

United States Mission to the OSCE

Opening Remarks

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Good morning ladies and gentlemen, fellow delegates, representatives, and distinguished guests. On behalf of the United States, I would like to thank Minister Kozhara, our Chairman-in-Office for his leadership of the OSCE this year, and, sir, for your kind remarks and expression of solidarity this morning concerning the terrible events in Boston. I would also like to thank Ambassador Prokopchuk for convening and hosting the OSCE Economic and Environmental Forum Second Preparatory meeting. Let me also extend a special welcome to Ambassador Vadim Lukov from the Russian Federation, who will speak following my remarks, and to recognize the other distinguished panelists. It is a pleasure to be here in this beautiful venue, as a guest of the Ukrainian chairmanship, and as head of the U.S. delegation to the OSCE, representing the U.S. Government in my dual capacity as both the Assistant Secretary of Commerce and as a U.S. Helsinki Commissioner.

Although this is my first visit to Kyiv, it is one of several visits I have made now to various OSCE Second Dimension gatherings. I have continued to participate in these meetings because I believe in the importance of the Second Dimension and in its centrality to the mission and promise of the OSCE. And I believe, in a time of continued economic challenges, that we need a 21st century approach to the Second Dimension – an approach that is focused on pragmatic initiatives to create and support economic growth as a critical element of comprehensive peace and security.

I am delighted that the Ukrainian Chairmanship has selected the topic “Increasing Stability and Security through Sustainable Energy Solutions” as the focus of our discussions here in Kyiv. During the 1st EEF Forum in Vienna, participating States agreed that environmental degradation and the mismanagement of energy resources contribute to climate change and water and land scarcity, which threatens economic growth and stability in the region. Extreme weather events can damage agricultural production as we know, paralyze the transport of goods and services, and result in an economic loss that reverberates across the globe. Therefore, protecting our ecosystem and improving the management of our resources are at the core of our regional security and economic prosperity alike. And certainly participating States, like all nations of the world, face the challenge of climate change and global warming, which is perhaps the paramount existential security threat facing us all today. I believe the OSCE serves as an excellent platform to address these challenges and promote dialogue and cooperation between nations.

As the only European multinational organization that brings together the world's leading energy producers, exporters and consumers as well as key transit countries connecting Europe, North America, and Central Asia, the OSCE is uniquely positioned to develop comprehensive solutions to protect the environment, facilitate economic growth, and promote the sustainable use of energy resources. Therefore, as we convene today and tomorrow, let us use our institutional knowledge of what this Organization can offer and forge a pragmatic path to concrete action and tangible initiatives that will help us translate our commitments and aspirations into reality on the ground.

The 2003 Maastricht Strategy Document and other Ministerial Declarations and Decisions have established a basis for the OSCE's work in the area of the environment and energy security. These important documents affirm participating States' commitment to strengthen the sustainable management of natural resources, promote energy transparency and dialogue, and enhance cooperation to reduce the environmental impact of energy related activities. Furthermore, the work of OSCE field missions contributes to the health and well being of our citizens in a variety of ways. For example, as you have heard, technical training courses in Central Asia are building the capacity of small farmers and business associations to utilize renewable energy resources through wind, solar, and biogas technologies. Similarly, in Albania, representatives from local governments, civil society and the mining industry are sharing their views on the Extractive Industries Transparency Initiative (EITI) to promote transparency within governments and extractive companies, to fight corruption, and encourage a reliable investment environment. These models are a clear indication of the great work that the OSCE has done and the opportunities to further advance our collective goal to enhance prosperity and stability in the region.

In our most recent fora and meetings, we have seen the emergence we believe of three themes that have generated strong interest among participating States, and I would like to highlight those topics today.

Good Governance in the Field of Energy

The first theme pertains to the issue of good governance in the energy sector. President Obama has stated "that the strongest foundation for human progress lies in open economies, open societies, and in open government." The United States believes that in order to develop more responsive governments, we must promote greater disclosure of government information and empower citizens with new ways to participate in their democracies. These tenets will not only strengthen political stability but also produce tangible economic benefits. Fiscal transparency, active participation of civil society, and respect for the rule of law are key elements that will improve the business climate, enhance investor confidence and attract private investment for energy infrastructure development and modernization. Therefore, it is clear that good governance is essential in the energy sector and must underpin our discussion today.

