

ECONOMIC AND ENVIRONMENTAL
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21ST ECONOMIC AND ENVIRONMENTAL FORUM

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

Prague, 11-13 September 2013

CONSOLIDATED SUMMARY

OFFICE OF THE CO-ORDINATOR OF OSCE ECONOMIC AND ENVIRONMENTAL ACTIVITIES
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EXECUTIVE SUMMARY

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Introduction

The Concluding Meeting of the 21st Economic and Environmental Forum took place on 11–13 September 2013 in Prague. It built upon the outcomes of the two preparatory meetings in Vienna, on 4-5 February 2013 (EEF.GAL/8/13) and Kyiv, on 16-17 April 2013 (EEF.GAL/10/13).

The agenda of the Concluding Meeting of the EEF focused on the following issues:

- Review of the implementation of the OSCE commitments in the field of energy;
- Strengthening policy and regulatory frameworks and fostering international co-operation to prevent adverse environmental impacts of energy activities;
- Strengthening policy and regulatory frameworks and fostering international co-operation to promote renewable energy and energy efficiency;
- Increasing security and stability through reinforcing environmental good governance in planning, financing and implementing energy-related activities;
- Co-operation between the public and the private sector and international organizations to improve the environmental footprint of energy-related activities;
- Co-operation and partnerships on new and emerging environment-friendly technologies in the energy field.

A Special Event discussed approaches to promoting transparency and good governance in the energy sector.

A Side Event, organised by the OSCE Action against Terrorism Unit presented the “*Good Practices Guide on Non-Nuclear Critical Energy Infrastructure Protection from Terrorist Attacks Focusing on Threats Emanating from Cyberspace.*”

The Concluding Plenary Session discussed the role of the OSCE in promoting the environmental footprint of energy-related activities and addressed possible follow-up to the 21th Economic and Environmental Forum.

The Prague Forum Meeting was attended by more than 300 participants with various backgrounds, representatives from OSCE participating States, OSCE institutions and field operations, OSCE Partners for Co-operation, representatives of international and regional organizations, of civil society organizations, the business and academic community.

Main conclusions and recommendations

During the 21st OSCE Economic and Environmental Forum, a report on the implementation of the OSCE commitments by participating States in the field of energy, with a focus on diversifying the energy-mix, was presented by the UNECE. The report analyses the current situation in the OSCE region in light of the linkages between energy, environment and security. It proposes a series of recommendations to better and further implement the aforementioned commitments. During the presentation of this report, OSCE participating States were urged to reduce the environmental footprint of energy-related activities, which would contribute to enhancing energy security and reducing environmental and economic challenges. In particular, participating States were encouraged to mitigate the environmental impact of primary energy production in the development, production and transportation of natural resources, and to improve the environmental footprint of energy transformation to electricity and heat.

It was suggested that the OSCE could **raise awareness** among populations on the importance of reducing the impact of energy-related activities on the environment. This measure would help generate support of the civil society towards decisions taken by governments in this field. It was also suggested that the OSCE could promote **technological development**, including smart grids, and continue, among others, the **co-operation with relevant international partners, such as the UNECE and the Energy Charter**. This co-operation would ensure the efficient development and dissemination of comprehensive solutions to environmental challenges and to the security of energy supply. In this regard, it was noted that the UNECE contributes to this dialogue from a technical, economic, and sustainable development perspective, while the OSCE provides a **platform for exchanges of ideas in its region and can have an important role as a facilitator, as it does in its Economic and Environmental Forum meetings**.

During the Forum, it was acknowledged that in the coming years the **promotion of renewable energy** would substantially contribute to the mitigation of energy-related activities' impact on the environment. It was noted that renewables, increasingly, have an essential role to play in international relations becoming a valuable tool to ensure security. In this regard, taking into account that **sustainable energy and energy efficiency initiatives** are crucial for the OSCE participating States, it was suggested that the Organization should serve as a **platform for exchange of best practices** on how to use alternative energy resources and **transfer relevant technologies** across the OSCE region. **Technological innovations**, including new technologies of shale gas extraction, were considered to be one of the solutions to modify current patterns and promote the sustainable use of environmental resources. It was pointed out that technological innovation often links academic research and the private sector. However, such co-operation needs to be mediated by a recognized third party. According to some participants, the **OSCE** could play such a role.

It was also suggested that the OSCE could **promote the collection of data on all life-cycle phases of energy production** and evaluate the environmental costs associated. It was highlighted that by reducing the use of scarce resources in the generation of energy, participating States could contribute to the reduction of energy consumption, waste and emissions. Along these lines, it was suggested that participating States could promote energy efficiency **through selecting sustainable building materials** that could be found locally. In this case, the environmental breakthrough is achieved through the type of input selected. In order to reach this goal, participants acknowledged that support from governments was required to develop an appropriate legal framework for increased innovation in the building sector.

During the discussions it was emphasized that **systematic environmental monitoring** has contributed to the strengthening of stability and security and reduction of the environmental damage from energy-related activities. The results of the monitoring can be used as indicators of sustainable development, green growth and green economy principles. Therefore it can contribute to the reduction of greenhouse gas emissions and the strengthening of technological standards, as well as the development of green policies and energy efficiency. Some participants proposed that the Organization could promote the **systematic environmental monitoring** of energy-related activities in the OSCE area.

The co-operation **between international organizations, the private sector and civil society** was highly recommended by participants throughout the meeting. It was noted that the OSCE Economic and Environmental Forum provides an opportunity to call on international organizations for new initiatives to jointly promote renewable energy. Furthermore, particular focus was placed on the role played by **international financing institutions** in providing incentives for environmentally friendly initiatives and for large public investments.

The key role played by **private capital and investments** in promoting the development of renewable energy and technological innovation was often emphasized. Special attention was devoted to the promotion of **public-private partnerships**. According to some participants, such co-operation could focus on the establishment of guidelines for bankable proposals, the development data regarding renewables' potential and the conduct of impact assessment of renewables deployment on socio-economic variables.

Participants underlined that a key factor to attract investors is the promotion of **transparency and accountability** at all levels. The need to systematically include a **good governance** perspective in all energy contracts, as well as in the reporting on transactions and investments in the private and public sectors was encouraged.

The role played of the **Extractive Industries Transparency Initiative (EITI)** was praised by many participants. EITI was defined as a valuable instrument in building trust, internationally and domestically, and in changing the public's perception on transparency. The Initiative was perceived as an important factor in the promotion of adequate investment climate, transparency of payments, civil society involvement and accountability of governments within the energy sector. Discussants agreed on the importance of political will in driving a process towards transparency. One of the recommendations made to the OSCE was that the Organization could further contribute to assisting and encouraging participating States in joining the EITI and in applying its principles. The organization of relevant trainings and seminars and the sharing of best practices by the OSCE in this field were highly recommended.

The engagement of the **civil society in the decision making, the organization of public hearings, as well as the access of media to relevant information** was also highlighted during the meeting. In this regard, the role played by the **Aarhus Centres** was praised and its co-operation with the media, actively encouraged. The co-operation between the government, civil society and the media was considered by participants as an excellent way to promote the OSCE cross-dimensionality. Thus, it was suggested that the OSCE could further promote the **strengthening of public participation at national and regional level, as well as the expansion of the Aarhus Centres' network**.

The establishment of adequate **legal frameworks** was considered as indispensable to ensure an economically viable environment for energy efficiency initiatives and for new market players. In this regard, it was proposed that the OSCE could develop **capacity building** programmes for national and regional experts on sustainable energy. It was also suggested to prepare a Handbook on renewable energy, which could serve as a tool for conducting seminars and workshops and for assisting participating States in reducing the environmental impact of their energy activities. Some

participants also proposed the organization of **legislative assessment missions** to interested participating States in order to better assist them in adapting and updating their legislation on sustainable and renewable energy.

Aware of the importance of ensuring energy supply and of the negative impact that any disruption of the energy infrastructure could have on the health, safety, security and economic well-being of individuals and countries, participants suggested that particular attention should be paid to the vulnerability of **critical energy infrastructure**. In this regard, stronger co-operation and collaboration among participating States and relevant stakeholders was identified by participants as the best way to reduce the risk of natural and man-made disasters. Perspectives and opportunities resulting from the integration of risk management aspects in the administration of renewable and traditional energy resources were discussed. It was underlined that energy infrastructure keeps the global economy moving and therefore is an ideal target for possible terrorist attacks. The OSCE guide *Good Practices on Non-Nuclear Critical Energy Infrastructure protection from Terrorist Attacks Focusing on Threats Emanating from Cyberspace* was presented as a cross-dimensional tool that could serve participating States and field presences to raise awareness, identify key policy issues and challenges, and collect good practices to be later replicated in other participating States. In view of the aforementioned Organization's expertise in his field, **the OSCE was considered to be an excellent platform for sharing experiences, best practices and lessons learnt on the protection of non-nuclear critical energy infrastructures.**

REPORTS OF THE RAPPORTEURS

Review of the implementation of OSCE commitments in the field of energy

Moderator: Dr. Halil Yurdakul Yigitgüden, Co-ordinator of OSCE Economic and Environmental Activities

Rapporteur: Mr. Cyril Leroy, Senior Programme Officer, Energy Security, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers: Mr. Scott Foster, Director, Sustainable Energy Division, UNECE

Mr. Scott Foster started his presentation by stating that the topic of this Forum “Increasing stability and security: Improving the environmental footprint of energy-related activities in the OSCE region” combines many challenging and important environmental and energy policy issues.

He indicated that the challenge of climate change is enormous and the time to act is now and action must be on a scale that addresses the challenge. Thus, OSCE participating States must reduce the environmental footprint of their energy activities, which at the same time can address energy security, environmental and economic challenges. To achieve this, there is need to:

- address market failures that hinder cost-effective improvement of energy and carbon intensities
- invest in end-use energy efficiency (subject of the report presented at the 19th EEF)
- improve the efficiency of existing coal-fired power stations
- progressively switch to natural gas away from coal
- develop the technologies of renewable energy further so they can contribute to cost-effective attainment of environmental goals
- put in place smart grids, smart cities, everything that allow renewables to play a bigger role
- pursue and develop projects that cost-effectively capture and store carbon (CCS technology)
- make sure the nuclear sector meets its safety obligations and can be cost competitive, if countries wish to maintain the nuclear option

The speaker underlined that each technology has a role to play and that there is no single solution.

Because opportunities exist throughout the energy value chains to reduce the environmental impacts on air, water, soil, and a range of other aspects, the speaker emphasized that realizing these opportunities will not only help to protect the environment, but can also improve overall system efficiency, enhance acceptance of energy solutions by the public, improve security and stability, and even improve energy economics in some cases.

