



**Organization for Security and Co-operation in Europe  
Economic and Environmental Forum**

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## **NINETEENTH ECONOMIC AND ENVIRONMENTAL FORUM**

### **CONCLUDING MEETING**

“Promotion of common actions and co-operation in the OSCE area  
in the fields of development of sustainable energy and transport”

**Prague, 14 – 16 September 2011**

## **CONSOLIDATED SUMMARY**

OFFICE OF THE CO-ORDINATOR OF OSCE ECONOMIC AND ENVIRONMENTAL ACTIVITIES  
WALLNERSTRASSE 6, 1010 VIENNA; TEL: + 43 1 51436-6151; FAX: 51436-6251; EMAIL: [pm-occea@osce.org](mailto:pm-occea@osce.org)

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[http://www.osce.org/event/19th\\_eef\\_2011](http://www.osce.org/event/19th_eef_2011)



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## **PLEASE NOTE:**

**All documents and speakers' presentations are available on the OSCE Forum website:**  
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**835th Plenary Meeting**

PC Journal No. 835, Agenda item 5

**DECISION No. 959  
THEME, AGENDA AND MODALITIES FOR THE  
NINETEENTH 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; and Permanent Council Decision No. 743 of 19 October 2006,

Relying on the OSCE Strategy Document for the Economic and Environmental Dimension (MC(11).JOUR/2), the OSCE Border Security and Management Concept (MC.DOC/2/05), Ministerial Council Decision No. 11/06 on future transport dialogue in the OSCE and Ministerial Council Decision No. 9/08 on follow-up to the Sixteenth Economic and Environmental Forum on maritime and inland waterways co-operation, Ministerial Council Decision No. 12/06 on energy security dialogue in the OSCE, and Ministerial Council Decision No. 6/09 on strengthening dialogue and co-operation on energy security in the OSCE area,

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

Taking into account the closing statement by the Chairperson of the Eighteenth Meeting of the Economic and Environmental Forum,

Decides that:

1. The theme of the Nineteenth Economic and Environmental Forum will be: Promotion of common actions and co-operation in the OSCE area in the fields of development of sustainable energy and transport;
2. The Nineteenth 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 14 to 16 September 2011 in Prague. These arrangements shall not set a precedent for future Economic and Environmental Forums. The Office of the Co-ordinator of OSCE Economic and Environmental Activities, under the guidance of the 2011 OSCE Chairmanship, will organize the above-mentioned meetings;

3. The agenda of the Forum will focus on the following topics:

- Dialogue on the promotion of sustainable transport, including integration of transport networks through reduction of barriers and simplification of border-crossing procedures; improvement of energy efficiency in transport area; and the role of clean technologies;
- Dialogue on the promotion of sustainable energy, including new and renewable as well as traditional energy sources; good governance and transparency in the energy field; energy efficiency; low-carbon energy technologies; and fostering of multi-stakeholder dialogue and co-operation between energy producers, consumers and transit countries;
- Regional and subregional co-operation on sustainable energy and transport, and sharing of best practices and exchange of experiences in these fields;

4. The agendas of the Forum meetings, including timetables and themes of working sessions, will be proposed and determined by the 2011 OSCE Chairmanship, 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 Nineteenth Economic and Environmental Forum;

6. The discussions of the Forum should benefit from cross-dimensional input provided by other OSCE bodies and by relevant meetings 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 Nineteenth 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 Community; European Bank for Reconstruction and Development; European Environment Agency; European Investment Bank; Intergovernmental Commission TRACECA (Transport Corridor Europe-Caucasus-Asia); Gas Exporting Countries Forum (GECF); Intergovernmental Organisation for International Carriage by Rail; International Atomic Energy Agency; International Energy Agency; International Energy Forum; 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; Organization for Cooperation of Railways; Organisation for Economic Co-

operation and Development; Organization for Democracy and Economic Development – GUAM; Organization of the Islamic Conference; Regional Cooperation Council; 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 Environment Programme; United Nations Industrial Development Organization; United Nations Special Programme for the Economies of Central Asia; World Bank Group; World Customs Organization; World Trade Organization; Secretariat of the Extractive Industries Transparency Initiative; and other relevant organizations;

11. The Partners for Co-operation are invited to participate in the Nineteenth 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 Nineteenth 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 Nineteenth 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 Nineteenth Economic and Environmental Forum will present summary conclusions and policy recommendations drawn from the discussions at the 2011 Meeting, as stipulated by Permanent Council Decision No. 958, which will complement the Forum process. 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.

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY  
AND CO-OPERATION IN EUROPE**

By the delegation of Azerbaijan:

“Mr. Chairperson,

We would like to make the following interpretative statement with regard to paragraph 3, third subparagraph, of document PC.DD/38/10/Rev.1.

Azerbaijan attaches importance to co-operation on sustainable energy and transport, and sharing of best practices and exchange of experiences in these fields. However, when it comes to the regional and subregional contexts, the issue of the existence of appropriate conditions should be taken duly into account, in view of the well-known situation in the regions affected by armed conflict.

While joining the consensus on the present document, we would like once again to register this unchanged position of our delegation.

I request that this statement be appended to the journal of the present meeting.

Thank you, Mr. Chairperson”.

Prague, 14 September 2011

## **19<sup>TH</sup> OSCE ECONOMIC AND ENVIRONMENTAL FORUM**

“Promotion of common actions and co-operation in the OSCE area in the fields of development of sustainable energy and transport”

### **CONCLUDING MEETING**

**Prague, 14 – 16 September 2011**

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

### **AGENDA**

#### **Wednesday, 14 September 2011**

14.30 – 16.00      **Opening Plenary Session** (*open to the press*)

**Moderator: Mr. Goran Svilanović**, Co-ordinator of OSCE Economic and Environmental Activities

**Welcoming remarks:**

- **H.E. Karel Schwarzenberg**, First Deputy Prime Minister and Minister of Foreign Affairs of the Czech Republic
- **H.E. Egidijus Meilūnas**, Vice Minister of Foreign Affairs of the Republic of Lithuania, 2011 OSCE Chairmanship
- **H.E. Ambassador Lamberto Zannier**, OSCE Secretary General

**Keynote address followed by discussion**

- **H.E. Jan Kubiš**, UN Under Secretary General and Executive Secretary of the United Nations Economic Commission for Europe (UNECE)

16.00 – 16.30      Coffee/Tea break



16.30 – 18.00            **Review of the implementation of OSCE commitments in the economic and environmental dimension**

**Moderator: Mr. Goran Svilanović**, Co-ordinator of OSCE Economic and Environmental Activities

**Rapporteur: Ms. Alma Mirvić**, National Planning and Co-Ordination Officer, OSCE Mission to Bosnia and Herzegovina

- Presentation of the Review Report prepared by the United Nations Economic Commission for Europe (UNECE) by **Mr. Scott Foster**, Director of the Sustainable Energy Division, UNECE
- Discussion on the Review Report's main findings and recommendations

18:00                      **Side event on Tourism hosted by the Lithuanian 2011 OSCE Chairmanship**

18.30                      **Reception hosted by the Lithuanian 2011 OSCE Chairmanship and 2011 Photo Contest Awards Ceremony**

**Thursday, 15 September 2011**

09.30 – 11.30            **Panel Debate I:            **Promotion of Sustainable Energy – the OSCE Contribution and Follow-up Ideas****

**Moderator: Mr. Jacquelin Ligot**, Independent Energy and Infrastructure Expert, France

**Rapporteur: Mr. Raúl Daussa**, Environmental Programme Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities (OCEEA), OSCE Secretariat

Panellists' interventions followed by discussion

**Selected topics:**

- Identifying specific areas and modalities of co-operation between the OSCE and other international and regional organizations in the field of sustainable energy
- Promoting energy efficiency and renewable energy sources, through a combination of smart policies, low-carbon energy technologies, shaping consumers' behaviour and fostering multi-stakeholder dialogue and co-operation, thus contributing to both sound economic development and addressing climate change
- Developing sustainable energy solutions at local level through community based projects leading, *inter alia*, to the eradication of energy poverty, improving social and economic conditions and achieving a balanced and equitable impact, including from a gender perspective
- Strengthening co-operation and exchange of information and best practices at sub-regional, regional and inter-regional level in addressing various aspects related to sustainable energy
- Promoting good governance, transparency and the exchange of best practices in the energy field, thus contributing to a more sustainable energy environment

### **Panellists:**

- **Ambassador André Mernier**, Secretary General, Energy Charter Secretariat, Belgium
- **Mr. Slavtcho Neykov**, Director, Energy Community Secretariat, Austria
- **Ms. Nabot Dodhudoeva**, Head of NGO Taji "Maina va Khamkoron" Pamir, Tajikistan
- **Dr. Karin Kneissl**, Energy Expert and University lecturer, Vienna, Austria
- **Ms. Olga Andrianova**, Associate Lecturer, Faculty of Business and Law, The Open University, United Kingdom
- **Mr. Nazim Mammadov**, Head of the Department of Renewables Production and the Use Stimulation, State Agency on Alternative and Renewable Energy Sources (ABEMDA), Azerbaijan

11.30 – 12.00            Coffee/Tea break

12.00 – 13.00            **Special Session I:    Sustainable energy: solutions for the future**

**Moderator: Ambassador Audrius Brūzga**, Director of Energy Security Centre under the MFA of Lithuania

**Rapporteur: Mr. Geoffrey Collier**, Second Secretary, United Kingdom Delegation to the OSCE in Vienna

Speakers' presentations followed by discussion

### **Selected topics:**

- Promoting climate - resilient energy policies
- Strengthening co-operation between origin, transit and consumer countries
- Charting the way forward for the OSCE engagement on energy

### **Speakers:**

- **Dr. Rabia Ferroukhi**, Senior Programme Officer - Policy Advisory Services and Capacity Building Division, International Renewable Energy Agency (IRENA), United Arab Emirates
- **Dr. Volker Krey**, Researcher, International Institute for Applied Systems Analysis (IIASA), Austria
- **Ms. Cristina Morales Clavijo**, Head of Communications of Gorona del Viento - El Hierro, Spain
- **Mr. Miran Hrženjak**, Director, Keter Group, Slovenia

13.00 – 14.30            Lunch break

14.30 – 16.30            **Panel Debate II:    Promotion of Sustainable Transport – the OSCE Contribution and Follow-up Ideas**

**Moderator: Mr. Anthony Pearce**, Senior Advisor, Project for Development of Logistic Centers/Nodes in Central Asia, United Kingdom

**Rapporteur: Mr. Roel Janssens**, Economic Adviser, Office of the Co-ordinator of OSCE Economic and Environmental Activities (OCEEA), OSCE Secretariat

Panellists' interventions followed by discussion

**Selected topics:**

- Identifying specific areas and modalities of co-operation between the OSCE and other international and regional organizations in promoting sustainable transport
- Promoting sustainable, efficient and environmentally friendly transport solutions through a smart policy mix, clean and new technologies, energy efficiency and alternative energy solutions in transport, innovative management systems, as well as shaping users' behaviour
- Promoting good governance and exchange of best practices related to the reduction of barriers and simplification of border-crossing procedures, combating corruption in customs and border control agencies etc.
- Developing a common vision on regional and inter-regional co-operation and promoting the integration of transport networks across the OSCE region, including through efficient multi-modal and logistic solutions
- Encouraging public-private partnership and the involvement of the civil society in promoting sustainable transport
- Addressing gender issues related to the development of sustainable transport

**Panellists:**

- **Mr. Algirdas Šakalys**, Advisor to the Prime Minister, President of the East West Transport Corridor (EWTC) Association, Lithuania
- **Ms. Eva Molnar**, Director, Transport Division, UNECE, Switzerland
- **Mr. Gaozhang Zhu**, Director of Compliance and Facilitation, World Customs Organization (WCO), Belgium
- **Mr. Niall Leonard**, Directorate General for Mobility and Transport, European Commission, Belgium
- **Mr. Umberto de Pretto**, Deputy Secretary General, International Road Transport Union (IRU), Switzerland
- **Mr. Alexander Veitch**, Head of Sustainable Development, International Union of Railways (UIC), France
- **Mr. Philip Blythe**, Professor of Intelligent Transport Systems, University of Newcastle, United Kingdom

After the discussion:

<p><b>Presentation on an example of best practice by</b> <b>Ms. Maria Sack</b>, LL.M. eur., Lawyer, Head of the Team for International Associations, German Railways, Germany, and <b>Mr André Hempel</b>, Head of Sales/Marketing, Trans Eurasia Logistics GmbH, Germany.</p>
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16.30 – 17.00            Coffee/Tea break

17.00 – 18.00            **Special Session II: Maritime Co-operation in the OSCE area:  
Transport and the Environment (Follow-up to the  
16<sup>th</sup> OSCE Economic and Environmental Forum)**

