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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”**

FIRST PREPARATORY MEETING

Vienna, 4-5 February 2013

CONSOLIDATED SUMMARY

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TABLE OF CONTENTS

Page

EXECUTIVE SUMMARY.....	3
-------------------------------	----------

RAPPORTEURS' REPORTS:

Session I: Environmental challenges and opportunities of energy consumption.....	6
Session II: Environmental challenges and opportunities of energy production and transportation.....	9
Session II-Continuation: Environmental challenges and opportunities of energy production and transportation.....	12
Session III: Promoting sustainable management of energy resources.....	15
Session IV: Co-operation between public and private sectors and international organization.....	17
Session V: Communicating environmental challenges and risks and promoting public participation in decision making.....	19
Concluding Session: The OSCE's Role in Follow-up to the Forum	23
ANNEX.....	25

Decision No. 1047 regarding the Theme, Agenda and Modalities for the 21st Economic and Environmental Forum.....	25
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WELCOMING REMARKS:

Ambassador Ihor Prokopchuk , Chairman of the Permanent Council, Permanent Representative of Ukraine to the OSCE, OSCE Chairmanship.....	28
Ambassador Lamberto Zannier , OSCE Secretary General.....	30
Mr. Halil Yurdakul Yigitguden , Co-ordinator of OSCE Economic and Environmental Activities.....	32

CLOSING STATEMENTS:

Ambassador Ihor Prokopchuk , Chairman of the Permanent Council, Permanent Representative of Ukraine to the OSCE, OSCE Chairmanship.....	34
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ANNOTATED AGENDA.....	36
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EXECUTIVE SUMMARY

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Introduction

The First Preparatory Meeting of the 21st OSCE Economic and Environmental Forum (EEF) on “Increasing stability and security: Improving the environmental footprint of energy-related activities in the OSCE region” took place in Vienna from 4-5 February 2013. Six thematic areas were addressed during the two-day meeting:

- The linkages between energy and environment and their impact on security and co-operation
- Environmental challenges and opportunities of energy consumption
- Environmental challenges and opportunities of energy production and transportation
- Promoting sustainable management of energy resources
- Co-operation between public and private sectors and international organizations
- Communicating environmental challenges and risks and promoting public participation in decision making

More than 250 participants, including official representatives of OSCE participating States, field operations and Institutions, as well as experts from international, regional and non-governmental organizations, the business community and academia attended the EEF and engaged in the discussions. Participants proposed concrete recommendations related to the impact of energy-related activities on the environment to be further considered by OSCE participating States and the Executive Structures.

Main conclusions and recommendations

Throughout the Vienna Forum, participants analysed the impacts on the environment of various energy sources, both traditional and new. *Inter alia*, the challenge to improve the environmental footprint of production, transportation and consumption of fossil fuels (oil, gas and coal) was often emphasized. Many highlighted the opportunities offered by **renewable sources of energy** and the need to promote **energy efficiency** and **green economy**. In that regard, a number of suggestions were put forward by speakers and participants.

During the EEF meeting it was acknowledged that the OSCE has proven to be an excellent platform for sharing experiences, different views and best practices in many areas. In this regard, it was suggested that its expertise as **dialogue facilitator** could be extended to the field of environmental footprint of energy-related activities in the OSCE region. It was suggested that the OSCE could serve as a **platform for exchange of best practices** and information (clearing-house) on renewable energy, new technologies and appropriate legislative frameworks. Moreover, it was proposed to create a mechanism to collect data and information on new technologies in order to enhance co-operation among participating States in case of natural disasters, oil spills or terrorist attacks against critical energy infrastructure.

The political nature of the OSCE was identified as a comparative advantage of the Organization. The need to foster trans-boundary environmental co-operation through **political dialogue** was discussed as a way to promote, *inter alia*, conflict prevention. Climate diplomacy, for example, could ensure the exchange of relevant information to support accurate decision-making processes, develop early warning mechanisms and undertake precise vulnerability assessments. In order to take advantage of its political character, the OSCE was encouraged to support the involvement of participating States with regard to international and regional **legal instruments**, conventions and protocols, to actively co-operate with the private sector and to facilitate the implementation by participating States of existing mechanisms aiming at preventing the negative impact of energy-related activities on the environment.

Participants agreed that the OSCE could further encourage and strengthen **regional co-operation** among participating States in the area under discussion. It was suggested that the OSCE could support the organisation of regional workshops and seminars aiming at **exchanging best practices**, as well as **capacity building activities promoting co-operation at expert level**. In particular, the organisation of a workshop on best practices among Central Asian republics on the subject was suggested by representatives from the region.

During discussions on the necessity of a timely and efficient **co-operation among relevant stakeholders** in decision-making processes on energy-related activities on the environment, the importance of engaging **governments**, relevant **international organizations**, **development agencies**, **the private sector**, **the civil society** and the **financial institutions** was highlighted.

Many experts representing governments and NGOs praised OSCE's efforts in promoting the **engagement of the civil society** in decision-making processes through the Aarhus Centres. Several OSCE field operations provided concrete examples of the work conducted by the Aarhus Centres in co-operation with the OSCE in promoting **public participation**. These reports were well received by the OSCE delegations and such activities were cited as examples of the role the OSCE should continue to play in the area of energy and environment. Moreover, some speakers encouraged the OSCE to support the establishment of new Centres in the OSCE region.

While discussing the co-operation with **international organizations**, participants commended the work done by the OSCE and its key partners within the framework of the **ENVSEC Initiative**. New areas for co-operation - such as the enhancement of critical infrastructure protection and resilience and scientific co-operation on energy, environment and security - were proposed.

The necessity to promote **transparency, accountability and good governance** in the field of energy was also emphasized. The 2012 OSCE Dublin Declaration on Strengthening Good Governance was pointed out as a strong expression of the commitment of the OSCE to promote **good governance** in all areas of its work, including in the protection of the environment. Participants welcomed OSCE's engagement in supporting initiatives aiming at improving good governance in the extraction of natural resources, and more precisely they commended OSCE's co-operation with the Extractive Industries Transparency Initiative (EITI). In this regard, participants

encouraged the OSCE to propose ways to further engage the Organization in the area of good governance and suggested to further discuss EITI principles in future meetings of the Economic and Environmental Forum, as well as during the upcoming Economic and Environmental Dimension Implementation Meeting.

Possible future activities on Energy and Environmental issues for consideration

On the basis of recommendations made during the Preparatory Meeting, OSCE participating States and Executive Structures may wish to give consideration to the following issues:

- The OSCE should continue playing a role as platform for exchange of best practices and information among participating States and relevant stakeholders;
- The OSCE could increase its engagement in promoting multi-stakeholder co-operation and public participation in decision-making processes related to environmental and energy-related issues. In this regard the OSCE should further support the work done by Aarhus Centres and inquire the possibility of opening new centres;
- The OSCE could further promote good governance in the field of energy-related activities in order to improve their environmental footprint, including by supporting EITI and by promoting transparency and accountability at different levels;
- The OSCE could organise capacity building activities aimed at responding to the needs of participating States;
- The OSCE could further encourage the participation of civil society, academia and industry representatives at meetings, such as the Economic and Environmental Committee to present and discuss energy-related issues;
- The OSCE could further assist participating States in accessing and implementing international and multilateral conventions related to the impact of energy related activities on the environment.

REPORTS OF THE RAPPORTEURS

Session I: Environmental challenges and opportunities of energy consumption

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

Rapporteur: Ms. Dana Bogdan, Project Assistant, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Session I provided an overview of the global effects of fossil fuels, their impacts on climate change, and the policy measures developed within the area of energy efficiency.

Mr. David Stanners, Head of International Co-operation, European Environment Agency (EEA), provided a broad overview of the links between environment and energy and briefly presented the work of the EEA. He referred to the outcomes of the 2010 EEA Flagship Report, which highlights important environmental policy developments, as well as the persistence of major environmental challenges. The speaker emphasized the need to understand the links between environmental challenges, other global mega-trends, and sectorial developments.

According to Mr. Stanners EU/EEA countries recorded progress in improving resource efficiency while ecological resilience decreased.. He mentioned that within the context of a green economy, efficient targets would be the ones that consider the links between resource efficiency, ecosystem resilience, and human well-being. He further explained that the most intensive energy consumption segments are transformation losses, accounting for around 20-23%, and transport, which produces 90% of EU's Green House Gas (GHG) emissions. While improvements can be noticed in the area of energy intensity and efficiency and in the industry sector, the transport sector is at the opposite pole and registers no improvement. The speaker identified possible areas of energy savings, such as the design of new buildings and improvement of buildings standards that have a potential of 30% in energy savings. However, Mr. Stanners pointed out that the situation in Europe differs considerably from one country to the other, requiring a localized policy system.

Addressing the cost of pollution across different industrial facilities, Mr. Stanners underlined that 50% of the damage costs are produced by a relatively small number of facilities that have a large damaging effect on the EU economy. Talking about the EU initiative to develop a low carbon economy, the speaker also mentioned the target of decreasing the GHG emissions in the EU by 80-95% and the scenarios that could make these reductions possible. He welcomed the major drive to use energy efficiently and mentioned the new directive on energy performance in buildings and energy efficiency technology markets.

In his concluding remarks, Mr. Stanners referred to the EU target to increase the percentage of energy consumption produced by renewable energy sources to 20% by 2020. In this regard, he proposed a recipe for using the renewable energies to their fullest potential: interconnected renewable energy sources, performing storage capacities, and smart grid systems. Mr. Stanners encouraged the audience to address instabilities using both legislative and fiscal instruments, to analyse the correct price signals and focus on implementing those scenarios that could generate increased jobs, reduction of GHG, and decreased energy production and consumption.

Mr. Dennis Tänzler, Head of Climate & Energy Policies, Adelphi Research, Germany, presented the challenges and prospects related to climate change, energy and security. He posed

some key questions: How is climate change related to peace and security? How will future energy consumption affect climate change? How can climate and energy policies support security, stability and also wealth?

According to Mr. Tänzler, climate change can be regarded as a conflict driver, and can affect in different ways the stability and security of the world's regions. In that regard, conflicts could be determined by: the competition over resources; the territorial integrity of states affected by the rise of the sea level, in particular for small island states; by maritime issues that remained unresolved; or by the changing distribution of resources and the destabilisation of states. Fragile or unstable states are primarily affected by climate change, and some regions of the world already experience the exacerbation of existing tensions or conflicts due to climate change.