The Dublin Declaration on Strengthening Good Governance, on which we all collectively worked last year, demonstrates the OSCE's strong commitment to promote good governance in all areas of its work, including the protection of the environment and sound management of natural resources. Our challenge this year must be to take that important achievement and implement its principles in our workshops and in our activities. A good example is the Declaration's recognition of the Extractive Industries Transparency Initiative (EITI). EITI is a groundbreaking model for bringing together governments, civil society, and businesses as

equal players in efforts to promote transparency to a very opaque industry. Enhancing transparency in the energy sector also helps encourage and institutionalize the rule of law and strengthen public institutions in a way that is consistent with the OSCE's values and objectives. OSCE participating States such as Albania, Azerbaijan, Kyrgyzstan, Kazakhstan, Norway, Tajikistan, Ukraine, and the United States have each committed to implementing EITI standards. The OSCE should incorporate the principles embodied in this initiative and encourage the adoption of its standards of government accountability, empowered civil society, and transparency and engagement within the business community across all participating States. Here are just a few examples of what we believe we can do together:

- At the field level, the OSCE should continue to prioritize the work it is doing to promote EITI and build capacity through training seminars for local non-government organizations, to allow citizens to hold their governments accountable for reporting revenues earned from extractive industries.
- Additionally, participating States should support and raise awareness of the Aarhus Centers that serve as a platform for civil society groups, private companies, and governments to engage in the decision-making process as it relates to environmental policy. These centers contribute to the OSCE's multi-stakeholder approach to bolster cooperation and public participation. The Centers' activities of roundtable discussions and public hearings create a more informed community and aim to ensure that policies developed will reduce poverty, protect the environment, and provide a level playing field for all.
- Lastly, non-governmental organizations, technical experts, and industry representatives must be encouraged to attend EEF activities and fora. In order to develop comprehensive solutions to our most complex challenges, the Second Dimension should engage with civil society members actively and welcome their experiences and contributions. Their participation is vital. During the previous forum, NGO representatives held participating States accountable to their OSCE commitments, and input from the business community led to a robust discussion on job creation, access to capital, advancements in technology, and potential trade opportunities in the OSCE region. We should build upon this momentum and urge greater engagement in Prague and at the Economic and Environmental Dimension Implementation Meeting (EEDIM) this fall.

Information Sharing and Best Practices

A second theme that has emerged is the need for better information sharing and exchange of best practices to advance Second Dimension priorities for energy security and sustainability. The OSCE serves as an established forum for raising awareness and sharing ideas and experiences. Such exchange can strengthen energy security as participating States seek to improve energy efficiency and also to build resilience against natural disasters, human error, accidents such as oil spills, and terrorist attacks, which can disrupt the supply, storage, and transit of energy resources.

This work has been done in the First Dimension following the Madrid Ministerial Decision on "Protecting Critical Energy Infrastructure from Terrorist Attacks." With a focus on security risks, the Organization advanced its commitment to protecting energy infrastructure and facilitated various workshops, training exercises, and the upcoming best practices guide.

The United States is very pleased to see that “*The Good Practices Guide on Non-Nuclear Critical Energy Infrastructure Protection from Terrorist attacks*” will be completed soon and looks forward to the implementation of its guidelines in the OSCE field mission activities.

Similar and complementary initiatives to exchange best practices could and should be undertaken in the Second Dimension as it relates to issues beyond security, such as the use and deployment of energy efficient technologies, oil spill prevention and mitigation, and environmental issues. The forum’s case study on the environmental and economic impact of the Montara oil spill underscores the importance of sharing lessons learned and working together to enhance response capabilities and to manage energy supply disruptions. Topics for information sharing can also include safety measures in the field of energy. As we have heard during our recent Economic and Environmental Committee (EEC) meetings, human error and unsafe behavior account for almost 80 percent of energy power accidents. The OSCE could serve as a platform to collect information and exchange best practices that would improve the preparedness of participating States to reduce the economic costs and environmental damage caused by natural or man-made disasters. A systematic approach to track and report such information is valuable not only for individual countries, but also on a regional basis.

Importantly, the exchange of information on energy efficiency can lead to better practices that support and enable trade and commerce in goods and services related to new technologies. Within the OSCE space, the goal of reduced energy dependence on oil and gas resources is widely held; however, relevant technologies and mechanisms must be shared in order to have a broader and more effective impact. During the February Forum, a civil society representative from Kyrgyzstan noted his country’s achievements in hydropower development, yet underscored the need for more investment to reduce coal, gas, and fuel imports. Delegates and NGO representatives from Central Asia agreed that there is a need for regional workshops on new technologies and best practices among the Central Asia republics. The OSCE can and should facilitate this discussion and should also consider:

- How to promote best practices on the use of energy efficient technology that can be implemented further through the extensive network of field offices and shared through regional workshops and training events;
- We should also promote best practices and information sharing on policy reforms and initiatives that can better promote the trade in environmental goods and services throughout the OSCE region; and,
- Finally, we should further advance the OSCE’s platform for dialogue and exchange of experiences and best practices on environmental challenges and natural disasters and developing and integrating these considerations into all our Second Dimension activities.