**Moderator: Mr. Alexey Stukalo**, Deputy Co-ordinator / Head, Economic Activities Office of the Co-ordinator of OSCE Economic and Environmental Activities, OSCE Secretariat

**Rapporteur: Ms. Caroline Donnellan**, Attaché, Permanent Mission of Ireland to the OSCE

Speakers' presentations followed by discussion

**Selected topics:**

- Understanding the various linkages between maritime transportation and the environment and designing effective ways of addressing them
- Presentations of specific OSCE contributions, developed as follow-up to the 16<sup>th</sup> OSCE EEF, including examples from the field
- Strengthening regional and inter-regional co-operation and the exchange of experiences and best practices in promoting sustainable maritime transportation

**Speakers:**

- **Mr. Jan Lundin**, Director General, Council of the Baltic Sea States Secretariat, Sweden
- **Mr. Richard Lisovsky**, Head of Sector GIS Technologies Marine Aquatoriums and Coastal Zones, Scientific Center of Ecology of the Sea, Ukraine
- **Ms. Parvin Farshchi**, Manager, CaspEco Project, Caspian Environment Programme, Kazakhstan
- **Mr. Antti Jokinen**, Senior Adviser, Maritime activities, Baltic Sea Action Group, Finland

18.30                      **Reception hosted by the Co-ordinator of OSCE Economic and Environmental Activities**

**Friday, 16 September 2011**

09.30 - 11.30            **Special Session III:**            **Regional and sub-regional co-operation on sustainable energy and transport**

**Moderator: Mr. Vytautas Naudužas**, Ambassador for energy and transport policy issues, Ministry of Foreign Affairs of the Republic of Lithuania, 2011 OSCE Chairmanship

**Rapporteur: Mr. Tigran Sukiasyan**, National Economic and Environmental Officer, OSCE Office in Yerevan

Speakers' presentations followed by discussion

**Selected topics:**

- Initiatives, experiences and best practices from various OSCE sub-regions in the fields of sustainable energy and transport
- Identifying concrete ways of building analytical capacity and further promoting cross-sectoral and inter-regional dialogue and co-operation
- Developing synergies between the OSCE and other regional actors and strengthening the effectiveness of the OSCE as platform for dialogue and co-operation

## Speakers:

- **Ambassador Mohammed Yahya Maroofi**, Secretary General, Economic Cooperation Organization (ECO), Iran
- **Ambassador Václav Bartuska**, Ambassador-at-Large for Energy Security, Czech Republic
- **Ambassador Traian Chebeleu**, Deputy Secretary General, Black Sea Economic Commission (BSEC), Turkey
- **Ms. Marta Szigeti Bonifert**, Executive Director, Regional Environmental Center (REC), Hungary
- **Mr. Miroslav Kukobat**, Senior Expert on Infrastructure and Energy, Regional Cooperation Council (RCC), Bosnia and Herzegovina
- **Mr. Robert Peacock**, Research Associate, School of Criminal Justice, Michigan State University, United States of America

11.30 – 12:00 Coffee/Tea break

12:00 – 13:00 **Concluding Plenary Session – The role of the OSCE in follow-up to the 19<sup>th</sup> Economic and Environmental Forum**

**Moderator: Mr. Goran Svilanović**, Co-ordinator of OSCE Economic and Environmental Activities

**Rapporteur: Mr. Tomáš Lipták**, Third Secretary, Permanent Mission of the Czech Republic to the OSCE

- General Discussion
- **Closing Statement by Ambassador Renatas Norkus**, Chairperson of the OSCE Permanent Council, 2011 OSCE Chairmanship

## **Welcoming remarks**

**by H.E. Karel Schwarzenberg**  
**First Deputy Prime Minister and Minister of Foreign Affairs**  
**of the Czech Republic**

Mr. Chairman,  
Mr. Secretary-General,  
Excellencies, Ladies and Gentlemen, Distinguished Guests,

It is a great pleasure to welcome you on behalf of the Government of the Czech Republic on the occasion of the nineteenth OSCE Economic and Environmental Forum traditionally taking place here in Prague.

At the outset, let me most cordially welcome the OSCE representatives, led by Secretary-General Mr. Lamberto Zannier, the representatives of the 56 participating States of the OSCE, as well as the OSCE Partners for Co-operation and the representatives of international organizations and other participants in this meeting.

After Astana Summit where we reconfirmed our dedication to all OSCE norms, principles and commitments, it is clear that we need to increase our efforts to work towards more visible, relevant and credible OSCE. The Economic and Environmental dimension is not only vital part of our cross-dimensional approach towards security in the OSCE area, it is also a field where practical co-operation helps to restore trust and confidence among OSCE participating States. Trust and confidence is a sine qua non for good international relations. Any action leading in this direction should be supported. I am convinced, and good examples from the history prove it, that building trust and confidence through the economic cooperation could help in conflict prevention and postconflict rehabilitation. The protracted conflicts in the OSCE space are not an exception in this regard.

We gathered here today to discuss the Sustainable transport and energy. These are topics of strategic importance for the economic growth of the OSCE participating States. Yet challenges are complex and diverse. To achieve the progress, it is necessary first to eliminate the obstacles that still exist among the participating States and co-operate more closely.

Ladies and Gentlemen,

Looking ahead, we should use the most of the opportunities of the OSCE events, including this Forum for an open discussion and formulation of conclusions and recommendations and identify the best practices that can help to address challenges across the OSCE region. This year's theme of the Forum is a topical one and the Czech Republic will therefore later actively contribute to the debate with our perspective of the regional co-operation in the field of energy security.

The discussions held at the first Preparatory meeting of the Forum in Vienna and later at the second Preparatory meeting in Druskininkai in Lithuania confirmed that the topic of sustainable transport and energy is of great importance as part of comprehensive approach to security in the OSCE and neighbouring regions. But the OSCE needs more. We need to work together more intensively to address pressing issues and work towards tangible results. We already have good examples in some areas in all three dimensions, yet we also have many other examples of non-compliance with the OSCE commitments and principles, and, as stated in the Astana Declaration: "more must be done to ensure full respect for, and implementation of, these core principles and commitments, notably in the areas of human rights and fundamental freedoms."

In conclusion, I would like to express my hope that all sessions of the 19<sup>th</sup> Economic and Environmental Forum will mark a step forward in our effort to deal with these issues. Mutual exchange of experience on this topic should eventually bring us closer to a common understanding and common approaches.

I thank the Chairmanship and organizers of previous debates for their efforts. I also thank the Coordinator of the OSCE Economic and Environmental Activities, the OSCE Secretariat and its Prague Office for all the preparatory work they have done. And last but not least, let me express my high appreciation to the international organizations present here today for their valuable input to our debate.

I wish you a pleasant and productive stay in Prague.

Thank you for your attention.

## **Welcoming remarks**

**by H.E. Egidijus Meilūnas**  
**Vice Minister of Foreign Affairs of Lithuania**

Minister Schwarzenberg,  
Secretary General,  
Excellencies,  
Ladies and Gentlemen,

It is an honour for me to welcome you, on behalf of the Lithuanian 2011 OSCE Chairmanship, to the Concluding Meeting of the 19th OSCE Economic and Environmental Forum. This important event is devoted to one of the main priorities of the Chairmanship, the development of sustainable energy and transport.

We have endeavoured to promote effective and pragmatic activities geared towards ensuring long-term progress in the Economic and Environmental Dimension. We have also supported the efforts to define a complementary role for the OSCE in the field of energy security.

In this regard, we have to acknowledge the important groundwork carried out in the past years under previous OSCE Chairmanships. Let me just recall the 2009 Athens Ministerial Decision on Strengthening Dialogue and Co-operation on Energy Security, followed in September 2010, by the Special Expert Meeting on Energy Security in Vilnius, and by the OSCE Secretary General's Report Concerning the Complementary Role of the OSCE in the Field of Energy Security.

Over the next months, we should concentrate our efforts on setting up, under the auspices of the OSCE and within the existing frameworks, a Task Force on Energy Security. This idea was proposed in the Secretary General's Report. The Task Force would connect political and expert-level experiences and would underpin the OSCE-wide dialogue on this extremely important topic. We see special role of the Task force in providing ideas and concrete proposals for the confidence building; development of early warning mechanisms for energy security; facilitating dialogue; promoting good governance and transparency in the energy sector, as well as sustainable energy solutions.

Ladies and Gentlemen,

One of the main subjects of today's meeting - sustainable energy – is closely related to energy security. Long-term energy security largely depends on the sustainable production and consumption of energy. The issues at stake are complex and interlinked. This is why we have to adopt a broad view of energy security.

A thorough analysis is required in order to find the best solutions for diversifying sources, routes and technologies for energy production and distribution, enhancing the protection of critical energy infrastructure, promoting transparency and good governance in this area. We strongly believe that such interrelated challenges as climate change, effective resource management and energy efficiency can and must be addressed at the same time. This is the way to obtain concrete results and to facilitate the achievement of our long-term goals in the field of energy security. I am particularly satisfied that all key elements of sustainable energy development: energy efficiency, effective national policies, good governance and transparency, regional co-operation will be addressed and discussed during our Forum.

Looking at the other topic of this Forum - development of sustainable transport - I would like first of all to point out that transport and transport related issues have been in the focus of past Economic



and Environmental Forum meetings. We expect that this Forum will contribute to developing a common vision on how to tackle various transport related challenges. I am glad that during today's meeting special attention will be dedicated to the direct connection and interdependence between transport and environment. The development of sustainable, efficient and environmentally friendly transport can increase the competitiveness of the economies of OSCE participating States. At the same time, sustainable transport can contribute to alleviating important environmental problems, and to the creation of better of healthier living conditions for our citizens.

The relevance of sustainable energy and transport for our everyday lives has been highlighted, once more, by the level of interest manifested by photographers and the general public for the photo contest organized in connection with this Forum. You have a possibility to take a look at the finalists' photographs in the main lobby downstairs.

I also have the pleasure to invite you all to the special side event devoted to the presentation of the Lithuanian tourism sector, which will take place today just after the closure of the meeting and before the Chairmanship's Reception.

Dear participants,

It is our big hope that this Forum will generate useful and substantial recommendations, and that at the Vilnius Ministerial Council in December our ministers will be able to adopt a decision to consolidate the OSCE's engagement in the economic and environmental dimension.

So let me finish by wishing you all an interesting and fruitful discussions, which should lead to very practical proposals and innovative ideas.

Thank you.

## Opening Remarks

by H.E. Ambassador Lamberto Zannier  
OSCE Secretary General

Ministers,  
Excellencies,  
Distinguished Guests,

It is a privilege to address the opening plenary session of this 19th OSCE Economic and Environmental Forum. I would like, at the outset, to thank the Lithuanian OSCE Chairmanship and the Office of the Coordinator of OSCE Economic and Environmental Activities for organizing this meeting, and the Ministry of Foreign Affairs of the Czech Republic for once again extending such warm hospitality.

Ladies and Gentlemen,

The goal of this meeting is to assess the OSCE's potential to advance international cooperation in the fields of sustainable energy and transport. Looking at the impressive agenda, and the successful outcomes of the preparatory meetings, I am confident that this Forum will provide critical input for the Vilnius Ministerial Council. I also anticipate that this meeting will generate ideas for concrete activities to be carried out by the OSCE Secretariat and the field operations.

It is gratifying to see gathered around the same table not only high-level delegates and experts from OSCE participating and Partner States, but also representatives of international and regional organizations, businesses, civil society and academia. This diverse participation underscores the unique strength of the OSCE as a platform for conducting inclusive dialogue, generating ideas and exchanging experiences and best practices. We all gain by forging partnerships and by working in synergy with other organizations.

One of the most effective examples of such co-operation is the partnership between the OSCE and the UNECE. For this reason, I would like to give a warm welcome to the Forum, to Ambassador Jan Kubiš, Executive Secretary of the UNECE, who also happens to be one of my predecessors as OSCE Secretary General, and who therefore knows the OSCE like few others. Allow me to thank the UNECE for its report on the implementation of OSCE commitments in the field of energy efficiency, to be presented in the next session. I am convinced this document will inspire our further work in this area.

I am pleased to note that a joint OSCE-UNECE publication entitled "*Best Practices at Border Crossings: a trade and transport facilitation perspective*" will be launched this fall. We are also looking forward to developing our co-operation with other organizations, such as IRENA (International Renewable Energy Agency), UNIDO (United Nations Industrial Development Organization), the Energy Charter and relevant regional organizations. Joint activities along the lines of those already in place with UNECE could be envisaged as follow up to this Forum.

Distinguished Participants,

Sustainable energy and transport solutions are essential to modern life. They are essential in light of the need to address global climate change, and they are essential in the context of economic uncertainty and highly volatile prices for fossil fuels. Yet such policies are not easy to develop, or to put into practice. They must take into account the intricate links between economic development, trade, social and environmental issues, climate change, and security concerns. And they cannot succeed at the national level alone. A comprehensive and inclusive approach is crucial to our

common success. Only together can we make progress towards the identification and implementation of mutually beneficial solutions.

