues in the region, the Committee on Sustainable Energy has addressed the issue of energy security on a periodic basis since 1998. This has involved high-level meetings, the publication of CD-ROMs and the establishment in 2003 of the UNECE Energy Security Forum (ESF) to better engage the private sector, the energy industries and the financial community on this matter. As part of the ESF initiative, three research papers from leading experts on energy security were commissioned and a number of workshops organized to discuss the conclusions and recommendations of these three papers. Similarly, a report on the contribution of the Caspian Sea Region to mitigating global energy security risks was also prepared, benefiting from various contributions from the countries of the Caspian Sea Region, a high-level meeting and a seminar.

15. This year's Committee session sought to address the substantive conclusions and recommendations of work undertaken to date on energy security and to decide upon on any future programme of work in this area.

16. The opening high-level segment focused on the role of implementing sound sustainable energy policies as a key facilitator of energy security, together with the issues and prospects for energy security in the UNECE region. Keynote presentations were delivered by Mr. Claude Mandil, Executive Director, International Energy Agency, Mr. Andrey Reus, Deputy Minister, Ministry of Industry and Energy, Russian Federation, and Mr. Stanislav Tsygankov, Director, International Business Department, JSC "Gazprom". The presentations and discussions drew attention to the key energy-related challenges facing the world and the currently unsustainable global energy path; a path that it was noted could be altered through prompt government intervention. Key challenges were identified as the lack of adequate and secure supplies of energy at affordable prices and the environmental damage resulting from the current and growing energy consumption levels. The need for government policy action or intervention in a

number of key areas was noted, including promoting investment to boost capacity; improving energy efficiency; increasing reliance on non-fossil fuels; ensuring adequate energy diversity; improving data transparency and sustaining the domestic supply of oil and gas within net energy importing countries. The discussions then highlighted that the energy policy of the Russian Federation not only has a determining impact on the energy situation and energy environment domestically, but also on the energy trading partners of the Russian Federation, i.e. most UNECE member countries.

17. The second segment of the opening session on Energy Security, organized as a panel discussion, provided a global overview of emerging energy security risks and risk mitigation and addressed the potential role of the Caspian Sea region in reducing global energy security risks, including a series of conclusions and recommendations for achieving enhanced energy trade and international cooperation in the region.

18. In introducing this panel session, the Director of the Sustainable Energy Division provided a comprehensive review of the work Energy Security Forum undertaken during its three-year term that expired in November 2006, including the Study on Energy Security Risks and Risk Mitigation in a Global Context, and the Report on Global Energy Security and the Caspian Sea Region. A series of options for possible future intergovernmental activities to be undertaken by the Committee on energy security was then outlined and delegates were invited to discuss and make recommendations on these options. The panellists included representatives of Moscow International Petroleum Club, Energy Charter Secretariat, State Customs Committee of Azerbaijan, Ministry of Petroleum of the Islamic Republic of Iran, and Aon Group, Inc.

19. Further details on the presentations delivered during this session are available on the UNECE website at: <http://www.unece.org/ie/se/com.html>.

20. The Committee:

- (a) Took note, with appreciation, of the presentations of the high-level Keynote Speakers and panellists on the global energy outlook, energy security and sustainable energy policies in the UNECE region;
- (b) Expressed appreciation to the Energy Security Forum members, authors and national experts for the Study on Energy Security Risks and Risk Mitigation in a Global Context, and the Report on Global Energy Security and the Caspian Sea Region;
- (c) Welcomed the conclusions and recommendations of the Study on Energy Security Risks and Risk Mitigation in a Global Context and the Report on Global Energy Security and the Caspian Sea Region, in particular concerning the development of international cooperation on energy security under the auspices of the UNECE;
- (d) Noted that the Work Plan on ECE Reform called on the Committee on Sustainable Energy to strengthen activities, inter alia, in the fields energy security and diversification of energy sources;

- (e) Recommended that the Committee undertake a broadly shared intergovernmental expert dialogue on energy security in one or more of the following areas: (a) data and information sharing and increased transparency; (b) infrastructure investment and financing; (c) legal, regulatory and policy framework; (d) harmonisation of standards; (e) research, development and deployment of new technologies; and (f) investment/transit safeguards and burden sharing;
- (f) Agreed that the enhanced expert dialogue on energy security be conducted during annual sessions of the Committee with the participation of representatives of governments, energy industries, financial community and relevant international organizations;
- (g) Agreed, in line with the Work Plan on ECE Reform, to seek strategic guidance from the Commission on which of the above mentioned areas(s) for the enhanced expert dialogue on energy security should be given priority during the next annual session of the Committee on Sustainable Energy;
- (h) Expressed appreciation to the Energy Security Forum, its Executive Committee, members and supporting institutions for the excellent contribution the Forum made during the last three years to international cooperation in the energy field;
- (i) Agreed to extend the mandate and terms of reference of the Energy Security Forum for one year (ENERGY/2004/2) solely to complete the activities undertaken during 2003-2006; and
- (j) Requested the secretariat to issue the Study on Energy Security Risks and Risk Mitigation in a Global Context and the Report on Global Energy Security and the Caspian Sea Region as United Nations publications in English, French and Russian during 2007.

