



CHAIRMANSHIP FOOD-FOR-THOUGHT PAPER

Towards Energy Sustainability – Advancing the OSCE Energy Dialogue in the context of the 21st OSCE Economic and Environmental Forum

“Increasing stability and security: Improving the environmental footprint of energy-related activities in the OSCE region”

Purpose

The present paper aims at stimulating discussions and eliciting reactions, comments and suggestions from Delegations and the participants in the Concluding Meeting of the 21st OSCE Economic and Environmental Forum (Prague, 11-13 September 2013) dedicated to the theme of “*Increasing stability and security: Improving the environmental footprint of energy-related activities in the OSCE region*”*. It should contribute to orienting the Forum’s deliberations towards concrete and viable recommendations for the OSCE, and support the consensus building process. The discussions at the Forum may result in an expression of both renewed political will and commitment by the participating States to address the environmental impact of energy-related activities, and produce ideas regarding concrete follow-up activities.

Building on the elements included in this Food for Thought paper, the OSCE participating States may consider taking further steps that provide guidelines for the future engagement of the Organization in addressing the links between energy and the environment and advancing energy sustainability.

The OSCE and its Partners for Co-operation may consider strengthening their dialogue, co-operation and engagement with regard to the topic of the 21st Economic and Environmental Forum.

The OCEEA and the OSCE Field Operations may find inspiration for developing and implementing follow-up activities.

* This paper is based on the main conclusions and recommendations stemming from this year’s EEF process, namely the preparatory meetings in Vienna (4-5 February 2013) and Kyiv (16-17 April 2013). The Consolidated Summaries (EEF.GAL/8/13 and EEF.GAL/10/13) of the respective preparatory meetings provide the complete picture of what has been discussed and proposed there.

Background

Energy issues have always been on the OSCE's agenda. The **1975 Helsinki Final Act** refers to expanding mutually beneficial co-operation on "*new technologies of production, transport and distribution of energy aimed at improving the use of existing fuels and sources of hydroenergy, as well as research in the field of new energy sources, including nuclear, solar and geothermal energy*", as well as with regard to "*research on new technologies and equipment designed in particular to reduce energy consumption and to minimize or eliminate waste*".

Later on, the **2003 Maastricht Strategy Document for the Economic and Environmental Dimension** recognizes that "*a high level of energy security requires a predictable, reliable, economically acceptable, commercially sound and environmentally friendly energy supply, which can be achieved by means of long-term contracts in appropriate cases*" and encourages "*energy dialogue and efforts to diversify energy supply, ensure the safety of energy routes, and make more efficient use of energy resources*" and expresses support for the "*further development and use of new and renewable sources of energy*".

Three Ministerial Council Decisions refer specifically to energy related commitments, namely the Brussels MC.DEC/12/06 on "Energy Security Dialogue in the OSCE", Madrid MC.DEC/06/07 on "Protecting Critical Energy Infrastructure from Terrorist Attack" and Athens MC.DEC/6/09 on "Strengthening Dialogue and Co-operation on Energy Security in the OSCE Area".

The 2010 Astana Commemorative Declaration – Towards a Security Community states that "*Our energy security dialogue, including on agreed principles of our co-operation, must be enhanced*".

Following the tasking in the Athens MC.DEC/6/09, the OSCE Secretary General, in October 2010, presented a "Report Concerning the Complementary Role of the OSCE in the Field of Energy Security"(RC.GAL/21/10). The report identifies a number of areas for possible OSCE engagement, including good governance and transparency, threats to critical energy infrastructure, confidence building and early warning, sustainable energy solutions, and the linkages between energy security and climate change.

The 2007 "Madrid Declaration on Environment and Security" (MC.DOC/4/07) refers to the potential impact on security of environmental challenges. It also recognizes that climate change is a long-term challenge and acknowledges that the OSCE, as a regional security organization under Chapter VIII of the UN Charter, has a complementary role to play within its mandate in addressing this challenge in its specific region.

In recent years energy and environmental issues have been discussed in a number of high level conferences as well as expert meetings organized by the OSCE. The Greek Chairmanship of the OSCE held the Conference "Security Implications of Climate Change in the OSCE Region" in October 2009, where links between climate change, energy and environment were addressed. Energy and environmental issues also featured on the agenda of the 2010 Review Conference and of the 2011 and 2012 Economic and Environmental Dimension Implementation Meetings.

At the Economic and Environmental Committee meeting of March 2013, OSCE delegations and experts, including from the private sector, shared their views on Non-nuclear Critical Energy Infrastructures Protection a topic complementary to the theme of the 21st Economic and Environmental Forum.

Specific energy-related aspects - namely sustainable energy - have been discussed in the context of the 19th OSCE Economic and Environmental Forum in 2011. In order to ensure continuity, links could also be sought with the priorities announced by the incoming Swiss and Serbian Chairmanships and the theme of the 22nd Economic and Environmental Forum “Responding to environmental challenges with a view to promoting cooperation and security in the OSCE area” (PC.DEC/1088).

The international context

In recent years, energy related issues and their impact on the environment have emerged to the forefront of international debate. At national level, they are often considered issues of primary importance. International organizations and civil society actors have started to pay increased attention to these questions. It is generally acknowledged that energy and environmental issues can become a source of tension or conflict, but also present ample opportunities for co-operation. The OSCE may play a useful role in fostering such cooperation in a complimentary manner.