This is where I believe the OSCE can add value to this discussion. For the OSCE, addressing sustainable energy and transport means promoting co-operation – among states, across regions and between governments, international organizations, private industry and civil society. The OSCE can facilitate the exchange of experiences and best practices, and it can contribute to strengthening local institutional capacities.

Let me give you just a few examples of existing OSCE-supported activities.

- The *OSCE Centre in Astana* has worked with the Extractive Industries Transparency Initiative (EITI) National Commission of Kazakhstan and with civil society organizations to promote the implementation of EITI principles and tools at the national level.
- The *OSCE Project Co-ordinator in Ukraine*, at the request of the Ministry of Municipal Economy, has implemented an energy-saving pilot project in Ukraine's Poltava region.
- The *OSCE Office in Yerevan* supported the development of renewable energy by promoting the application of the Kyoto Protocol's Clean Development Mechanisms in the Syunik region.
- And, finally, the *OSCE Office in Baku* has contributed to the improvement of the legal and regulatory framework for renewable energy in Azerbaijan.

This is just a small sample of the kind of practical contribution the OSCE can make, which I hope can inspire the development of more ambitious and more creative ideas.

Before concluding, I wish once again to thank the Lithuanian Chairmanship for the drive and inspiration provided throughout this year's Forum process. I look forward to a stimulating discussion here in Prague, and to the next important event that will complement the Forum cycle, the Economic and Environmental Dimension Implementation Meeting due to take place from the 17 to 19 October in Vienna.

I wish you every success over the next three days.

Thank you for your attention.

## **Keynote Address**

**by H.E. Ján Kubiš**

**Executive Secretary, United Nations Economic Commission for Europe**

Excellencies, distinguished delegates, ladies and gentlemen,

At the outset, let me begin by thanking the Government of Lithuania and the OSCE Secretariat for inviting the United Nations Economic Commission for Europe (UNECE) to address today's meeting. Also, I would like to thank the Government of the Czech Republic for its splendid and generous hospitality.

It is my great pleasure to address you at the 19th OSCE Economic and Environmental Forum. The topic of today – “Promotion of common actions and co-operation in the OSCE area in the fields of development of sustainable energy and transport” - combines many challenging environmental, transport and energy policy issues.

Global warming, pollution, depletion and degradation of natural capital, reduced biodiversity and vulnerability of populations in the face of natural disasters are some of the current sustainability challenges. As you may recall, the 1992 Earth Summit put sustainable development at the top of the United Nations' agenda. Today, almost 20 years later, in the run-up to the 2012 UN Conference on Sustainable Development (or Rio+20), the United Nations continues to work hard to make sustainable development a success. The Rio+20 Conference will discuss “the green economy in the context of sustainable development and poverty eradication” and the UNECE region - which largely overlaps with the OSCE area - is of critical importance in this endeavor.

On the one hand, the ECE region has been a large emitter of greenhouse gases that cause global warming. In fact, it accounts for about one-half of global greenhouse gas emissions. On the other hand, it is a leader in efforts to preserve the environment. For example, at the forthcoming Seventh Ministerial Environment for Europe conference in Astana later this month, UNECE members and other stakeholders will discuss green economy in the pan-European region. In particular, the creation of a roadmap towards the green economy will be on the agenda. It is hoped that the roadmap, if agreed upon, will provide the necessary impetus to a path towards a more sustainable and greener UNECE region. The green economy can generate many new opportunities for economic growth. It has the potential to create incomes and jobs in areas such as renewable energy, waste to-energy conversion, and energy-efficiency retrofits. It can also produce health benefits.

Transport and sustainable energy are important elements in the ECE region's quest to achieve a low-carbon growth path. UNECE is well-placed to contribute to this through its transport and energy programs. Let me elaborate.

### **Sustainable Transport**

Developments in inland transport are increasingly fast paced, reflecting the realities of modern-day living. These developments however often harm the environment and health. That is why understanding the relationship between transport, health and the environment is so crucial.

THE PEP – the Transport, Health and Environment Pan-European Programme – makes this link. It is run by UNECE and WHO/Europe and involves many stakeholders. THE PEP brings key actors together to work towards a common purpose: making transport policies as beneficial to the health of people and the environment as they are to economic development. The PEP stakeholders are currently making progress to reaching the Programme's priority goals: creation of green jobs through investments in environment and healthfriendly urban transport, promotion of sustainable mobility in cities and striving towards a more efficient transport system. Meeting these objectives will lead to reducing emissions of transport-related greenhouse gases, air pollutants and noise.

THE PEP offers a platform for countries with different capacities to share information and know-how. At the same time, it also allows them to benefit from each other's experience. The PEP discussions lead to implementation while respecting the specific needs of each country. THE PEP is unique and UNECE stands ready to promote this unique cross-sectoral initiative in other regions.

In general, the UNECE secretariat has completed a study on how transport contributes to sustainable development. This study can be accessed at UNECE website and you will hear more about it tomorrow. At this stage, I only wish to underline the following:

- it is essential to look at sustainable development from economic, social and environmental perspectives
- it is important to recall good examples and best practices in the transport sector and facilitate their scaling up in a positive context instead of focusing exclusively on the negative aspects

While there is evidence of tangible, positive results in all UNECE countries, you may wish to ask: "How can the necessary transition towards lower-carbon transport systems be accelerated in the UNECE region?" While it is true that the recent economic slowdown has lowered emissions, numerous challenges to de-carbonize transport still remain. In this respect, government policies are crucial to stepping-up the pace of de-carbonization. Governments can:

- give more political and financial support to the development of public transport
- support a shift to cleaner technologies and fuels by introducing low-carbon fuels and increasing fuel economy through appropriate regulations and pricing mechanisms (and not so much through subsidies!)
- promote lower carbon transport choices by improving the efficiency of transport systems and reducing carbon-intensive travel activity
- use the market-based measures to encourage a shift to lower carbon transport

Finally, with regard to climate change mitigation, I would like to mention a UNECE led global initiative, the "For Future Inland Transport Systems" project. The initiative's goal is to measure the actual amount of CO<sub>2</sub> generated by inland transport modes and to develop a transport policy converter. The project is financed by the UN Development Account.

The UNECE's World Forum for Harmonization of Vehicle Regulations (WP.29) has been looking into the issues of environmentally friendly vehicles for some time now. The emission limits of local pollutants have already been agreed on; fuel regulations are being developed; and so are regulations for electric vehicles. However, it is not enough to ensure that production of new vehicles follows these more stringent requirements. The existing vehicle fleet also has to be kept as environmentally friendly and safe as possible. For this to happen, the periodic technical inspection of vehicles is a crucial task. Unfortunately, there are still way too many countries that have not yet introduced a system of technical inspections according to best international standards. The first step is to accede to the UN agreement on periodic vehicle inspection (ie., "Agreement concerning the Adoption of Uniform Conditions for Periodical Technical Inspections of Wheeled Vehicles and the Reciprocal Recognition of Such Inspections of 1997"). However, even after this more work will remain to be done.

Finally, a UNECE expert group to look into the effects of climate change on inland transport has begun its work. This group is focusing on adaptation.

As you can see, sustainable transport is an important element of UNECE work. I encourage all OSCE participating States to participate in the UNECE transport work. The UNECE is an international platform to discuss, design and promote "co-operation and common actions" in the area of sustainable transport. You are all invited to take part and contribute.

## Sustainable Energy

In the energy sector - similarly to transport - the environmental challenge is enormous. The time to act is now. And there is a need to act on a scale that will address the challenge. The change will not come overnight and policy responses must be bold if the world is to get on the path to a sustainable future. There is need to:

- address market failures that hinder improvement of energy and carbon intensities
- invest in end-use energy efficiency
- improve the efficiency of existing coal-fired power stations
- progressively switch to natural gas away from coal
- pursue and develop projects that cost-effectively capture and store carbon in countries with coal will not stop burning it
- if countries wish to maintain the nuclear option, it is easy to say but hard to do. It can only happen if the nuclear sector meets its safety obligations and can become competitive
- develop renewable energy further so it can contribute to cost-effective attainment of environmental goals

In sum, each technology has a role to play, there is no single solution.

Energy security is a priority for the majority, if not for all, UNECE member states. It has been in the past and it is expected to be in the future. It is not surprising then that UNECE mandate and expertise includes energy - specifically, the ability for UNECE members to secure affordable and sustainable energy supply. The mandate, though simply stated, is in fact complex. It includes security. It includes affordability. And, it includes sustainability. First, security. Energy supply is considered secure if it meets demand in an environmentally sustainable manner at price levels that do not destabilize or damage the economy. Such a definition implies supply that is robust in the face of disruptions, whether physical or political, at prices that are "affordable". In this context, energy security requires investment, diversification of primary fuels, technology and flexibility. Above all, it requires governments to put in place the policies and regulations that empower producers and consumers to respond to prices. Second, affordability. This is the most challenging. It implies that end-use prices should be affordable - without considering the ability to pay or the cost of supply. But the term is nuanced. Affordability takes account of life-cycle costs, including returns on investment, and both the resources and requirements of the buyer. Ensuring affordability is equivalent to ensuring that investments are made throughout the value chain - from primary energy development to final consumers - and that all involved have fair access to energy markets. Above all, it requires governments to put in place the policies and regulations that empower producers and consumers to respond to prices. Finally, UNECE mandate includes sustainability. Sustainability has three inter-related dimensions:

- Economic, where investment and consumption decisions are made in a framework of sensible policies. One cannot oblige buyers or sellers to take decisions that run counter to their economic self-interest
- Environmental, where use of sustainable resources meets human needs while preserving the environment so that the needs can be met not only in the present, but also in the future
- Social and political, where policies and programs are sustained over time because they are perceived as working for the welfare of society and are therefore supported by the people.

The energy sector is at the nexus of economic and environmental sustainability. The world is changing rapidly in terms of environmental considerations, technological progress, and globalization. And the pace of change is accelerating.

The economic challenge is to secure affordable and sustainable energy services for energy consumers. However, because the world is changing so rapidly, governments cannot afford to bet on specific technologies. It is investors who should be putting their capital at risk. Governments should focus on providing a long-term, stable framework for all energy chains from the source to final use to ensure "proper" investment and consumption decisions. Energy efficiency is often described as low-hanging fruit where investments pay for themselves quickly. But it is not getting

done, and there are many reasons why: tariffs, subsidies, opaque information, financing constraints, market structures, and so forth. UNECE is committed to working with its partners, including OSCE, to ensure that the rate of uptake of energy efficiency investments is optimal -- meaning, in all honesty, double today's rate -- and this work is part of that effort.

This afternoon Mr. Scott Foster, UNECE Director of Sustainable Energy, will be presenting the results of a study conducted with OSCE on energy efficiency, a review of the implementation of OSCE commitments in the field of energy efficiency and its contribution to energy security.

Without stealing too much thunder from this afternoon's session, OSCE participating States can make no better choice than improving energy efficiency to address their energy security, environmental and economic challenges. However, though the benefits are well-known, the potential for improving energy efficiency remains largely untapped and implementation lags. It is curious that the most obviously beneficial policy is not being implemented at the needed scale or scope. The report on the implementation of OSCE commitments makes four key recommendations to improve the situation and I endorse these recommendations. First, OSCE – including its “Partners for co-operation” - could consider partnering closer with UNECE, EU and IEA in the energy efficiency area. There are large gains to be had by increasing co-operation among international organizations.

Second, OSCE could consider supporting UNECE as a platform for enhanced energy policy dialogue to address opportunities, barriers and feasibilities and to assess the consequences of subsidies for energy efficiency viability.

Third, building on the second point, OSCE could consider working jointly with all international organizations that are active in energy efficiency, with the specific perspective of its potential contribution to security.

And fourth, OSCE participating States could consider co-operating with UNECE to specifically work on market formation in order to accelerate the uptake of energy efficient technology and investments.

In all of these areas, UNECE work is expected to have a direct, material impact and to catalyze or accelerate the transition to a sustainable energy future. We will need your help in doing so, and we look forward to working with you.

2012 has been declared the Year for Sustainable Energy for All. The UN Millennium Development Goals include alleviating energy poverty, improving the energy intensities of national economies, and encouraging renewable energy technology as an instrument in de-carbonizing the energy sector. The challenge is to meet these goals with rational, effective policies. A shift to green that is too abrupt and that does not consider financial consequences may discredit the legitimate contributions of new technologies and delay effective progress in meeting targets. Today's imperatives are clear: promulgate sensible economic, energy, transport and environmental policies, address market failures, build capacity for technology transfer, and develop financial instruments that are appropriate for local circumstances. The work that is being done must be seen as benefiting society as a whole if policies are expected to be sustained.