## **VI. ENERGY FOR SUSTAINABLE DEVELOPMENT IN THE UNECE REGION AND INPUT TO THE 2006/2007 CYCLE OF THE COMMISSION ON SUSTAINABLE DEVELOPMENT (Agenda item 5)**

Documentation: ECE/ENERGY/2006/11

21. The Commission on Sustainable Development (CSD) during its second two-year cycle (2006-2007) and its fourteenth and fifteenth sessions (CSD-14 and CSD-15 respectively) is focussing on the thematic clusters: energy for sustainable development, industrial development, air pollution/atmosphere and climate change. However, it is now consistently noted that energy for sustainable development is the issue binding these thematic clusters together.

22. The discussions commenced with a summary of the input from the UNECE Committee on Sustainable Energy to CSD-14 held in New York, 1-12 May 2006. The panellists then addressed the issue of sustainable energy development from the perspective of governments and the private sector. An overview was provided of the CSD-15 Policy Session (New York, 30 April - 11 May

2007) and the preceding intergovernmental preparatory meeting (New York, 26 February - 2 March 2007). It was noted that CSD-15 is a policy session under the current two-year cycle and will focus on policy options and possible actions to expedite implementation in the areas of energy for sustainable development, industrial development, air pollution/atmosphere, and climate change. A copy of the document prepared by UNECE was circulated to delegates summarizing the policy options that have been identified in the UNECE region and the actions and practical measures that have been undertaken with success in the region and those which have been recommended and are under active implementation by governments. It was noted that this document had been submitted to New York for possible inclusion in the Secretary-General's Report to CSD-15.

23. The Committee:

- (a) Took note with appreciation of the presentations and discussion on sustainable energy development and on the CSD-14 and CSD-15 process;
- (b) Further noted the input provided by the Committee on Sustainable Energy to CSD-14 and the document prepared for possible inclusion in the Secretary General's Report to CSD-15;
- (c) Welcomed that the Committee on Sustainable Energy will provide an input to both the Intergovernmental Preparatory Meeting and CSD-15 and noted that member countries have also been encouraged to take part in these events; and
- (d) Further noted that a report on CSD-15 would be provided to the sixteenth session of the Committee.

## **VII. GLOBAL HARMONIZATION OF ENERGY RESERVES AND RESOURCES TECHNOLOGY AND REVIEW OF THE AD HOC GROUP OF EXPERTS ON HARMONIZATION OF FOSSIL ENERGY AND MINERAL RESOURCES TERMINOLOGY (Agenda item 6)**

24. The United Nations Framework Classification for Fossil Energy and Mineral Resources (UNFC), as developed by the UNECE, is both a harmonization tool and a simple, functional and universally applicable scheme for classifying and evaluating energy and mineral reserves and resources worldwide. Importantly, it allows for a common international understanding. The activities related to further development of the UNFC and the promotion of a common global terminology for fossil energy and mineral reserves and resources through the use of the UNFC is carried out by the Ad Hoc Group of Experts on Harmonization of Fossil Energy and Mineral Resources Terminology.

25. A high level roundtable of speakers facilitated an expert discussion on the role of the UNFC as a tool for improved efficiency in the resources sector worldwide. The debate focussed on the the global and local needs to which resources classifications and definitions must respond within the four principal applications, namely international energy studies, resource management, business processes, and financial reporting, and also the many benefits that a

global classification system and set of definitions brings. It was noted that efficient markets need strong standards and the consolidation of global markets necessitates global standards. The capital and oil markets are already global and the gas market will follow as liquefied natural gas develops. Much of the hydrocarbons industry has internationalized and will therefore benefit from a common terminology. Non-conventional energy resources are emerging as critical supply sources and some of these resources blur the boundary between minerals and energy. The effect of commonality will assist in dissolving barriers, whether they are governmental, market-related or technical. As a result, the way fossil energy and mineral resources are classified is being reviewed.