Regarding the energy of the future, fuels used and climate change, Mr. Tänzler recommended a closer look into the IEA's World Energy Outlook (2012). The IEA noticed that the world is failing to put the energy on a more sustainable path. For example, carbon dioxide emissions increased in absolute terms; the share of global water used for energy increased from 15% to 35%; and only 1/3 of the economic energy potential is used to increase energy efficiency by 2035. Acknowledging the fact that by implementing enormous gas, oil and shale gas extraction projects the probability to have a 5 or even 6 degree temperature increase is relatively high and a more comprehensive climate diplomacy approach needed. Mr. Tänzler made reference to the debate of the UN Security Council under the German Presidency in July 2011 when *"the Security Council expressed concern that possible effects of climate change may, in the long run, aggravate certain existing threats to international peace and security"*. Furthermore, Mr. Tänzler referred to the 2009 report by the Secretary General on the UN Resolution on climate change and security, which mentioned the relationship between climate change and security, underlining the importance of understanding climate change not only as a threat multiplier, but also looking into the climate policies that have contributed into threats minimisation.

In his final remarks, the speaker presented four areas for climate diplomacy:

- adaptation to climate change, as mitigation and adaption represent the two pillars of climate change policies;
- fostering of trans-boundary environmental co-operation, as this area illustrates what co-operation can achieve to increase conflict prevention through dialogue;
- early warning systems and vulnerability assessments, with the main challenge of integrating geographical and political information and of ensuring that these data are the basis for decision making;
- promotion of sustainable energy policies and green economy, which provides numerous opportunities for building partnerships to design and implement policy measures that develop low carbon strategies.

Ms. Gabriela Prata Dias, Senior Expert for Energy Efficiency and related environmental questions, Energy Charter Secretariat, presented the Energy Charter Treaty and her organization's perspective on the link to energy security. She highlighted that the Energy Charter Treaty aims, *inter alia*, at protecting investments in the energy field, and that the broader Protocol on Energy Efficiency and Environmental Related Aspects (PEEREA), embedded in the Energy Charter Treaty, *"defines policy principles for the promotion of energy efficiency as a considerable source of energy and for consequently reducing adverse environmental impacts of energy system"*. The main objectives of the PEEREA protocol refer to promotion of efficiency policies, creation of conditions for development of energy efficiency through efficient energy markets and fostering international co-operation. The PEEREA protocol requires its signatories to develop, implement and update energy efficiency programmes, in all sectors of the energy market, be it demand and

supply, cogeneration, institutional and legal infrastructure, private initiatives and co-operation, or any kind of impacts associated to the energy sector.

Ms. Prata Dias also presented a couple of recent examples of countries' good performances and/or recommendations that have already started to be implemented. *Inter alia*, Mongolia, is working on the development of secondary legislation and regulations, to be ensured prior to the adoption of the Energy Conservation Law. Among the recommendations: Georgia should create an energy efficiency unit. Belarus should ensure sufficient resources to the Department of Energy Efficiency. Azerbaijan should consider the introduction of market oriented principles in the energy sector, etc. In addition to these recommendations, the speaker identified energy statistics as extremely important, as well as the availability of financing and incentives (improvement of procedures for donor support approval and strengthen co-operation with commercial banks). Ms. Prata Dias emphasised the need for states to compare existing monitoring systems against international practices for the purpose of improvement.

Concluding, Ms. Prata Dias reiterated that the working group PEEREA is a strong platform for stimulating dialogue on energy efficiency, on providing support to the process of energy efficiency implementation in countries with different levels of development, and on energy profiles that aim at promoting an integrated approach by bringing together national policy makers and local decision makers.

During the discussion, **a representative from Kazakhstan** presented the national mid- and long-term plans aiming at transforming the national economy into a green economy by 2035 and, furthermore, to promote the best practices at regional and international level. The speaker invited the OSCE participating States and the OSCE Secretariat to take an active part in the Green Bridge Partnership Initiative, rooted in the Rio +20 Conference. Moreover, the participating States were invited to provide input and share their views in the preparatory process for the "Energy of the Future" Exhibition, to take place in 2017, in Astana. The representative added that in efforts to transform the country's economy into a green one, Kazakhstan is currently amending legislation, in particular on renewable energy sources, and undertakes specific projects on energy efficiency and energy savings.

A representative of Ukraine thanked the European Commission for the assistance provided in dealing with energy efficiency and renewable energy sources and emphasized the need for a legal basis to explore further ways of savings. In this regard, the representative indicated that in Ukraine, work on the National Action Plan for developing renewable energy sources has started under an UNIDO project. The objective of the National Action Plan is to reach 1 billion KW from renewables by 2013.

Ms. Olga Andrianova, Open University, Austria, asked whether it is a healthy approach to reduce the lifetime of cars to almost half as compared to some decades ago, considering the perspective of increased use of energy. **Ms. Prata Dias** referred to Mr. Stanners' presentation to indicate that the transport sector is the biggest consumer of energy in Western Europe. In this regard she signalled that policies have an important role to play in imposing constraints on fuel consumption and energy inefficiency.

A representative of Armenia underlined the need to elaborate a sound Energy Security Strategy, mentioning that different regions experience different impacts related to energy issues. Armenia registers positive development regarding hydropower electricity production, in particular from small hydro-power plants. He also indicated that the public environmental movement has become very strong in Armenia, being able to make a difference in the decision-making process. According to the speaker, solar power, geothermal and biofuels are other sources of renewable energy that could be used efficiently within the country.

Ms. Nurzat Abdyrasulova, Director, Energy and Environmental Expert at Civic Foundation UNISON, Kyrgyzstan, referred to the situation in the country, mentioning energy efficiency as an important topic that needs improvement. She indicated that work is currently being done together with key partners on these issues. Ms. Abdyrasulova encouraged the OSCE to support governments in implementing laws and regulations and also in advocating increasing public participation in decision-making processes.

Conclusions and recommendations for the OSCE:

- The need for an increased and more comprehensive climate diplomacy approach was identified (with EU and UN climate policy levels as reference);
- During the session, the need to bring different experiences in these areas together and to share them at regional level was commonly identified and emphasized by the speakers and participants;
- Within the context of policy design, the importance of monitoring, accounting and modelling the so called knowledge infrastructure was stressed. Furthermore, its relatively low costs compared to other infrastructures were emphasized. For that, tools, models and visions are needed in order to break through the monopoly type of thinking about the ways of consuming and producing energy;
- An integrated and systemic way of thinking should be adopted with regard to the green economy, where various environmental challenges are addressed simultaneously;
- The OSCE should complement the role of other international organizations working in the field. The Organization should act as a platform for discussion and co-operation for its participating States.

Session II: Environmental challenges and opportunities of energy production and transportation

Moderator: **Ambassador Thomas Greminger**, Permanent Representative of Switzerland to the OSCE

Rapporteur: **Ms. Nino Makashkhia**, Associate Environmental Affairs Officer, Office of the Coordinator of OSCE Economic and Environmental Activities

The focus of Session II was on hydropower and environment, environmental risks related to fossil fuel transportation, best practices in oil spill prevention and preparedness, and public participation in decision making.

The Moderator, Ambassador Thomas Greminger, underlined the importance of joint efforts to reduce the environmental footprint of energy-related activities. In this regard, he noted that the promotion of renewable resources of energy, the exchange of best practices related to resource extraction, environmental impact assessments, and the promotion of transparency in the resource sector are among the most effective ways to reduce the adverse impact of energy-related activities on the environment and to promote co-operation.

Mr. Bosko Kenjic, Head of Water Resources Department of the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina, focused on the experience and challenges faced by his country in bridging hydropower development and environment. He noted that most of

the hydro projects in Bosnia and Herzegovina (BiH) have trans-boundary environmental impacts due to the geographic location of the country. The speaker indicated that only 40% of the country's hydro potential is currently utilized. Therefore, there are opportunities to further develop this sector.

Mr. Kenjic also mentioned BiH's challenge in achieving the national target for renewable resources by 2020. The construction of 46 new hydropower stations is planned in order to achieve a 40% share of renewables in energy generation. Mechanisms such as environmental and water permits and public participation in decision making are important tools used by BiH to ensure environmental protection. Some of the ongoing projects of hydropower plants are controversial in terms of possible environmental impacts. The main challenge the government is currently facing is to ensure that decisions are based on sustainable development principles. In this regard he underlined the necessity of transparent decision-making processes to prevent a deterioration of the existing ecological status. Mr. Kenjic referred to the situation of the Drina River to illustrate the complexity of decision-making processes in Bosnia and Herzegovina in terms of engaging all stakeholders and taking all possible issues into account. .

Mr. Kenjic suggested that the OSCE continues its assistance in implementing environmental legislation and proposed that the Organization extends its assistance in preparing and implementing river basin plans. Finally, Mr. Kenjic highlighted the important role of the OSCE in promoting public participation in environmental decision-making through Aarhus Centres and encouraged the OSCE to continue to support Aarhus Centres and establish new centres in the region.

Mr. Peter Taylor, Manager of Oil Spill Preparedness Regional Initiative (OSPRI), made a presentation on environmental risks of fossil fuel transportation and presented examples of best practices related to oil spill prevention and preparedness. Mr. Taylor underlined the importance of collaborative efforts between the oil industry and national governments in putting in place procedures and plans for prevention of and response to oil spills.

The speaker noted the huge efforts made over last decades to reduce oil spill accidents from shipping. As a result, the number of oil spills has decreased in comparison with the period 1970s-1990s. The implementation of treaties and the willingness to comply with conventions have been the main drivers towards this progress. Mr. Taylor also emphasized that the accidents in Australia and in the Mexican Gulf have in a way led to an awakening of the oil extraction and production industry. The accidents proved that the levels and standards of preparedness and prevention were not adapted to the new trends of moving deeper into offshore waters and to harsher environment.

Mr. Taylor positively assessed the OSCE's involvement in oil spill prevention and preparedness in the Black and Caspian Seas, and the activities which were initiated during the 2008 OSCE Finnish Chairmanship. He emphasized the need to step up the efforts in ensuring the participation of the OSCE countries in regional conventions and emergency protocols, as well as the implementation by participating States of the existing mechanisms. There is also a need to further support co-operative efforts of industry and governments to implement these conventions. Mr. Taylor underlined that the OSCE is well positioned to support this process.

Ms. Shynar Izteleulova, Director of Zhaik-Caspian/Atyrau Aarhus Centre, Kazakhstan, thanked the OSCE, the Environment and Security (ENVSEC) Initiative and the government of Kazakhstan for supporting the Zhaik-Caspian/Atyrau Centre and its activities. She explained that the Atyrau Aarhus Centre is located in the largest industrial, so called, "petrol center" of Kazakhstan, where all major oil companies concentrate their activities. Given the intense development of the economy in this area, there is increasing public concern about the environmental situation. The Centre, which was set up in 2009, tries to address this concern through promoting the Aarhus Convention and improving awareness of rights under the Convention.