Mr. Foster highlighted that improving the environmental footprint of energy-related activities in our region involves efforts to:

- Reduce the environmental impact of primary energy production, in the development, production and transportation of natural gas, oil, coal, biomass, and uranium. These efforts may include:
 - reducing GHG emissions from coal mines

- reducing leaks in the gas transportation and distribution networks and gas production
 - land reclamation and improved water management
- Improve the environmental footprint of energy transformation to electricity and heat. Such improvements may come from:
- emissions control at power plants
 - improving the technology used for the transformation
 - switching out coal with natural gas in the power sector
 - implementing combined heat and power plants, distributed generation, deployment of cost-effective renewable energy, smart grids, energy efficiency, smart cities, and other new technology as it develops.

The speaker also stressed that normative instruments like best practices, along with performance benchmarking, or well-designed regulatory schemes could enhance performance. And investing in appropriate best technology, enabling finance and applying modern management skills are all necessary efforts if we are to reduce the environmental footprint of energy activities and thereby enhance both stability and security.

Mr. Foster stated that “we do not know what the future might bring when it comes to new technologies” and that “it is incumbent on governments to ensure that innovators are encouraged to innovate and empowered to bring their alternative approaches to the market”.

He noted that energy security is a priority for the majority of the OSCE participating States and the UNECE can collaborate with the OSCE and other relevant international organizations such as the Energy Charter Secretariat to help our respective participating States procure a secure energy supply. The UNECE contributes to that dialogue from a technical/economic/sustainable development perspective, while the OSCE provides a platform for exchanges of ideas in its region and can have an important role as a facilitator, as it does in its Energy and Environmental Forum meetings.

The UNECE representative explained that the economic challenge is to secure affordable and sustainable energy services for energy consumers. However, because the world is changing so rapidly, governments cannot afford to bet on specific technologies and it is the role of investors to put their capital at risk. 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.

The speaker added that prices are an effective tool for bringing about sustained change, and market prices that reflect supply and demand considerations including environmental costs are that much more effective. He stated that “governments have a role in designing, monitoring, and regulating markets so that they work properly.”

In his concluding statement, Mr. Foster stressed that the key challenges we face include:

- a lack of awareness of the need to reduce emissions, notably regarding climate change and the need for a global response
- the on-going economic downturn

But the speaker also reminded of the existing opportunities, such as:

- growing awareness in some countries of the urgency to address environmental challenges, notably local issues such as urban pollution

- technological developments
- economies of scale and lower costs
- improved primary energy mix

Finally, Mr. Foster listed main conclusions of the study. These are the next steps the OSCE countries should consider in order to reduce the environmental footprint of their energy-related activities:

- First, increase awareness, which enables populations to support their governments' actions;
- Second, facilitate deployment of the new technology that is needed. Deployment means ensuring adapted technology is available along with needed finance and management capacity;
- Third, development and dissemination of comprehensive solutions through engaged dialogue at the OSCE, UNECE and other international partners;
- Fourth but not last, engage strongly with all stakeholders, particularly the private sector, to ensure that changes take place at the scale needed to meet the challenge.

The following questions and remarks from the plenary were posed.

A representative of the US inquired about Mr. Foster's assessment of the future role of renewable energy in the transport sector and the comparison between employment in the renewable energy sector and the employment in the conventional energy sector.

A representative of Azerbaijan shared the experience of her country in diversifying the energy mix, including the government's plans to significantly increase the share of renewable energy resources as envisioned in the recently adopted "National Strategy for the Development of Alternative and Renewable Energy Sources in 2012-2020".

Session I: Strengthening policy and regulatory frameworks and fostering international cooperation to prevent adverse environmental impacts of energy activities

Moderator: **Ambassador Ol'ga Algayerová**, Chair of the Economic and Environmental Committee, Permanent Representative of Slovakia to the OSCE

Rapporteur: **Mr. Martin Koncal**, Counsellor, Permanent Mission of Slovakia to the OSCE

Speakers:

Ms. Ermina Salkicevic-Dizdarevic, *Deputy Minister, Ministry of Foreign Trade and Economic Relations, Bosnia and Herzegovina (BiH)*

Mr. Mahmadsarif Khakdodov, *Head of the Ecological Commission of the Parliament, Tajikistan*

Ms. Maria Germenchuk, *Vice-Director of Scientific Centre "Ecology", Republic of Belarus*

Mr. Thomas Wuchte, *Head, Action against Terrorism Unit, Transnational Threats Department*

Ms. Ermina Salkicevic-Dizdarevic presented key facts related to the energy sector in Bosnia and Herzegovina (BiH). She indicated that BiH has a significant potential in the field of renewables and illustrated this statement indicating that, for instance, only 40% of the hydropower potential of the country is currently used.

Concerning traditional energy sources, Ms. Salkicevic-Dizdarevic indicated that BiH has significant reserves of coal. She also added that her country highly depends on natural gas and oil imports. In this regard, she stressed that in order to further develop its potential in the field of renewables BiH needs private capital and investment.

Ms. Salkicevic-Dizdarevic also informed that BiH is a full member of the Energy Community and aims at joining the EU. In order to facilitate its future integration in the Union, the country is currently adopting EU legislation in various fields, e.g. the Directive 2009/28/EC on renewable energy.

Talking about the future, Ms. Salkicevic-Dizdarevic indicated that more attention should be devoted to Public-Private Partnerships (PPPs) and listed some PPP activities and projects financed by international organizations in her country. She finalized her intervention by suggesting that the OSCE plays an important role at national and regional level in strengthening public participation and in promoting the expansion of the network of Aarhus Centres.

Mr. Mahmasharif Khakdodov stressed that the environmental footprint of energy-related activities can have an important impact on the social and economic areas. He also pointed out that whereas oil and gas reserves decline, the power consumption is expected to double within the next years. In this regard, he stated that existing data suggest that by 2030 a quarter of the world population might not have access to electricity. He indicated that more efforts should therefore be made to satisfy people's needs. One possibility would be the further promotion and development of hydropower. He emphasized that in Central Asia there is a significant potential in this field, and mentioned Tajikistan as the country having the highest hydropower capacity in the region, with 527 billion kWh.

Furthermore, he declared that energy security is nowadays a top priority for the government of Tajikistan. Thus, different programmes have been carried out, aiming at the improvement of the legal basis, the promotion of energy efficiency, as well as the development of hydropower. Concerning this last point, Mr. Mahmasharif Khakdodov explained that the strategy of Tajikistan in the hydropower field is to have a regional approach, including the creation of a Water and Energy Consortium, taking advantage of the international expertise and attracting investors. This would assure stability and energy security in the region, including in Afghanistan, and contribute to solving social problems by contributing to job creation.

Ms. Maria Germenchuk presented the latest developments made by Belarus in the field of energy security, including in the energy and environmental monitoring. The speaker emphasized that environmental monitoring contributes to stability, security and reduction of the environmental damage generated by energy-related activities. She stressed that Belarus has a national system of environmental monitoring, analysis, and evaluation that involves a network of experts. Among the goals and objectives of the system, Ms. Germenchuk mentioned the reduction of greenhouse gas emissions, the development of policies for the introduction of "green" tools and the strengthening of technological standards of pollutant emissions and energy efficiency.

Ms. Germenchuk explained that the National Environmental Monitoring System (NEMS) of Belarus is based on a system of collection, processing, analysis and evaluation of data obtained through a science-based network of more than 4000 observation points. She mentioned that this monitoring system should be further developed, both in terms of compliance with the new economic trends, and in terms of the update of new technologies of observation, collection, processing, storage and presentation of information. The results of the NEMS have generated a data base for sustainable environmental management and for the assessment of environmental damage, including emergency situations of natural and man-made disasters in the OSCE region.

Mr. Thomas Wuchte informed that the OSCE Action against Terrorism Unit offers a wide range of counter-terrorism assistance to participating States. Concerning the energy field, he stated that smooth and secure running of energy infrastructure is a prerequisite for safe and environment-friendly energy activities. Any disruption of the infrastructure would have a serious impact on

health, safety, security and economic well-being of individuals and countries. Unfortunately, that makes it an ideal target for terrorists.

Referring to the Ministerial Council Decision on Protecting Critical Energy Infrastructure from Terrorist Attacks (MC.DEC/6/07), Mr. Wuchte highlighted that protecting critical infrastructure from terrorist attacks is an issue particularly salient for the OSCE. He presented the OSCE's efforts in this field, and paid particular attention to the project called "Good Practices Guide on Non-Nuclear Critical Energy Infrastructure Protection from Terrorist Attacks Focusing on Threats Emanating from Cyberspace". Mr. Wuchte explained that the goal of this publication is to raise awareness, to identify key policy issues and challenges, and to collect selected good practices that could be replicated in other participating States. The guide also aims at serving as a reference document containing key information for government policy makers, state authorities in charge of critical energy infrastructure protection, owners and operators of non-nuclear energy infrastructure. Mr. Wuchte concluded his intervention by stating that particular attention should be paid to the level of vulnerability of energy infrastructures, and reiterated that co-operation and collaboration among participating States and relevant stakeholders is the best way to protect ourselves from different future threats.

The Moderator emphasized that great work has been done in the First Dimension after the MC.DEC./6/07 was adopted. Concerning the "Good Practices Guide on Non-Nuclear Critical Energy Infrastructure Protection from Terrorist Attacks Focusing on Threats Emanating from Cyberspace", she stated that it is an excellent tool for OSCE participating States and field operations. In her view, this topic should be also seen from a wider perspective and approached systematically; especially regarding the protection of non-nuclear critical energy infrastructure from natural and man-made disasters. She concluded by stating that the OSCE with its expertise can contribute to the reduction of impacts of natural and man-made disasters.

The representative of Uzbekistan shared the experience of his country on the construction of large dams. He stressed that it is important to reduce losses in the energy sector and to learn from other participating States' best practices.

Mr. Sergey Solyanik, Crude Accountability, mentioned the conclusions of the recent Caspian Sea Conference, where no information regarding disasters and its effect on environment was provided. He mentioned that the Caspian States and the OSCE should pay special attention to the environmental risk related to energy activities in the field of oil and gas that could have a dramatic impact on the Caspian Sea.

In his concluding statement, *Mr. Wuchte* reiterated that while the Guide covers terrorist attacks, there are other threats, such as natural disasters, that could be further explored. He concluded by encouraging the exchange of best practices among participating States.

Ms. Germenchuk stressed that the OSCE should consider further co-operation with the EU on monitoring and assessing stability in its region through the promotion of renewables and the green economy.

Mr. Khakdodov stressed that co-operation must be bilateral and multilateral in order to ensure energy security

Finally, *Ms. Ermina Salkicevic-Dizdarevic* emphasized that the impact on critical energy infrastructure from natural and man-made disasters is evident in all countries and should therefore be seriously taken into consideration by all participating States. She reiterated that OSCE field missions and Aarhus Centres are a great source of information and could contribute to these efforts.