26. The Committee then reviewed the activities and programme of work undertaken in 2006 by the Ad Hoc Group of Experts and its planned activities for 2007.

27. The Committee:

- (a) Took note with appreciation of the highly informative expert presentations and discussions on this issue;
- (b) Expressed appreciation to the Bureau and the members of the Ad Hoc Group of Experts for their continuing efforts to promote a common global terminology for fossil energy and mineral reserves and resources through the use of the United Nations Framework Classification for Fossil Energy and Mineral Resources;
- (c) Encouraged further progress to implement ECOSOC Resolution 2004/233, which encourages Member States of the United Nations, the United Nations regional commissions and international organizations to consider taking appropriate measures for ensuring worldwide application of the UNFC;
- (d) Welcomed the cooperation and collaboration of UNECE and non-UNECE member countries, other United Nations agencies and international organizations, intergovernmental bodies, and professional associations including the International Energy Agency (IEA), International Energy Forum Secretariat (IEFS), Organisation for Economic Cooperation and Development (OECD), Organisation of Petroleum Exporting Countries (OPEC), American Association of Petroleum Geologists (AAPG); European Federation of Geologists (EFG); Committee for Mineral Reserves International Reporting Standards (CRIRSCO), International Accounting Standards Board (IASB), International Valuation Standards Committee (IVSC), Society of Petroleum Engineers (SPE), World Energy Council (WEC), World Petroleum Council (WPC) and the private sector;
- (e) Noted with appreciation the Memorandum of Understanding between the Ad Hoc Group of Experts and the Society of Petroleum Engineers (SPE) by which the SPE will serve as the professional group responsible for the development of specifications and guidelines for the UNFC as it applies to petroleum;

- (f) Approved the Terms of Reference for the Ad Hoc Group of Experts on Harmonization of Fossil Energy and Mineral Resources Terminology as agreed to by the members (ECE/ENERGY/68/Add.1, section VIII);
- (g) Endorsed the programme of work for the Ad Hoc Group of Experts on Harmonization of Fossil Energy and Mineral Resources Terminology for 2007;
- (h) Approved the decision to continue the mandate of the Ad Hoc Group of Experts under the existing Terms of Reference for one year to support further implementation of ECOSOC Resolution 2004/233; and
- (i) Requested that the Ad Hoc Group of Experts further explore options to create a governance structure consistent with the requirements for long-term stability and reliability of a terminology that forms the basis for energy and mineral policies and practices, such as a United Nations Centre for Fossil Energy and Mineral Resources.

### **VIII. PANEL ON REGULATION AND INVESTMENT IN THE ELECTRICITY INDUSTRY AND REVIEW OF THE AD HOC GROUP OF EXPERTS ON ELECTRIC POWER (Agenda item 7)**

Documentation: ECE/ENERGY/2006/4

28. With the recent opening up and liberalization of electricity markets and the consequent restructuring of the electricity industries and enterprises in the UNECE region, the salient features and nature of the sector have changed significantly across the region. Following this change a whole range of pressing issues have emerged, including the need for investment, regulation, the use of alternative fuels, competitiveness, the relationship between financial markets and regulation, as well as the interaction among various parts of the UNECE electricity market.

29. Historically, the UNECE has had a region-wide programme on electricity industry issues, which aimed at fostering the development, including the interconnection and integration, of the electricity industries in the UNECE region as well as assisting governments in the development of appropriate government policies and regulation. However, no activities have been undertaken in the field of electricity since the last session of the Ad Hoc Group of Experts on Electric Power in November 2003 due to the lack of regular staff resources devoted to the programme of work on energy. Even before 2003, work on electricity issues was significantly reduced as a result of the 1997 UNECE Reforms. In view of this and the need to explore all opportunities to implement the 2005 Work Plan on ECE Reform, the Committee on Sustainable Energy considered whether to restart the programme on electricity and, if so, in what specific areas.

30. In order to facilitate a debate on the most pressing regulatory and investment issues in the electricity sector in the UNECE region and to select a number of key topics to be proposed for the Committee to focus on in the future programme of work, a panel session comprising senior corporate and government officials from the electricity industry was held.