The speaker informed participants about the wide range of activities performed by the Centre, including the involvement of the public in decision-making processes using various mechanisms and methods such as roundtable discussions, public enquiries, public hearings, etc. Public hearings and discussions organized by the Centre on the construction of the Northern-Caspian Ecological Oil Spills Response Base in the Ural Delta was one of example mentioned by the speaker. The Centre also provides advisory services to enable the public to monitor the situation and to be involved in discussions of national and regional plans on the prevention of and response to oil spills.

Ms. Izteleulova emphasized the special role the Centre plays in linking the public, government and companies and in facilitating dialogue between all stakeholders. The Centre managed to establish good working relations with some companies that provide the Centre with environmental impact assessment reports and their environmental action plans. To achieve better participation in decision making it is important to work with the civil society, the state institutions and oil companies. The Zhaik-Caspian/Atyrau Aarhus Centre is also involved in the Extractive Industry Transparency Initiative (EITI).

Finally, the speaker underlined the need to further expand the Aarhus Center's work. The existing support of the government in this regard is crucial. Nevertheless, assistance from international organizations is still needed. She also indicated that more efforts are required to strengthen public outreach and raise awareness and facilitate a dialogue between civil society and oil companies. In that regard, exchanging best practices on public monitoring based on the experience in the EU and the United States would be important to further strengthen the civil society and Aarhus Centres in Kazakhstan.

Following the presentations a discussion started and several participants posed questions to the panel, many on issues related to the use of hydropower.

Ms. Nurzat Abdyrasulova, Director, Energy and Environmental Expert at Civic Foundation UNISON, Kyrgyzstan, underlined the importance of the Aarhus Convention in promoting public participation. In her view, it was vital to work with political parties and the government on this issue. According to the speaker, the OSCE has an important role to play.

The delegation of Kyrgyzstan underlined the importance of hydropower in the energy sector of the country. Kyrgyzstan has a huge potential in hydropower development and therefore, it attaches great importance to renewable resources development and to improving energy efficiency. Respective legislation has been adopted during the last years. In order to secure energy production and reduce its environmental footprint, it is essential to adopt new technologies and increase investments. The representative suggested that the OSCE can assist countries in furthering international co-operation in that regard.

Key suggestions for possible OSCE action:

- The OSCE should further support neutral platforms that promote dialogue, multi-stakeholder co-operation and public participation in decision-making on environment and energy issues. In this regard, the unique role of the Aarhus Centres was underlined and it was suggested to further enhance this mechanism;
- The OSCE can be regarded as a political door opener and facilitator of dialogue on energy and environmental-related issues, and should therefore continue promoting co-operation in these areas;
- The OSCE should further assist participating States in accessing and implementing international and multilateral conventions addressing oil pollution preparedness, response and co-operation.

Session II - Continuation: Environmental challenges and opportunities of energy production and transportation

Moderator: Ambassador Eoin O'Leary, Permanent Representative of Ireland to the OSCE

Rapporteur: Ms. Gohar Ghazinyan, National Officer, Environmental Dimension, OSCE Office in Yerevan

The Moderator introduced the topics for discussion during the session:

- Production of electricity and environment;
- Environmental concerns of electricity distribution and opportunities for co-operation on electricity markets;
- Efforts to protect critical energy infrastructure.

Mr. Janez Kopač, Director, Energy Community, presented the Energy Community, its mandate, tasks and activities. The Energy Community aims at assisting its members in transposing the EU legislation related to energy and to foster proper investments in the energy sector. It works for the implementation of the following directives related to environment: Directive 85/337/EEC on the assessment of the effects of certain public and private projects on the environment, Directive 1999/32/EC relating to a reduction in the sulphur content of certain liquid fuels, Directive 2001/80/EC on the limitation of emissions of certain pollutants into the air from large combustion plants and Art. 4(2) of the Directive 79/409/EEC on the conservation of wild birds. In addition, Mr. Kopač focused on the Large Combustion Plant Directive 2001/80/EC to be implemented by 31 December 2017.

Regarding this last directive, Mr. Kopač highlighted that power and heat generation facilities located in the Energy Community region are, generally speaking, in a bad condition because of maintenance delays and lack of investments over the last two decades. Moreover, Mr. Kopač qualified the incoming 5 years as a short timeframe to implement the directive taking into account the current financial environment. In this regard, the main objectives of the Energy Community are to support governments, decision-makers, private and public owned energy companies, and private and public investors in their efforts to increase the capacity of the Contracting Parties to meet their commitments under the Energy Community Treaty (ECT) by the deadline foreseen (end 2017). A study is currently under preparation in order to provide solutions to this issue. The study will aim at providing an accurate assessment of the investments needed to meet the requirements of the LCP Directive, of different scenarios for individual plants in order to achieve compliance with the emission limit values of the Directive. It will also include an analysis of the potential and the costs involved for achieving compliance with the emission limit values of Annex V of Directive 2010/75/EU on industrial emissions.

Dr. Majid Khodjaev, Executive Director, Central Asian Regional Centre for Renewable Energy, Uzbekistan, started with an overview on the potential energy resources of the different Central Asian republics and indicated that greenhouse gas emissions are very high in the region. He emphasized that countries in the region have national programs aiming at modernizing and developing the industrial sector, which require an increase of energy production and consumption. Mr. Khodjaev indicated that there is a great potential to decrease greenhouse gas emissions in the region, mainly by turning to the use of renewable energy and energy saving technologies. In this regard, the speaker explained the work of the CA Regional Centre for Renewable Energy in promoting regional co-operation on clean and renewable energy in Central Asia through the development and implementation of coherent policies and programs. *Inter alia*, it supports the implementation of a Regional Action Plan for environmental protection and promotes the engagement of civil society in the decision-making process related to renewable energy sources.

Mr. Khodjaev finalized his intervention by suggesting that the OSCE could further support the development of the Regional Centre for Central Asia on renewable energy. He proposed that the OSCE could collaborate with the Centre in organising a workshop in Uzbekistan on regional co-operation in the field of sustainable energy.

Mr. Julijus Grubliauskas, Energy Security Officer, North Atlantic Treaty Organization (NATO), presented NATO's approaches to energy and environment and security. He pointed out that energy and environmental risks are part of the emerging security issues that NATO allies and partners currently face. NATO, as a defence and security organization, seeks to meet these challenges by adapting its agenda and capabilities to the new security environment. NATO's Strategic Concept emphasises the importance of energy and environmental security.

Energy, environment and security are interlinked in NATO's agenda and reflected in three main areas of NATO's work. The first area is *operational environment*, which focuses on energy efficiency in the military and NATO's troop's environmental footprint. The second area of NATO's environmental security activity is *risk and consequence management*. In this area NATO civil emergency planners focus their work on ways to enhance critical infrastructure protection and resilience. Mr. Grubliauskas suggested that this is an area where the co-operation between NATO and the OSCE could be enhanced. The third area is *scientific co-operation in energy, environment and security*. The Speaker indicated that this is an area where NATO and OSCE could also collaborate and underlined that there is great potential for closer co-operation between both organizations in the framework of the ENVSEC Initiative.

Ms. Nurzat Abdyrasulova, Director, Energy and Environmental Expert at Civic Foundation UNISON, Kyrgyzstan, presented the civil society perspective on environmental challenges and opportunities of energy production and transportation in Kyrgyzstan. The speaker explained that the Civic Foundation UNISON is an independent organization, working on the national and international arena since 2002 and focusing on climate change, good governance, sustainable energy, sustainable tourism, ecology and sanitation. Ms. Abdyrasulova continued by explaining that in spite of Kyrgyzstan clean energy potential (90% of the national electricity production is generated by hydropower plants), the country still depends on the imports of coal, gas and fuel.

Ms. Abdyrasulova underlined that the generation, transmission and distribution of energy is mainly managed by the government and that 99% of the public is connected to the grid, which explains the great interest of the population in the energy sector as well as its degree of politicization. The speaker listed the main problems existing in the energy sector in Kyrgyzstan, which are related to revenues, tariffs, costs, corporate policy, governance, procurement of export and import of energy, etc. She also mentioned that Kyrgyzstan suffers of a low quality of energy distribution.

To address these challenges, the Provisional Government initiated in 2010 the Fuel Energy Sector Transparency Initiative of Kyrgyzstan – FESTI, which involves representatives from the government and the civil society. This has positively changed the situation in Kyrgyzstan. There has been an improvement in information disclosure, transparency has been enhanced, media-coverage better balanced, quality policy debates have taken place with relevant stakeholders and awareness on consumer level has been raised. To address the problems related to distribution identified by FESTI, civil society established a Community Energy Advocates Network in 2011. In one year, more than 1000 complaints on electricity supply were considered by FESTI; more than 1500 consultations were organised and 100 trainings conducted. FESTI is currently applying the Electricity Distribution Interface Toolkit (EDIT), divided in two phases: reviewing and analysing the governance of electricity distribution, and organizing of social surveys at grass-roots level to collect suggestions and recommendations on how to further improve the electricity sector governance.

The UNISON already applied EDIT in two regions and plans to extend it to the rest of the country. The Initiative has proven that there is room for civil participation in the energy sector.

Ms. Abdyrasulova suggested the unification of market standards and technical documentation in the Central Asian region, prioritizing the development of energy efficiency, the development of public-private partnership on distribution level, and the introduction of renewable energy in remote areas. The speaker finalized her intervention by encouraging OSCE to support FESTI, as well as the activities presented during her intervention.

During the discussion a **representative of the Russian Federation** asked how the Energy Community monitors the implementation of the EU legislation by its members. **Mr. Kopač** clarified that it is done through technical assessments and judiciary mechanisms. The second question of the representative of the Russian Federation was on the comparative advantages of coal and mining in Central Asia in comparison to the development of renewable energy sources. **Mr. Khodjaev** replied that the cost of coal extraction increases every year, while the mines start to be exhausted. Therefore, he considered the development of renewable sources of energies as a pertinent option and underlined that it should be accompanied by enhanced protection of the environment.

The representative of an NGO from Kyrgyzstan commented that it is important to concentrate efforts towards the development of renewable energy in Central Asian countries. He pointed out that in the case of his country, solar power has an enormous potential. In this regard, he suggested that the OSCE could encourage the exchange of technical experience among the Central Asian countries and promote the exchange of best practices. He also recommended Central Asian states to co-operate in order to find support mechanisms, such as fiscal incentives, to promote renewable energy sources..