## RAPORTEURS' REPORTS

### **Review of the implementation of OSCE commitments in the economic and environmental dimension**

**Moderator: Mr. Goran Svilanović**, Co-ordinator of OSCE Economic and Environmental Activities

**Rapporteur: Ms. Alma Mirvić**, National Planning and Co-ordination Officer, OSCE Mission to Bosnia and Herzegovina

*The Co-ordinator of OSCE Economic and Environmental Activities (CoEEA), Goran Svilanovic*, opened the session on the review of implementation of OSCE commitments, emphasizing its importance in contributing to the assessment of the progress made with regard to a specific topic in the Second Dimension. He introduced Mr. Scott Foster, Director of Sustainable Energy Division in the UNECE, which produced the review for the OSCE. The report, focusing this year on energy efficiency, was made available to all the delegations and the meeting participants, with a note that it was not a final version, and that it will be revised and corrected following the Forum meeting.

In presenting the review report, *Mr. Scott Foster* explained that the study was developed as a result of a fruitful co-operation with the OSCE. He also mentioned the UNECE Committee on Sustainable Energy, mandated to secure sustainable energy security supply, without causing too much economic distress. Explaining the current trends in the energy field, he noted that several perspectives have to be considered: having a system in place that is seen by the people as an improvement and the need to act quickly to have a key impact. In that regard, the collaboration with OSCE means impact at grassroots level. He also commented on the recent predictions that CO<sub>2</sub> emissions will rise in the next few years. Against this forecast, energy efficiency will help economic competitiveness, security of supply, balance of trade and environmental performance. It was noted that the next meeting of the Committee on Sustainable Energy will take place on 16-18 November. The meeting will discuss mandate and future work of the Committee, and comments and inputs from the OSCE and its delegations would be welcome. He also noted that the OSCE serves as a platform for dialogue and that it can support efforts towards greater energy intensity by developing guidelines for the participating States to that end. Discussing energy intensity, he noted the many variables accounted in the energy intensity measurements, among others the quality of capital stock, energy mix, pricing and subsidies. He called on the OSCE participating States to ensure sustained commitment to decarbonize and explore housing and public procurement sectors in this regard.

*Mr. Umberto de Pretto*, Deputy Secretary General at the International Road Transport Union (IRU), commented on the definition of sustainability, referring to the definition agreed by governments under the Agenda 21. *Mr. Foster* explained that the UNECE's approach reflects the three-pronged approach to sustainable development.

*A representative of the Russian Federation* noted that developed and developing countries operate at different energy intensity levels. He recommended that different indicators be used in review reports, such as the energy consumption per capita. *Mr. Foster* noted that economic structure is generally the indicator which can explain the energy intensity. However, the report presents a range of measures. Here, recommendations on energy efficiency policies and programmes are important. The report's author also commented that many countries dislike the fact that energy intensity is a crude indicator of energy efficiency of a country. He referenced a chart on page 14 that showed energy performance of the EU Member States, adjusted for economic structure and climate.



*A representative of the Open University* asked if there were any developments in the area of procurement and Public-Private-Partnership (PPP) in the sustainable energy sector. *Mr. Foster* noted that the Sustainable Energy Division is working with private sector to enhance their investments, and that another UNECE division has identified a roadmap for PPP.

*A member of the Business Advisory Board on UNECE PPP* commented that one of the UNECE's tasks was to build capacity for states and asked if UNECE would assist countries build capacity in PPP. *Mr. Foster* commented that efforts are being made to enhance the PPP character of their work and stressed the effectiveness of such an approach in the future.

*The representative of Canada* asked what the precise value added was of the OSCE in partnering with UNECE in this case and if there was any specific use or recommendations regarding extracting industries transparency initiative (EITI). *Mr. Foster* noted that the collaboration between OSCE and UNECE primarily contributes to enhancing the dialogue on energy security in the region.

*The Executive Secretary of the UNECE, Jan Kubis*, noted that while UNECE is a technical organization and provides a platform for discussion with experts from industries, the OSCE has the political clout, bringing various issues to the political decision makers' attention, and has a system to rapidly react to challenges. The OSCE has access to specialized platforms, such as the ENVSEC, and the ability to mobilize political attention, while the UNECE is unable to send political messages quickly. A combination of the two organizations' mutual efforts is extremely valuable. He also noted the valuable co-operation between the two organizations in the enforcement of the Aarhus Convention through support to establishment of the Aarhus Centres. *The CoEEA* also underlined the co-operation under the ENVSEC initiative, and that OSCE – as the Initiative's Chair in 2011 – has presented the ENVSEC's work to a number of relevant governmental bodies, enhancing both vertical and horizontal co-operation.

*The representative of the Netherlands* reflected on the strong role of governments in subsidizing, regulating, and taxing in the field of energy efficiency, where private companies dominate. He asked if there were ways to translate outside factors and role of the market in the price mechanism. *Mr. Foster* commented that governments generally take big risks in forecasting the future. In this regard, subsidies have often been the problem, rather than a solution.

*A delegate from Kazakhstan* noted the importance of transparency initiatives in the energy sector and also underlined that OSCE functions on the principle of co-operation.

*The Ukrainian delegation* noted their efforts in improving co-operation in the energy field. He stressed the importance of Energy Charter provisions, as a practical step to introduce Ukraine into the energy market and the EU. The delegation asked for further discussions on the role of the OSCE, particularly in the light of current global economic challenges. *Mr. Foster* commented that the review report lists several areas for co-operation, which detail specific avenues of co-operation between UNECE and OSCE on energy efficiency. It would also be worthwhile to explore more policy dialogue between IEA, UNECE and OSCE.

*The Tajik delegation* expressed its full support to the OSCE approach and highlighted that the government's programme aims at achieving full self-sufficiency by the end of the next decade. Tajikistan is open for regional co-operation in the field of small and medium-sized hydro power stations. *Mr. Foster* stressed the importance of regional co-operation in water basin management.

*Mr. Vytautas Naudužas, Ambassador for energy and transport policy issues, Lithuania*, concluded that energy independence could be difficult to attain and that energy security is something delegation should focus on.

## **Panel Debate I: Promotion of Sustainable Energy: The OSCE Contribution and Follow-up Ideas**

**Moderator: Mr. Jacquelin Ligot**, Independent Energy and Infrastructure Expert, France

**Rapporteur: Mr. Raúl Daussa**, Environmental Programme Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities (OCEEA), OSCE Secretariat

*The Moderator* welcomed the participants and introduced the key topics to be covered during the session, as well as the panellists.

*Ambassador André Mernier, Secretary General of the Energy Charter Secretariat* argued that it is first of all important to have a clear and commonly accepted definition of what is meant by the term “sustainability”. The term incorporates energy efficiency which must be the responsibility of everyone from the domestic user to the industrial sector.

Sustainability requires extensive investment in the necessary infrastructure. This is particularly difficult in challenging economic times and also involves addressing issues of pollution and climate change. Sustainability can be achieved in part by better use of energy resources. This will be complex because of the overall greater demand for sources of energy. Despite recent events and difficulties, nuclear energy continues to hold many advantages in terms of cost and environmental considerations, particularly for the generation of power.

The huge investment required to achieve sustainable energy is another opportunity to refer to the investment protection provisions of the Energy Charter Treaty. The Charter has a broad constituency and the dialogue it facilitates is a good model for the OSCE.

*Mr. Slavtcho Neykov, Director of the Energy Community Secretariat*, stressed the fact that OSCE participating States must go beyond the concept of energy independence and address energy security. To achieve energy security it is necessary to promote the use of sustainable energy keeping in mind energy affordability and the need to strengthen co-operation between different institutions and countries. In that regard, the role of the OSCE should be to promote political will to develop and implement legal commitments, which are the building block for the establishment of a confident investment climate and the expansion of business.

*Ms. Nabot Dodhudoeva, Head of NGO Taji "Madina va Khamkoron" (Tajikistan)* explained concrete examples of local projects aimed at promoting sustainable use of energy as mitigation options in one of the most vulnerable regions of Central Asia, the Pamir mountains. In 2007, “Madina” implemented a project for the dissemination of innovative and energy efficient technologies like the provision of microloans for to the insulation of homes and solar water heaters in the Badakhshan region. In only three years, 410 households were insulated and new energy-saving technologies were distributed.

The success of the scheme led to the expansion of the project to distribute other energy efficient products like solar water heaters and energy efficient furnaces and pumps. The end result is two-fold: Families save money and natural resources previously tapped for heating are preserved. These types of projects contribute to making the women's work easier to heat water for washing and bathing the children.

*Dr. Karin Kneissl, Energy Expert and University lecturer (Austria)* highlighted that the turn-around for an energy-mix based on higher quota of renewable forms of energy requires also action in securing supply of strategic minerals indispensable for the solar and photovoltaic industry. Moreover, the installation of smart grids needs enormous investments.

The OSCE's role in facilitating trade of respective resources might be established along the lines of the CSCE instruments of baskets, taking into consideration issues such as transfer of technology and politico-military aspects of trade of certain strategic commodities.

*Ms. Olga Andrianova, Associate Lecturer at the Faculty of Business and Law, The Open University (United Kingdom)* stressed that the private sector is the main contributor to emissions, and therefore the role of the OSCE could be three-fold:

1. Enhance the development of incentive-based instruments by providing support in defining necessary legal and environmental parameters for energy saving and renewable energy projects;
2. Enhance knowledge sharing and collaboration between public and private sectors by organizing training and capacity building activities on energy saving initiatives and promoting Corporate Social Responsibility;
3. Enhance the development of stakeholder activism by awareness-raising and information events among consumers through civil society environmental organizations;

*Mr. Nazim Mammadov, Head of the Department of Renewable Production and the Use Stimulation, State Agency on Alternative and Renewable Energy Sources of Azerbaijan* explained several projects his country has developed like the establishment of a pilot plant to generate 5,5 Mw of power through wind, solar, biogas and geothermal energy to provide a stable electricity supply to 20,000 people. Another example is the solar panel factory and LED light bulbs production using European standards.

Azerbaijan has drafted a programme to promote renewable energy up to 2020 and has established an appropriate legislative framework, thus creating a favourable investment climate for the private sector. The focus on renewable energy from an oil-rich country is based on the premises that fossil fuels are finite and the use of Nuclear Energy has strong safety considerations.

During the debate, the panellists were asked why countries are falling short in promoting sustainable energy if there is a universal recognition that it provides strong dividends in the form of effectiveness, environmental protection and contribution to energy security.

The panellists argued that there is a fragmented approach to energy policy and governments tend to have divided competences among several ministries (energy, economy, infrastructure) hence lacking a strategic approach. Moreover, federal states have more levels of government and supranational bodies like the EU also complicate the matter. Moreover, 50% of oil is used in the transport sector, and renewable energy is not so well equipped to substitute that sector in the short term.

*Ambassador Mernier* explained that the Energy Charter used to be a tool for EU accession and it has evolved into a tool to develop common energy markets. Moreover, the ownership has shifted to the contracting parties as it is demonstrated by the 2010 Serbian proposal to develop a regional energy strategy with a focus on investments.

*Mr. Neykov* explained the provisions of the Energy Charter, which exist mainly to protect investments, secure transit and settle disputes. Regarding the settlement of disputes, the responsibility lies on the state party to initiate the procedures and not within the secretariat. The Energy Charter protocol on energy efficiency and related environmental aspects is a process whereas parties can exchange technology. In that regard, the OSCE could assist in providing political support.

During the debate, *one participant* pointed out the need to avoid emotional reactions following the recent accident at the Fukushima Nuclear Power plant, and it was mentioned that nuclear energy may still be partially an answer to the energy supply and climate change mitigation.

*Two participants* enquired about the niche the OSCE could fill in renewable energy, taking into consideration its conflict cycle approach. It was argued that energy is a strong sovereign issue and not easy to discuss at multilateral fora. The OSCE can bridge this gap by means of organizing meetings and push for political will based on its 35 years of experience negotiating politico-military and human aspects of security.

Another niche for the OSCE is to convey concrete messages to parliamentarians and create partnerships with other international organizations active in this field (the EU and the Energy Charter, the International Energy Agency, the Energy Community and the UNECE). In that regard, *one panellist* mentioned that the OSCE is already part of the Vienna Energy Club, which brings together eight Vienna-based organizations which deal with various aspects of energy.

*Another panellist* added that co-operation with the civil society is key, and that the OSCE is already promoting this aspect through the Aarhus centres, which promote the access to information, justice and environmental decision-making.

*One participant* asked how specifically the OSCE should promote the access to technology. *One panellist* responded that energy technology is today a global issue and no longer confined to the OSCE area, as, for instance, China is producing advanced photovoltaic panels at cheaper prices than Europe, and that the OSCE could help in providing a negotiation forum. *Another panellist* argued that protection of intellectual property is essential yet very difficult to implement.