## 31. The Committee:

- (a) Expressed appreciation to the members of the Panel on Regulation and Investment in the Electricity Industry for their highly informative presentations on the major issues proposed for the Committee to focus on in the future programme of work;
- (b) Welcomed the participation in the panel discussions of representatives from government agencies, the electric power industry, financial sector, relevant international organizations and industrial federations and their cooperation in the future work of the Committee in this field;
- (c) Noted with interest the potential contribution to sustainable energy development and energy security of clean electric power production technologies from coal and other fossil fuels;
- (d) Further noted that, while clean electric power energy production for coal and other fossil fuels was promising technologically, there were still important energy policy, regulatory, institutional and investment barriers to the widespread deployment of these technologies that could reasonably be pursued by the Committee within its programme of work;
- (e) Agreed to combine the Committee's work on electric power together with its activities on coal in sustainable development with a view to establishing a new group entitled Ad Hoc Group of Experts on Cleaner Electricity Production from Coal and Other Fossil Fuels;
- (f) Endorsed the draft terms of reference of the Ad Hoc Group of Experts on Cleaner Electricity Production from Coal and Other Fossil Fuels (ECE/ENERGY/68/Add.1, section III); and
- (g) Requested the secretariat to convene the first session of the new Ad Hoc Group of Experts to adopt its terms of reference, elect its officers and elaborate its programme of work.

**IX. MITIGATING ENVIRONMENTAL AND SOCIAL CONSEQUENCES OF COAL PRODUCTION AND USE AND REVIEW OF THE AD HOC GROUP OF EXPERTS ON COAL IN SUSTAINABLE DEVELOPMENT AND AD HOC GROUP OF EXPERTS ON COAL MINE METHANE (Agenda item 8)**

Documentation: ECE/ENERGY/2006/5

32. From an energy security view point, coal has many advantages: global coal reserves are large; sources of supplies are diversified; ample supplies are available from politically stable regions; world infrastructure is well developed; new supplies can be easily brought on stream; and coal can be safely stored. Nonetheless, coal is hampered by environmental concerns, which in the longer term could have implications for energy security. The future share of coal in the

energy mix will depend on how quickly existing thermal power plants are refurbished, clean coal technologies can be implemented, and on the future evolution of policy measures relating to climate change. Many opportunities exist to mitigate the environmental and social consequences of coal use and, in particular, the reduction of greenhouse gas (GHG) emissions arising from its production and use.

33. A high-level panel of speakers debated the future role of coal from the perspectives of energy security and environmental performance. An overview was provided of the ongoing initiatives around the world to support energy security and improve the environmental performance of coal, including carbon capture and storage, zero emissions technologies for fossil fuels, coal to liquids technologies, coal gasification and improving the thermal efficiency of coal combustion. The discussions also focussed on the capture and use of coal mine methane (CMM) and the opportunities for CMM as a global energy resource for sustainable energy development in both UNECE and non-UNECE member countries. The activities of the Ad Hoc Group of Experts on Coal Mine Methane and the programme of work for 2007 were also addressed.

34. During the discussions on the activities and future programme of work of the Ad Hoc Group of Experts on Coal in Sustainable Development and in the light of the prior debate on electricity, the Committee further deliberating the idea of combining the work of the Ad Hoc Group of Experts on Electric Power and the Ad Hoc Group of Experts on Coal in Sustainable Development into a group focusing on cleaner electricity production from coal and other fossil fuels. It was noted that pursuing such an initiative would also better align the programme of work in these areas with that of other international organizations.

35. The Committee:

- (a) Took note with appreciation of the highly informative presentations delivered by the panel of speakers and the ensuing discussions;
- (b) Expressed appreciation to the Bureau and the members of the Ad Hoc Group of Experts on Coal Mine Methane for their work to promote the recovery and use of methane gas from coal mines to support the three pillars of sustainable development: economic prosperity, environmental protection, and social development;
- (c) Noted with appreciation the continuing extrabudgetary support for the programme through a grant from the U.S. Environmental Protection Agency and the ongoing implementation of the project;
- (d) Welcomed the submission of a concept paper by the secretariat under the Sixth Tranche of the United Nations Development Account to support additional work promoting coal mine safety through cooperation with the United Nations Development Programme and the United Nations Industrial Development Organization;
- (e) Welcomed the cooperation and collaboration of UNECE and non-UNECE member countries, other UN agencies and international organizations, intergovernmental bodies, and professional associations in the work of the Ad Hoc Group of Experts on

Coal Mine Methane including the United Nations Development Programme, the International Labour Organization, the International Energy Agency Clean Coal Centre, and the Methane to Markets Partnership;