The following conclusions and recommendations could be drawn from the discussion:

- Energy security, renewables and green economy are key factors in the efforts to mitigate the environmental footprint of energy-related activities. As the OSCE includes producing, transporting and consuming participating States, it is essential to unite efforts to deal with energy and environmental challenges.
- The “Good Practices Guide on Non-Nuclear Critical Energy Infrastructure Protection from Terrorist Attacks Focusing on Threats Emanating from Cyberspace” has a cross-dimensional nature but does not address disasters impacts. It is important that field presences share lessons learnt and best practices on both areas.
- More attention should be paid to the protection of non-nuclear critical energy infrastructure from natural and man-made disasters, which can damage the energy distribution systems and affect citizens. Natural disasters have affected all participating States and are therefore of common concern. In this regard, the OSCE could serve as an excellent platform for sharing experiences, best practices, creating networks and providing training of experts.
- OSCE participating States should join EU efforts in monitoring and assessing the stability in the region in light of renewable and green economy principles. Monitoring results could be used as indicators of sustainable development, green growth and green economy.
- All mechanisms aiming at providing energy security must benefit from co-operation on bi- and multilateral level.

Session II: Strengthening policy and regulatory frameworks and fostering international co-operation to promote renewable energy and energy efficiency

Moderator: Mr. Stevian Defilla, Director, Energy Charter Secretariat

Rapporteur: Mr. Ruslan Ovezdurdiyev, Programme Assistant, OSCE Centre in Ashgabat

Speakers:

Mr. Tolib Sultanov, Director of the Uzbekistan Branch of the Regional Environmental Centre for Central Asia.

Prof. Yury Shcherbanin, Head of the Department of Oil-Gas Trading and logistics, Russian State University of Oil and Gas.

Mr. Tahir Jafarov, Chief Power Engineer of the State Agency on Alternative and Renewable Energy Sources of the Republic of Azerbaijan.

Ms. Laura E. Williamson, Communication and Outreach Manager, REN21, Secretariat

Mr. Dejan Trifunovic, Assistant Minister, Development and Environmental Protection, Ministry of Energy, Serbia

Mr. Sultanov started his intervention by presenting the Regional Environment Center for Central Asia set up within the Central Asia Regional Economic Cooperation (CAREC) Program. Among others, the Center’s mission is to support multi-sector cooperation on environmental issues at national and regional level.

Mr. Sultanov stressed the necessity of developing renewable energy in Uzbekistan and informed that laws on renewable energy of Uzbekistan were expected to be enacted by the Parliament by the end of 2013. Moreover, he stressed the necessity to support, stimulate and create favourable conditions for the development of renewables in his country. He pointed at the possibility to discuss with the OSCE plans for a legislative assessment mission to Uzbekistan. The moderator, *Mr. Defilla*, indicated that the mandate of the Energy Charter Secretariat includes the possibility of carrying out such kind of mission for any country wishing to do so.

Mr. Shcherbanin reported on a decision of the Russian Federation from May 2013 on renewable energy promotion. He informed about the Russian Federation's intention to raise the production of renewable energy by 2.5%. In this regard, he drew attention to the cost implications of renewable energy development and declared that State subsidies are therefore necessary. He also underlined that issues related to energy storage and the integration of energy into existing grids should still be solved. Finally, he proposed the elaboration of a handbook on renewable energy similar to the OSCE-UNECE Handbook of Best Practices at Border Crossings.

Mr. Jafarov started his presentation by reporting on the existing status of the energy sector in Azerbaijan. In this regard, he pointed out that energy production has recently grown by 40% in the country. He proposed the elaboration of *terms of reference* for a proposal to unify the energy systems of the neighbouring countries, where Azerbaijan would serve as European energy corridor. The proposal would also include the transfer of the energy produced in Turkmenistan to European markets.

Ms. Williamson started by presenting REN21, an organization which aims at promoting renewable energy and that includes NGOs, industry associations, governments and international organizations. She touched upon the renewable energy generation, as well as its global distribution and consumption. A key point in her presentation was the fact that the renewable energy industry creates jobs all around the world and contributes to the reduction of CO2 emissions.

Mr. Trifunovich reported on energy consumption patterns, changes in domestic production and the situation of energy imports and exports in Serbia. He also touched upon the renewable energy potential of Serbia in biomass, hydropower, wind-energy, solar, and geothermal, and on the latest developments related to Serbia's National Renewable Energy Action Plan. Mr. Trifunovich elaborated on the incentives for privileged power producers. Such incentive package includes the right to acquire the temporary status of a PPP for investors in solar and wind power plants; agreements with the public power supplier for the purchase of power during 12 years; privileged prices; annual corrections in accordance with the inflation rates; and after the privileged period, the obligation of the public supplier to purchase all produced power in accordance with the current market conditions.

The following representatives contributed to the discussion.

Ms. Tamar Tsurtsumia, Department of International Relations, Ministry of Energy and Natural Resources of Georgia, reported on Georgia's latest developments in the area of renewable energy production, distribution and legislative framework. The representative informed on Georgia's expectations to become one of the main renewable energy exporters in the region.

Mr. Toktassyn Buzubayev, CIS-Vice Executive Secretary, CIS, touched upon the problem of rational use of resources and the improvement and introduction of legislative platforms for nature protection. He reported that CIS countries account for only 5% of total global renewable energy production, and that this share is expected to be increased in the future. However, the modernization of economies and the improvement and harmonization of environmental laws would be needed in order to accomplish this goal. He emphasized the CIS was ready to participate in a dialogue dealing with this issues.

Session III: Increasing security and stability through reinforcing environmental good governance in planning, financing and implementing energy related activities

Moderator: Ms. Marta Szigeti Bonifert, Executive Director, Regional Environmental Center for Central and Eastern Europe

Rapporteur: Mr. Özgür Gökmen, Counsellor, Permanent Mission of Turkey to the OSCE

Speakers:

Mr. Michael Thurman, Crisis Prevention and Recovery Practice Leader, UNDP Bratislava

Ms. Ainur Sospanova, Director, Green Technologies and Investment Attraction Department, Ministry of Environmental Protection, Republic of Kazakhstan

Mr. Krzysztof Michal Ksieżopolski, Assistant Professor at the Institute of International Relations of Warsaw University, Poland

Ms. Mariska de Wild-Scholten, Senior Scientist, SmartGreenScans, The Netherlands

During his intervention, *Mr. Michael Thurman* approached energy issues from the point of view of crisis prevention. In this regard, he explained the perspectives and opportunities resulting from the integration of risk management aspects in the administration of renewable and traditional energy resources. He explained the main factors triggering the energy crisis in Central Asia region between the years 2002-2007, which lead to the development of the Central Asian Regional Risk Assessment (CARRA) initiative. Referring to this initiative he elaborated on specific programmes designed for different regions such as Central Asia, Commonwealth of Independent States and Central Europe. He underlined, that the water and energy nexus depends on trans-boundary coordination, dam safety, water-users association and climate issues, and mentioned the projects on various areas such as energy efficiency and conservation as disaster prevention, renewable energy as preparedness and sustainable urban and transport systems. Finally, he underlined the importance of the UN initiative “Sustainable Energy for All” (SE4ALL).

Ms. Ainur Sospanova stressed that the Astana-Expo 2017 concept is based on the transition of Kazakhstan to green economy. She pointed out the targets set for the year 2030 on the energy mix of Kazakhstan and explained that the transition foreseen will have positive impacts on the country’s economy, rather than bringing extra burden. She also provided information about the “Green Bridge Partnership Programme” initiated by Kazakhstan.

Mr. Krzysztof Michal Ksieżopolski discussed the impact of energy sources on economic security. He explained the concept of “Security Economization Process” and underlined its evolution and impact on the functioning of markets. In this regard, he briefed participants on the impact of renewable sources on the economic development and the international relations. Underlining the significant results of Kyoto Protocol on renewable energy and climate change, he highlighted the overall positive impacts of green economy. Finally Professor Ksieżopolski indicated that renewable energy will play an increased role in the international relations, and therefore could be used as a tool to ensure security. Finally he recommended re-doubling the efforts for the liberalization of energy markets and increasing the mutual exchange of information on energy resources.

Ms. Mariska de Wild-Scholten presented her study on photovoltaic. She gave information about the “Life Cycle Assessment”, which starts from the mining and refining processes, followed by the manufacturing, the installation, the use and the final recycling. She also listed the carbon footprints of electricity use by different countries. Ms. Mariska de Wild-Scholten recommended reducing the use of scarce materials as a way to limit energy consumption, waste and emission. Her recommendation to the OSCE was to collect data on all life cycle phases of energy production and evaluate the environmental costs associated with energy production which are not included in the cost paid by the consumers.

Four interventions by participating States and one by a representative of a non-governmental organization were delivered.

Mr. Sergey Solyanik, *Crude Accountability*, underlined the importance of the involvement of civil society in the decision making and in the implementation processes of energy policies of Central Asian countries which are parties to the Aarhus Convention.

In response to Mr. Solyanik, *Ms. Ainur Sospavova* provided information about different meetings that had taken place in her country at bilateral as well as regional level, where discussions focused on the strategy to be adopted in the energy sector.

A representative of the delegation of Tajikistan emphasized that before initiating a dam project in their country, the government tried to reach out to the public at large. To this end, prior to the finalization of an environmental impact assessment of this project, the government organised public hearings and held seminars with the participation of the local population.

A representative of the delegation of Belarus stated that economic sustainability and energy security should be in the future part of our daily lives.

A representative of the delegation of Azerbaijan provided information about national environmentally friendly policies, guidelines and mechanisms applied in the country. Pointing out the importance of compliance with the international regulations and agreements, the delegate alleged that not all participating States are complying with the responsibilities resulting by the Espoo Convention membership and expressed concern about nuclear activities posing a threat to the environment of the OSCE region. The delegate also stated his country's ambition to see the Caucasus region free from nuclear power.

A representative of the delegation of Armenia indicated that his country closely co-operates with the International Atomic Energy Agency and other relevant organizations and countries on nuclear safety. The delegate further informed that the results of such co-operation will be published shortly and disagreed with allegations of non-compliance with the Espoo Convention.

The Moderator summarized the presentations and underlined the importance of adopting the right policies on renewable energy resources, which will lead to increasing security and prosperity.

Session IV: Co-operation between the public and the private sector and international organizations to improve the environment footprint of energy-related activities

Moderator: Mr. Jan Dusik, Acting Director, Regional Office for Europe, UNEP

Rapporteur: Mathilde Nguyen Panigel, OSCE Office in Baku, Azerbaijan

Speakers:

Ms. Roberta Ianna - Italian Program for the Evaluation of the Environmental Footprint

Mr. Dolf Gielen – International Renewable Energy Cooperation (IRENA)

Mr. Ian Parry - Getting Energy Prices Right: From Principle to Practice

Mr. Hubert Rhomberg – Improve the environmental footprint of buildings

Ms. Roberta Ianna explained that in 2009 the Italian Ministry for the Environment set up a working group called “Task Force for the environmental footprint-PEF” to improve partnerships with the private sector and to enhance carbon footprint analysis of consumers goods during their life cycle. The partnership took the form of a voluntary agreement between the government and private companies, which can be accompanied by special grants for small and medium-sized enterprises. To date, more than 200 companies have joined the programme, triggering long-term reduction of carbon emissions.

