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**Ad Hoc Inter-Agency Task Force on Energy**

Second Session

Vienna, 8 September 1999

**REPORT OF THE SECOND SESSION OF THE AD HOC INTER-AGENCY  
TASK FORCE ON ENERGY**

(Vienna, 8 September 1999)

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## **I. Introduction**

1. The Second session of the Ad Hoc Inter-Agency Task Force on Energy of the IACSD was held in Vienna International Center on invitation of the International Atomic Energy Agency on 8 September 1999. The session was chaired by Ms. JoAnne DiSano, Director, Division for Sustainable Development, UN/DESA. The agenda of the session, as adopted by the Task Force, is contained in Annex I, the list of participants in Annex II and the list of documents in Annex III. The following are the main conclusions and agreements reached at the meeting.

## **II. Preparations for the ninth session of the Commission on Sustainable Development in 2001**

### **A. Outcome of CSD-7**

2. The Task Force was briefed by representatives of UN/DESA on the state of preparations for the first session of CSD's Ad Hoc Intergovernmental Group of Experts on Energy and Sustainable Development (6-10 March 2000), as well as on the developments that took place since the first session of the Task Force, in particular the outcomes of the latest sessions of the CSD, ECOSOC and the UN Committee on Energy and Natural Resources for Development (CENRD). The Ad Hoc Intergovernmental Group of Experts on Energy and Sustainable Development will be co-chaired by nominees from Austria and Iran. Its Bureau will comprise five members, including the co-chairs, chosen with geographical representation in mind. It is hoped that the first meeting of the Ad Hoc Intergovernmental Group of Experts on Energy and Sustainable Development will deal not only with process-related issues but with substantive issues as well.

### **B. Outcomes of CENRD and ECOSOC**

3. It was noted in the briefing of the Task Force on the outcomes of CENRD and ECOSOC that CENRD identified useful issues of importance for CSD-9 and that ECOSOC had approved an August 2000 date for its next meeting. The date was brought forward to enable CENRD to contribute more effectively to CSD-9. In the 1999 session of ECOSOC it was stressed that work undertaken by the Secretariat to prepare for the August 2000 meeting of CENRD should be incorporated as part of on-going work and invited agencies to participate in the preparations on the following subjects: "Energy and the Residential Sector"; "Renewable Sources of Energy, with a Special Emphasis on Solar Energy"; "New Financial Mechanisms and Economic Instruments to Speed Up the Investment in Sustainable Energy Development"; "Promising Strategies and Initiatives to Accelerate the Development and Implementation of Sustainable Energy Technologies"; and "Coordination of energy activities within the UN system".

4. The Task Force considered the issues and reporting requirements emanating from the first meeting of the UN Committee on Energy and Natural Resources which as decided at the 1999 substantive session of ECOSOC would be integrated in the overall reporting by the Secretariat to CSD-9 and the Ad Hoc Intergovernmental Group of Experts on Energy and Sustainable Development.

5. With regard to new financial mechanisms it was noted that in many developing countries financial mechanisms exist but are not utilized for energy services. Often funds are available but energy services providers are not aware of international lending programmes and/or appropriate procedures to follow. UNDP's experience in its Financial Services for Energy Services (FINESSE) programme illustrates this problem and FINESSE has been successful in facilitating coordination among lenders and borrowers in developing countries for financing energy services. UNDP has also provided project appraisal services for national and regional banks/lenders for which energy is a relatively new field. Other agencies also have undertaken work in this area including UNEP which is organizing a meeting for the financial community and technical suppliers to examine issues relating to "green investment". It is hoped that this meeting will provide impetus for investment in "climate friendly" projects. As part of its forthcoming Committee on Sustainable Development, the ECE will sponsor a "Roundtable on Financing Energy Investments", and its outcome should be particularly relevant for CENRD work on new financial mechanisms since the ECE region comprises both developed countries which provide financing and countries in transition which often face the same obstacles in attracting financing as developing countries.