When discussing and addressing energy and environmental issues, the OSCE should co-ordinate, engage and closely co-operate with other international organizations active in this field. It should, *inter alia*, continue and enhance co-operation with partner organizations in the Environment and Security (ENVSEC) Initiative, the Vienna Energy Club, as well as with other stakeholders such as the UN (i.e. United Nations Sustainable Energy for All initiative), European Union, G8, G20, International Energy Agency, International Renewable Energy Agency (IRENA), Energy Charter Treaty, and Extractive Industries Transparency Initiative (EITI). Throughout the Forum meetings, the collaboration with relevant international organizations has been strongly encouraged. The OSCE should seek to play a meaningful role and effectively utilize its comparative advantages.

Possible key conclusions of the 21st Economic and Environmental Forum

- There is a link between energy-related activities and their impact on the environment at local, regional and international level.
- The mismanagement of natural resources, including energy resources, contributes to environmental degradation and can cause climate change, curtail economic growth and threaten stability and security;
- With increasing energy demand, the impact of energy production, transportation and consumption on the environment is likely to increase. The development of renewable sources of energy and the need for cleaner traditional energy sources offer opportunities to counter this trend.

- Renewable energy sources contribute to reducing air pollution and greenhouse gas emissions. They also offer opportunities for local energy production, thus contributing to expanding energy access to remote areas, as well as to jobs creation and economic growth.
- Affordable, reliable and sustainable energy is a precondition for sustainable economic growth and development.
- The environmental footprint of energy-related activities may be of transboundary nature;
- Addressing energy and environmental challenges requires participation of all relevant stakeholders, including civil society, business, financial institutions, international organizations and academia.

Furthermore, when defining the OSCE's role in the energy field it should be taken into consideration that:

- All OSCE participating States - energy producing, consuming and transit countries - have a common interest in promoting global energy sustainability.
- The OSCE participating States share a common interest in stable, transparent, predictable energy markets.
- The OSCE participating States have a common interest in reducing the negative impacts of energy related activities on the environment.
- Energy sustainability depends on co-operation on renewable energy sources, energy efficiency, technological innovation and transfer of know-how, as well as partnerships among key stakeholders.

Recommendations for future action

Based on the discussions at the 21st EEF, the participating States could consider identifying a set of areas directing the future engagement of the Organization in addressing the link between energy, the environment and security, and advancing energy sustainability.

Thus, the OSCE can:

- Continue to serve as a **platform for a broad dialogue, co-operation**, exchange of information and sharing of best practices, *inter alia*, on renewable energy, energy efficiency, new technologies, technology transfer, green growth, and appropriate legislative frameworks, involving its participating States, the Partners for Co-operation, as well as all relevant stakeholders;
- Contribute to **fostering international co-operation**, *inter alia*, through supporting relevant international and regional **legal instruments**, conventions and protocols related to the impact of energy related activities on the environment, and facilitate the **implementation of existing agreements** by participating States;
- Promote sustainable management of energy resources and foster **trans-boundary environmental co-operation** to strengthen security and stability;
- Address **cross-dimensional aspects** related to energy and the environment, such as, *inter alia*, the protection of non-nuclear **critical energy infrastructure** including with respect to natural and man-made disasters or disruptions;

- Support the development and implementation of **national strategies, policy and regulatory frameworks** to prevent the adverse environmental impact of energy-related activities, to increase energy diversification and the use of renewable energy resources, as well as energy efficiency as a key factor of sustainability;
- Promote **modernization and technological innovation** in the energy sector, in particular with a view to enhancing environmental sustainability and reducing/minimizing the environmental impact/footprint of energy related activities;
- Continue to promote high standards of **transparency, accountability and good governance** in the field of energy-related activities in order to improve their environmental footprint, including by advocating and reinforcing good environmental governance in planning, financing and the implementation of energy-related activities and by supporting EITI principles;
- Promote **multi-stakeholder co-operation** among governments, international, regional and non-governmental organizations, civil society, the business community, academia, development agencies and the financial institutions with the goal to improve the environmental footprint of energy-related activities, including through the promotion of public-private partnerships and technological innovation;
- **Promote empowering civil society organizations** to actively participate in the elaboration of policy recommendations as well as the design, implementation and evaluation of projects related to sustainable energy and the environmental impact of energy-related activities;
- Continue to support the **involvement of civil society** in decision-making processes regarding environmental and energy-related issues, including through the OSCE supported Aarhus Centers network, the creation of a regional platform of NGOs, or multi-stakeholder networks (involving academia, the business sector and civil society);
- Support **awareness-raising and education** on the link between environment and energy-related activities and security at all levels of society;
- Organize **training and capacity-building** activities at different levels to enable exchange of knowledge, best practices and lessons learned.
- Advocate and support the **mainstreaming of a gender perspective** in the elaboration and implementation of projects and policies related to energy sustainability, thus ensuring equal opportunities, equal access to resources and benefits and equal participation in decision making at all levels for men and women;
- Consider the OSCE's possible role in supporting the post-2015 development agenda related to sustainable energy.

These ideas as well as recommendations and outcomes of the Concluding Meeting of the 21st OSCE Economic and Environmental Forum could be further explored at **High-level International Conference on “Energy Security and Sustainability – the OSCE Perspective”** initiated jointly by the Ukrainian Chairmanship and Government of Turkmenistan. This high-level event to be held on 17-18 October 2013 in Ashgabat and will complement the debate within this year OSCE Economic and Environmental Forum process.