One of the main drivers for private companies to join the task force is the understanding that the analysis of the environmental footprint can lead to direct economic savings in material and facilitate the choice of energy resources.

Mr. Dolf Gielen introduced IRENA, an agency focusing on the six renewable energies resources (Biomass, Geothermal, Hydro, Ocean, Solar and Wind) that had been created in 2011 to accelerate the deployment of renewable energy. IRENA co-operates with regional and international organizations. Out of the 57 OSCE participating States, 41 are currently members of the organization. IRENA acts as a hub for a renewable energy roadmap, which has the aspirational objective of doubling the global renewable energy share by 2030. In order to raise awareness about the cost-effectiveness of renewable energies, IRENA Renewable Energy Costing Alliance will offer a forum for discussions among multi stakeholders and finance innovative renewable energy projects in developing countries.

IRENA foresees four possible themes for co-operation with the private sector:

- Guidelines for bankable proposals;
- Renewable potentials data;
- Impact assessment of renewable energy deployment on socio-economic variables; and
- The opening by Abu Dhabi Fund for Development of call for tenders in January 2014.

Mr. Ian Parry stressed that green energy taxes are being calculated by the International Monetary Fund in order to stimulate environmental behaviour change through taxes. The taxes would charge fuel supply proportionally to emissions factors. The additional taxes would accelerate the shifting to cleaner and comparatively cheaper power generation fuels by consumers.

To illustrate the damages caused by CO₂ emissions, Mr. Parry explained that they cause premature deaths, congestion costs, pedestrian injuries, and local pollution, noise and property damages. According to the speaker, kilometre-based charges system would be an ideal policy. However in the interim the costs could be reflected into the motor fuel taxes. Mr. Parry concluded by informing that the International Monetary Fund will publish in January 2014 a report presenting possible efficient taxes for coal, natural gas, gasoline and diesel for 187 countries.

Mr. Hubert Rhomberg introduced the private Austrian construction company “Rhomberg”, which is exploring possibilities of innovating beyond energy efficiency through building material. According to the speaker, knowing that over 50% of the population is currently urbanised and the trend will grow, the way construction companies are currently building is neither innovative, nor sustainable. Building materials can be extremely environmentally costly as they are not unlimited. In several countries, wood is the best natural renewable material that can stand-up to 100m high. The production of wood prefabricated systems can be replicated locally, thus giving the possibility to replicate zero-emission (passive) buildings. In this case, the environmental breakthrough is achieved through the type of input selected. The speaker informed that a demonstration building had been constructed in 7 days and is open to public as an exhibition building in Austria.

Support from governments is required to develop the right public policy guidelines providing the appropriate framework for increased innovation in the building sector.

The following remarks from the floor were made.

A representative of the Armenian delegation noted that the main resources of construction materials in Armenia usually are stones, and that they could not apply the wooden model presented by Mr. Rhomberg. The limitation is set by the availability of local resources, although technical innovation

can develop local energy-efficient inputs. In his response the speaker explained that stones also provide such a sustainable solution if they are available locally.

A representative of the Ministry of Environment of Italia remarked that the government is interested in exploring sustainability in the construction sector and with this aim it is working with companies to establish how they can develop environmentally sensitive materials.

The following recommendations can be drawn from Session IV:

- Technological innovation is one of the solutions to cope with scarce resources and to modify the current paradigm into a sustainable use of environment resources. Engaging international financial institutions in providing incentives for environmentally conscious solutions can be instrumental, in particular for large public investments.
- A partnership taking the form of a coalition between international organisations, the private sector and civil society could enable the publication of transparent and accountable reports. In parallel, the OSCE could support governments in developing the appropriate legal framework to enforce good governance practices as legal obligations.
- Sustainable energy and energy efficiency initiatives are crucial for OSCE participating States -including for oil and gas driven-economies - to ensure an energy supply transition towards more sustainable sources. Policies and guidelines are indispensable to ensure an economically viable environment for energy efficiency initiatives and the emergence of new market players that would contribute to the diversification of the economy. The OSCE could develop specific programmes to build the capacity of experts on sustainable energies.
- Best practices in reducing the environmental footprint of energy-related activities should be widely disseminated with the support of the OSCE. Pertinent information is necessary to assist consumers to choose domestic energy supply or experts to design school curricula covering courses on energy efficiency.

Session V: Co-operation and partnerships on new and emerging environment-friendly technologies in the energy field

Moderator: Ambassador Mykola Melenevskyi, Ambassador-at-large on environmental issues, Ministry of Foreign Affairs of Ukraine, 2013 Ukrainian OSCE Chairmanship

Rapporteur: Mr. Leonid Kalashnyk, Environmental Programme Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

Mr. Didier Houssin, Director, Sustainable Energy Policy and Technology, International Energy Agency

Dr. Aviezer Tucker, Assistant Director, The Energy Institute, University of Texas, United States of America

Prof. Leonid M. Grigoriev, Chief Adviser to the Head of Analytical Centre of the Government of the Russian Federation

Mr. Giorgio Rosso Cicogna, Special Adviser, Central European Initiative

Ms. Eva Oberender, Programme Director, Renewable Energy and Energy Efficiency Partnership

Mr. Michael Gonchar, President of the Center for Global Studies “Strategy XXI”, Ukraine

The Moderator, Ambassador Melenevskyi, briefly introduced the five selected topics of this session: clean production of energy, new sources of energy, smart grids and sustainable transport, energy storage solutions and shale gas.

Mr. Houssin outlined the role of the IEA on energy policy issues, noting the nexus of energy and environment being one of the key objectives within the IEA's mandate. Both energy demand and carbon dioxide emissions are likely to double by 2050. Strategic application of clean energy (CE) can enhance sustainable economic development and reduce environmental impact. According to the IEA's Tracking Clean Energy Progress Report, the current progress is not fast enough. At the same time considerable energy efficiency potential remains untapped. Energy efficiency is a key tool for achieving a sustainable energy future. The positive news is that costs of renewable energy fell more rapidly than expected. Other elements of the IEA international cooperation network mentioned by the speaker were: international low-carbon energy platform by IEA (dissemination, analysis and policy recommendations); energy technology perspective programme; IEA's Technologies Roadmaps (on each energy technology) to help accelerate the deployment of major technologies to reach climate objectives. Such strategies are developed on each energy technology. In conclusion, Mr. Houssin noted the IEA was pleased to contribute to the OSCE's efforts on energy.

Mr. Tucker presented an analysis of different countries' policies on shale gas extraction from a multidisciplinary perspective. European policies show a whole range of reactions from enthusiasm to banning shale gas development. The US reaction to shale is quite positive: gas is overtaking coal as energy resource in the US with gas prices plummeting, fertilizers prices decreasing and the level of emissions going down.

According to the speaker, the arguments used in Europe to undermine shale gas' popularity - often related to legal, scientific, technological and political science aspects - are not consistent. According to Mr. Tucker the real explanation is the lack of trust of people in their governments (e.g. fear of thirst, hunger, disease). In the 1990s there were a series of crises (AIDS-contaminated blood, mad cow disease) including in the democratic governments - that had shaken this trust. The way to build trust is through engaging civil society, accountability, transparency and good governance. For example, public debate in the US is about how strict regulations should be. This should also be debated in Europe.

Mr. Grigoriev provided an analysis of energy and commodity markets from a sustainability perspective, calling for a clear differentiation between descriptive vs. normative approaches in energy discussions. He pointed out that against the background of energy price volatility, the attitude to energy and environment is currently much more pragmatic than before. Emissions (CO₂) are going up. The use of up to 70% of coal in the Asian economy gives very little chance to reduce emissions globally by reducing emissions in Europe. There is also a trend of resurgence of coal consumption all over the world. At the same time, energy consumption is growing at a slower rate. Mr. Grigoriev called for urgent action against the increasing threat of climate change. Renewables consumption is not without its challenges: need for reserve capacities and smart grids. Recent developments on renewable energy in Russia were outlined by the speaker, including some pilot projects regarding the extension of renewables' strategies in Russia.

Mr. Grigoriev concluded that at the moment economics governs the energy sector in a substantial way. Europe is increasing its coal consumption. Gas-to-coal switching also takes place. It takes good governance, public support, high-income level to create similar success stories on renewable energy like in Sweden and Germany.

Mr. Cicogna outlined the latest developments on advanced biofuels (e.g. crop residues, sorted municipal solid waste, algae). Mr. Cicogna declared that the ethical dilemma of the past – food vs. biofuels is now behind us. However, there is a great need for political and public awareness building on new advanced biofuels. Advanced biofuels are the best equation combining: energy requirements, environmental protection, rural development and food security.

Mr. Cicogna continued by saying that CEI Member Countries have large agriculture and forestry sectors. The Bloomberg Report on Advanced Biofuels (can be downloaded from the CEI web-site) builds on a very conservative approach examining only agricultural waste as feedstock, only

existing conversion technology and no change in current land-use patterns. Potential benefits of advanced biofuels in the CEI region according to this most conservative scenario: job creation up to 36,000 permanent jobs mostly in rural areas; innovation and economic growth total investment 40 billion EUR and total revenue of about 260 billion EUR in 2012-2050 and energy security enhancement.

According to the speaker, the OSCE Economic and Environmental Forum provides an opportunity to call on international organizations for a new initiative to jointly promote advanced biofuels with their respective constituencies, working on comparative efficiency and cost effectiveness vs. other renewable sources.

Mr. Gonchar made a presentation about unconventional gas (which includes shale gas, methane hydrates, etc.). He noted the potential of gas to reduce CO₂ emissions compared to the use of coal as an energy source. He also outlined potential risks to the environment and emphasized that these risks are however not greater than those existing during the extraction of conventional natural gas. Mr. Gonchar pointed out that technologies available today can minimize these risks and noted the importance of establishing a dialogue with the public and to conduct risk assessments. The speaker also stated that carbon capture and storage technologies still need improvement. He later proceeded to detail the potential existing with world deposits of gas hydrates trapped on the deep ocean floor. Mr. Gonchar informed that some fracking technologies which do not require water have been developed. He added that by January 2015 all new natural gas wells are required to include green completions, also known as reduced emissions completions.

According to Mr. Gonchar, the OSCE can be used as a platform for exchange of experience on how to tap these unconventional energy resources. It is also necessary to initiate discussions at different levels and to accomplish geologic exploration in Europe to evaluate commercially extractable unconventional gas reserves. There is a need for transfer of advanced technologies across the OSCE region. Other areas of possible action are the elaboration of adequate regulatory mechanisms and public awareness raising.

Statements from the delegations:

The representative from the Russian Federation declared that shale gas production is helpful for energy security. Concerning the environmental implications of its extraction, he noted that technologies are getting better. According to the delegate, there is a need to conduct environmental impact assessments in the US to be able to transfer the technologies to other countries. He also stated that more transparency is needed. He concluded by noting that there may be a tendency to use less expensive technologies that may have greater environmental consequences.