A representative from Kazakhstan commented on the obstacles her country faces in promoting renewable energy sources and stated that with a proper development, they can be in the future as lucrative as the traditional sources of energy.

Mr. Miodrag Dakić, Energy and Climate Change Program Co-ordinator, Centre for Environment, Banja Luka, Bosnia and Herzegovina, took the floor to underline that the Regional Energy Strategy of the Energy Community was implemented without having taken into account the requests from 40 environmental NGOs from the region of South East Europe to postpone it, as they considered that it not in compliance with the Aarhus Convention.

Ms. Nurzat Abdyrasulova underlined the importance of transparency and accountability while developing renewable energy in the OSCE area. She highlighted the importance of empowering the civil society, of taking into account its expertise and analytical skills in the process, as well as the necessity to ensure their participation in the development of the renewable energy sector.

Mr. Julijus Grubliauskas reiterated that it is fundamental to use and improve the current frameworks such as the ENVSEC Initiative, enhance the exchange of best practices among international organizations such as NATO and OSCE, and engage the private sector and NGOs to better face the environmental challenges related to energy production and transportation.

The Moderator, Ambassador O'Leary, concluded that there is a need to invest in efficient and environmentally sustainable infrastructures, as well as to promote transnational co-operation.

Session III: Promoting sustainable management of energy resources

Moderator: **Mr. Matthew Murray**, Deputy Assistant Secretary of Commerce for Europe and Eurasia, International Trade Administration Department, United States of America
Rapporteur: **Mr. Richard Wheeler**, Senior Programme Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities

The Moderator, Mr. Matthew Murray, opened the session by saying that the sustainable management of energy resources is one of the main challenges today, and that the OSCE is the perfect venue to discuss this issue. In this regard, he suggested a multi-dimensional and multi-stakeholder approach. Furthermore, he stated that the Dublin Declaration on Good Governance is an excellent starting point for getting government, business and civil society working together.

Mr. Jonas Moberg, Head, Extractive Industries Transparency Initiative Secretariat (EITI), stated that Ukraine was at an advanced stage of implementing the EITI, and that he was grateful for the political will of the Ukrainian government to implement it. He mentioned that EITI is important as an international transparency standard, currently implemented by 37 countries, with many more progressing towards its application.

The speaker mentioned that the EITI builds trust between governments, companies and communities, and that all extraction companies are required to report their payments to the government if the country in which they work adopts EITI, thus ensuring a level-playing field amongst all companies. Mr. Moberg also mentioned that the recovery rates of natural resource extraction tends to be improved in countries using good governance practices, since the investors tend to have a longer term perspective, using techniques which will yield a longer-term income rather than short-term profits. He also cited improved environmental practices, such as less gas flaring, and less energy used to extract natural resources.

Professor Thomas Johansson, Co-Chair of the Global Energy Assessment, International Institute for Applied Systems Analysis (IIASA) and Professor at the International Institute for Industrial Environmental Economics, Lund University, Sweden, summarized the challenges and solutions related to the environmental footprint of energy. He mentioned that a global growth in population and rapid economic growth has pushed the planetary boundaries beyond what is considered as the safe operating space in the areas of biodiversity, climate change and the nitrogen cycle. It is important to keep the increase in global temperature within only two degrees by cutting carbon emissions from the energy sector; otherwise our world will become a very different place from what it is today.

Mr. Johansson continued by mentioning that the IIASA *Global Energy Assessment* sees that there are opportunities. Specifically, energy end use efficiency and renewable energy sources are the solutions with most potential. For example, energy-efficient “passive buildings” can decrease energy use by 90 per cent in a sector of the economy that takes 30 per cent of global energy use. As regards renewable sources of energy, the costs are decreasing while new investments are increasing. Most investments have been in wind investments and solar photovoltaic. Mr. Johansson concluded that energy efficiency is the most effective option for immediate action, that renewable sources of energy are abundant and widely available, and that the smarter use of fossil fuels through the gasification of coal and use of biomass are also important.

Mr. Stepan Kudria, Deputy Director, Institute of Renewable Energy, National Academy of Sciences of Ukraine shared information regarding the progress of renewable energy usage in his country. He mentioned that Ukraine first started working with renewable energy 30 years ago. Ukraine has a very high level of energy intensity, and although it has improved markedly over the past decade, it still trails most other industrialized countries in this regard.

Ukraine is a member of the Energy Community, and thus has agreed to implement the Directive on the promotion of energy from renewable sources. By 2020, Ukraine has pledged to produce 11 % of energy from renewable sources. Installed capacity of renewable energy power plants steadily increases. Mr. Kudria concluded that Ukraine has strong renewable potential. In order to stimulate this process, a platform for exchange of best practice on technology, educational programmes and legislative frameworks should be undertaken.

Mr. Gan-Ochir Ser-Od, Senior Specialist, Department of Co-ordination of Policy Implementation, Ministry of Mining, Mongolia, emphasized that the mining industry is very important to the Mongolian economy. Therefore, for Mongolia, the environmental footprint and economic issues are inextricably linked. Mr. Ser-Od mentioned that 300 current mining operations cover 14 % of the country's territory, mostly in the southern provinces. Soil pollution is a problem: 19,870 hectares of land were degraded as a result of mining activities, which negatively impacts animal husbandry, a traditional way of life in Mongolia. As regards water, gold exploration has resulted in the pollution of 28 rivers in eight Mongolian provinces. The main challenges in preventing environmental degradation are: a lack of social responsibility by mining companies; a lack of capacity to monitor mining activities; and the need to strengthen co-operation between the government and civil society. Mr. Ser-Od also highlighted preventative measures in three areas: establishing a legal framework to avoid negative impacts; introducing modern technologies and internationally recognized best practices; and learning from international experience in the mining sector. Mr. Ser-Od concluded that it is crucial for the government, industry, academia, and civil society to work together in the area of environmental governance.

The Moderator asked the panellists to give insights on what OSCE could do to leverage multi-stakeholder approaches towards these problems.

Mr. Moberg stated that EITI provides a platform within government bureaucracies for those who are trying to push reforms generally. Since OSCE participating States' delegations are part of Foreign Ministries, strong signals of support for the EITI approach can be sent. Those civil servants supporting EITI implementation need to see that other parts of their government are supportive. Thus, the OSCE, through its participating States, can help to give political support for little reform efforts such as EITI.

Mr. Johansson said that within the energy sphere the OSCE can be a great platform for "knowledge infrastructure", or sharing know-how. IIASA is well-positioned to propose help in increasing knowledge infrastructure, given that it has developed a system-based approach. Mr. Johansson concluded by saying that the concept of knowledge infrastructure is valuable, and progresses from knowing what one's challenges are not only for own country, but within broader region and the world.

Mr. Kudria suggested the compilation of a global atlas of renewable energy potential which would be created on the basis of a single standard of data used. He also emphasized the capacity-building potential in the OSCE's activities which could be related to educational co-operation.

After these presentations, the floor was opened for discussion.

A representative from Azerbaijan thanked the moderator and speakers for their comprehensive presentations on policy instruments for preventing negative legacies, especially of mining activities. However, the speaker considered that other energy activities should be discussed, specifically nuclear energy. He mentioned that the use of aging nuclear plants must be discussed when talking about the energy footprint, and specifically raised the issue of the Metsamor power plant in Armenia. He continued with specific safety issues, including the construction of a new reactor, and also made reference to the Espoo Convention.

A representative from Armenia stated his opinion that the safety threats related to Metsamor are overstated. He said that frequent safety visits take place, and that Armenia duly submitted an impact report to the Espoo Secretariat.

A representative from Austria indicated that Austria claims to be a leader in the use of sustainable and renewable energy, and stated a position to not classify nuclear as a source of sustainable and renewable energy. She stated support for using the highest possible safety standards, including the use of stress tests, and hoped to hear more about planned stress tests. Replying, **the representative from Armenia** informed that the Metsamor power plant does undergo stress tests.

Session IV: Co-operation between public and private sectors and international organizations

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

Rapporteur: **Mr. Elton Qendro**, Project Assistant, Governance in Economic and Environmental Issues Department, OSCE Presence in Albania

Mr. Alistair Clark, Managing Director, Environment and Sustainability, EBRD, stated that EBRD has financed over 50 water and sanitation projects in the last decade and that this amounts to a total investment portfolio of €870 million. In this regard, he explained that these investments benefit 30 million people, almost 10% of the population of the EBRD region. Mr. Clark added that EBRD investment policy is based on three main aspects: *impact*, *assurance* and *engagement*. In the field of sustainability impact, EBRD works on energy and climate change, greenhouse gas assessment 2012, water and waste management, safer roads, occupational health & safety and promotion of better access for women. He indicated energy efficiency was one of the key themes for EBRD as it operates in some of the most energy-inefficient countries.

Mr. Clark presented the work done by EBRD with the Northern Dimension Environmental Partnership (NDEP) to assist the Gulf of Finland in reducing phosphorous load and achieve more than half of Russia's phosphorous reduction commitment under BSAP 2007. In addition, he presented several projects where EBRD was involved and where economic aspects and the protection of the environment were taken into consideration. Mr. Clark informed that, in order to promote sustainability, EBRD has different mechanisms, such as an environmental and social policy, performance standards, disclosure of information prior to the board, monitoring of commitments, a public complaints mechanism, problem-solving and compliance review as well as, evaluations and audits.

Mr. Markus Van Der Burg, Managing Director, Conning Asset Management Limited, United Kingdom started by explaining the concept of "bankable" projects. In this regard, he described bankable as the combination of good governance, rule of law, transparency and accountability. He explained that projects should be bankable in order to be financed. He continued by saying that there is an enormous amount of money from the private sector that could be invested in a new kind of projects, such as those related to sustainability. He pointed out that due to the financial crisis investors are struggling to find adequate return of the money invested in traditional sectors. This can be also translated in an opportunity to invest in sectors that were not considered in the past. Mr. Van Der Burg said that sustainable investments are not a new area for investment and drew the attention of participants to the fact that large amounts of money have been already invested in wind and solar, but very little in projects related to energy efficiency.

Mr. Van der Burg considered that whilst government policy reforms are put in place, investing in untested markets involves significant risks. To overcome these risks, public-private initiatives are needed as an interim solution; but always with the long-term focus of making projects self-sustaining i.e. bankable to the private sector.