6. It was also thought that the Clean Development Mechanism (CDM) will be a useful instrument to facilitate investment and financing arrangements for energy services, but that, since it is not yet in formal existence, it will be difficult to analyze its effectiveness. Some agencies noted that CDM is considered to have strong potential in specific areas. IAEA is involved in a pilot project for CDM and nuclear policy. Generally the Task Force members agreed that involvement of the private sector is crucial to the success of new financial mechanisms in stimulating investments in the energy sector. Often financing is hampered by red tape and overburdened bureaucracies in developing countries. Another important issue relevant to financing issues is the appropriate delineation between private sector projects and those meriting public sector involvement.

7. It was agreed that the organizations-members of the Task Force will actively contribute to the preparation of reports prepared by DESA for the second session of the Committee to take place in August 1999. In this context the following specific agreements were reached:

- A) Papers on "Energy and the Residential Sector"; "Renewable Sources of Energy, with a Special Emphasis on Solar Energy"; "Promising Strategies and Initiatives to Accelerate the Development and Implementation of Sustainable Energy Technologies"; and "Coordination of energy activities within the UN system":
  - **By 15 October 1999, DESA will circulate the outlines of the papers to members of the Task Force for comments and inputs with a deadline of 15 December 1999.**

- **By 1 February 2000, DESA will circulate drafts of these papers for comments with a deadline 15 February 2000.**
  - The reports will be finalized by DESA working in consultation with members of the Task Force in April-May 2000 after the results of the first session of CSD's Intergovernmental Group of Experts will be known.
- B) The leading role in preparation of the paper on "New Financial Mechanisms and Economic Instruments to Speed Up the Investment in Sustainable Energy Development" will be taken by UNDP which will follow **the same preparatory process as described in sub-paragraph A) above**. It was agreed that this paper will include information and analysis of the existing financial mechanisms such as the FINESSE Programme, as well as mechanisms under elaboration such as the CDM under the UNFCCC. ECE will contribute to this paper drawing from the outcomes on the forthcoming session of ECE Committee on Sustainable Energy that will consider issues related to investments in sustainable energy development as well as experiences of countries of the ECE region. Furthermore, UNEP will make a contribution based on the outcomes of their forthcoming meeting with financial institutions on eco-investment.
- C) It was agreed that all papers should build on experiences gained in the UN system at various levels in the field of energy, analyze the main lessons learnt and promote good practices.

### **C. Agency Activities**

8. The Task Force considered the Matrix of UN system activities in the field of Energy. It was noted that the Matrix is an information tool for the UN system which was prepared by DESA with a view to facilitating further work of the Task Force. The Matrix will be further updated and elaborated as appropriate and will be used as an internal tool for coordination.

Discussion centered around the level of detail that should be included in the Matrix and it was suggested that geographical location of projects might be useful information to include.

It was also noted that some analysis of information might be helpful or that details be summarized. It was agreed that further work on the Matrix includes a forward looking analysis of current directions in inter-agency cooperation taking place at various levels such as policy development work, formulation of regional approaches, projects at the national level, etc. It was agreed that DESA will consider the possibility of loading the Matrix on the Task Force's list-serve so that it can be regularly updated by members of the Task Force.

9. The Task Force was briefed by representatives of UNDP and DESA on the preparation of the World Energy Assessment (WEA) undertaken jointly with the WEC. The first draft has been prepared and the editorial phase and consultative phase of the WEA are underway at the same time and the consultative effort is aimed at fostering a link with the outside world during the drafting. The consultative phase is intended to be all-inclusive and be opened to CSD major groups, academic circles and national institutions. **The first draft is under**

**revision based on comments received and the second draft is expected to be available in October 1999.** The outreach phase will start after the completion of the final draft. It was noted that the WEA complements and supports agency and regional commission work and queries about the data base and analysis on a regional level as well as follow-up activities were raised.

10. The Task Force underscored the importance of a participatory consultative process in preparation of the WEA involving international organizations and NGOs. It was noted that the purpose of WEA is to support preparatory process for CSD9 by providing all parties involved with sound technical and scientific information, but not serve as the basis for intergovernmental negotiations.