The Moderator summarized the discussion and briefly referred to Ukraine's latest efforts on clean and renewable energy including projects between Ukraine and UNIDO in the fields of energy efficiency and renewable energy.

The following recommendations can be drawn from the session:

- The OSCE Economic and Environmental Forum can be instrumental in mobilizing support for advanced biofuels as an efficient and cost-effective source of renewable energy.
- The OSCE can be used as a platform for the exchange of experience and transfer of advanced technologies in the field of exploration and extraction of unconventional energy resources, including shale gas.
- The OSCE can provide assistance in the development of appropriate regulatory frameworks and in raising public awareness on unconventional energy resources.

Special event: Promoting Transparency and Good Governance in the Energy Sector – Panel Discussion

Moderator: **Ambassador Mykola Melenevskiy**, Ambassador-at-large on environmental issues, Ministry of Foreign Affairs of Ukraine, 2013 Ukrainian OSCE Chairmanship

Rapporteur: **Ms. Iryna Iarema**, Senior Project Assistant, OSCE Project Co-ordinator in Ukraine

Speakers:

Mr. Igor Ryzhkov, Senior Specialist of the Ministry of Energy and Coal Industry, Ukraine

Ms. Marinke van Riet, International Director, Publish What You Pay

Ms. Husniyya Mammadova, Deputy Head of Department of Economic Cooperation and Development, Ministry of Foreign Affairs, Azerbaijan

Mr. Shkelqim Hysaj, Director, EITI Albania

Ms. Sanela Habes, Journalist for BH Radio 1, Bosnia and Herzegovina

Mr. Ryzhkov presented to the audience the situation with energy storages in Ukraine, which are still insufficient to ensure energy security. The speaker informed about Ukraine's intention to access the EITI (Extractive Industries Transparency Initiative) that, among other things, promotes public financial management and accountability in the extractive industries. Mr. Ryzhkov added that the Ministry of Energy and Coal Industry of Ukraine has been identified as the national coordinator for the implementation of EITI commitments.

The speaker also mentioned the *Open Government Partnership*, of which Ukraine is a party and which foresees the implementation of EITI commitments by the country. Keeping in mind the procedure of accession to the EITI, Ukraine is applying for the status of candidate-country, which implies preparation and submission of a report on implementation of commitments within 18 months after status confirmation. According to the speaker, under the auspices of Ukraine's Ministry of Energy and Coal Industry, there is the intention to create a Center for Resource Effectiveness and Cleaner Production, which could be responsible for compiling the data and publishing the respective report. The speaker requested OSCE assistance in creating such a Center.

Ms. van Riet dwelled upon the history of *Publish What You Pay*, which had been launched as a specific campaign calling for extractive companies to publish what they have paid to governments, and for governments to publish what they have received. The coalition currently consists of around 700 civil society organizations. In 2012, the organization adopted a new strategic framework (Vision 20/20) for transparent and accountable management of natural resources all along the so-called extractive industry "value chain". The speaker focused on key achievements of the organization, which include an expanded scope of the transparency and accountability principle in extractive industries.

Ms. van Riet concluded with two main recommendations:

First, to the EU member States and to countries wishing to join the EU: to transpose EU Transparency and Accountability Directives into national legislation as soon as possible; and to foster their dialogue with civil society. Within the OSCE this could be done by combining work done in the Second and Third Dimensions, which would guarantee civil society involvement.

Ms. Mammadova shared Azerbaijan's experiences in implementing the EITI. Having joined the EITI in 2003, Azerbaijan has submitted already 17 reports. The speaker focused on the main benefits resulted of joining the EITI, including an improved climate for investors, transparency of

payment, civil society involvement and accountability of the government. In 2009, Azerbaijan was praised for its achievements in implementing the EITI. In this regard, Ms. Mammadova indicated that implementing the EITI was instrumental in building trust internationally and domestically, and in changing the public's perception of transparency. The speaker stressed the importance of keeping the voluntary basis principle of EITI, which contributes to its attractiveness for countries. Finally, Ms. Mammadova provided two recommendations: to promote experience sharing between countries; and to develop practical guidelines based on the recommendations from the EITI Global Conference in Sydney 2013.

Mr. Hysaj shared Albania's experience in implementing the EITI. In this regard, Mr. Husaj considered that such implementation contributes to the EU integration process and supports sustainable development. In his view, the implementation of EITI commitments does not only benefit today's government and civil society, but also the future of the country. According to the speaker, the Albanian government decided to follow EITI rules because all of them serve to increase living standards. He emphasized that working with local communities and civil society is crucial when implementing EITI principles. Reports on an annual basis provide a possibility for comparability between years. Mr. Hysaj expressed gratitude to those who helped Albania in joining the EITI and stressed the importance of co-operating within the Initiative.

Ms. Habes referred to the media competition launched in April by the OSCE Mission in Bosnia and Herzegovina and the research she made on plastic bags usage. While talking about transparency, the speaker recalled that media is an important player to keep in mind. However, she noted certain reluctance by public officials in her country to provide information on environmental effects of some energy-related projects, such as waste incinerators or small hydropower plants, which violates procedures of accountability. Ms. Habes underlined the importance of communication between civil society, the government and the media for the common benefit and suggested that the media should collaborate with the Aarhus Centres to promote transparency in the environmental and energy sectors.

Questions and discussion:

The Moderator asked panellists what should be the priority in promoting transparency in the energy sector and what actions Governments could take to respond to possible challenges.

Mr. Ryzhkov replied that in the case of Ukraine, the country could learn from the experience of other OSCE participating States in implementing EITI principles. In his view, the first action is to put in place a mechanism - a sort of agency, and to demonstrate political will through a public information campaign.

Ms. Mammadova agreed with Mr. Ryzhkov on the importance of political will in driving a process towards transparency. This includes readiness of the companies to co-operate and disclose their information. Ms. Mammadova added that civil society plays a key role, but in Azerbaijan it should further mature in order to act as a partner of the government.

Ms. van Riet stated that a political commitment to transparency and change is the first priority. In this regard, she added that the respect for human rights is vital, and civil society should be engaged into debates.

Ms. Habes considered that true political transparency is a key factor and stated that politicians should be more aware of environmental issues.

Mr. Hysaj suggested that the EITI should be supported by publishing at least one report per year.

The U.S. Delegate to the OSCE asked for examples on how EITI works in practice and how EITI can become a tool for governments to attract investments. The delegate also asked if one can see new interest or improved dialogue with foreign investors after EITI accession.

Ms. Mammadova answered that EITI is a model for different industries (health, pharmaceutical, etc.). Disclosure of information requires a lot of sources and such disclosure should be encouraged. Investments depend on the specific sector and the multi-stakeholder process.

An Ukrainian NGO representative asked about the real contribution that EITI's membership makes in fighting corruption in the extractive industries.

Mr. Hysaj declared that companies want to work in a safe environment and, in this regard, thanks to EITI, communities know what the companies have paid to the government. Civil society plays a role in making this process public. Mr. Hysaj pointed out that the implementation of the EITI does not mean that corruption will be stopped but it will help to fight corruption.

Ms. Mammadova added that the idea of joining the EITI was not seen by Azerbaijan as a tool to just foster a culture of transparency or to fight corruption. She explained that it was a way to also promote accountability in the energy and public sector and therefore attract investors.

Ms. van Riet clarified that EITI is a multi-stakeholder initiative, whereas Publish What You Pay is a civil society movement. In her view, one of the main weaknesses of EITI is that the adherence by governments depends on their political will. In this regard, she considered that such involvement should be mandatory. New frontiers to tackle include corruption, license and contract transparency, etc. As an example, Ms. van Riet mentioned that in Timor Leste a Fiscal Unit was established in the Ministry of Finance to scrutinize the reports of companies, and that this activity has proved to be useful for governments.

The representative from the Czech Republic to the OSCE enquired about the role of the OSCE in promoting good governance in the energy sector and requested panellists to provide some recommendations to be taken into consideration during the Ministerial Council.

Ms. Mammadova replied that the OSCE could support participating States in implementing the EITI principles and encourage companies to join the Initiative and mainstream EITI in their operations.

Mr. Hysaj added that the OSCE's role is to continue to provide support in organizing training seminars on EITI principles, and to share best practices to ensure security in the region.

Concluding Plenary Session: The role of the OSCE in promoting the environmental footprint of energy-related activities: follow-up to the 21th Economic and Environmental Forum

Moderator: Dr. Halil Yurdakul Yigitgüden, Co-ordinator of OSCE Economic and Environmental Activities

Rapporteur: Mr. Christian Melis, Water and Energy Policy Adviser, OSCE Office in Tajikistan

Dr. Halil Yurdakul Yigitgüden opened the Concluding Plenary Session thanking the Ukrainian Chairmanship for the relevant proposed theme, which encouraged a fruitful discussion among delegates from participating States, representatives from key partner organizations, civil society and the private sector. He also thanked all the participants who contributed with presentations and interventions during the three day meeting, as well as during the preparatory meetings in Vienna and Kyiv.

He stated that the increasing energy demand in the world - and the related energy production, transportation and consumption - needs to be considered in relation with the environmental implications of energy-related activities. In this perspective, the OSCE should act as a platform for improving dialogue and co-operation in the sectors of energy and environment. In particular, energy efficiency, renewable energy, technology transfer and improvement of legislative frameworks should be among the main topics discussed among all the concerned stakeholders. According to the Co-ordinator of OSCE Economic and Environmental Activities, as to reducing the impact of energy-related activities, the Forum clearly indicated the importance of appropriate international, regional and national legal instruments, as well as the role of civil society in the decision-making process on environmental and energy-related issues. He also expressed that the activities implemented in co-operation with the Aarhus Centres network and the OSCE field operations represent a positive example in this context. The Environment and Security Initiative (ENVSEC) was also showcased as a strong platform to improve trans-boundary environmental co-operation in the OSCE region. Dr. Yigitgüden stressed that good governance and transparency are essential to reduce the risk of corruption in the field of energy. Furthermore, he underlined the importance of mainstreaming sustainable development considerations into energy policies and energy co-operation. He concluded by suggesting to transfer the Forum's conclusions and recommendations into political engagements.

A representative of Lithuania, on behalf of the European Union (EU) thanked the Ukrainian Chairmanship, the Office of the Co-ordinator of OSCE Economic and Environmental Activities and the authorities of the Czech Republic for the constructive discussions, and recalled the importance of the 21st OSCE Economic and Environmental Forum in view of the Ministerial Council in Kyiv. The delegate said that trans-boundary energy co-operation requires proper legal instruments at regional and international level, and reminded that the indications included in the Dublin Declaration on good governance should be applied also in the field of energy. She stressed the role of civil society and the need to strengthen transparency and stakeholder participation in the decision making process, and pointed to the Aarhus Convention as an appropriate instrument to increase co-operation and public involvement. It was also noted that the OSCE has the competency to lead the process of confidence-building on energy issues. The representative of the EU also emphasized the usefulness of the side event organised by the OSCE Action against Terrorism Unit on Non-Nuclear Critical Energy Infrastructure Protection (NNCEIP) from Terrorist Attacks Focusing on Threats Emanating from Cyberspace. In conclusion, she hoped that the engagement in the forum process will be reflected in the Kyiv Ministerial Council.