The speaker explained that a forum is needed to discuss and address all issues forming part of commercial solutions which, in many cases, market participants cannot solve alone *e.g.* the bundling of small projects and the financing of complex projects related to energy efficiency, such as district heating, municipal lending, etc. In this regard, he informed that Conning was working on a structure to use a Financing Co-ordination Agreement (FCA) to address market failures, lower friction costs and avoiding the conflicts of interest lenders have. FCA would then improve the skill sets required to produce information memoranda to market standards for bankable projects and allow more projects to be financed by the private sector, also in conjunction with the public sector. According to him, this FCA should be under the auspices of a supranational entity in order to avoid any conflict of interest.

Mr. Martin Krause, Regional Practice Leader for Environment, Climate and Energy, Regional Center for Europe and CIS, UNDP, indicated that UNDP implements many projects focused on energy efficiency and renewable energy aiming at creating a market transformation approach, meaning a proper business environment for the private sector. He explained that a market transformation needs 3 elements:

- the right policy and regulatory environment;
- capacity building and skills;
- and leverage in financial aspects.

Mr. Krause emphasized that energy-sustainable solutions do have a human face and are not solely the prerogative of highly specialized experts. Consequently, co-operation is needed beyond energy experts and planners, and should involve specialists from health and education sectors, because they are those that cope with the impact of energy related activities on people. Mr. Krause concluded that, in order to create sustainable energy solutions, five partners should co-operate: governments, development agencies, the private sector, civil society and financial institutions.

Discussion

Dr. Maria Germenchuk, Belarusian Research Centre Ecology, informed that her government has been applying green technologies and co-operating with other actors such as the EU in order to develop more effective technologies. She suggested to further develop a scientific and technical co-operation and added that more conferences such as the Economic and Environmental Forum would be needed. Ms. Germenchuk said that within the OSCE area it was important to generate consensus among governments, civil society and the private sector. She suggested the organisation of technical co-operation activities in the form of conferences at national and regional level.

Ms. Olga Andrianova, Open University of Austria, asked Mr. Krause to comment on the private sector engagement in Aarhus Centres' activities. She asked whether there was a potential in the co-operation between multinationals and Aarhus Centres, namely through partnerships related to supply-chain improvement and technology transfer. In that regard, she also suggested that the OSCE could elaborate a framework for the engagement of the private sector with the Aarhus Centres' activities. **Mr. Krause** replied that the role of multinationals was very important for the improvement of sustainable energy. However, he added that small companies should also have the chance to compete for and participate in this public-private co-operation. In this regard, the governments should ensure an adequate framework and the necessary rules to create an environment of fair competition.

Mr. Alexander Bakalov, Executive Manager, Permanent International Secretariat, Organization of the Black Sea Economic Co-operation (BSEC), suggested that the OSCE could become a hub of information and welcomed the multi-stakeholder presence at the Forum. He added that the OSCE could also raise awareness of civil society. Mr. Bakalov suggested that, in order to improve the environmental footprint of energy-related activities in the Black Sea region, international organizations could: raise awareness among Member States, including the governmental sector, the business community, academic community and the general public; develop international/intra-regional co-operation; promote concrete projects, capable of having multiplying effects in the economies of the BSEC Member States.

A representative of Azerbaijan asked about EBRD's plans on nuclear energy. **Mr. Clark** replied that EBRD would not invest in nuclear power but in nuclear safety.

A representative of Armenia took the floor and asked Mr. Van Der Burg about his views on the perspectives of investment in solar energy, taking into account that the technology of solar panels is not developing as fast as other technologies. **Mr. Van Der Burg** explained that each project has its particularities and therefore would be developed at a different pace.

A representative of the NGO Green Planet, Ukraine, suggested that the OSCE could work with likeminded partners to gather the necessary support from organizations having relevant expertise and capacities. Moreover, the representative declared that his organization firmly supports the initiatives that emerged at the Rio+20 Summit concerning the need to set up a world environmental organization on the basis of UNEP and to draft an Environmental Constitution for the Earth as a common concept for global environmental protection.

Session V: Communicating environmental challenges and risks and promoting public participation in decision making

Moderator: **Ambassador Robert Kvile**, Permanent Representative of Norway to the OSCE

Rapporteur: **Mr. Nurbek Tashbekov**, Assistant, Office of the Co-ordinator of OSCE Economic and Environmental Activities

The Moderator, Ambassador Kvile, introduced the main topics of the session. He asked participants to analyse how individuals can use the OSCE and other organizations to anchor the work on environmental issues in the society, ensuring democratic debate.

Ms. Marta Szigeti Bonifert, Chair of the ENVSEC Initiative and Executive Director of the Regional Environmental Centre for Central and Eastern Europe (REC), started her presentation with an overview of the Environment and Security (ENVSEC) Initiative. ENVSEC assessments have been conducted for Eastern Europe, South Eastern Europe, the South Caucasus and Central Asia. She explained that ENVSEC's work focuses on issues such as trans-boundary natural resources, hazardous substances and practices, population pressure and climate change, information and participation.

She also listed a number of examples of ENVSEC's work on capacity building, such as the multi-media environmental education curriculum kit – Green Pack, or the Sustainable Development Academy. Among the ENVSEC Chair's priorities for 2013, Ms. Bonifert mentioned: strengthening the security dimension of ENVSEC, with particular emphasis to the risk nexus between climate, water, energy and food; consolidating and widening the scope of ENVSEC step by step to include countries neighbouring the ENVSEC regions, as well as by sharing its experience more effectively

with other regions; creating a more sustainable and effective ENVSEC Initiative; sharing lessons learned and enhancing the visibility of the ENVSEC Initiative.

Ms. Katherine Richardson, Professor, Biological Oceanography and Leader, Sustainability Science Centre, University of Copenhagen, Denmark, stressed that achieving sustainable development requires a change in perception. Societal development has, until now, been based on the assumption that the natural resources and services upon which societal development under the current model relies are essentially unlimited. However, science now tells us that this is not the case. Future societal development is dependent upon matching the human demand for resources with the global supply. A greater understanding of the current societal reaction to anthropogenic climate change and other manifestations of human perturbation of the Earth can be reached by examining the perception of the human-earth relationship in an historical perspective. Perhaps an increased focus on the underlying need for changing our perception of the human-earth relationship would motivate more action on, for example, climate change, rather than trying to communicate our scientific understanding of climate change.

Ms. Aykhon Sharipova, Deputy Chairperson, Environmental Protection Committee, Tajikistan, indicated that Tajikistan acknowledges the importance of the Millennium Development Goals and considers them an important tool for poverty reduction. In this context she emphasized the relevance of mitigating risks resulting from climate change through the usage of clean and affordable energy. She added that energy supply for the population of the whole country was an important factor for economic development in Tajikistan, for poverty reduction and for the increase of the living standard. Sharipova referred to the sources of hydropower in Tajikistan, indicating that the country also supports the construction and usage of small hydropower stations (for energy supply and promotion of small businesses in the remote mountainous territories) considered as clean energy. She added that Tajikistan also uses other renewable energy sources like solar, wind and biomass. However, she pointed out that due to temporary lack of electricity and electricity interruptions, natural gas and coal were also used as sources of energy.

Because of critical shortage of bio-fuel and difficulties in its delivery to mountainous regions of Tajikistan, the population living far from electrical transmission lines may use wood as energy source. This deeply harms the forests and may cause floods, landslides and other natural disasters, interferes with the ecology of mountainous areas and leads to the destruction of flora and fauna. In efforts to develop the clean energy sector and to minimize the use of natural resources like wood, the government of Tajikistan together with civil society developed and adopted a number of respective state programs and legal documents and co-operates with international organizations in this respect. Due to the network of the established and OSCE supported Aarhus Centres, which operate in all remote areas of Tajikistan, it became possible to raise awareness and familiarize the population with short-term and mid-term programs of the Government and increase their capacity in preserving ecosystems. Ms. Sharipova expressed her view that the co-operation with the OSCE, including through the Aarhus Centres, will contribute to the preservation of natural resources and, consequently, to poverty reduction and an increase of welfare.

Mr. Dmitry Prudtskikh, Manager, Aarhus Centre in Khujand, Tajikistan, focused his presentation on promoting public participation on radioactive security in Tajikistan. He provided an overview of the work conducted by the Aarhus Centres and OSCE in promoting public participation campaigns in this field. The work of the Aarhus Centre in Khujand was based on three main areas: strategic environmental planning, focusing on radioactive security; public campaigns on nuclear safety in Taboshar city; and support for the environmental working group of the Community Council under the Head of Sughd region.

Mr. Prudtskikh added that it is important that the population identify the environmental problems they face. He stated that local population can influence environmental decision making issues, improve planning and therefore support the identification of environmental “hot spots” at local

level, as well as play a role in the development of public environmental monitoring tools. He also voiced the necessity of counting on the governmental approval and funding for the implementation of local environmental strategies. In that regard, he pointed out to the necessity of having a short, mid- and long term vision of local environmental planning and implementation. Finally, he recommended continuing using mechanisms of the Aarhus Convention at local level

After the presentations the Moderator opened the floor for discussion, questions and comments.

Mr. Tytarchuk, Institute for International Research at the Ukrainian Academy of Sciences, asked Ms. Richardson about her opinion regarding a relatively new type of social science called “Environmental psychology”, which combines social science and natural resources to address issues concerning environmental changes. Then, he proposed some recommendations for the OSCE role on promoting of public participation and communication:

- Incorporating this issue into the Helsinki+40 process under the good governance agenda with practical emphasis on energy related activities;
- Broadening the scope of the so-called Track II initiatives with a view to organising some kind of OSCE Economic and Environmental Security Days prior to the Economic and Environmental Implementation Meeting;
- Establishing interaction with the Open Government Partnership Networking Mechanism, in line with the Dublin OSCE Declaration;
- Inviting civil society, academia and industry representatives to meetings of the Economic and Environmental Committee to present and discuss energy-related issues;
- Combining cross-dimensional efforts with other civil society initiatives and events under the OSCE auspices such as the Civil Solidarity Platform, NGO activities parallel to MC meetings, etc.

Ms. Richardson answered that it was essential for social science to work together with natural science to get good results. Social problems should be resolved by social scientists. She noted that in addition to economic sustainability, sustainability has components linked to environment and social aspect.