*One participant* asked what concrete actions should be considered for the Ministerial Meeting in Vilnius. *One panellist* responded that the OSCE should seek deeper co-ordination and co-operation with technical organizations, as this would allow the OSCE to facilitate the exchange of best practices without duplicating the work of these technical organizations. *Another panellist* suggested the idea of establishing a world fund for sustainable energy with financial contributions from developed countries. Finally *another panellist* stressed the need to raise awareness of sustainable energy among the population.

The need to tackle transparency and promote anti-corruption measures as the energy sector is dominated by private companies was highlighted.

Finally, *one participant* stressed the fact that new technology provides new grounds for potential attacks by terrorist organizations, and that the OSCE should continue its work in analyzing potential threats to critical energy infrastructure.

## **Special Session I: Sustainable Energy - Solutions for the Future**

**Moderator: Ambassador Audrius Brūzga**, Director of Energy Security Centre under the MFA of Lithuania

**Rapporteur: Mr. Geoffrey Collier**, Second Secretary, United Kingdom Delegation to the OSCE in Vienna

In his introductory comments, the moderator, Ambassador *Audrius Brūzga*, Director of the Energy Security Centre, Lithuania said that energy security and sustainable energy were clearly linked. Both should be addressed. Sustainable energy was not just about energy efficiency and renewable. Other issues such as, *inter alia*, climate change, waste management, nuclear safety and the technological base were also relevant. Government involvement was crucial. They provided

continuity and policy sustainability. He advocated the establishment of an OSCE task force to address energy issues and encouraged the four panellists to consider forward looking proposals for OSCE engagement.

*Dr. Rabia Ferroukhi, Senior Programme Officer at the International Renewable Energy Agency (IRENA)*, explained that her organization had been set up by the international community in response to climate change. This was a real problem; greater use of renewable energy was part of the solution. Renewables improved access to energy for developing countries, thus helping them to meet their Millennium Development Goals. In 2010 renewables accounted for 16% of global energy use, but they had huge potential: production of renewables could more than meet total energy demand but more investment was needed. Also decision makers and private industry needed to work together to both reduce the barriers to the use of renewable energy and promote renewable energy policies. IRENA was disseminating knowledge and best practice in this area, but was keen to work with all international actors to this end, including the OSCE, because it could not do the work by itself.

*Dr. Volker Krey, Researcher at the International Institute for Applied Systems Analysis (IIASA)*, highlighted some of the key points from the soon to be published Global Energy Assessment. The authors of the report had considered a number of scenarios for the transformation of energy use in the decades ahead. All the scenarios demonstrated that energy savings was going to be the largest chunk of energy use in the period ahead. This energy transformation would bring multiple benefits for health, security and climate change. But key to this transformation would be an integrated approach which, at a national level, put responsibility for energy issues in the hands of a smaller number of organizations, and, at an international level, required improved coordination. This might be an opportunity for the OSCE.

*Ms. Cristina Morales Clavijo, Head of Communications of Gorona del Viento, El Hierro (Spain)* outlined the steps her island was taking to make it the first to have 100% renewable energy supply. The scheme involved the design and construction of a wind-hydro power station, sustainable transport and environmental education. When the scheme was fully operational in 2012 the island would save considerable money that it had previously used on importing oil. The scheme could be replicated on other islands.

*Mr. Miran Hrženjak, Director of the Keter Group (Slovenia)* explained that his company had focused on the development of biogas power plants. The number in use around the world was growing. It had several benefits: waste was a renewable energy source; the plants provided a way of harnessing energy from waste; methane could be used to produce heat and energy. Using all kinds of waste would be crucial to satisfying future energy demand. OSCE could work with other international organizations to provide guidelines/best practice on the production of biogas in participating States and elsewhere.

In the discussion that followed, the *representative of Uzbekistan* outlined the action his Government was taking to develop renewable energy. A massive programme of investment in renewable energy technology and equipment was underway with the aim of saving \$5.2bn in the period 2011-15 and to cut emissions. They were developing photovoltaic power stations, wind and solar power generation. The problem was water resources where the piecemeal approach was an obstacle to development. Construction of power stations on the rivers feeding the Aral Sea was exacerbating its problems. The OSCE could do more on renewable energy.

*The representative of Romania* said that the goal of his Government was for 24% of the country's energy needs to be provided by renewable sources (a combination of hydro, wind, biomass) by 2020.

*The representative of Armenia* said that his country was dependent on imported energy. Their nuclear power plant, though an emotive subject for others, was an essential part of their energy needs. Armenia wanted to encourage its neighbours to improve regional co-operation in energy matters. Armenia too sought to increase the amount of energy provided by renewable sources: its goal was 20% by 2025.

*Robert Mangham, Economic and Environmental Officer at the OSCE Presence in Albania*, asked the panel whether technological advances in the energy field could keep pace with the worst predictions for global population growth. In response Dr Krey said that if we accept the UN prediction of a global population of 9bn by mid-century, we need not be too concerned. There was plenty of untapped energy potential. The situation with regards to food might be more problematic.

Drawing the overall conclusions of the session, the Moderator, Ambassador Brūzga, emphasized the need for stronger co-operation with other international organizations specialized in renewable energy to provide guidelines and best practices. He also urged delegations to further consider the possibility to establish an OSCE task force to address energy issues.

## **Panel Debate II: Promotion of Sustainable Transport: The OSCE Contribution and Follow-up Ideas**

**Moderator: Mr. Anthony Pearce**, Senior Advisor, Project for Development of Logistic Centers/Nodes in Central Asia, United Kingdom

**Rapporteur: Mr. Roel Janssens**, Economic Adviser, Office of the Co-ordinator of OSCE Economic and Environmental Activities (OCEEA), OSCE Secretariat

*The Moderator* introduced the theme of the Panel discussion and defined sustainability as the long-term maintenance of well-being, which has environmental, economic, and social dimensions. He added that this is echoed in the World Bank Transport Strategy which defines the goal of sustainable transport as providing for safe, clean and affordable transport. He then referred to the “Five Capitals Model of sustainable development”, developed by the organization Forum for the Future, and said that this model goes a little further, defining sustainable development in terms of natural capital, social capital, human capital, manufactured capital and financial capital.

By way of example, Mr. Pearce explained that in 2008 an Asian Development Bank (ADB) study on Central Asian transport estimated that approximately \$6.5 billion is required to upgrade roads and improve surface condition of the Silk Roads. The benefits would be substantial. A 50% increase in road quality indicators may lead to an increase by 20% of the intra-regional trade would (to \$48.7 billion annually). A 75% improvement in road quality would produce an intra-regional trade increase of 35% (to \$89.5 billion annually). This demonstrates how better roads help to improve the economy and people’s lives, contribute to reducing emissions, lead to reducing accidents, and in general make transport more sustainable.

Mr. Pearce then briefly presented to the Panellists the key issues they were supposed to address and invited them to make their introductory statements.

*Mr. Algirdas Šakalyš, Adviser to the Prime Minister of the Republic of Lithuania*, provided an overview of the East West Transport Corridor (EWTC) Association as an innovative instrument fostering development of intermodal transportation in the OSCE area. He mentioned that at the constitutive conference the agreement was signed by the representatives of 26 business, academic and administrative bodies from Lithuania, China, Russia, Ukraine, Kazakhstan, Mongolia, Sweden, France, Denmark and Germany. Currently, it gathers 2.000 organizations from 12 countries. The speaker stated that transport and logistics are affected by globalization and therefore require international co-operation as well as multi-sectoral co-operation, including through the development

of transnational corridors. Mr. Šakalys also mentioned that attention has to be paid to the removal of both physical and non-physical obstacles. He then provided information regarding transportation flows in the Baltic Sea region. As both trade and transport are expected to grow in 2011 and beyond, one of the most important tasks is to prepare and realize the so called “Green Corridor” concept, partly financed by the European Commission. The general mission of EWCT Association is to become a co-operation platform for putting in practice of the “Green Corridor” concept which entails the promotion of innovations, new technologies, business models, transportation management systems, market analysis of new logistics schemes, and the development of business plans.

*Ms. Eva Molnar, Director of the UNECE Transport Division*, briefly introduced the work and mandate of her Division. She stated that over the years, in the framework of the UNECE’s Inland Transport Committee, a set of international agreements, conventions and other international legally binding instruments as well as recommendations on a large number of transport issues had been developed. A total of 57 legal instruments on transport are currently available. Ms. Molnar then mentioned that sustainable transport is not just about the environment, but also encompasses social and economic aspects. Social aspects of ‘sustainable transport’ include access to transport, safety, security and health issues, while economic aspects focus on the interconnection between sustainable transport and economic growth, employment, prosperity and competitiveness. Detailed reference was made to the “UN decade for road safety”. Ms. Molnar emphasised that the UNECE pioneered road safety activities in the United Nations system with the establishment of an Ad Hoc Working Group on the prevention of road accidents in 1950. In 1988, the Working Party on Road Traffic Safety (WP.1), an intergovernmental body, was established. Today, WP.1 remains the only permanent body in the United Nations system that focuses on improving road safety.

Focussing on the co-operation between the OCEEA and the UNECE Transport Division, Ms. Molnar referred to the joint efforts to promote a better understanding of inland transport security challenges across the region and to contribute to improving the co-ordination and effectiveness of national and international efforts in addressing these challenges. In that regard, a two-day inland transport security Experts Roundtable would be organized on 12-13 December 2011 in Vienna.

She also referred to the development of a ‘Handbook of best practices at border crossings: a trade and transport perspective’. The main purpose of the handbook is to assist OSCE/UNECE countries in developing more efficient border and customs policies by promoting existing best practices in this field. Ms. Molnar highlighted in particular one of the handbook’s chapters entitled “border crossing performance measurement” and said it could possibly serve as a basis for discussions in the framework of the UNECE Working Party on Customs Questions affecting Transport. Eventually it could be turned into a possible new annex to the UNECE Harmonization Convention. The development of indicators similar to the UNDP’s human development index would allow governments to measure how good they are in transport. This could also serve as a basis for improvement of transport policies.

Upon request of the Moderator, Ms. Molnar elaborated on climate change and its links with transport. She said climate change poses a serious threat to human development and prosperity, with implications also for transport infrastructure, human health, global trade and security. While transport is generating greenhouse gas emissions it is, at the same time, heavily affected by the impacts of climate change. In order to support the preparation of appropriate policy actions and facilitate information exchange on best practices, the UNECE has established a “Group of Experts on Climate Change impacts and adaptation for international transport networks” which met for the first time in September 2011.

*Mr. Gaozhang Zhu, Director of Compliance and Facilitation, World Customs Organization (WCO)*, presented the work of his organization, which has 177 member Customs administrations, and also administers several conventions such as the revised Kyoto Convention which focuses on

harmonizing customs clearance process. He elaborated on the WCO's SAFE Framework of Standards and particularly on the Authorized Economic Operation (AEO) concept, part of the Customs-to-Business pillar. He added that the WCO has produced guidelines for the development of Mutual Recognition Agreements (MRAs) which would significantly increase the benefits of using the AEO model. Mr. Zhu highlighted the importance of addressing integrity issues in the Customs and transport field. He drew attention to the numerous tools that his Organization had developed to promote integrity, including the revised Arusha Declaration (2003), the WCO Compendium of Integrity Best Practices, the Integrity Development Guide, the Model Code of Ethics and Conduct etc. He applauded the excellent co-operation that the WCO had developed with the OSCE in providing capacity building on the aforementioned tools. Mr. Zhu stressed the importance of the simplification of border management procedures for the trade and transport sectors and presented the introduction of Coordinated Border Management as a possible solution to many of the problems faced. He gave the example of the Netherlands where a reduction of border regulatory agencies had led to a great reduction in costs and time. The speaker concluded by reassuring that the WCO stands ready to continue its co-operation with the OSCE.

*Mr. Niall Leonard from the European Commission's Directorate General (DG) for Mobility and Transport* stressed that closer integration between the transport markets of the EU and those of the enlargement and ENP countries can make transport connections faster, cheaper and more efficient, to the advantage of citizens and businesses. Prospects for closer market integration will rely on the ability and readiness of neighbouring countries to move towards standards equivalent to those applied in the EU and on the ability to link the transport systems of the EU and of its neighbours. He also emphasised that road safety is a major societal issue which is duly recognised in the EU's "White Paper on transport policy 2010 – 2020". Lowering the number of road users' casualties is key to improving the overall performance of the transport system. Efforts will have to be made also to harmonise road safety standards between the EU and its neighbours. Mr. Leonard ended his intervention by stressing that dialogue on transport matters brings people together and creates bridges between nations.