A representative of the United States of America expressed satisfaction with the good organization of the event and the progress achieved during the discussions on the development of renewable energy sources and energy efficiency. He specifically mentioned the event on the Good Practices Guide on Non-Nuclear Critical Energy Infrastructure Protection from Terrorist Attacks, Focusing on Threats Emanating from Cyberspace. The delegate expressed the wish that participating States will take action to protect their infrastructure also from natural risks. He also underlined the value of the Special Event on Transparency in the Energy Sector, and encouraged the OSCE to continue to promote transparency and good governance in consideration of their benefit in promoting investments. As to the panel on New and Emerging Technologies in the Energy Field, the delegate emphasized that governments, civil society and the private sector have to be involved in a comprehensive discussion about the potential use of new energy sources, and pointed out the important role of the OSCE in this context. Finally, he invited participating States to integrate the outcomes of the Forum into ministerial action in Kyiv.

Ambassador Igor Prokopchuk recalled the beginning of the discussion on the environmental impact of energy-related activities on 4th February in Vienna, and the opportunity offered to reflect on energy security in the OSCE region. During the Preparatory Conference in April it was said that the environmental challenges should turn into opportunities for co-operation, and he is still convinced that the OSCE can facilitate this process. Encouraging putting the Forum's recommendations into

meaningful actions, he emphasized three main considerations that came up at the Concluding Meeting. First, the role of the OSCE as effective platform for co-operation on different aspects of energy was recognized, as well as the interaction among Field Operations and Executive Structures in facing transboundary environmental threats. Second, the importance of transparency and good governance in energy activities and the necessary contribution of academia, civil society and business community were acknowledged. In this context, he suggested that it is in our interest that the OSCE extends its wide expertise in promoting public participation in matters related to environmental security to the field of energy. Third, co-operation on new emerging technologies was indicated as a crucial step to promote energy security. Particularly, clean energy production, smart grids, sustainable transport, energy storage solutions and other know-hows can help in reducing pollution and mitigating climate change, and in combination with transparent policy contribute to affordability, sustainability and reliability of energy. In conclusion, he stated that the Ukrainian OSCE Chairmanship will continue its efforts on the topic of promoting the environmental footprint of energy-related activities in the OSCE region. Joining previous speaker in thanking the Co-ordinator of OSCE Economic and Environmental Activities, his staff, the OSCE Field Operations, the speakers, the participants and all the organisers of the Forum, he closed the 21st OSCE Economic and Environmental Forum.

ANNEX



Organization for Security and Co-operation in Europe
Permanent Council

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26 July 2012

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922nd Plenary Meeting
PC Journal No. 922, Agenda item 4

DECISION No. 1047

THEME, AGENDA AND MODALITIES FOR THE TWENTY-FIRST ECONOMIC AND ENVIRONMENTAL FORUM

The Permanent Council,

Pursuant to Chapter VII, paragraphs 21 to 32, of the Helsinki Document 1992; Chapter IX, paragraph 20, of the Budapest Document 1994; Ministerial Council Decision No. 10/04 of 7 December 2004; Ministerial Council Decision No. 4/06 of 26 July 2006; Permanent Council Decision No. 743 of 19 October 2006; Permanent Council Decision No. 958 of 11 November 2010; and Permanent Council Decision No. 1011 of 7 December 2011,

Relying on the OSCE Strategy Document for the Economic and Environmental Dimension (MC(11).JOUR/2) and Ministerial Council decisions related to the environment, energy and water management,

Building on the outcomes of past Economic and Environmental Forums, as well as on the results of relevant OSCE activities, including follow-up activities,

Decides that:

1. The theme of the Twenty-First Economic and Environmental Forum will be: “Increasing stability and security: Improving the environmental footprint of energy-related activities in the OSCE region”;
2. The Twenty-First Economic and Environmental Forum will consist of three meetings, including two preparatory meetings, one of which will take place outside of Vienna. The concluding meeting will be held from 11 to 13 September 2013 in Prague. These arrangements shall not set a precedent for future meetings of the Economic and Environmental Forums. The Office of the Co-ordinator of OSCE Economic and Environmental Activities, under the guidance of the OSCE Chairmanship for 2013, will organise the above-mentioned meetings;
3. The agenda of the Forum will focus on the following topics:
 - Addressing environmental challenges and risks stemming from energy-related activities and their security implications, including through sustainable management of energy resources;
 - Improving the environmental footprint of energy production, transportation and consumption in the OSCE area including through strengthening the co-operation between the participating States on promotion of green economy, new and renewable sources of energy and energy efficiency, as well as good governance and transparency in energy field and public-private partnerships;
4. The agendas of the Forum meetings, including timetables and themes of the working sessions, will be proposed and determined by the OSCE Chairmanship for 2013, after being agreed upon by the participating States in the Economic and Environmental Committee;

5. Moreover, having a view to its tasks, the Economic and Environmental Forum will review the implementation of OSCE commitments in the economic and environmental dimension. The review, to be integrated into the agenda of the Forum, will address OSCE commitments relevant to the theme of the Twenty-First Economic and Environmental Forum;

6. The discussions of the Forum should benefit from cross-dimensional input provided by other OSCE bodies and relevant meetings, organised by the Office of the Co-ordinator of OSCE Economic and Environmental Activities, under the guidance of the OSCE Chairmanship for 2013, and deliberations in various international organizations;

7. Moreover, having a view to its tasks, the Economic and Environmental Forum will discuss current and future activities for the economic and environmental dimension, in particular the work in implementation of the OSCE Strategy Document for the Economic and Environmental Dimension;

8. The participating States are encouraged to be represented at a high level, by senior officials responsible for shaping international economic and environmental policy in the OSCE area. The participation in their delegations of representatives from the business and scientific communities and of other relevant actors of civil society would be welcome;

9. As in previous years, the format of the Economic and Environmental Forum should provide for the active involvement of relevant international organizations and encourage open discussions;

10. The following international organizations, international organs, regional groupings and conferences of States are invited to participate in the Twenty-First Economic and Environmental Forum: Asian Development Bank; Barents Euro-Arctic Council; Organization of the Black Sea Economic Co-operation; Central European Initiative; Collective Security Treaty Organization; Commonwealth of Independent States; Conference on Interaction and Confidence-Building Measures in Asia; Council of Europe; Council of the Baltic Sea States; Economic Cooperation Organization; Energy Charter Treaty; Energy Community; Eurasian Economic Commission; Eurasian Economic Community; European Bank for Reconstruction and Development; European Environment Agency; European Investment Bank; Secretariat of the Extractive Industries Transparency Initiative; Food and Agriculture Organization of the United Nations (FAO); European Investment Bank; Intergovernmental Commission TRACECA (Transport Corridor Europe-Caucasus-Asia); Gas Exporting Countries Forum(GECF); International Atomic Energy Agency; International Energy Agency; International Energy Forum; International Fund for Agricultural Development (IFAD); International Institute for Applied Systems Analysis (IIASA); International Renewable Energy Agency(IRENA); International Fund for Saving the Aral Sea; International Labour Organization; International Maritime Organisation; International Monetary Fund; International Partnership for Energy Efficiency Cooperation (IPEEC); International Rail Transport Committee; International Road Transport Union; International Road Federation; International Union of Railways; International Transport Forum; North Atlantic Treaty Organization; Organization of the Petroleum Exporting Countries (OPEC); OPEC Fund for International Development(OFID); Organisation for Economic Co-operation and Development (OECD); Organization for Democracy and Economic Development – GUAM; Organization of Islamic Cooperation; Regional Cooperation Council; Renewable Energy and Energy Efficiency Partnership(REEEP); Russian-German Energy Agency (RUDEA); Secretariat of the United Nations Convention to Combat Desertification (UNCCD); Southeast European Cooperative Initiative; Secretariat of the United Nations Framework Convention on Climate Change; Shanghai Cooperation Organisation; United Nations Conference on Trade and Development; United Nations Development Programme; United Nations Economic Commission for Europe; United Nations Economic and Social Commission for Asia and the Pacific; United Nations Commission on Sustainable Development; United Nations Environment Programme; United Nations Human Settlements Programme (UN HABITAT);United Nations Industrial Development Organization; UN

Women; United Nations Special Programme for the Economies of Central Asia; World Bank Group; World Health Organization (WHO); World Meteorological Organization (WMO); World Trade Organization (WTO) and other relevant organizations;

11. The OSCE Partners for Co-operation are invited to participate in the Twenty-First Economic and Environmental Forum;

12. Upon request by a delegation of an OSCE participating State, regional groupings or expert academics and business representatives may also be invited, as appropriate, to participate in the Twenty-First Economic and Environmental Forum;

13. Subject to the provisions contained in Chapter IV, paragraphs 15 and 16, of the Helsinki Document 1992, the representatives of non-governmental organizations with relevant experience in the area under discussion are also invited to participate in the Twenty-First Economic and Environmental Forum;

14. In line with the practices established over past years with regard to meetings of the Economic and Environmental Forum and their preparatory process, the Chairperson of the Twenty-First Economic and Environmental Forum will present summary conclusions and policy recommendations drawn from the discussions. The Economic and Environmental Committee will further include the conclusions of the Chairperson and the reports of the rapporteurs in its discussions so that the Permanent Council can take the decisions required for appropriate policy translation and follow-up activities.

Welcoming remarks

**by H.E. Jan Kohout,
Minister of Foreign Affairs of the Czech Republic**

Mr. Chairman,
Excellencies, Ladies and Gentlemen, distinguished Guests,

It is a great pleasure to welcome all of you in Prague on the occasion of the twenty-first OSCE Economic and Environmental Forum. Let me most sincerely welcome Minister Leonid Kozhara, Secretary General Lamberto Zannier, the representatives of the 57 participating States of the OSCE, members of the OSCE Secretariat, as well as the representatives of Partners for Co-operation and of international organizations and other participants in this meeting.

At the outset, allow me to express our appreciation for the efforts of the Ukrainian Chairmanship to achieve progress and tangible results in OSCE agenda for the upcoming Ministerial Council meeting in Kiev. We truly hope that we can together overcome an impasse of last two years and will be able to adopt decisions in all three dimensions. We think that more needs to be done to enhance trust and confidence among OSCE participating States, more needs to be done to fully implement our own commitments and more needs to be done to address the most pressing issues, among others protracted conflicts.

Considering the preparations of the Ministerial Decision in the economic and environmental dimension (EED), the Czech Republic would value the adoption of decision empowering the role of civil society and promoting transparency and good governance. In our opinion the decision should build on previous EED work with some value added. In this regard, we see merit in the Chairmanship's aim to increase security and stability through reinforcing environmental good governance.