### **III. Review of activities in progress and to be undertaken in support for the Ad Hoc Open Ended Intergovernmental Group of Experts on Energy and Sustainable Development**

11. The Task Force considered the first draft of the Key Issues Paper prepared by DESA. The key issues paper will serve as the basis for the UN Secretary-General's main report aimed at facilitating intergovernmental debate to take place during the first meeting of the Ad Hoc Intergovernmental Group of Experts on Energy and Sustainable Development. The inclusion of issues in the paper, that is, international cooperation, energy efficiency, transfer of advanced fossil and nuclear fuel technologies, renewable energy, rural energy and transportation, has been guided by UNGASS resolutions and their focus has been determined by the three pillars of sustainable development, specifically the economic, social and environmental aspects of the issues. The paper is intended to raise issues for consideration by the Ad Hoc Intergovernmental Group of Experts on Energy and Sustainable Development rather than provide prescriptive solutions or policy advice.

12. Members of the Task Force made their initial comments on the paper mainly concentrating on rural energy, transfer of technology, CDM. There was some discussion pertaining to the focus on rural energy that may be misleading since it is an issue of concern mainly for developing countries while the bulk of CO<sub>2</sub> emissions originates in developed countries. Rural energy, however, is high priority for some agencies and was considered by them as an appropriate key issue for focus in the paper. A suggestion was made to separate the issues of fossil fuel technologies and nuclear technology since fossil fuel use is a major cause of CO<sub>2</sub> emissions while nuclear energy does not lead to CO<sub>2</sub> emissions. Caution was raised about reference to CDM since the mechanism has not been determined, though it is expected to be in effect by CSD-9 and thus should be included in the paper. Transfer of technology was noted as an issue currently under consideration by the IPCC and may be relevant for inclusion in the paper and for consideration by CSD-9. The issue of market barriers to transfer of technology was considered important as well, though the transfer of nuclear technologies was considered to be a sensitive topic by one agency.

13. It was agreed that this document would outline, in an inclusive way, the main issues that, in view of the Task Force, the global community needs to address in the course of preparations for CSD9. It was also agreed that the paper will not be prescriptive on how these issues need to be addressed. **The Task Force agreed that its members will provide**

**DESA with their written comments on the draft by 30 September 1999, after which DESA will revise the text and circulate it for final comments by 1 December 1999 (with a deadline for replies of 15 December 1999).** This will allow DESA to finalize the paper by the end of December 1999 and circulate it to governments and other interested parties.

14. It was also agreed to supplement the Secretary-General's report with an addendum or a background document describing, in a concise and informative way, the main energy-related activities of the UN system. Such a paper could draw on the most updated information available in the Matrix referred to in paragraph 8 above. **It was agreed that DESA by 30 September 1999 will elaborate a format of such a paper and circulate it to the Task Force for their inputs to be sent by 1 February 2000.** It was noted that preparation of this paper should be coordinated, as far as practical, with the preparation of the report on "Coordination of energy activities within the UN system" requested by CENRD (see paragraph 3 above).

15. Members of the Task Force agreed to actively share among themselves information on expert group meetings and other conferences taking place or planned under the aegis of their organizations that can make a contribution to the work of the Ad Hoc Intergovernmental Group of Experts on Energy and Sustainable Development and CSD-9. This could be facilitated by a regular update of the Matrix of Activities (paragraph 8 above.)

16. It was also agreed that preparations for CSD-9 could benefit from activities and meetings taking place in various regions, particularly those held under the aegis of UN Regional Commissions.

17. It was agreed that the meetings of the Ad Hoc Intergovernmental Group of Experts on Energy and Sustainable Development and CSD-9 will provide a good opportunity for active participation of organizations of UN system. It was also agreed that UN organizations planning to organize side-events and/or other activities during these meetings will inform DESA well in advance so that they could be properly facilitated.

18. It was also agreed that at the next meeting of the Task Force, UNDP will make a briefing on their on-going work aimed at establishing the Global Forum on energy.

#### **IV. Progress made in the elaboration of a common system-wide approach to energy and sustainable development**

19. The elaboration of a common system-wide approach to energy and sustainable development has been identified by CSD as important for the deliberations on energy to be undertaken in 2001. An energy strategy should provide a reference framework for the energy-related activities of the United Nations system and the strategy should promote a balanced and mutually reinforcing approach to the economic, social and environmental aspects of sustainable energy development. It should also foster partnerships for sustainable energy development with relevant actors outside the United Nations system, particularly with non-United Nations intergovernmental organizations dealing with energy and the private sector.