*Mr. Umberto de Pretto, Deputy Secretary General at the International Road Transport Union (IRU)*, started off by recognising that, like any other human activity, road transport has an environmental impact. The road transport industry's challenge is therefore to lower, as much as possible, its environmental footprint for instance through increased fuel-efficiency and noise reduction. Mr. de Pretto added that road transport will remain in the foreseeable future highly dependent on fossil fuels, with no economically viable alternative in sight. Sustainable energy policies are therefore needed to secure road transport's capacity to service the economy. He said that given the correlation between economic growth and road transport volumes, the industry is constantly striving to increase its fuel-efficiency by providing better transport rather than more transport through the latest innovative technologies, professional training, enhanced output and logistics, in order to keep supporting the economy. The speaker stressed the need to further reduce border waiting times for truck drivers. Estimates still show that 40% of the total transportation time is lost at border crossings. This has serious social, economic and environmental consequences and potentially creates an environment conducive to corruption. The most cost effective way to significantly reduce these unacceptable waiting times at borders is to implement the key UN trade and transport facilitation and security instruments, such as the Harmonization and TIR Conventions. Mr. de Pretto also emphasised the compatibility of railways and roads and stressed the importance of using an inter-modal approach.

*Mr. Alexander Veitch, Head of Sustainable Development at the International Union of Railways (UIC)*, explained that UIC is the worldwide international organization of the railway sector and that it includes 197 members from across all 5 continents. Its members are integrated railway companies, infrastructure managers, railway or combined transport operators, rolling stock and traction leasing company service providers (restaurant services, sleeping cars, etc.). He mentioned



that the UIC has adopted a Declaration on Sustainable Mobility & Transport which represents a tool to promote and report on UIC members' contribution to sustainable mobility and transport towards key stakeholders on sustainable development and greening of transport. It also provides a solid basis for development of co-operation and partnerships with leading sustainable mobility networks and research institutes. By signing it, member railways are making a public commitment to work towards these objectives and provide progress reports regarding further improving safety, reliability, punctuality, and environmental performance. The next step for the UIC sustainability programme is to develop a sector-level sustainability report to be presented to the Rio+20 Conference in June 2012. This report will summarize the rail sector's progress in delivering the commitments in the UIC Declaration on Sustainable Mobility & Transport. Mr. Veitch also announced that UIC will be co-hosting with Serbian Railways the first South East Europe Environmental workshop, targeted at railway operators from that region.

The speaker also stressed that rail is, on average, a more energy efficient transport mode than road, air and shipping, and thus is an important part of the solution for sustainable transport. He added that railway companies have committed to reducing average Co2 emissions from train operation by 50% by 2030 compared to 1990. Mr. Veitch ended his presentation by stressing that railways alone cannot solve the challenge of sustainable mobility. The challenge for policy makers is to develop an integrated transport system that links rail, road, air and shipping together to maximize the advantages of each mode.

During the Question & Answers part of the session, *a representative of the Republic of Belarus* informed that several International Development Banks are financing a Belarusian State Railways' project aimed at assessing the social and environmental impact of the development of railway infrastructure and also to assess to what extent the Arhus Convention principles and other environmental standards are met. The Belarusian Government is currently the main implementer of the project. The involvement of civil society and NGOs has been limited so far.

*A representative of the Czech Republic* asked what was the added value and what should be the priorities of the OSCE's involvement in the field of transport, particularly in the light of tight budget conditions. *Ms. Eva Molnar* replied that trade and transport drive progress, prosperity and ultimately peace and stability. While UNECE is a technical organization, the OSCE has the potential to raise key issues to political level. She stressed that in general the work of both Organizations is very complementary. *Ms. Molnar* added that part of the OSCE's added value rests in its ability to reach out to a different audience. While, in the field of transport, the UNECE Secretariat has typically access to Ministry of Interior, Transport and Finance, the OSCE grants access to Ministries of Foreign Affairs. Fundraising for small project is also easier in the OSCE context as, unlike the UN, it is less burdened by a bureaucracy. Joint OSCE and UNECE efforts have already demonstrated they can lead to increased efficiency. Finally, *Ms. Molnar* commended the work and usefulness of the OSCE field operations.

*Mr. Niall Leonard* emphasized the value of a comprehensive East - West dialogue that goes beyond the EU borders. He gave the example of the EU-Kazakhstan dialogue which is held at a technical level mostly and added that the OSCE can take this dialogue to a more comprehensive, political level.

*A representative of the Republic of Moldova* stressed the need to harmonize and strengthen rules and regulations particularly when it comes to import and export procedures. Cross-border traffic flows should increasingly be analysed and efforts to improve road infrastructure should be further enhanced in Eastern Europe.

The general discussion was followed by two presentations on best practice examples in the field of sustainable transport, which concluded the session.

*Ms. Maria Sack, L.L.M eur., Lawyer, Head of the Team for International Associations, German Railways (DB), made a presentation on “Harmonization of the transport legal framework as a tool for promoting long distance rail traffic”. Ms. Sack stressed that it is the ambition of DB Schenker to become the leading ‘green transport’ and logistics provider. She compared the time needed and costs related to different modes of transport and concluded that while air transport is the fastest it is also the most expensive. Maritime transport on the other hand tends to be less costly but more time consuming. Long distance transport by rail might be the most cost and time effective. However, what is hindering the railway transport sector is the lack of a uniform set of rules for international long distance traffic. Currently there are two legal regimes for rail transport in place: COTIF/CIM (Convention concerning international carriage by rail / Uniform rules concerning the contract for international carriage of goods by rail) and SMGS (Agreement on International Goods Transport by Rail). Efforts are being undertaken by UNECE and other railway-specific organizations to unify the railway law in the pan-European region and along Euro-Asian transport corridors. In the short run it is envisaged to agree on a Memorandum of Understanding on general terms and conditions for Euro-Asian rail transport contracts (March 2011-March 2012). In the medium term this should lead to Model law regulations for international rail transport (June 2012-2015) and finally in the long run this could result in a Convention on International Rail Transport (2015 or beyond).*

*Mr. André Hempel, Head of Sales/Marketing, Trans Eurasia Logistics GmbH., said that his company, founded in March 2008, is a joint venture between RZD (Russian Railways) and Deutsche Bahn AG (German Railways). He went on to present a number of best practice examples. The first one is a container block train (of 80 TEU) between Duisburg and Moscow called “Moscovite”. The train passes through Malaszewicze-Brest (Polish-Belarusian border) where transshipment takes place. The transit time required is 7 days and the train runs twice a week. Other examples provided by Mr. Hempel included the Duisburg-Chongqing container block train (80-100 TEU) which runs through the territories of Poland, Belarus, Russia, Kazakhstan and China (transshipment takes place in Brest and Dostyk/Alashankou at the Kazakh-Chinese border). The total transit time of this weekly train run is 16 days. A final example was the “Tiger train” which runs from Duisburg to Shanghai through the territory of Belarus and Russia.*

Mr. Hempel concluded by highlighting the main advantages of international rail transport for businesses, namely: regular rail service; fixed terminal-to-terminal transit time (element of predictability); guaranteed availability of platform wagons at the borders; possibility to transport heavy goods up to 31 tons (gross) per container (incl.dangerous goods and high-value goods); availability of GPS systems on trains, which ensures constant overview and surveillance. Long distance railway transport also has 95% less emission of CO<sub>2</sub> than air freight.

## **Special Session II: Maritime Co-operation in the OSCE area: Transport and the Environment (*Follow-up to the 16<sup>th</sup> OSCE Economic and Environmental Forum*)**

**Moderator: Mr. Alexey Stukalo**, Deputy Co-ordinator / Head, Economic Activities Office of the Co-ordinator of OSCE Economic and Environmental Activities, OSCE Secretariat

**Rapporteur: Ms. Caroline Donnellan**, Attaché, Permanent Mission of Ireland to the OSCE

*Mr. Alexey Stukalo, Deputy Co-ordinator / Head, Economic Activities, Office of the Co-ordinator of OSCE Economic and Environmental Activities introduced the session, recalling that the 16<sup>th</sup> EEF, under the Finnish OSCE Chairmanship, focussed on the issues of maritime and inland waterways co-operation. He noted that a Ministerial Council Decision was adopted in Helsinki in 2008, in which the challenges of maritime pollution were highlighted. Following on from this, the OSCE has*

been engaged in a number of related activities, including the holding of a Conference on the Safety of Navigation and Environmental Security in the Black Sea Basin, organised by the Finnish Chairmanship and the Government of Ukraine in June 2008, and a training series in oil spills preparedness and response in the Caspian Sea region.

*Mr. Jan Lundin, Director General of the Council of the Baltic Sea States Secretariat (Sweden)* provided background on the Council, stating that it is an intergovernmental organization working on regional co-operation and noting that the 20<sup>th</sup> anniversary of its founding will take place next year. He explained that it strives to improve competitiveness, team spirit and a 'sense of family' in the region. He discussed the Expert Group on Maritime Policy with a three year mandate that has a focus on competitiveness and on protection of the maritime ecosystem. It consists of representatives of all the Member States and also from the EU Commission (DG Mare) and organizes stakeholder meetings and events. Mr Lundin outlined CBBS's co-operation and coordination with other political actors, including the Baltic Sea Parliamentary Conference, the Baltic Sea Sub-regional Co-operation Council, the Helsinki Commission, the European Commission and the Northern Dimension Partnership on Transport and Logistics.

Mr. Lundin cited some excerpts from a recent resolution by the Baltic Sea Parliamentary Conference, which are useful in highlighting priorities for the region. In this regard, he outlined the promotion of the use of alternative marine fuels; the development of initiatives and adoption of precautions to prevent a modal backshift in traffic from sea to land; and the abolition of competitive disadvantages for the Baltic Sea Region, which could be achieved somewhat through designation of further sea areas, such as the Mediterranean Sea, as Sulphur Emission Control Areas (SECA).

Mr. Lundin outlined activities and projects that CBSS have been undertaking, including the convening of joint meetings with the BSPC, CBSS and BSSSC, a workshop on LNG that was held in Oslo in March 2011, the Baltic Transport Forum which was held in May, and EU funded projects on Waste Handling on Board (Baltic Master) and Reducing Emissions/Improving Shore-side Facilities (Innoship, Clean Ship).

The second speaker, *Mr. Richard Lisovsky, Head of Sector GIS Technologies Marine Aquatoriums and Coastal Zones, Scientific Centre of Ecology of the Sea (Ukraine)* spoke about the development of a national oil pollution system called the Black Sea Monitoring System for Oil Pollution (BSMS) and Ukraine's experience in using forecasting and preparedness instruments. Mr. Lisovsky noted that this was a pilot project.

Mr. Lisovsky emphasized the importance of good Nautical Charts in the creation and use of national oil pollution systems. The Scientific Centre of Ecology of the Sea operates with certified navigation charts in GIS format which cover the coastal zone of Ukraine. The speaker outlined how they are now working with the Black Sea Commission to obtain nautical charts for the entire Black Sea area. He further discussed the required information for data collection and online output of the National Oil pollution System. He also commented on the information that is necessary for the Interactive map service, namely details on the areas that are most vulnerable to oil spills; information on traffic and risk distribution; and the available resources in the region for combating oil spills. Mr. Lisovsky informed that the project was made possible due to significant financial contribution from the Government of Finland and also noted the useful experience that was gained from HELCOM, UNEP, UNDP, the Black Sea Commission, SeaDataNet and data collected from the Ministry of Environmental Protection and Ministry of Emergency Response in Ukraine. Mr. Lisovsky said that, in the future, it would be useful if a comprehensive Black Sea decision-making support system such as SeaTrack could be developed in the Baltic Sea Region. He informed that such efforts have already been underway in conjunction with Black Sea Commission and Swedish and Finnish experts.

*A representative of Russian Federation* said that the problem of oil spills is something that is very topical nowadays and drew attention to an initiative that was put forward at the G20 meeting in Toronto which involved the setting up of a special sub group to deal with the issue through analysing national laws and looking at best practices.

*Ms. Parvin Farshchi, Manager, CaspEco Project, Caspian Environment Programme* spoke on the GEF/UNDP-CASPECO Project. She began her presentation by describing the Caspian Sea areas, noting that it is the largest landlocked body of water in the world, commenting on its unique biodiversity, rich commercial bio resources and rich hydrocarbon resources. She explained that the main economic activities in the region are fisheries and oil and gas production. However, there is a wide variety of untapped opportunities also. Ms. Farshchi said that issues related to the legal regime, that can impede access to resources, ethical differences and political disputes are remaining challenges. She also spoke about a decline of resources and unsustainable coastal development in the area.