As to the EED in general, the Czech Republic promotes a clearer link to security in all programmatic activities of the OSCE in the economic and environmental sphere as well as the role of the economic and environmental dimension as Confidence-Building Measure.

Today we are here to discuss the aspects of possible improvements of environmental footprint in energy-related activities in the OSCE region. This topic is an important one and I wish us all that this year's Forum will be conducive to produce very concrete outcomes, such as conclusions and recommendations helping in participating States' efforts to deal with such complex issues.

Mr. Chairman,

In conclusion, let me express my thanks to the Ukrainian Chairmanship and also wish every success to the Swiss incoming Chair.

I would like to wish you a pleasant and productive stay in wonderful city of Prague.

Opening Statement

by H.E. Leonid Kozhara
OSCE Chairperson-in-Office, Minister for Foreign Affairs of Ukraine

**Excellencies,
Ladies and Gentlemen,**

It is an honour for me to open the Concluding Meeting of the 21st OSCE Economic and Environmental Forum.

I would like to convey my sincere gratitude to the Government of the Czech Republic and in particular to H.E. Minister Jan Kohout for their warm hospitality.

My most cordial thanks go to the Office of the Co-ordinator of OSCE Economic and Environmental Activities and the OSCE Office in Prague for their efforts in organizing this Forum as well as for their contribution to our common endeavour – improving environmental footprint of energy-related activities in the OSCE area.

I warmly welcome all distinguished representatives of the OSCE participating States and Partners for Co-operation, high-level officials from ministries and agencies for energy and environment, representatives of international, regional and non-governmental organizations, as well as experts from business sector and academia.

Ladies and Gentlemen,

The world is clearly in a transition from fossil fuel to renewable energy. And Ukraine itself has experienced tangible advantages of developing renewable energy in the latest years. Establishing various legal incentives provided an explosive growth in the output of the green energy in my country.

On the other hand, there is a lot of experience accumulated in the OSCE participating States on how policy support and incentives provide necessary framework conditions for the promotion of renewable energy.

I am extremely glad that the wide participation to the Forum clearly demonstrates that the topic of the 21st OSCE EEF, chosen by the Chairmanship, resonated with the member states.

Discussions held during the First and the Second Preparatory Meetings in Vienna and Kyiv provided us with a number of innovative and exciting approaches to solving some of the many challenges that confront us in these areas.

As a result, the Organization is now better equipped to answer the pressing questions about the role the OSCE can play in further translating the political will of the participating States and other stakeholders in transparent regulatory frameworks.

I am confident that this EEF meeting would bring together the best recommendations from the Preparatory meetings on various issues, including enhancing of the OSCE role as a platform for exchange of best practices and experience on sustainable energy and energy efficiency; strengthening capacity building related to renewable energy, new technologies and technology transfer; promotion of good governance and transparency in the energy sector.

**Excellencies,
Ladies and Gentlemen,**

There is also a clear need for an enhanced contribution of the OSCE to mainstreaming the environmental and energy-related activities within the broader security context.

The discussions of the Informal Working Group of the Helsinki+40 Process devoted to economic and environmental dimension have shown that there is a strong interest to continue fostering strategic approach to the EEF.

Energy security is linked with sustainability which implies energy sustainable production, transport and consumption. We should, therefore, look at feasible ways to diversify sources, routes and technologies of energy production and distribution, as well as to enhance protection of critical energy infrastructures.

These issues, and many others, will be further debated at the High-level International Conference on “Energy Security and Sustainability – the OSCE Perspective,” co-hosted by the Ukrainian OSCE Chairmanship and the Government of Turkmenistan on 17-18 October 2013 in Ashgabat.

This high-level Conference will bring together policymakers from the OSCE participating States, decision-makers from the energy and foreign policy field, as well as heads of relevant international organizations.

Ukrainian Chairmanship believes this High-level meeting will facilitate enhancement of the OSCE dialogue on energy security and co-operation, which should become an integral part of the OSCE concept of comprehensive security as highlighted in Astana Commemorative Declaration of 2010.

**Excellences,
Ladies and Gentlemen,**

Throughout the Forum process this year, the Ukrainian Chairmanship has been actively promoting consensus on the Organization’s future engagement in the Economic and Environmental Dimension.

In an era of pressing global economic challenges we need a truly 21st century approach to the Second Dimension – an approach that is centred on pragmatic initiatives to create and support sustainable economic growth as a crucial element of comprehensive peace and security.

I am confident that this Concluding Meeting will provide important inputs for the Kyiv Ministerial Council later this year, as a strong political will is much needed to foster the OSCE mandate on environment and energy.

Ukraine expects that this meeting will strengthen political dialogue within the OSCE, give political incentive to economic and environmental issues and contribute to the elaboration of follow-up activities to address these challenges.

I wish all of us a great success in our common endeavour.

Welcoming remarks

**by Ambassador Lamberto Zannier
OSCE Secretary General**

Minister Kohout,
Minister Kozhara,
Excellencies,
Ladies and Gentlemen,

I would like to join our host and the Ukrainian Chairmanship in welcoming you all to the Concluding Meeting of this year's OSCE Economic and Environmental Forum. I am very pleased to see so many high-level representatives of the OSCE participating States, Partners for Co-operation, and various international, regional and non-governmental organizations, as well as experts from academia and the private sector.

In the last years, energy security has been high on the OSCE agenda.

In 2010 at the OSCE Astana Summit, Heads of States and Government identified energy security as one of the areas where dialogue among participating States must be enhanced. A number of Ministerial Council decisions, Economic and Environmental Fora, and conferences have addressed this topic.

Since the beginning of 2013, within the framework of the Economic and Environmental Forum, we have focused our deliberations on the impact of energy production and consumption on the environment from a stability and security perspective.

Promoting sustainable development through the green economy has been one of the key concepts highlighted during the preparatory process of the Forum. Indeed, the current economic and environmental challenges the OSCE region and the world as a whole are facing oblige States to increase energy efficiency and look for solutions, based on renewable and environmentally sound technologies.

In this regard, when looking at the sustainable energy aspects of the post-2015 development agenda, we should be conscious and bearing in mind the strengths the OSCE has as the largest regional security organization in the world.

It is in the interest of our Organization to focus its action on those areas where it can bring added value and offer its expertise.

Let me mention three areas, where I believe, the OSCE has proven its strength and which could represent the path of our future action:

- We are a platform for discussion where experts and representatives from national and international organizations can continue to exchange views and share best practices. This particular area offers an opportunity to even more broadly involve private sector, civil society and academia and support regional and sub-regional dialogue on specific energy and environmental issues;

- Because of our comprehensive security mandate, we address the link between energy and environment from a cross-dimensional perspective, which is instrumental in strengthening stability and promoting sustainable energy cooperation and thus contributing to building trust and confidence among participating States;
- The promotion, throughout the whole OSCE region, of transparency, accountability and good governance, also in the field of environmental and energy-related activities should continue to have priority in our agenda.

These are some of the areas where we are involved and where participating States can strengthen their co-operation further. They have a great potential, and it is in meetings like today that we should constantly bear them in mind in order to effectively orientate and focus our endeavours in the economic and environmental dimension.

Energy and environmental issues pose ever growing challenge we all have to face and all relevant stakeholders, including the civil society, have a meaningful role to play in responding to it. It is through the multi-stakeholder and complementary co-operation among governments, international, regional and non-governmental organizations, the business community, academia, development agencies and financial institutions that the goal of reducing the environmental footprint of energy-related activities can eventually be achieved.

I do hope that the deliberations held throughout this year will offer useful food-for-thought to all of us in view of the forthcoming Ministerial Council. Also in light of the recent discussion on developing a strategic approach to the OSCE economic and environmental dimension within the framework of the Helsinki +40 process, promoting energy and environmental dialogue and cooperation should be among core areas where the OSCE and OCEEA in particular could enhance their activities. The confidence building potential of the cooperation in this field should be further explored and deepened. We need to better understand the energy and environmental challenges we are currently facing in the OSCE area and worldwide and how the OSCE can further contribute to addressing them in more efficient manner.

Finally, let me mention that we very much appreciate the co-operation and partnerships we have with a number of international organizations in the energy and environment field. They allow us to synergise our efforts and reinforce our action based on respective mandates and capabilities. Today's Review Session, where our colleagues from the UNECE will present a report, is a good example of such co-operation. Let me welcome all partner organizations which, in the next days, will contribute to our discussions here in Prague.

I look forward to productive discussions and debates that will take place during the next days.

Closing Statement

by Ambassador Ihor Prokopchuk

**Chairperson of the OSCE Permanent Council
Permanent Representative of Ukraine to the OSCE
2013 Ukrainian OSCE Chairmanship**

Distinguished Participants,
Ladies and Gentlemen,

On the 4th of February in Vienna we embarked on a thorough discussion of the environmental impact of energy-related activities within the 2013 Economic and Environmental Forum process. We have since had the opportunity to reflect on what can be done to address the often adverse effects of energy-related activities on the environment and thus to strengthen security and stability in the OSCE region.

I am very pleased to note that our discussions during the preparatory process of the Forum have culminated in dynamic and fruitful debates here in Prague. Reiterating what I said at the Preparatory Conference in April, we need to turn the environmental challenges stemming from energy-related activities into opportunities for closer co-operation. The Chairmanship is of the opinion that the OSCE can give a strong political impetus to facilitate such co-operation.

The Co-ordinator of OSCE Economic and Environmental Activities has already mentioned some of the key recommendations from the Concluding Meeting. I encourage all of us to carefully consider how these recommendations could be promptly translated into meaningful actions.

Let me, however, briefly highlight some of the most important discussions we have had in the past three days. First, many speakers have expressed their strong conviction that the OSCE can be an effective platform for dialogue and co-operation on promoting environmentally sustainable energy management. I am of the same opinion and firmly believe that the expertise and knowledge within the OSCE's Executive Structures, including its Field Operations, are a key asset for fostering transboundary co-operation.

Second, as our panel discussion on Wednesday underlined, the importance of enhancing transparency and good governance in the energy field - including through such multi-stakeholder partnerships as the Extractive Industries Transparency Initiative (EITI) - is hard to overstate. Planning, financing and implementation of energy-related activities have been identified as areas deserving particular attention. In Dublin last year, the participating States reaffirmed their commitment to strengthening good governance and transparency. In this regard the involvement of civil society, academia and the business community are vital in supporting the development of more transparent and accountable national energy authorities and more responsible and environmentally conscious energy industries. It should be noted in this context that the OSCE has extensive expertise in promoting transparency and public participation in matters related to the environment and security and has already embarked on extending this expertise to the field of energy.