- (f) Approved the existing Terms of Reference for the Ad Hoc Group of Experts on Coal Mine Methane (ECE/ENERGY/68/Add.1, section VI) for a period of two years;
- (g) Noted with satisfaction the many technologies available today for using coal and other fossil fuels in an environmentally acceptable manner to simultaneously promote energy security and sustainable energy policies in many UNECE member States;
- (h) Further noted that while the clean production of coal and other fossil fuels for electric power generation was promising technologically, there were still important energy policy, regulatory, institutional and investment barriers to the widespread deployment of these technologies that could reasonably be pursued by the Committee within its programme of work;
- (i) Agreed to combine the Committee's work on coal in sustainable development together with its activities on electric power with a view to establishing a new Ad Hoc Group of Experts on Cleaner Electricity Production from Coal and Other Fossil Fuels;
- (j) Endorsed the draft terms of reference of the Ad Hoc Group of Experts on Cleaner Electricity Production from Coal and Other Fossil Fuels (ECE/ENERGY/68/Add.1, section III); and
- (k) Requested the secretariat to convene the first session of the new Ad Hoc Group of Experts to adopt its terms of reference, elect its officers and elaborate its programme of work.

#### **X. NATURAL GAS, TODAY'S FUEL OF CHOICE AND OVERCOMING FUTURE CHALLENGES AND REVIEW OF THE WORKING PARTY ON GAS, RELATED AD HOC GROUPS AND THE GAS CENTRE (Agenda item 9)**

36. Natural gas is today's fuel of choice, with concerns about its security of supply much less pronounced than for oil. The rapid growth in natural gas consumption is boosting the import dependence of many UNECE countries. While this may not be a major problem in the short to medium term, meeting demand over the longer term could become a challenge as significant new investment in production and transportation infrastructure will be required.

37. A panel of speakers and the following discussions focussed on the outlook for the natural gas in the UNECE region, the challenges facing the natural gas industry, including energy transit issues, and the future work of the Committee in this field.

38. The Committee:

- (a) Expressed appreciation to speakers under this agenda item for their informative presentations;
- (b) Welcomed the high level of international cooperation on natural gas issues undertaken within the framework of the UNECE through the Working Party on Gas, the Ad Hoc Group of Experts on the Supply and Use of Gas, and the Gas Centre;
- (c) Welcomed the interest expressed by the Group of Eight at the G-8 Summit Meeting held in St. Petersburg during July 2006 in its Statement on Global Energy Security concerning the UNECE Blue Corridor project for the use of natural gas in freight transport;
- (d) Noted with satisfaction the intersectoral cooperation of the Committee on Sustainable Energy with the Committee on Inland Transport on the Blue Corridor project and its prospects for future collaboration;
- (e) Agreed to extend the mandates of the Working Party on Gas, the UNECE Gas Centre and the Ad Hoc Group of Experts on the Supply and Use of Gas; and
- (f) Endorsed the terms of reference of the Working Party on Gas and the Ad Hoc Group of Experts on the Supply and Use of Gas (ECE/ENERGY/68/Add.1, sections IV and IX respectively).

**XI. ENERGY EFFICIENCY, IMPORT DEPENDENCE AND CLIMATE CHANGE AND REVIEW OF THE STEERING COMMITTEE OF THE ENERGY EFFICIENCY 21 PROJECT (EE21) AND AD HOC GROUP OF EXPERTS ON ENERGY EFFICIENCY INVESTMENTS FOR CLIMATE CHANGE MITIGATION (Agenda item 10)**

Documentation: ECE/ENERGY/2006/6

39. With concerns heightening over energy security and climate change, energy efficiency features prominently among the policy options being advocated by decision-makers to address these issues. A series of presentations, interventions and discussion focused on how energy efficiency will contribute increasingly in the future to decreasing greenhouse gas emissions, whilst at the same time enhancing security of energy supplies. The significant potential for energy efficiency improvements in the UNECE region was identified, as was the importance of implementing appropriate policy approaches to realise that potential.

40. The Committee was briefed on the current status of the Energy Efficiency 21(EE21) Project, which has evolved as a project initially focusing on capacity building, normative frameworks and development of policy reforms to one addressing market formation, project development and promotion of investment. The new phase of the EE21 Project (2006-2009) will respond to the existing obstacles encountered in financing energy efficiency projects by facilitating the creation of a dedicated energy efficiency investment fund based on a public-

private partnership and supported by the EE21 Project. Reference was made to the document “Financing Energy Efficiency Investments for Climate Change Mitigation - Project Document Summary” prepared for the meeting (ECE/ENERGY/2006/6).

41. A review was made of the activities and future programme of work of the Steering Committee of the Energy Efficiency 21 Project and the Ad Hoc Group of Experts on Energy Efficiency Investments for Climate Change Mitigation.