*Ms. Farshchi* had a wide number of suggestions for assistance that the OSCE could provide for the region. *Inter alia*, she suggested that the OSCE could:

- Develop an inventory on energy related specialised organizations, stakeholders and key players for the region, an inventory on energy related legislation and regulations of the Caspian littoral states, and undertake an analysis of energy transport systems, policies and market requirements for the region.
- Explore what organizations/institutions can co-operate and invest in energy security and sustainable energy transportation initiatives in the Caspian Sea area and provide assistance to the Caspian authorities to further develop a legislative framework to promote the use of renewable energies and sustainable energy transport.
- Participate at the “Annual Caspian Presidents Summit” to develop a “Long-term Programmatic Plan” related to energy security, good governance and the promotion of EITI principles. She also said that the OSCE could facilitate a Tripartite (Black, Baltic and Caspian Seas) Forum on the environment, energy and the economy, and could promote the “Green Bridge Partnership Programme”.
- Promote energy collaboration between the Black Sea and the Caspian Sea through regional mechanisms such as CASPECO, the Tehran Convention, BSEC and the Black Sea Commission. Other suggestions included the exchange of information and best practices, the promotion of awareness rising of rare elements management, the promotion of natural gas as a clean energy and encourage investments in gas production and transport in the area.
- Provide assistance in implementing initiatives such as the Caspian Ballast Water Management Strategy and Action plan.
- Help assist the region in improving its energy market players and improve technological development in the marine transportation sector.
- Promote the creation of links with existing networks on the area, co-operation with other international and regional organisations on projects and awareness raising programmes.

*Mr. Antti Jokinen, Senior Adviser, Baltic Sea Action Group (Finland)* discussed maritime co-operation in the Baltic Sea region from the point of view of nongovernmental organizations. He began by talking about HELCOM and how environmentally friendly maritime activities are a core component of its Baltic Sea Action Plan (2007). Activities include the reduction of eutrophication from shipping, strengthening maritime safety, improving response capabilities for oil spills, fighting the spread of invasive species and investigating illegal discharges and ships that are not in compliance with regulations.

Mr. Jokinen discussed the ship reporting system that has been operating in the Gulf of Finland since 2004, set up by Finland, Estonia and Russia. He noted that the EU INTERREG programme EfficienSea has further developed safe and sustainable sea transport. He drew attention to MARSUR and PERSEUS projects that address the need to improve co-operation, coordination and coherence of maritime safety, surveillance agencies and disaster response. He also stated that the BRISK project deals with oil spill response practices in the open sea and the EnSaCo project deals with response practices on the shore line. Blue Belt and E-Maritime focus on smooth operation of the logistics chain. Mr. Jokinen informed that the European Space Agency IAP programme is now focussing on the Baltic Sea area.

Mr. Jokinen said that NGOs have a crucial role in ensuring that environmental issues remain topical and that discussions lead to practical steps. He commented on the success of the Baltic Sea Action Summit of 2010 when heads of states, ministers and leaders gathered together to make commitments on maritime issues and stated that the next one will be held in the Russian Federation in 2012.

In his concluding remarks, the moderator said it would be useful to have a debate with representatives from other sea areas in the future and that the OSCE may consider facilitating such an exchange of views. He also recalled a number of suggestions for OSCE follow up formulated during the session, namely:

- Utilize existing platforms and structures in the regions;
- Support the creation of an online information system for combating oil pollution;
- Organise a Tripartite Dialogue to discuss experience and ideas on how to pursue regional maritime policy in a smart way;
- Support the harmonization of sea reporting systems;

### **Special Session III: Regional and Sub-regional Co-operation on Sustainable Energy and Transport**

**Moderator: Mr. Vytautas Naudužas**, Ambassador for energy and transport policy issues, Ministry of Foreign Affairs of the Republic of Lithuania, 2011 OSCE Chairmanship

**Rapporteur: Mr. Tigran Sukiasyan**, National Economic and Environmental Officer, OSCE Office in Yerevan

Discussions during the session were devoted to the initiatives, experiences and best practices from various OSCE sub-regions in the fields of sustainable energy and transport, identifying concrete ways of building analytical capacity, and further promoting cross-sectoral and inter-regional dialogue and co-operation, as well as developing synergies between the OSCE and other regional actors and strengthening the effectiveness of the OSCE as platform for dialogue and co-operation

*Ambassador Mohammed Yahya Maroofi, Secretary General, Economic Co-operation Organization (ECO)*, outlined the multiple challenges in the field of the development of energy and transportation due to rapid global industrialization. He stressed the need to analyze the demand for policy reform, to step up efforts at regional and sub-regional levels, and to formulate realistic policy solutions to facilitate the development of renewable energy. He called for a brainstorm on how to effectively use the platform of the OSCE's 19<sup>th</sup> Economic and Environmental Forum to identify concrete ways and means to address these challenges.

Then the speaker raised the issue of inseparability of sustainability and security concepts, as they entail further extensions of the energy security concept, to include security of demand, and security of transit and energy efficiency. In this context he underlined the special role of the OSCE, as a unique organization which pursues economic aspects of security. Ambassador Maroofi strongly encouraged further exploring the synergies to be developed between OSCE and regional partners. He suggested launching experts' consultations to explore potential OSCE's involvement into the implementation of regional project aimed at introduction of effective energy trade exchange, and mentioned that a feasibility study would be initiated soon.

The speaker also addressed the role of the OSCE, as the platform for dialogue and co-operation, in increasing effectiveness through better coordination and promoting convergence of sub-regional policies on energy and transport. As a first step, such issues could be included on the agenda of the upcoming meeting of ECO energy ministers in 2012. Furthermore, the OSCE could be invited to designate representatives to ECO high level expert meetings to discuss joint co-operation on energy and transport, as well as to jointly develop and implement new project proposals in these areas.

Ambassador Maroofi's concluding suggestions were to consider perspectives of close collaboration between ECO and OSCE on countries such as Afganistan, Tajikistan and Pakistan, and to incorporate OSCE principles and approached in: (1) implementation of existing international instruments on fair and balanced handling of transport and energy issues and (2) focusing on transit countries into ECO's current policies regarding revival of the Great Silk transit route.

*Ambassador Traian Chebeleu, Deputy Secretary General, Black Sea Economic Commission (BSEC),* provided a comprehensive overview of the BSEC's initiatives in the field of energy and transport. On energy part, he mentioned the "*Outline Strategy on Energy until 2020*" (finalized in April 2010) which provides Member States with a selection of strategic options in elaboration and adoption of their energy policies and strengthening regional co-operation in the field of energy. The Ministers of Energy of BSEC adopted in January 2010, in Sofia, a Declaration setting the common goal "*to identify the steps to be taken towards gradual establishment of an integrated Black sea energy market*" and agreed upon the necessary actions to achieve the goal. There are also ongoing deliberations over the establishment of a *Regional Energy Infrastructure Fund*. A Task Force on promotion of the renewable forms of energy generation was established in June 2011, by the decision of the Council of Foreign Ministers. As far as undertakings in the field of transport are concerned, the following ones has been mentioned: *the Black Sea Ring Highway Project*; the project on the development of the *Motorways of the Sea in the BSEC region* aimed at strengthening of maritime links among the ports of the Member states; *MoU on Facilitation of Road Transport of Goods at the BSCE Region*; an finally, designing a new project aimed at progressive liberalization of international road transport of goods. As a possible niche for OSCE's engagement, the speaker mentioned the catalytic role of the Organization in creating synergies between activities undertaken by different international organizations.

*Ambassador Václav Bartushka, Ambassador-at-Large for Energy Security, Czech Republic,* started from questioning OSCE's effectiveness in acting as a regional platform for dialogue on energy and transport issues. Following arguments were presented to justify concern – (1) unanimous decision making process, which in past has blocked adoption of couple of important decisions on the subject, and (2) funding limits of the OSCE, as implementation of the projects in both targeted sectors is quite funding-intensive. The role of the EU, as the biggest economic block in the region, was prioritized specifically in deciding on the future of CO<sub>2</sub> trading and increasing the funding for developing energy generation from renewable resources by 2020 (currently less than it should be).

*Ms. Marta Szigeti Bonifert, Executive Director, Regional Environmental Center (REC), Hungary,* presented the dynamics of world energy consumption by 2020 and expressed concern that much more efforts are required to achieve the planned 20% decrease by EU. She also outlined general and sectoral benchmarks, as well as competitive advantages from achieving these targets through cost-

effective policies. The speaker referred to the results of a recent opinion poll carried out among EU citizens, according to which the energy efficiency is just the fourth priority after stability of energy prices, renewable energy and security of supplies. She mentioned that large scale awareness raising campaign is needed to change citizen's mentality, which in turn would lead to the a more responsible approach. Later on Ms. Bonifert presented a number of good practices such as: *Regions for Sustainable Change Project; Financing Low Carbon Refurbishment; Energy efficient Mobility of Older People; and CIVITAS*.

*Mr. Miroslav Kukobat, Senior Expert on Infrastructure and Energy, Regional Co-operation Council (RCC),* briefly touched upon the RCC's Sustainable Energy Development Regional Initiative (SEDRI) background and goals with particular focus on promoting construction of small scale sustainable energy facilities, improving legislative framework and fostering regional co-operation. After outlining the next steps, the speaker pointed out that the OSCE can provide an appropriate platform for discussing challenges of climate change and security of energy supplies, as well as designing appropriate policy measures and projects at regional and sub-regional level.

*Mr. Robert Peacock, Research Associate, School of Criminal Justice, Michigan State University, USA,* focused on developing intelligent and integrated rail corridors between Europe and Asia with particular focus on the first demonstration of the project - Viking Rail Line between Black Sea and Northern Europe. In discussing development of public-private co-operation in the adoption of the electronic technologies and practices necessary to implement intelligent and integrated train corridors between Europe and Eurasia, the role of OSCE as important regional facilitator has been mentioned.

The key note speakers' presentations were followed by interventions of delegations and participants.

*The representative of Romania* welcomed the development of regional projects, including on interconnectivity of electric networks. He also noted that the potential of hydro-power energy resources is often underutilized. He concluded that countries should capitalize from exchange of best practices for development of green economies.

*The representative of the USA* stressed that close collaboration with other regional actors such as BSEC, UNEP, WCO and REC needs to be enhanced. As a unique platform for sharing best practices, OSCE can play an important catalytic role and assist in translating regional and sub-regional policies into local actions.

*A representative of UNEP* briefly presented an overview of his Organization's activities in targeted sectors, including capacity building initiatives at local level, planning of energy security and sustainability in Central Asian countries.

*The delegation of Thailand* presented an overview of policies pursued by the Government and benchmarks adopted, aiming at supporting generation of energy from renewable resources and energy efficiency. One particular objective is to reduce by 30% the consumption of energy before 2030. It was also mentioned that Partners for Co-operation could benefit from sharing of best practices from the OSCE area in promoting renewable energy generation.

*A CIS representative* pointed out that there is significant potential for development of the renewables in CIS region and referred to an existing action plan of priority measures.

*The representative of the Russian Federation* said the OSCE can play a catalytic role in connecting countries and providing a forum for dialogue between suppliers, transporters and end-users of energy.

*A participant from Kazakhstan* invited the OSCE to consider increasing the number of invitees from civil society organizations to Forums' deliberations, as well as to put more emphasis on ecological aspects of energy and transport.

*The delegation of Tajikistan* informed about the adoption of a national programme for development of transport and communications (2011-2015). It also referred to a project being carried out jointly with the OSCE on supporting the development of transportation through a "Law on Transit". The speaker suggested broader engagement of the OSCE in design and implementation of regional transport projects.

*The representative of Japan* echoed concerns about limitations for OSCE's active involvement in energy security issues and proposed to put emphasis on confidence building activities. He also recalled an initiative by his country in the context of promoting good governance in the field of transport and facilitating transport and border crossing through advanced technological solutions, namely the possibility of establishing of fibre optic networks in Central Asian countries.

## **Concluding Session: The Role of the OSCE in Follow-up to the 19<sup>th</sup> Economic and Environmental Forum**

**Moderator: Mr. Goran Svilanović**, Co-ordinator of OSCE Economic and Environmental Activities

**Rapporteur: Mr. Tomáš Lipták**, Third Secretary, Permanent Mission of the Czech Republic to the OSCE

*The Moderator, Goran Svilanović, Co-ordinator of the OSCE Economic and Environmental Activities* opened the floor for statements and interventions by delegations and Forum participants.

*The representative of Romania* supported the role of the OSCE in the field of promoting energy efficiency, renewables and fighting energy poverty. The OSCE confidence building potential should be properly used in the field of energy. Romania supports the creation of an OSCE task force of experts on energy security and considers that in its mandate also the task to analyze the possibility of creating an OSCE online networking platform for energy security experts from participating states should be included. Romania also endorses the exchange of good practices in the field of energy security within the OSCE and the promotion of good governance and transparency. Romania underscores the need for the OSCE to continue to foster cooperation with other international organizations and be a platform of dialogue for all relevant actors in the field of energy security.