20. The Task Force had earlier agreed on general principals of a common approach including inclusiveness, complementarity of activities, coordination and information-sharing and the consideration of the advantages and disadvantages of all energy options from a social, economic and environment perspective. The Task Force further agreed that work in this area should include the following main elements:

- the importance of collection, processing and analysis of data on energy and dissemination of information;
- policies to ensure harmonization of short and long-term goals for the development and use of energy within a sustainable energy framework;
- identification and strengthening of linkages among economic, social and environmental issues including ways and means of internalizing external environmental costs associated with energy production and use;
- conversion of broad policy frameworks into specific operational strategies;
- ensuring adequate energy services for both rural and urban households especially in developing countries;
- establishing and strengthening institutions and building capacity for developing sustainable energy futures; and
- access to financing and credits for capacity development and transfer of relevant technologies for sustainable energy.

## **V. Communications**

21. The Task Force was informed that a website has been established and is now on-line and provides information about the Task Force and its activities to the public. Any agency wishing to link to the website may do so by providing its address. Also, it was noted that Task Force communications since the last meeting have been facilitated by electronic means and encouraged members to provide e-mail addresses if available. A list serve has been established to promote communications among members on matters of substance or coordination/cooperation. All members currently receiving e-mail messages have been included on the list serve and should receive a welcoming message in mid-September.

## **VI. Next meeting of the Task Force**

21. The next meeting of the Task Force will take place in New York on 13 March 1999 immediately following the first session of the Ad Hoc Intergovernmental Group of Experts on Energy and Sustainable Development.

## **Annex I**

### **Agenda**

1. Adoption of the Agenda
2. Preparation for the ninth session of the Commission on Sustainable Development in 2001
  - a. Outcome of CSD-7
  - b. Outcome of CENRD/ECOSOC
  - c. Agency Activities
    - World Energy Assessment
    - Other Activities
3. Review of activities currently in progress and to be undertaken in support for the Ad Hoc Open Ended Group of Experts on Energy and Sustainable Development in March 2000 and in early 2001
4. Progress made in the elaboration of a common system-wide approach to energy and sustainable development
5. Other matters
6. Provisional agenda for the next meeting of the Task Force
7. Adoption of the report of the Task Force
8. Venue and dates of the next meeting of the Task Force

## **Annex II**

### **List of documents**

“Initiations of preparations for the ninth session of the Commission on issues related to the sectoral theme: energy” (E/CN.17/1999/8)

Copy of letter sent to Governments

Note on CSD-9 Process and Preparations, Discussion paper



Item 2b: Committee on Energy and Natural Resources for Development, Report on the first session, 5-16 April, 1999 (E/C.14/1999/2)

Matrix of activities, updated according to agency/entity inputs

World Energy Assessment, first draft

Report of the Secretary-General, "Environment and Sustainable Development, World Solar Programme 1996-2005"

"Key Issues in The Intergovernmental Debate on Energy and Sustainable Development"  
Discussion paper

### **Annex III**

#### **List of participants**

##### *United Nations, its entities and programmes*

Economic Commission for Europe	J. Andorfer
Economic Commission for Latin America and the Caribbean	M. Coviello
United Nations Development Programme	C.Allen-Sanchez S. Hurry
United Nations Environment Programme	J. Christensen M. Radka
Department of Economic and Social Affairs	J. DiSano (Chair) K.N. Mak A. Vasilyev K. Abdalla (Secretary)

##### *Specialized agencies and related organizations*

Food and Agriculture Organization	J. Dargie
International Atomic Energy Agency	H.H. Rogner M.Opelz C. Yvetot S. Sharma
World Health Organization	Y. von Schirnding

Secretariat of the United Nations Framework Convention on Climate Change	J. Pasztor
United Nations Industrial Organization	C. Gurkok
United Nations Educational, Scientific and Cultural Organization	G. Glaser
<i>Observers</i>	
Global Environment Facility	S. Li