42. The Committee:

- (a) Noted with appreciation the presentations and ensuing debate highlighting the positive role that energy efficiency has in enhancing energy security while mitigating climate change in member States and the valuable contribution of the Energy Efficiency 21 Project in this context;
- (b) Welcomed the cooperation established on energy efficiency with the other international organizations and agencies of the United Nations system, including the UNFCCC, Global Environment Facility, UNEP, UNDP, Energy Charter and International Energy Agency;
- (c) Expressed appreciation to the national participating institutions, national coordinators and supporting institutions for their support in project financing, co-financing and ‘in kind’ contributions for the implementation of project activities;
- (d) Expressed appreciation, in particular, for the financial support of the United Nations Foundation and United Nations Fund for International Partnerships (UNF/UNFIP); French Ministry of Foreign Affairs and French Global Environment Facility (MAE/FFEM); UNEP Global Environment Facility (UNEP/GEF) and the European Business Congress e.V. (EBC);
- (e) Endorsed the Project Plan 2006-2009 for the Energy Efficiency 21 Project approved by the Steering Committee at its seventeenth session (ECE/ENERGY/WP.4/2006/6 and Add.1); and
- (f) Endorsed the terms of reference of the Steering Committee of the Energy Efficiency 21 Project and the Ad Hoc Group of Experts on Energy Efficiency Investments for Climate Change Mitigation (ECE/ENERGY/68/Add.1, sections V and VII respectively).

## **XII. REGIONAL ADVISORY SERVICES, INCLUDING SUB-REGIONAL ACTIVITIES, IN THE FIELD OF ENERGY (Agenda item 11)**

43. This agenda item was introduced by the Regional Advisor on Energy, who presented an overview of his work and projects, which are mainly undertaken in the countries of Eastern Europe, the Caucasus, and Central Asia (EECCA). A number of short presentations and interventions were made by delegations highlighting the importance of the regional advisory services in energy provided to EECCA countries.

44. The Committee:

- (a) Expressed its appreciation for the work of the Regional Adviser on Energy and its contribution to the Committee's overall programme of work;
- (b) Took note with appreciation of the Regional Advisory services provided to the Energy Efficiency 21 Project and the project on the Rational and Efficient Use of Energy and Fuel Resources in the Commonwealth of Independent States (CIS);
- (c) Welcomed the contribution of Regional Advisory services to national project coordinators, local authorities and central government ministries, in particular, in relation to UNDP Global Environment Facility (UNDP/GEF) supported energy efficiency and climate change mitigation projects in Belarus, Kazakhstan, Russian Federation and Ukraine;
- (d) Welcomed with appreciation of the elaboration of a new project to elaborate a "Strategy for the Fuel and Energy Complex Development in the Euro-Asian Economic Community Member States" in collaboration with the EurAsEC High Level Experts Group and the EurAsEC secretariat; and
- (e) Requested that a complete report on the Regional Advisory services be issued as a document and presented to the sixteenth session of the Committee.

**XIII. MEETING OF THE EXTENDED BUREAU OF THE COMMITTEE ON SUSTAINABLE ENERGY HELD ON 14 DECEMBER 2005 (Agenda item 12)**

Documentation: ENERGY/2005/6

45. This agenda item was introduced by the Chairperson of the Bureau. After discussion, the Committee took note of the report of this meeting (ENERGY/2005/6) and, in particular, the conclusions and recommendations therein.

**XIV. UNECE PROGRAMME OF WORK IN THE FIELD OF ENERGY for 2007-2008 AND ITS BIENNIAL EVALUATION (Agenda item 13)**

**A. Evaluation of the programme of work for the biennium 2004-2005 (Agenda item 13(a))**

Documentation: ECE/ENERGY/2006/9, Annex I

46. This agenda item was introduced by the Senior Advisor to the Executive Secretary of the UNECE, who outlined how each UNECE Sectoral Committee's programme of work is mandated, extensively reviewed and evaluated. Attention was drawn to the evaluation of the programme of work of the Committee for the 2004-2005 biennium (ECE/ENERGY/2006/9, Annex I). The Committee was reminded of the Commission's requirement for member States to offer feedback on the proposed sub-programme plans, which for energy is sub-programme 5, via

the Bureaux of the respective Sector Committees. The Committee should take into account, as appropriate, the results of this biennial evaluation when deciding upon its future activities.

47. The Committee:

- (a) Took note with appreciation of the presentation on this issue;
- (b) Noted that the biennial programme plan 2008-2009 for subprogramme 5 on Sustainable Energy had been drawn up in collaboration with the Bureau, whilst taking into account the evaluation of the biennium 2004-2005;
- (c) Further noted the requirement for a biennial evaluation of its programme of work; and
- (d) Further noted the importance of developing appropriate “indicators of achievement” to allow effective measurement of progress.