Mr. Miodrag Dakić, Energy and Climate Change Program Co-ordinator, Centre for Environment, Banja Luka, Bosnia and Herzegovina, commented on three examples of the implementation of Environmental Impact Assessments (EIA), as well as on the application of the Regional Energy Strategy (RES) for the Energy Community in Bosnia and Herzegovina, which he considers unsuccessful. He stressed that during the consultations and adoption processes of the assessments and the Strategy, the provisions of the Aarhus Convention were not respected and civil society did not have a chance to address their concerns. He expressed his hope that the revision of the Strategy will be organised in a different way. Referring to hydropower projects in BiH, Mr. Dakić signaled that in some cases there was a lack of communication among local and neighboring governments, civil society and the entities responsible of the organisation of the EIA. Concluding, Mr. Dakić regretted that almost all EIA projects got environmental permits regardless of the fact that consultations were not properly conducted.

A representative of the OSCE Centre in Bishkek shared the experience of implementing projects by the Centre on introduction and inclusion of green economy study modules into the curricula at university and high school levels.

A representative of Austria thanked Ms. Bonifert for the update on the ENVSEC initiative and noted that the Initiative is a success story where interagency co-ordination on the ground really works and where all institutions and organizations work together to create comparative advantage. The representative ensured the continued support of Austria to this Initiative. Regarding Ms. Richardson presentation, the representative expressed her view that a positive communication, that

conveys the advantages of investing in raising awareness on environmental challenges, can lead to positive results, including the generation of green jobs through the development of environmental technologies. The representative also asked Mr. Prudtskikh if Tajikistan had any experience on trans-boundary processes concerning nuclear issues.

Ms. Richardson replied to the representative of Austria that, because we are part of the environment, by helping us we help the environment and vice-versa.

Mr. Prudtskikh replied to the representative of Austria that there were regional scientific projects in Central Asia with IAEA and NATO, on the Syrdarya River Basin, on identifying heavy metals and radioactive elements in the water.

Ms. Bonifert promised to convey the comments from the representative from BiH to the OSCE colleagues working in South East Europe. She underlined that one important element of the Aarhus Centres is that they help accelerate interaction on the ground.

Ms. Richardson concluded that public participation is absolutely essential before designing a project that could impact the population. She wondered how much participation would be needed in order to be able to make a decision on global environmental issues.

Ms. Sharipova expressed the wish to continue the co-operation with international organizations and requested OSCE's support for three new Aarhus Centres.

Mr. Prudtskikh recommended the OSCE to develop new platforms of co-ordination between Central Asian countries on the use of natural resources and renewable energy sources.

The Moderator gave an example of potential conflict between energy and environment in Norway, concerning opening new areas for gas and oil exploration offshore. Based on that example he stressed that it was important that all relevant stakeholders discuss and have the possibility to express their views before taking a decision on an issue that could affect the population and the environment. He mentioned that there was a very strong link between the discussion during this Session and the Dublin Declaration on Good Governance, because good governance is about the relationship between the government and the population and about various stakeholders having access to key information and different perspectives.

Concluding Session: The OSCE's Role in Follow-up to the Forum

Moderator: **Ambassador Ihor Prokopchuk**, Chairman of the Permanent Council, Permanent Representative of Ukraine to the OSCE, 2013 Ukrainian OSCE Chairmanship

Rapporteur: **Mr. Raul Daussa**, Environmental Programme Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities

The Delegation of Ireland, on behalf of the EU, welcomed the focus on good governance issues, and indicated that it is crucial to enhance transparency in policy-making. In this regard, the representative welcomed the OSCE engagement in support of the implementation of the Aarhus Convention, as well as of other multi-stakeholder initiatives aiming at improving good governance in the extraction of natural resources, such as the EITI. In that regard, the EU indicated that it would welcome proposals for further engagement by the OSCE in the area of good governance and transparency. In addition, the EU attached particular importance to the topic of Environment and Security and underlined that the OSCE as a security organization has a role to play in that regard. Therefore, it would welcome further deliberations in this context.

The delegation of Belarus welcomed the discussion undertaken during the First Preparatory Meeting of the 2013 OSCE Forum process, in particular on topics such as sustainable and renewable energy, energy efficiency, safeguard of critical energy infrastructures and good governance linked to developing co-operation and strengthening security. The delegate indicated that the OSCE can become an important forum for co-operation among the different players involved in the development of renewable energy and access to new technologies. In that regard, the delegate added that Belarus was interested in seeing the dialogue in this area pursued within the OSCE.

The delegation of the Russian Federation welcomed the discussions undertaken during the two-day meeting but suggested to balance the speakers' presentations to avoid too much focus given to one particular sub-region in the OSCE area. In this regard, the delegate encouraged the EU, Canada and the United States to share their best practices in promoting energy efficiency in order to learn from potential challenges they faced in implementing sustainable energy initiatives.

The delegation of the United States of America expressed the relevance of the OSCE as a neutral platform for establishing an energy dialogue without politicizing the discussion and commended the OSCE work with regard to the Aarhus Centres. The United States delegation supported the creation of a mechanism to collect data and exchange new technologies to enhance co-operation in case of natural disasters, oil spills and terrorist attacks against critical energy infrastructure. Furthermore, the delegate indicated that the good governance principles set forth by the EITI should be included in the Economic and Environmental Forum discussions and also in the Economic and Environmental Dimension Implementation Meeting.

The Delegation of Azerbaijan praised the importance of co-operation and exchange of best practices on sustainable energy and good governance in the field of extractive industries. After summarizing the main points of the background paper and subsequent discussions, the Azerbaijani delegation noted that nuclear energy is an important topic to discuss in the Economic and Environmental Forum process and expressed its willingness to discuss this topic in future Forum meetings.

The Delegation of Spain stressed the importance of a stronger involvement of international finance institutions and the private sector in the Forum process.

The Delegation of Serbia explained its national initiative on energy savings and energy infrastructure, as well as plans to promote a green economy. The delegate also expressed the view that the Forum meeting was not only about renewing commitments, but also about taking responsibility for action for a better world.

The Delegation of Kyrgyzstan welcomed the outcome of the meeting as well as the support provided by international financial institutions to promoting sustainable energy projects in Kyrgyzstan.

The Moderator, Ambassador Prokopchuk, concluded the session and summarized the main issues linking environment and energy issues which, if not tackled properly and timely, can become an issue of serious global concern. The Ukrainian Chairmanship expressed the view that the OSCE offers a relevant platform for sharing experiences, different views and best practices, which can advance partnerships among regions and countries. The general objective of the Forum process is to clearly define the role the OSCE can play, as a platform for co-operation, in the fields of energy and environment. The outcome of the EEF meetings must be beneficial to all participating States.

The Moderator invited all delegations to the Second Preparatory Meeting of the 21st OSCE Economic and Environmental Forum, which will take place on 16-17 April in Kyiv.

ANNEX



**Organization for Security and Co-operation in Europe
Permanent Council**

PC.DEC/1047

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 organize 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, organized 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.

OPENING REMARKS

Ambassador Ihor Prokopchuk,

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

Excellencies,
Ladies and Gentlemen,

On behalf of the Ukrainian Chairmanship it is my great pleasure to welcome you all to the First Preparatory Meeting of the 21st OSCE Economic and Environmental Forum.

At the outset, I would also like to warmly welcome the new OSCE Co-ordinator of OSCE Economic and Environmental Activities, Mr. Halil Yurdakul Yigitgüden, who joined the OSCE team last week, and to wish him every success in performing his responsible duties. I am sure that under his guidance, and with the support of his professional colleagues, the OCEEAA will contribute to the Chairmanship's goal to increase the effectiveness of the OSCE Economic and Environmental Dimension.

In its Priorities for Action, the Ukrainian Chairmanship has stressed that it considers the OSCE as a unique platform for conducting an open dialogue among equal partners. In our view this means working in the spirit of Helsinki to maintain a balanced approach across all three OSCE dimensions, to pursue the principles and goals of this Organization and to promote trust, confidence and co-operation among the participating States. In that regard, most relevant issues relating to Economic and Environmental Dimension may be reflected in the "Helsinki+40" process and I am confident that with the support of the Chair of the Economic and Environmental Committee, Ambassador Ol'ga Algayerova, and the engagement of all OSCE participating States we will be able to further strengthen co-operation in the second dimension, thus advancing the work towards a security community.

Another aspect that we have stressed in our Priorities for Action is "co-operation". Indeed, the Chairmanship strongly believes that promoting co-operation on economic and environmental matters contributes to greater stability, security and prosperity. On the other hand, neglecting economic and environmental challenges and problems may increase tensions inside and between States and regions. This applies as well to issues related to energy, and that is why we will emphasise the aspect of co-operation in the whole Forum process.

Excellencies,
Ladies and Gentlemen,

As the OSCE Chairperson-in-Office, Minister for Foreign Affairs of Ukraine, H.E. Mr. Leonid Kozhara stated in his address to the OSCE Permanent Council last January: *"It would hardly be possible to promote a comprehensive and lasting security in the OSCE region without properly addressing the existing challenges in the economic and environmental sphere, including energy security"*. This approach guided us when we proposed the theme for this year's Forum.

The topics "energy" and "environment" and their security implications are not new to the Organization. The theme *"Increasing stability and security: Improving the environmental footprint of energy related activities in the OSCE region"* draws on the work already undertaken by the Belgian, Spanish, Greek and Lithuanian Chairmanships, as well as on the 2010 Astana Summit Commemorative Declaration.

We are all aware that security issues in the context of energy and environment are pressing and need to be addressed. Given the OSCE's relevant position as a platform for dialogue, I believe that the Organization should contribute to the energy security dialogue, not only among its participating States, but also among leading experts, the private sector, the civil society, and international organizations specialized in energy-related issues. The expertise of the OCEEA and of the OSCE field operations are important tools at the disposal of all participating States to improve the environmental footprint of energy-related activities in the OSCE region.

Throughout this year we will have ample opportunities to discuss energy and environmental challenges to security, as well as to promote energy efficiency and renewable energy co-operation in the OSCE area.

In this respect, I would like to draw attention of the participants of the meeting to the OCEEA "Background paper on the theme of the Forum distributed last week, which identifies reduction of the environmental impact of energy-related activities as one of our common challenges.

By prioritizing the energy efficiency as well as broader use of alternative and renewable sources of energy we intend to contribute to further development of energy dialogue within the OSCE as well as to generate political will for enhancing co-operation in the field of energy security without politicizing this issue.

The Ukrainian Chairmanship proposes to focus the discussions during the Forum process on a number of specific issues such as:

- Addressing environmental risks from energy-related activities;
- Promoting renewable energy, energy efficiency and energy savings;
- Promoting and supporting good governance and public participation in decision making in the environmental sector;
- Supporting co-operation between public and private sectors;
- Promoting technology transfer and co-operation on research and development for new technologies.