Third, let me recall a stimulating discussion we had this morning looking at how we can co-operate on new and emerging technologies to promote energy sustainability. A broad spectrum of diverse perspectives and insights brought in by our speakers from government, academia, intergovernmental fora and multi-stakeholder partnerships made this discussion truly valuable and

rewarding. Clean production of energy, the deployment of new sources of energy, smart grids, sustainable transport, and energy storage solutions all have an important role to play in our efforts to reduce air pollution, to prevent other adverse environmental impacts of energy-related activities and to respond to the growing challenge of climate change. These new and emerging technologies, in synergy with sound, effective and transparent policies at all levels, can also contribute to making energy more affordable, reliable and sustainable.

Ladies and Gentlemen,

I would like to warmly thank Dr. Halil Yurdakul Yigitgüden, Co-ordinator of OSCE Economic and Environmental Activities, and his competent staff for their valuable contribution to the success of the 2013 Forum Process. The Economic and Environmental Forum continues to provide an effective platform for discussion capable of gathering both recognized experts and high-level policy-makers from across the OSCE region. Let me also extend my gratitude to the OSCE Field Operations for their support and reiterate my appreciation to the experts that have shared their knowledge with us.

Dear participants,

Thank you for your attention and active involvement in this Forum. The Chairmanship will work to strengthen our efforts in the field of energy-related activities and their impact on our environment.

I hereby close the 21st OSCE Economic and Environmental Forum.



**Organization for Security and Co-operation in Europe
The Secretariat**

09 September 2013

21ST OSCE ECONOMIC AND ENVIRONMENTAL FORUM

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

CONCLUDING MEETING

Prague, 11 – 13 September 2013

Venue: Czernin Palace, Loretánské nám. 5, 118 00 Prague

ANNOTATED AGENDA

Wednesday, 11 September 2013

10.00 – 13.00 **Opening Plenary Session** (*open to the press*)

Moderator: Ambassador Ihor Prokopchuk, Chairperson of the OSCE Permanent Council, Permanent Representative of Ukraine to the OSCE

Welcoming remarks

- **H.E. Jan Kohout**, Minister of Foreign Affairs, Czech Republic
- **H.E. Leonid Kozhara**, OSCE Chairperson-in-Office, Minister for Foreign Affairs of Ukraine
- **H.E. Lamberto Zannier**, Secretary General of the OSCE

Keynote addresses:

- **H.E. Sven Alkalaj**, Executive Secretary, UNECE
- **Mr. Fabrizio Barbaso**, Deputy Director General, European Commission/DG Energy

Statements by Delegations / Discussion

13.00 – 14.30 Lunch break

- 14.30 – 16.30 **Review of the implementation of the OSCE commitments in the field of energy**
- Presentation of the UNECE Review Report, with a focus on diversifying the energy mix
 - Forward looking discussion on the Review Report's main findings and recommendations
- Moderator: Dr. Halil Yurdakul Yigitgüden**, Co-ordinator of OSCE Economic and Environmental Activities
Rapporteur: Mr. Cyril Leroy, Senior Programme Officer, Energy Security, Office of the Co-ordinator of OSCE Economic and Environmental Activities
- Speakers:**
- **Mr. Scott Foster**, Director, Sustainable Energy Division, UNECE
 - **Mr. Branko Milicevic**, Programme Officer, Sustainable Energy Division, UNECE
- 16.30 – 17.00 Coffee/Tea break
- 17.00 – 18.00 **Special Event: Promoting Transparency and Good Governance in the Energy Sector – Panel Discussion**
- Moderator: Ambassador Mykola Melenevskiy**, Ambassador-at-large on environmental issues, Ministry of Foreign Affairs of Ukraine, 2013 Ukrainian OSCE Chairmanship
Rapporteur: Ms. Iryna Iarema, Senior Project Assistant, OSCE Project Co-ordinator in Ukraine
- Suggested speakers/countries:**
- **Mr. Igor Ryzhkov**, Senior Specialist of the Ministry of Energy and Coal Industry of Ukraine
 - **Ms. Marinke van Riet**, International Director, Publish What You Pay
 - **Ms. Husniyya Mammadova**, Deputy Head of Department of Economic Cooperation and Development, Ministry of Foreign Affairs, Azerbaijan
 - **Mr. Shkelqim Hysaj**, Director, EITI Albania
 - **Ms. Sanela Habes**, journalist BH Radio 1, Bosnia and Herzegovina
- 18.30 **Reception hosted by the Ukrainian 2013 OSCE Chairmanship**, Wintergarden of the Czernin Palace, 2nd floor.

Thursday, 12 September 2013

- 09.30 – 11.00 **Session I: Strengthening policy and regulatory frameworks and fostering international co-operation to prevent adverse environmental impacts of energy activities**

Selected topics:

- Polluter pays principle
- International legislation
- Environmental enforcement

Moderator: Ambassador Ol'ga Algayerová, Chair of the Economic and Environmental Committee, Permanent Representative of Slovakia to the OSCE

Rapporteur: Mr. Martin Koncal, Counsellor, Permanent Mission of Slovakia to the OSCE

Speakers:

- **Ms. Ermina Salkicevic-Dizdarevic**, Deputy Minister, Ministry of Foreign Trade and Economic Relations, Bosnia and Herzegovina
- **Mr. Mahmadsarif Khakdodov**, Head of the Ecological Commission of the Parliament, Tajikistan
- **Ms. Maria Germenchuk**, Vice-Director of Scientific Centre “Ecology”, Republic of Belarus
- **Mr. Thomas Wuchte**, Head, Action against Terrorism Unit, Transnational Threats Department, OSCE Secretariat

11.00 – 11.30 Coffee/Tea break

11.30 – 13.00 **Session II: Strengthening policy and regulatory frameworks and fostering international co-operation to promote renewable energy and energy efficiency**

Selected topics:

- Energy tariffs
- Fiscal incentives
- Lessons learned

Moderator: Mr. Steivan Defilla, Director, Energy Charter Secretariat

Rapporteur: Mr. Ruslan Ovezdurdyev, Programme Assistant, OSCE Centre in Ashgabat

Speakers:

- **Mr. Tolib Sultanov**, Director of the Uzbekistan Branch of the Regional Environmental Centre for Central Asia
- **Prof. Yury A. Shcherbanin**, Head of Department of Oil-Gas Trading and Logistics, Russian State University of Oil and Gas
- **Mr. Dejan Trifunovic**, Assistant Minister, Development and Environmental Protection, Ministry of Energy, Serbia
- **Mr. Tahir Jafarov**, Chief Power Engineer of the State Agency on Alternative and Renewable Energy Sources of the Republic of Azerbaijan
- **Ms. Laura E. Williamson**, Communication and Outreach Manager, REN21 Secretariat

13.00 – 14.30 Lunch break

13.00 – 14.30	Side Event organised by the OSCE Action against Terrorism Unit: Presentation of the Good Practices Guide on Non-Nuclear Critical Energy Infrastructure Protection (NNCEIP) from Terrorist Attacks Focusing on Threats Emanating from Cyberspace <i>(A light lunch will be offered)</i>
Moderator:	Mr. Thomas Wuchte , Head, Action against Terrorism Unit, Transnational Threats Department, OSCE Secretariat
Speaker:	Ms. Sharri Clark , Foreign Affairs Officer, Bureau of Counterterrorism, U.S. Department of State

14.30 – 16.00 **Session III: Increasing security and stability through reinforcing environmental good governance in planning, financing and implementing energy-related activities**

Selected topics:

- Environmental due diligence
- Life cycle analysis of energy projects

Moderator: Ms. Marta Szigeti Bonifert, Executive Director, Regional Environmental Centre for Central and Eastern Europe

Rapporteur: Mr. Özgür Gökmen, Counsellor, Turkish Delegation to the OSCE

Speakers:

- **Ms. Ainur Sospanova**, Director, Green Technologies and Investment Attraction Department, Ministry of Environmental Protection, Republic of Kazakhstan
- **Mr. Michael Thurman**, Crisis Prevention and Recovery Practice Leader, UNDP Bratislava
- **Mr. Krzysztof Michal Księżopolski**, Assistant Professor at the Institute of International Relations of Warsaw University
- **Ms. Mariska de Wild-Scholten**, Senior scientist, SmartGreenScans, The Netherlands

16.00 – 16.30 Coffee/Tea break

16.30 – 18.00 **Session IV: Co-operation between the public and the private sector and international organizations to improve the environmental footprint of energy-related activities**

Selected topics:

- Strengthening public - private co-operation
- Engaging financial institutions and providing incentives for the business sector
- Role of financial institutions in providing technical assistance

Moderator: Mr. Jan Dusik, Acting Director, Regional Office for Europe, UNEP

Rapporteur: Ms. Mathilde Nguyen Panigel, Environmental Officer, OSCE Office in Baku

Speakers:

- **Ms. Roberta Ianna**, Expert, Program for the Evaluation of Environmental and Carbon Footprint, Ministry for the Environment, Land and Sea, Italy
- **Mr. Dolf Gielen**, Director of IITC, IRENA
- **Mr. Ian Parry**, Tax Policy, Technical Assistance Advisor, Climate Change and Environment, Fiscal Affairs Department, International Monetary Fund
- **Mr. Hubert Rhomberg**, CEO, Rhomberg Holding GmbH, Austria

18.30 **Reception hosted by the Co-ordinator of OSCE Economic and Environmental Activities**, Brevnov Monastery (Bus transfers are provided)

Friday, 13 September 2013

09.30 – 11.00 **Session V: Co-operation and partnerships on new and emerging environment-friendly technologies in the energy field**

Selected topics:

- Clean production of energy
- New sources of energy
- Smart grids and sustainable transport
- Energy storage solutions
- Shale gas

Moderator: Ambassador Mykola Melenevskyi, Ambassador-at-large on environmental issues, Ministry of Foreign Affairs of Ukraine, 2013 Ukrainian OSCE Chairmanship

Rapporteur: Mr. Leonid Kalashnyk, Environmental Programme Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

- **Mr. Didier Houssin**, Director, Sustainable Energy Policy and Technology, International Energy Agency
- **Dr. Aviezer Tucker**, Assistant Director, The Energy Institute, University of Texas, United States of America
- **Prof. Leonid M. Grigoriev**, Chief Adviser to the Head of Analytical Centre of the Government of the Russian Federation
- **Mr. Giorgio Rosso Cicogna**, Special Adviser, Central European Initiative
- **Mr. Michael Gonchar**, President of the Center for Global Studies “Strategy XXI”, Ukraine

11.00 – 11:30 Coffee/Tea break

11:30 – 13.00 **Concluding Plenary Session – The role of the OSCE in promoting the environmental footprint of energy-related activities: follow-up to the 21th Economic and Environmental Forum**

Moderator: Dr. Halil Yurdakul Yigitgüden, Co-ordinator of OSCE Economic and Environmental Activities

Rapporteur: Mr. Christian Melis, Water and Energy Policy Adviser, OSCE Office in Tajikistan

Ambassador Ihor Prokopchuk, Chairperson of the OSCE Permanent Council,
Permanent Representative of Ukraine to the OSCE

- General discussion
- Closing statements