**B. Revised Terms of Reference (Agenda item 13(b))**

Documentation: ECE/ENERGY/2006/12, Annex I

48. Following consideration of the revised Terms of Reference provided, the Committee:

- (a) Adopted its revised Terms of Reference (ECE/ENERGY/68/Add.1, section II) and noted that the Executive Committee would then be invited to approve them.

**C. Structure of the Committee and its Intergovernmental Bodies (Agenda item 13(c))**

Documentation: ECE/ENERGY/2006/8

49. Following discussion, the Committee agreed upon its structure, with the following changes: the establishment of the Ad Hoc Group of Experts on Cleaner Electricity Production from Coal and Other Fossil Fuels and the discontinuation of the Ad Hoc Group of Experts on Coal in Sustainable Development, the Ad Hoc Group of Experts on Electric Power and the Joint Energy and Environment Task Force on Reforming Energy Prices for Sustainable Energy Development.

**D. Programme of work, including subsidiary bodies and the response from the Committee to the Work Plan on ECE Reform (Agenda item 13(d))**

Documentation: ECE/ENERGY/2006/9 and ECE/ENERGY/2006/12

50. The secretariat introduced this item and noted that the Committee should review and adopt its programme of work for 2007-2008, including that of its subsidiary bodies, whilst taking into account the discussions and the decisions already reached under each programme element.

## 51. The Committee:

- (a) Adopted its Programme of Work for 2007-2008 (ECE/ENERGY/68/Add.1, section I);
- (b) Recommended that the Committee undertake a broadly shared intergovernmental dialogue on energy security in one or more of the following areas: (a) data and information sharing and increased transparency; (b) infrastructure investment and financing; (c) legal, regulatory and policy framework; (d) harmonisation of standards; (e) research, development and deployment of new technologies; and (f) investment/transit safeguards and burden sharing;
- (c) Agreed that the enhanced technical dialogue on energy security be conducted during the annual sessions of the Committee with the participation of representatives of governments, energy industries, financial community and relevant international organizations;
- (d) Agreed, in line with the Work Plan on ECE Reform, to seek strategic guidance from the Commission on which of the above mentioned areas for the enhanced technical dialogue on energy security should be given priority during the next annual session of the Committee on Sustainable Energy;
- (e) Agreed to extend the mandate and terms of reference of the Energy Security Forum for one year (ENERGY/2004/2) to complete the activities undertaken during 2003-2006;
- (f) Agreed to combine the Committee's work on coal in sustainable development together with its activities on electric power and to establish a new Ad Hoc Group of Experts on Cleaner Electricity Production from Coal and Other Fossil Fuels;
- (g) Endorsed the draft terms of reference of the Ad Hoc Group of Experts on Cleaner Electricity Production from Coal and Other Fossil Fuels ((ECE/ENERGY/68/Add.1, section III);
- (h) Agreed to discontinue the Ad Hoc Group of Experts on Coal in Sustainable Development, the Ad Hoc Group of Experts on Electric Power and the Joint Energy and Environment Task Force on Reforming Energy Prices for Sustainable Energy Development; and
- (i) Endorsed the Project Plan 2006-2009 for the Energy Efficiency 21 Project (ECE/ENERGY/WP.4/2006/6/Add.1) approved by the Steering Committee at its seventeenth session (ECE/ENERGY/WP.4/2006/6).

**E. Provisional Calendar of Meetings for 2007 (Agenda item 13(e))**

Documentation: ECE/ENERGY/2006/10

52. The Committee adopted its revised calendar of meetings, including those of its subsidiary bodies, as reproduced in the Annex and noted that the sixteenth session of the Committee would take place during the week 26-30 November 2007 and would be held in conjunction with a meeting on energy security and the first session of the newly established Ad Hoc Group of Experts on Cleaner Electricity Production from Coal and Other Fossil Fuels. The change of date of the third session of the Ad Hoc Group of Experts on Coal Mine Methane to 2-4 April was also noted.