Our aim is to develop ideas further and come up with recommendations for a clearer and strengthened role for the OSCE. We will strive to facilitate a comprehensive and meaningful dialogue on these issues. By the end of this year, we do hope all participating States would be in the position to agree on a reinforced mandate for the OSCE and its executive structures in the field of energy and environment.

I am confident that the discussions that will be initiated today will promote co-operation and help achieve this goal. We should be able through this collective process to reach consensus on practical and balanced recommendations.

I encourage you to participate actively in the discussions and wish you all an interesting and stimulating Forum here in Vienna. The Chairmanship looks forward to discussions in the days ahead.

Thank you for your attention.

OPENING REMARKS

Ambassador Lamberto Zannier

OSCE Secretary General

Excellencies,
Ladies and Gentlemen,

I warmly welcome all of you to Vienna for this First Preparatory Meeting of the 21st OSCE Economic and Environmental Forum. I am pleased to see so many 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.

Allow me also to warmly welcome our new Co-ordinator of OSCE Economic and Environmental Activities, Mr. Yurdakul Yigitgüden. In particular, with his long standing experience in the energy sector he can offer a strong contribution to our joint efforts

The event which is beginning today is the first building block of the 2013 Economic and Environmental Forum. The relevance and importance that energy has for the development and security in the OSCE region have been lastly recognised in the OSCE context at the 2010 Astana Summit where Heads of States and Governments agreed that energy security dialogue in the OSCE, including on agreed principles of our co-operation, must be enhanced. This year's Forum is the continuation of an on-going dialogue on energy issues in the OSCE framework, culminated over the years with the adoption of a number of MC decisions.

In particular, this year's Forum will mainly focus on the impact that energy production, transportation and consumption have on the environment, as well as on the opportunities that an improved environmental footprint of energy will bring to OSCE participating States.

Excellencies,
Ladies and Gentlemen,

Reducing the environmental impact of energy related activities is one of the challenges faced by the OSCE participating States.

One cannot neglect that the energy is one of the main drivers of economic development. It contributes greatly to the improvement of life's quality of billions of people all around the world. But at the same time energy production, transportation and consumption - which have obvious economic and political implications - can also have severe implications for the environment with long lasting consequences. Climate change is for sure one of the main challenges we are currently facing, but we should not forget that energy-related activities can also negatively impact on ecosystems, on human health, on soil and sea. We have all witnessed the devastating impact of accidents that took place during last years in the oil extraction industry, in the energy production and transportation.

On the other hand, recent years also marked a significant progress in improving the environmental impact of energy-related activities. The current economic and environmental challenges oblige States to look for solutions, based on renewable, efficient and environmentally sound technologies. Technological development is contributing significantly in curbing CO₂ emissions, increasing energy efficiency and reducing pollution from the extractive industry. Water, wind, solar, geothermal, biofuel are offering alternative options with much lesser impact on the environment and opportunities for local energy production.

But addressing the link between energy, environment and security means going beyond the energy and environmental sectors. It means tackling economic development, trade, social issues, climate change, political and security concerns. It also means mainstreaming energy and environment into all relevant policies such as research, development, and foreign affairs.

I believe that the environmental footprint of energy-related activities offers an ample avenue for co-operation among the OSCE participating States. The promotion of renewable energy sources, co-operation on best practices on resource extraction, environmental impact assessment and transparency in the resource sector are among the most effective ways to reduce the adverse environmental impact of energy.

Excellencies,
Ladies and Gentlemen,

As the OSCE includes participating States of the whole energy chain, our Organization is well placed to facilitate the exchange of best practices related to sustainable energy.

Through the efforts of the Office of the Co-ordinator of OSCE Economic and Environmental Activities and our field operations, the OSCE has contributed to promote sustainable energy solutions. Specific areas in which the OSCE has responded to participating States requests have included oil spill preparedness, sharing of best practices in the use of renewable sources of energy, capacity building for policy makers and other national stakeholders, and raising public awareness and public participation on issues at the interface of energy and environment.

In carrying out its work in this area, the OSCE has worked in partnership with other international and regional organizations, focussing on its comparative advantages. In that regard, we have deepened our co-operation with other international bodies, in particular in the framework of the “Vienna Energy Club”.

The OSCE has also a fruitful co-operation with the UNECE, with which we have a Memorandum of Understanding, as well as with the Energy Charter Secretariat, NATO and the Secretariat of the Extractive Industries Transparency Initiative (EITI). I would also like to underline the Environment and Security (ENVSEC) Initiative through which we have been cooperating with a number of important partners to address environment and security challenges in the OSCE region. Within its last ten years, ENVSEC has dealt with several issues related to energy, environment and security.

I believe that throughout this year's Forum process, particular attention will be paid to identifying opportunities to increase the effectiveness of such international co-operation. But I am also confident that the recommendations and outcomes of this year's Forum will strengthen the mandate of the OSCE to support relevant multilateral environmental agreements to the benefit of all participating States.

In conclusion, I wish to express my gratitude to all the guest speakers and participants for joining us here in Vienna and for agreeing to take an active part in our deliberations. I look forward to our discussions over the next two days, and especially to practical suggestions that may enhance the OSCE's role in this important area.

OPENING REMARKS

Mr. Halil Yurdakul Yigitguden

Co-ordinator of OSCE Economic and Environmental Activities

Excellencies,
Distinguished participants,

It is an honour to address this opening session of the First Preparatory Meeting of the 21st OSCE Economic and Environmental Forum, especially given that this Meeting is my first official event as the Co-ordinator of OSCE Economic and Environmental Activities. I look forward to working with the Ukrainian Chairmanship and the delegations on the Forum as well as on all other second dimension issues this year. I am pleased to welcome so many government officials and experts from OSCE participating States and Partners for Co-operation, representatives of international and regional organizations, the civil society, the business community and academia. By bringing together for this meeting leading experts, the OSCE is fulfilling its mandate as a platform for dialogue and exchange of ideas with regard to energy issues. We are continually deepening our relations with partner organizations, and as you can see, many of them are represented here in Vienna this week.

I take this broad participation as a sign of acknowledgement of what the OSCE has to offer in the economic and environmental dimension, in particular in the field of energy and its footprint upon the environment.

In our discussion during the next two days, we shall identify examples of successful co-operation and share best practices on topics such as effective policies for sustainable energy and energy efficiency, Climate change concerns, a drastic increase in the use of energy over the last decades and the environmental impact of the use of conventional energy sources. These are among the most challenging and pressing issues that need to be addressed at global, regional, national and local level. Environmental good governance and transparency in the energy sector, as well as the protection of critical energy infrastructure, are an important part of the Forum agenda.

This year's Forum is the logical continuation of an on-going dialogue on energy issues in the OSCE framework. Sustainable Energy was discussed during the Forum of the Lithuanian Chairmanship in 2011. In recent years, we have conducted and co-organized meetings and conferences on "Strengthening Energy Security in the OSCE Area" (in July 2009 in Bratislava), "Strengthening Regional Co-operation in Central Asia for Promoting Stable and Reliable Energy within Eurasia" (in May 2010 in Ashgabat), "Assessing the OSCE's Future Contribution to International Energy Security Co-operation" (in September 2010 in Vilnius), and the Chairmanship Conference "Integrating Global Energy Markets – Providing Energy Security" (in November 2011 in Ashgabat).

Based on the existing experience accumulated by my Office and the Field operations, we will continue to provide support to dialogue and co-operation initiatives between various stakeholders at national, bilateral and regional level, notably on renewable energy, energy efficiency and technology transfer. We could raise awareness on the environmental footprint of energy-related activities and its impact, particularly at local level, including gender aspects, and support innovative solutions. We could also encourage the inclusion of good governance and anti-corruption aspects in policies promoting sustainable energy and environmental management. In this regard, OSCE-supported Aarhus Centers are well positioned to promote the shared responsibility between governments and the public for all issues concerning environmental governance including

challenges stemming from energy-related activities. The Environment and Security Initiative (ENVSEC) where the OSCE cooperates with other International Organizations – United Nations Environment Programme (UNEP), United Nations Development Programme (UNDP), United Nations Economic Commission for Europe (UNECE), Regional Environmental Center (REC) and North Atlantic Treaty Organization (NATO) as associate partner also offers a unique mechanism to create synergies to jointly address environmental challenges related to the energy sector.

Excellencies,

Sustainable energy, co-operation on energy issues as well as on environment and security are key priorities of the second dimension and thus part of the OSCE's concept of comprehensive security. The increasing importance of sound environmental governance and the very dynamics of the energy sector require a continuous and transparent dialogue. I trust that the discussions that will take place over the coming days will strengthen our dialogue and co-operation in these areas.

Thank you for your attention.

CLOSING REMARKS

Ambassador Ihor Prokopchuk

Chairperson of the OSCE Permanent Council

Your Excellencies,
Ladies and Gentlemen,

We are now concluding the First Preparatory Meeting of the 21st OSCE Economic and Environmental Forum. I would like to express, on behalf of the Ukrainian 2013 OSCE Chairmanship, our satisfaction for the dynamic and constructive discussions we have had over the last two days and for the results we have achieved.

Let me in particular thank our speakers, who brought a lot expertise and of relevant ideas to our attention. Allow me to use this opportunity and thank Mr. Yigitguden and the staff of his Office for the excellent co-operation with our Chairmanship in preparing this event.

In our view, this Forum meeting has proved, once again, the necessity and importance of addressing the environmental footprint of energy-related activities in the OSCE region. The impact of energy-related activities on the environment has its own dynamic. Negative consequences may accumulate and become more serious year by year; they may have local as well as trans-boundary implications; if not properly and timely tackled, such issues can become a serious global concern.

In that regard, the 57 OSCE participating States have a shared responsibility. I am pleased to note the willingness, expressed by many of you during the debates, to deepen our co-operation on a number of challenging energy issues. I also want to stress that we are not alone in this effort and that, as we have heard over the last days, many international, governmental and non-governmental, public and private organizations share these concerns and can work together with the OSCE.

Regional and international organizations pay much attention to these energy issues which means that we should enhance our co-operation and coordination with them as well as to strengthen public-private co-operation.

No less important is dialogue between and with the scientists and researchers, and the civil society. The OSCE should be seen as a platform for sharing experiences, different views and best practices. On the global level, OSCE can advance partnerships among different regions and countries. I believe that the OSCE can bring added value and contribute to enhancing co-operation in the field of energy and the environment.

Ladies and Gentlemen,

The issues at stake are very complex. During this two-day meeting we have received some answers to some of the questions that have been raised; for some questions we have received only partial answers and there are many questions which require further attention. We should therefore continue our discussions; we should advance our dialogue and co-operation and streamline our efforts directing them towards achieving concrete results.

