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Opening Remarks

by

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Executive Secretary of the United Nations Economic Commission for Europe

at

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 annual session of the Committee on Sustainable Energy. This meeting takes place on the cusp of the International Decade of Sustainable Energy for All, and it comes at a very important moment for our region, and indeed for the world. We are very pleased to be joined this morning by the Special Representative of the Secretary-General for Sustainable Energy for All (SE4All) and the Chief Executive Officer of the initiative, Mr. Kandeh Yumkella, who will address our meeting in a few moments.

Global warming, pollution, depletion of natural capital, reduced biodiversity and vulnerability of populations in the face of natural disasters are just some of the current sustainability challenges. Our thoughts are with the victims of Typhoon Haiyan in the Philippines.

[PAUSE]

While climate scientists admit that it is not possible to link specific current meteorological events with climate change, they also confirm that climate change will lead to more and more violent storms of this type. The title of our meeting is “Securing sustainable energy supply: time to act”. We frankly struggled with this title, since one could argue that it is past the time to act, that the time to act is now, or even that we should stop fiddling while Rome is burning.

The energy sector is at the heart of sustainable development. Without energy there can be no development. Energy is essential for economic development and for improving the quality of life. Energy is therefore at the nexus of economic and environmental sustainability. Ensuring sufficient, reliable and environmentally responsible supplies of energy at prices that reflect market levels is a challenge for the countries of the UNECE region and globally. The global population will rise from 7 billion today to 9 billion by 2050. It will be necessary to reduce

greenhouse gas emissions by 50% to avert a climate change disaster while at the same time supporting economic development and energy access. Significant investments will be required to provide access to modern energy services to the billions people who are deprived of it. Attaining this ambition will require deep public and private engagement in the form of effective framework conditions for investment and industrial commitments.

The world is changing rapidly in terms of population dynamics, wealth and resource needs, environmental quality, technological progress, and economic globalization. Because of this, governments cannot afford to gamble on specific technologies, for example by focusing on renewables too early as the ultimate answer to climate change. While it is investors who should be investing, 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. Governments and industry must complement one another, with governments putting in place a functional legal, regulatory, fiscal and infrastructural framework within which industry can act with its technology, management and financing capability. Under the right framework conditions, industry and investors will be in a position to produce the services needed by government and society.

The importance of improving efficiency gains stand out among the many measures that will be the foundation of the future we want. Energy efficiency from source to use is key to fighting climate change, promoting sustainable development and economic competitiveness, and reducing poverty. Sustainable development must build on efficiency in all respects, including energy efficiency. It is often described as the low-hanging fruit where investments pay for themselves quickly and the technology is well understood. But it is not achieved for many reasons. To name some of them, legal, regulatory and fiscal frameworks, tariffs and contract

structures, subsidies, opaque information, financing constraints, and market structure. UNECE is committed to promoting a doubling of the rate of improvement in energy efficiency. Member States can make no better choice of a first priority than the improvement of energy efficiency to secure affordable and sustainable energy supply.

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.

Beyond energy efficiency, each technology and innovation has a role to play since there is no single solution to all problems. Fossil energy technology demands attention. In 2035, fossil fuels will provide about 80% of primary energy, possibly falling to 60% if ambitious greenhouse gas measures are realized. Natural gas could facilitate the transition to a low carbon future.

The environmental challenges to be addressed in the energy sector are enormous. There is a need to act on a scale that impacts greenhouse gas emissions and other pollutants strongly. The challenges are an opportunity for innovation. The policy responses must be bold if the world is to get on the path to a sustainable energy future, in turn supporting a sustainable future.

Member States agreed at Rio +20 to develop a set of Sustainable Development Goals that build upon the Millennium Development Goals and that are aligned with the post 2015 development agenda. These Sustainable Development Goals are to be:

- Action-oriented
- Concise
- Easy to communicate
- Limited in number

- Aspirational
- Global in nature
- Applicable to all countries while taking into account different national realities, capacities and levels of development and respecting national policies and priorities.

The goals related to energy to 2030 include universal energy access for all to modern energy services, improving energy efficiency, and doubling the share of renewables in the global energy mix. Discussions are underway to explore additional targets related to:

- Energy and Women's Health
- Energy and Water
- Energy and Food Security
- Energy and Women's Economic Empowerment

The challenge is to meet all of 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 the policies are expected to be sustained.

The ECE region is of critical importance by virtue of the fact that it produces 40% of the world's energy while consuming 45%. It is home to important energy industries. It produces just under 50% of global economic output and it holds a dominant position with respect to financial infrastructure.

On the one hand, the ECE region has been a large emitter of greenhouse gases that cause global warming. Today 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. The region is very diverse,

comprising high and low income countries, countries that are energy-rich and energy-poor, and countries in the midst of economic transition.

Meeting the imperatives of sustainable development and a low-carbon economy will require fundamental change in all aspects of society. Such change can occur only when rules are devised to enable the shift. In sustainable energy, ECE plays a defining role in development of multilateral agreements, standards, and related norms, best practices, and capacity-building.

We are very pleased to support the Special Representative of the Secretary-General and the Office of Sustainable Energy for All over the coming decade.

As I have said, the environmental challenges for the energy sector are enormous and there is a need to act on a scale that will address the challenge. The necessary changes will not come overnight and policy responses must be bold if the world is to get on the right path. Thus there is need to:

- address market failures that hinder improvement of energy and carbon intensities
- ensure that energy production, conversion and use are cost competitive, including environmental costs
- improve energy efficiency from source to use
- 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
- meet its safety obligations in the case of countries that wish to maintain the nuclear option. This is easy to say but hard to do.
- develop new technology, including renewable energy so it can contribute to cost-effective attainment of environmental goals

- enhance cost-effective attainment of environmental goals through raising full cost awareness, including for environmental costs, and through increased capacity

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.

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