**XV. COOPERATION AND COORDINATION WITH OTHER BODIES  
(Agenda item 14)**

**A. Sectoral committees of the Commission (Agenda item 14(a))**

53. The Committee welcomed its cooperation with the:

- (a) Committee on Environmental Policy
  - in the preparation of inputs for the sixth Ministerial Conference "Environment for Europe", Belgrade, 10-12 October 2007, notably the Category I and II papers relating to activities undertaken on energy efficiency and coal mine methane respectively;
  - in the preparation of the UNECE regional inputs to the fourteenth and fifteenth sessions of the Commission of Sustainable Development (CSD-14 and CSD-15); and
  - in relation to the questionnaire for the consultation process on issues addressed by the Aarhus Convention's Almaty Guidelines. The Committee noted with appreciation the information provided on the Aarhus Convention and the Almaty Guidelines and approved the UNECE secretariat to respond to the factual questions only of the questionnaire and to submit them on its behalf;
- (b) Inland Transport Committee on the Blue Corridor Project: Use of Natural Gas as a Motor Fuel for International Transboundary Goods Traffic (see para 38(iii) above);
- (c) Convention on Long-Range Transboundary Air Pollution in the joint implementation of the United Nations General Assembly Development Account Project on Air Quality Management and the Application of Clean Coal Combustion Technologies in Central Asia (CAPACT); and
- (d) Timber Committee on the use of wood as a source of renewable energy and noted with appreciation the information provided on (a) the joint UNECE/FAO seminar on energy and the forest products industries held Rome in October 2006 at which the Energy Efficiency 21 project was presented and made contact with forestry networks, and (b) the Workshop on "Mobilizing Wood Resources", Geneva, 11-12 January 2007. Opportunities for future cooperation and collaboration were noted and welcomed.

**B. Other intergovernmental and non-governmental organizations and the business community (Agenda item 14(b))**

54. Due to time constraints it was not possible to address this agenda item, however a number of planned interventions have been made available on the UNECE website (<http://www.unece.org/ie/se/com.html>).

55. The Committee noted with appreciation its cooperation with other international and non-governmental organizations and encouraged development of further cooperation where appropriate and, in particular, with those organizations specifically identified in the ECE Work Plan on Reform, notably the International Energy Agency and the Energy Charter Secretariat.

**XVI. OTHER BUSINESS (Agenda item 15)**

56. No issues were tabled for discussion under this item.

**XVII. ADOPTION OF THE REPORT (Agenda item 16)**

57. The Committee agreed that the meeting report be drafted in consultation with members of the Bureau and approved by the Bureau and then circulated to countries.

## **ANNEX**

### **REVISED CALENDAR OF MEETINGS OF THE COMMITTEE ON SUSTAINABLE ENERGY AND ITS IMPLEMENTING BODIES IN 2007**

#### **COMMITTEE ON SUSTAINABLE ENERGY**

- Committee on Sustainable Energy, sixteenth session, 26 – 30 November, Geneva (including meeting on Energy Security and first session of the Ad Hoc Group of Experts on Cleaner Electricity Production from Coal and Other Fossil Fuels)
- Ad Hoc Group of Experts on Harmonization of Fossil Energy and Mineral Resources Terminology, fourth session, 17 – 19 October, Geneva
- Ad Hoc Group of Experts on Cleaner Electricity Production from Coal and Other Fossil Fuels, preparatory meeting, 19 March, Geneva
- Ad Hoc Group of Experts on Coal Mine Methane (including Technical Task Force on Economic Benefits of Improving Mine Safety through Extraction and Use of Coal Mine Methane), third session, 2 – 4 April, Geneva

#### **STEERING COMMITTEE OF THE ENERGY EFFICIENCY 21 PROJECT**

- Steering Committee of the Energy Efficiency 21 Project (EE21), eighteenth session, and Ad Hoc Group of Experts on Energy Efficiency Investments for Climate Change Mitigation, ninth session, 30 May – 1 June, Geneva
- Ad Hoc Group of Experts on Energy Efficiency Investments for Climate Change Mitigation, tenth session, 20 – 21 September, Geneva

#### **WORKING PARTY ON GAS**

- Working Party on Gas, seventeenth session, 23 – 24 January, Geneva
- Ad Hoc Group of Experts on Supply and Use of Gas, eighth session, 25 January, Geneva

#### **GAS CENTRE**

- Executive Board of the Gas Centre, 22 January, Geneva
- Task Force on Gas Transportation Pipelines, third session, February/March
- Task Force on Implementation of EU Gas Directives, thirteenth session, March
- Workshop on Gas Production and Treatment Issues, March/April
- Task Force on GATE 2010 (Transportation and Tariffs), seventeenth session, April
- Twelfth High Level Conference on Gas Production and Liquefied Natural Gas, April/May
- Database Technical Committee, June
- Task Force on Gas Transportation Pipelines, fourth session, June
- Task Force on Implementation of EU Gas Directives, fourteenth session, October
- Task Force on GATE 2010 (Transportation and Tariffs), eighteenth session, November
- Database Technical Committee, November