Economic activity, development and growth require energy and the world's energy needs increase every day. But, energy production and consumption, particularly of fossil fuels, have a number of environmental impacts including air pollution, greenhouse gas emissions and adverse impacts on ecosystems. With the increase of energy demand, if policies do not change, the energy-related CO₂ emissions will also multiply and may reach unsustainable levels. Such environmental threats may even undermine security and stability in the OSCE region. For example, climate change may cause shortages of food and water and increased risk of flooding. In order to have sustainable

development we need to implement all possible measures and instruments taking into consideration a comprehensive cost-benefit analysis. We should make long-term choices and efficiently manage the needed energy sources. Our cooperative actions should help to reduce environmental risks at regional and global level, and at the same time underpin the economic growth of our countries.

We should place these issues high on our agenda to promote energy savings and energy efficiency, and develop alternative and renewable sources of energy which have much less environmental footprint. This may also play a key role in reaching the goals of security of supply and reduction in greenhouse gas and air pollution emissions. Moreover, renewable energy technologies are expected to bring a number of social and economic benefits, including regional and local development opportunities.

Energy efficiency and renewable are the answer to some key challenges of our time: energy poverty, inequality, sustainable economic growth and environmental degradation.

We acknowledged the multiple benefits provided by renewable energy. Together with energy efficiency it provides energy access especially for the poor; creates economic and job opportunities; improves the environmental footprint and moderates climate change; and enhance energy security and sustainable development.

Ladies and Gentlemen,

Our general objective for the Forum process is to clearly define the role the OSCE can play, as a platform for co-operation, in the fields of energy and environment. The outcome of our meetings must be beneficial to all participating States.

In doing so we should build upon our existing experiences. We should dully take into account the conclusions of our past deliberations on similar topics - international and regional conferences and meetings of the Economic and Environmental Committee, as well as the outcomes of activities carried out by the Office of the Co-ordinator of OSCE Economic and Environmental Activities or by the Economic and Environmental Officers in this Field Operations.

I do believe that if we, together, take such a pro-active approach, we will be able to reach, at the Concluding Meeting of this year's Forum process, a common understanding on how to best advance our dialogue and co-operation on energy issues and in particular on their environmental footprint in the OSCE region. By joining our efforts and sharing our expertise it would be able to reach better results than by working alone.

As in past years, the Office of the Co-ordinator of Economic and Environmental Activities will compile a Consolidated Summary which will be made available to all of you during the next weeks. It should serve as a background for further discussions in the framework of the Economic and Environmental Committee in Vienna. I am looking forward to that.

Our next benchmark is the Second Preparatory Meeting of the 21st OSCE Economic and Environmental Forum, which will take place on 16-17 April in Kyiv. Soon, a draft agenda will be shared with the OSCE Delegations.

Before closing this meeting, I would like to thank all those who contributed to its success, the Moderators, Speakers and Rapporteurs, the conference service staff and the interpreters.

I also want to thank all of you, dear participants, for your active contribution, and to wish you a safe trip back home.

I am looking forward to seeing you soon in Kyiv. Thank you for your attention.



Organization for Security and Co-operation in Europe
The Secretariat

Vienna, 30 January 2013

21ST OSCE ECONOMIC AND ENVIRONMENTAL FORUM

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

FIRST PREPARATORY MEETING

4-5 February 2013, Vienna

Venue: OSCE Congress Centre, Hofburg, Heldenplatz, 1010 Vienna,
NeuerSaal, 2nd Floor

AGENDA

Monday, 4 February

09.30 – 11.00 **Opening Session:** **The linkages between energy and environment and their impact on security and co-operation** (*Open to the Press*)

Opening Statements:

- **Ambassador Ihor Prokopchuk**, Chairman of the Permanent Council, Permanent Representative of Ukraine to the OSCE, 2013 Ukrainian OSCE Chairmanship
- **Ambassador Lamberto Zannier**, OSCE Secretary General
- **Mr. Halil Yurdakul Yigitguden**, Co-ordinator of OSCE Economic and Environmental Activities

Keynote Speeches:

- **Mr. Taizo Nishikawa**, Deputy to the Director General, United Nations Industrial Development Organization (UNIDO)
- **Mr. Sebastian Winkler**, Director for Europe, Global Footprint Network

Statements by Delegations / Discussion

11.00 – 11.30 Coffee/Tea break (*Press Conference*)

11.30 – 13.00 **Session I:** **Environmental challenges and opportunities of energy consumption**

Selected topics:

- Local effects of fossil fuel consumption: air pollution and existing measures to reduce its harmful effects on population
- Global effects of fossil fuels: climate change as a threat to security and as an opportunity for international co-operation
- Energy efficiency: policy measures to promote energy savings

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

Rapporteur: Ms. Dana Bogdan, Project Assistant, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

- **Mr. David Stanners**, Head of International Co-operation, European Environment Agency (EEA)
- **Mr. Dennis Tänzler**, Head of Climate & Energy Policies, Adelphi Research, Germany
- **Ms. Gabriela Prata Dias**, Senior Expert for energy efficiency and related environmental questions, Energy Charter Secretariat

Discussion

13.00 – 14.30 Lunch break

14.30 – 16.00 Session II: Environmental challenges and opportunities of energy production and transportation

Selected topics:

- Fossil fuel extraction and environment
- Hydropower and environment
- Environmental risks of fossil fuel transportation, including best practices on oil spill prevention and preparedness

Moderator: Ambassador Thomas Greminger, Permanent Representative of Switzerland to the OSCE

Rapporteur: Ms. Nino Makashkhia, Associate Environmental Affairs Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

- **Mr. Werner Floegl**, Vice-President, International Commission on Large Dams (ICOLD)
- **Mr. Bosko Kenjic**, Head of Water Resources Department, Ministry of Foreign Trade and Economic Relations, Bosnia and Herzegovina
- **Mr. Peter Taylor**, Manager, Oil Spill Preparedness Regional Initiative (OSPRI)
- **Ms. Shynar Izteleuova**, Director of the Atyrau Aarhus Centre, Kazakhstan

Discussion

16.00 – 16.30 Coffee/Tea break

16.30 – 18.00 **Session II - Continuation: Environmental challenges and opportunities of energy production and transportation**

Selected topics:

- Production of electricity and environment
- Environmental concerns of electricity distribution and opportunities for co-operation on electricity markets
- Efforts to protect critical energy infrastructure

Moderator: Ambassador Eoin O'Leary, Permanent Representative of Ireland to the OSCE

Rapporteur: Ms. Gohar Ghazinyan, National Officer, Environmental Dimension, OSCE Office in Yerevan

Speakers:

- **Mr. Janez Kopač**, Director, Energy Community
- **Dr. Majid Khodjaev**, Executive Director, CA Regional Center for Renewable Energy, Uzbekistan
- **Mr. Julijus Grubliauskas**, Energy Security Officer, North Atlantic Treaty Organization (NATO)
- **Ms. Nurzat Abdyrasulova**, Director, Energy and Environmental Expert at Civic Foundation UNISON, Kyrgyzstan

Discussion

18.30 **Reception hosted by Mr. Halil Yurdakul Yigitguden, Co-ordinator of OSCE Economic and Environmental Activities (Hofburg - Winter Garden)**

Tuesday, 5 February

09.30 – 11.00 **Session III: Promoting sustainable management of energy resources**

Selected topics:

- Policy instruments for promoting sustainable energy
- Good governance in the resource extraction sector
- Preventing negative legacies of energy-related activities, including mining operations

Moderator: Mr. Matthew Murray, Deputy Assistant Secretary of Commerce for Europe and Eurasia, International Trade Administration Department, United States of America

Rapporteur: Mr. Richard Wheeler, Senior Programme Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

- **Mr. Jonas Moberg**, Head, Extractive Industries Transparency Initiative Secretariat (EITI)
- **Professor Thomas Johansson**, Co-Chair of the Global Energy Assessment, International Institute for Applied Systems Analysis (IIASA) and Professor at the International Institute for Industrial Environmental Economics, Lund University, Sweden
- **Mr. Stepan Kudria**, Deputy Director, Institute of Renewable Energy, National Academy of Sciences, Ukraine
- **Mr. Gan-Ochir Ser-Od**, Senior Specialist of Department of Coordination of Policy Implementation, Ministry of Mining, Mongolia

Discussion

11.00 – 11.30 Coffee/Tea break

11.30 – 13.00 Session IV: Co-operation between public and private sectors and international organizations

Selected topics:

- Strengthening public-private co-operation on the way to the Green Economy
- Engaging private and international financial institutions and providing incentives for the business sector
- The role of international organizations in providing technical assistance

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

Rapporteur: Mr. Elton Qendro, Project Assistant, Governance in Economic and Environmental Issues Department, OSCE Presence in Albania

Speakers:

- **Mr. Alistair Clark**, Managing Director, Environment and Sustainability, European Bank for Reconstruction and Development (EBRD)
- **Mr. Markus van der Burg**, Managing Director, Conning Asset Management Limited, United Kingdom
- **Mr. Martin Krause**, Regional Practice Leader for Environment, Climate & Energy, Regional Centre for Europe and CIS, United Nations Development Programme (UNDP)

Discussion

13.00 – 14.30 Lunch break

14.30 – 16.00 Session V: Communicating environmental challenges and risks and promoting public participation in decision making

Selected topics:

- Improving the narrative to enhance dialogue between science, political decision makers, the industry and the civil society
- Best practices in public outreach on environmental risks, including at local level
- Awareness raising, education and capacity building

Moderator: Ambassador Robert Kvile, Permanent Representative of Norway to the OSCE

Rapporteur: Mr. Nurbek Tashbekov, Assistant, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

- **Ms. Aykhon Sharipova**, Deputy Chairperson, Environmental Protection Committee, Tajikistan
- **Ms. Marta Szigeti Bonifert**, Chair of ENVSEC Initiative and Executive Director of the Regional Environmental Centre for Central and Eastern Europe (REC)
- **Ms. Katherine Richardson**, Professor, Biological Oceanography and Leader, Sustainability Science Centre, University of Copenhagen, Denmark
- **Mr. Dmitry Prudtskikh**, Manager, Aarhus Centre in Khujand, Tajikistan

Discussion

16.00 – 16.30 Coffee/Tea break

16.30 – 18.00 Concluding Session: The OSCE's Role in Follow-up to the Forum

Moderator: Ambassador Ihor Prokopchuk, Chairman of the Permanent Council, Permanent Representative of Ukraine to the OSCE, 2013 Ukrainian OSCE Chairmanship

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