Promoting the Development of Renewable Energy Sources

A third and final theme that we have seen in our discussions to date pertains to the development of renewable energy sources. Recognizing the security challenges that stem from environmental degradation and depletion of natural resources, participating States must develop solutions based on renewable, efficient and environmentally sound technologies.

Hydropower, wind, solar, geothermal, and biofuel are alternative options that reduce air pollution, improve climate change and offer opportunities for local energy production. Furthermore, the development of clean energy technologies can expand energy access to remote areas, create jobs, and stimulate economic growth in those regions. Maintaining safe, reliable and adequate energy supplies and expanding energy access to 1.3 billion people who currently have no access to electricity are priorities for the United States.

A number of participating States have adopted strategies to increase their use of renewable energy resources. We commend the Ukrainian Chairmanship for example, for its initiative to generate more electricity from renewable energy. We also applaud Turkey's commitment to derive up to 30% of its energy needs from renewable energy sources by 2023, the 100th anniversary of the modern Turkish state. And we recognize the leadership of the EU, which has set a target of raising the share of energy generation produced from renewable resources to 20 percent by 2020. The United States also shares these commitments. President Obama's Blueprint for a Clean and Secure Energy Future challenges Americans to double electricity generation from wind, solar, and geothermal sources by 2020. Congress has supported this initiative by providing clean energy tax incentives to attract private investment and energy savings projects to stimulate job growth. The United States is on the path to a cleaner and more secure energy future. During the President's first term, for example, the U.S. Environmental Protection Agency estimates that CO₂ emissions decreased by 13 percent and 50,000 clean energy projects were established, attracting billions of dollars in private investment. Progress in this area is doable, and the OSCE should leverage the Second Dimension to lead the way. As we address environmental challenges in each individual participating State, we should share progress and promote new technologies through the OSCE's multilateral framework.

For example, there is great potential for expanding clean energy technologies in Central Asia. In Uzbekistan, the OSCE project coordinator's office noted that solar energy potential is 25 times the country's demand for electricity. In Kyrgyzstan, 90 percent of the national electricity production is generated by hydropower plants. Turkmenistan sees opportunities in increasing solar and wind use and has been an active player in promoting regional cooperation and dialogue in the OSCE. The United States looks forward to the High Level Energy Conference in Ashgabat and commends the work of the CiO and OSCE field missions that are building capacity for farmers and business entrepreneurs who want to increase their use of alternative energy resources.

Complementing our field mission activities, the OSCE should enhance its work with the United Nations Economic Commission for Europe (UNECE), a partner under the Environment and Security Initiative (ENVSEC). The UNECE provides technical expertise that benefits the Second Dimension mandate. The UNECE's substantive review of the implementation of OSCE commitments in the field of energy efficiency and renewable energy outlined many opportunities for progress, including encouraging greater support for solar energy in residential housing and commercial buildings, increasing energy efficiency in transportation, and giving greater attention to compliance and evaluation of clean energy strategies. The OSCE could serve as a platform for implementing UNECE's recommendations in the field missions of participating States that seek to improve their national legislation or use of energy efficient and renewable technologies. As the UNECE has noted, energy efficiency is the winning strategy to simultaneously address a variety of objectives, including security of supply, environmental protection, and enhanced energy access. Our work with UNECE offers the opportunity to advance all of these goals.

Conclusion

Ladies and gentlemen, the work of the OSCE's Second Dimension has never been more important, or in the case of energy sustainability, more relevant, than it is today. With the internationalized approach to research and development and the cross-border flows of capital, goods, and services, we see an ever-increasing need for greater economic integration and enhanced cooperation. And given the common challenges we face as a planet, we must move from a view of the world where states act alone, to one of increasing collaboration. We must work together to elevate our collective engagement in the Second Dimension, and to move from dialogue to informed action, empowering participating States with information, best practices, and capacity building that can help them create and sustain world-class competitive and sustainable economies, particularly as developing producers of traditional energy emerge and new cleaner energy sources are developed.

The United States believes that the topic of sustainable energy solutions is timely and critical to our economic stability and development. The OSCE has long standing experience on the topic of energy savings, security, and protection of the environment. I am confident that the discussions taking place over the coming days will be informed by our enduring commitment to enhance environmental sustainability and energy security in the OSCE region.

I want to again thank the Ukrainian CiO for highlighting this important topic, and for inviting me to address you today.

Thank you.