*The delegation of the United States* noted that without good governance and transparency all efforts to realize energy security, improve energy efficiency and increase the share of renewable energy will be unsustainable and reiterated the support to the EITI. As well, a toolbox that would help the OSCE participating States resolve energy-related crises and problems is needed. The US welcomes the Chairmanship's proposal on creating an energy task force. Regarding sustainable transport, the representative noted that issues such as environmental challenges, transport inefficiencies and corruption need to be tackled. A holistic approach is needed and efficient solutions would depend on close collaboration among governments, private sector and civil society. In this regard the field presences play an important role. Some OSCE supported projects were mentioned as good examples, such as the work on draft Strategy to promote renewable energy in Uzbekistan, the proposed legislation changes to stimulate the use of renewable energy Ukraine, the assistance provided by the OSCE Office, before its closure, to the Government of Belarus with regard to capacity-building in the energy diversification, and work of the Centre in Bishkek to increase the citizen's awareness in regarding customs procedures and regulations.



With respect to sustainable energy, *the representative of Canada* stated the OSCE would be most effective in areas such as regional early warning and conflict prevention, dialogue facilitation, and good-governance. The role of the OSCE field missions was stressed in this regard, particularly in training, promoting regional and sub-regional co-operation and the exchange of best practices. OSCE should focus on its own strengths and according to the speaker the OSCE's added value is found in the work on the ground, among others by the OSCE Academy in Bishkek and the OSCE Border Management Staff College in Dushanbe. Transport was mentioned also with regard to Afghanistan, as a sector where the OSCE can strengthen its engagement, *e.g.* through a greater involvement of Afghan counterparts in relevant OSCE projects and activities. That would contribute to the implementation of the 2007 Madrid Ministerial Council Decision and would be in line with the conclusions of the 2010 Astana Summit, which encourage engagement with Afghanistan across all three dimensions.

According to *the representative of Azerbaijan*, synergies should be created with the UNECE, Energy Charter Treaty, the Vienna Energy Club and other international and regional organizations. The proposed energy task force could also directly address the issues of inter-regional, regional and sub-regional co-operation and promote the concept of safe, stable, and credible partnerships for infrastructure enhancement on the basis of the existing experiences in the region, as well as the political will to strengthen wider geography of the routes of hydrocarbons supply. The suggestion was made to mandate the Task Force to also address the multifaceted issues of nuclear energy. In that regard, such issues as the need to demonstrate nuclear safety, transparency and information access with regard to the criteria of operations of old-generation nuclear power plants and the construction of any new nuclear power facility were also mentioned. Recognising the special role the OSCE could play to enhance the dialogue on energy, an emphasis was made to ensure that the OSCE addresses across the region the issue of sustainability, good governance in the field of environment, and the compliance mechanism with international environmental legal instruments. The role of the OSCE in promoting EITI was also stressed. The need for an enhanced engagement on environmental issues, *i.e.* a more "green approach", was made, as not only energy security is important, but environmental security too. In this regard, the need for raising the profile of the ENVSEC programme was highlighted, though regional complexities were also mentioned. Another important issue is the need for enhancing the existing regional and inter-regional transport infrastructure through enhancing its operability, efficiency, and reliability to the end of boosting the trade and un-tapping the economic potential of land-locked countries across the region.

The upcoming High-level Energy Conference „Integrating Global Energy Markets – Providing Energy Security“ due to take place in Ashgabat on 3-4 November was promoted by *the delegation of Turkmenistan*. The concept of indivisible security was mentioned as well as the support for continuation of the energy dialogue in the OSCE framework.

*The representative of Ireland, incoming OSCE Chairmanship*, congratulated the organizers and speakers on the series of stimulating and valuable discussions on the topics of sustainable energy and transport and also thanked Ambassador Prokopchuk of Ukraine for his skilful chairing of the Economic and Environmental Committee in Vienna. Ireland will prioritise good governance issues during the next year's Twentieth Economic and Environmental Forum. The speaker reminded that good governance is a prerequisite for sustainable economic progress and for the creation and implementation of effective economic policies and noted the topic of governance has not been the primary theme of the Forum for a number of years. Nevertheless, past meetings as well as the sessions of this year's Forum have already offered some ideas serving as food for thought.

*The representative of Armenia* thanked the organizers of the Forum, supported the role of the OSCE in the field of energy and transport and reiterated its support to further discussion on these topics which are rather political, not purely technical. Armenia believes that the OSCE has comparative advantage and added value to pursue further work. The representative also stressed the role of the field presences. The OSCE has a mandate and possibility to work on the ground.

## **Closing remarks**

**by Mr. Goran Svilanović**  
**Co-ordinator of OSCE Economic and Environmental Activities**

Distinguished participants,

Our main objective over the last days has been to identify and discuss the possible OSCE role and contribution towards the promotion of common actions and co-operation in the OSCE area in the fields of development of sustainable energy and transport.

During this Concluding Meeting of the 19th OSCE Economic and Environmental Forum, as well as along the preparatory process that led us here today, we have focused not only on the main 'building blocks' of the Forum's theme, but, more importantly, on the inter-linkages between them. Having thoroughly analyzed these complex issues, I believe that one of the key conclusions we can draw is that we all need to act in co-ordination and co-operation. We need to build and strengthen synergies. We heard it quite often that the OSCE can provide a useful platform in this regard.

Having said that, let me thank all those who contributed to our deliberations, representatives of the OSCE participating States and Partners for Co-operation, representatives of international and regional organizations, as well as representatives of civil society, academia and the business sector. I would like once again to warmly thank our panelists, speakers, moderators and rapporteurs. I also thank those who made interventions from the floor for their useful input.

Due to your active contribution, we will return to Vienna enriched with knowledge and ideas. We will use the outcome of this meeting in order to define our future work. A next milestone in this regard will be the upcoming Economic and Environmental Dimension Implementation Meeting in Vienna in mid-October. As you know, its agenda includes a session on the follow-up to the 19th Economic and Environmental Forum.

As in past years, my Office will compile a Consolidated Summary and will continue to work toward defining possible concrete actions that could be envisaged in the follow-up process. I am looking forward to our discussions on this matter in the framework of the Economic and Environmental Committee. We also stand ready to provide support to the Chairmanship and Delegations ahead of the Vilnius Ministerial Council meeting in early December.

Distinguished participants,

I would like to highlight some of what I believe are the key conclusions of our Forum.

Let me go back to the issue of synergies and multi-stakeholder dialogue and co-operation.

The draft Review Report submitted by the UNECE and discussed in Session I provides a number of recommendations on how the OSCE, the UNECE and others could work together in the area of energy efficiency and related policy developments. Based on this draft which will be updated, and on your suggestions we could envisage joint activities and meetings on various topics such as harmonized data collection, data sharing and spreading of best practices on energy efficiency measures. We are looking forward to further guidance from participating States and stand ready to work out more detailed proposals.

The OSCE could as well offer a platform for information exchange on various other initiatives related to sustainable energy and transport. We could also bring our contribution with regard to better co-ordination of such initiatives, to their harmonization at regional level.

Promoting effective and innovative policy approaches that would lead to ‘greener’ transport and energy, to solutions that are both economically efficient and environmentally sustainable, should be high on our agenda. Climate change concerns, a drastic increase in the use of energy over the last decades, the rising needs for transport, the environmental impact of the use of conventional energy sources and pollution of the marine environment- these are only a few of the challenges that need to be faced in the near future.

In their search for sustainable energy solutions, countries and businesses need real time information on international best practices and standards. They need to transform the existing expertise into local knowledge and capacity.

Based on the existing experience accumulated by my Office and the Field Presences, we could envisage and implement concrete projects and activities such as study visits, capacity building workshops, regional roundtables etc. We could provide support to dialogue and co-operation initiatives between various stakeholders at national, bilateral and regional level, notably on renewable energy such as hydropower, solar and wind energy projects and technologies. We could raise awareness on energy poverty and its impact at local level, including its gender aspects, and support innovative local solutions that overcome or alleviate it. We could also promote the inclusion of good governance and anti-corruption aspects in policies promoting sustainable transport and energy.

Ladies and Gentlemen,

If developing partnerships is a key conclusion, the need for continuity is another, equally important one.

We should indeed continue to build upon existing OSCE documents and commitments, stay focused, analyze our activities and the feed-back received from others, streamline our engagement and move ahead aiming at consolidating and improving our effectiveness and our results.

The joint OSCE/UNECE Handbook of Best Practices at Border Crossings – A Trade and Transport Facilitation Perspective, which will be issued this fall, is, I believe, a good example. It builds upon the recommendations of past Forum meetings and continues a solid long lasting co-operation with the UNECE. It responds to needs expressed by stakeholders interested in or dealing with transport and trade facilitation. I hope it will be useful in strengthening capacities across the region to deal with various obstacles to trade and transport.

Sustainable energy is a key component of energy security. This year’s Forum process also emphasized that energy security can be best pursued through regular and open dialogue. The very dynamics of the energy sector, the various interest involved, the sensitivity of some of the issues at stake, all require a continuous and transparent dialogue.

The results of our continued dialogue on such relevant and topical issues as sustainable energy and transport can be multifold. We can identify specific actions and activities that contribute towards advancing our common objectives, we can design concrete modalities to implement our commitments, and we can develop mutually beneficial partnership. Most importantly we would make progress towards developing a common vision for our common future.

Ladies and Gentlemen,

Before concluding, I wish to express my gratitude to all those involved in the successful organization of our meeting: the Lithuanian 2011 OSCE Chairmanship, the Czech Ministry of Foreign Affairs, the OSCE Prague Office, the interpreters and the technical staff of the meeting.

Thank you for your attention.

## **Closing Statement**

**by Ambassador Renatas Norkus**

**Chairperson of the Permanent Council, Permanent Representative of Lithuania to OSCE**

Excellencies,  
Ladies and Gentlemen,

I am very glad having possibility today to share with you some preliminary ideas and views regarding the outcome of the 19<sup>th</sup> OSCE Economic and Environmental Forum. The eight months since our First Preparatory Meeting have been a period of intensive and challenging, yet fruitful work. When Lithuania proposed the theme of the Forum, our intentions were two-fold: on the one hand, to enhance the continuity of work in the Second Dimension by addressing key areas such as transport and energy and build upon the existing *acquis*.

On the other hand we aimed at strengthening the focus on sustainability and security, by analysing the security implications of different energy policies, various energy and transport activities. Our objective has been to not only to raise the awareness of these important issues, but also to propose viable ways to strengthen our capabilities, encourage co-operation and generate political will to tackle related challenges. The presence during these days of numerous delegates from Vienna as well as of high-ranking officials from our capitals and partner organizations, the rich and lively debates we witnessed during this year's Forum meetings, do confirm the pertinence and relevance of the development of sustainable energy and transport in the OSCE area. There is no doubt that participating States are highly interested in promoting common actions and co-operation in this important field to make sure that the OSCE can bring real value added to the ongoing international efforts and attract the interest of others in working together with our organisation.

Throughout the Forum process we have had the opportunity to listen to various stakeholders - representatives of international and regional organisations, national representatives, independent experts, businessmen, civil society representatives and researchers. All of them have provided us with their inputs and expertise. Their views might not always coincide in every single aspect, but they all seem to agree that without co-operation, without the exchange of best practices and without the definition of common and realistic objectives we will not be able to increase efficiency, security and sustainability in the OSCE area.

Ladies and Gentlemen,

Our economies depend very much on right decisions in the fields of energy, transport, environment protection. We cannot ignore - and should certainly not forget – the mistakes done in the past. We can mitigate their consequences but, first and foremost, we should draw the necessary lessons and avoid the same past mistakes today. To do so, we need not only expertise and knowledge but also a strong political will. This is our main strength and we should make use of it for the benefit of our people and future generations. We know that there is room for improvement in the field of sustainable energy and transport in the OSCE area. During the Forum we have heard experts raising their concerns. Now, I believe, the time is ripe for the OSCE to play a role as a platform, not only for the dialogue, but also for defining and agreeing on strategies and priorities, and eventually agreeing on relevant commitments.

While significant progress has been made in the implementation of the existing MC Decisions, other areas still require additional efforts, which could potentially be listed and elaborated upon in new MC Decisions.

Mr. Svilanović has presented a comprehensive, at the same time, concrete initial elements that were reflected during the Forum. While the Office of Coordinator will prepare a Consolidated Summary

of the Forum, allow me telegraphically refer to some recommendations that were expressed around the table and beyond it during many informal consultations that were taking place in the auspices of this conference:

- OSCE should be used broader as a platform for regional cooperation. Bringing together different sub-regional organizations from all OSCE area, exchanging experience in certain spheres of common interest might be useful for all actors, such as Caspian Environmental Program, activities under Black Sea Economic Cooperation, Viking railway line pilot project.
- Discussing energy and transport related issues between policy makers and private business, OSCE should put stronger efforts in promotion of public- private partnership.
- OSCE field operating presence should be more actively involved in the promotion of green energy and transport, innovative solutions in development of policies, reflecting the needs of countries and regions. We would encourage economic and environmental officers to be more active in these areas and cooperate more closely among themselves as well.
- Climate change, energy security, pollution, water scarcity, natural and man-made disasters requires common response and joint actions. OSCE could be broader used as a place for dialogue, sharing of expertise and best practices, bringing together different parties to discuss and adopt common measures.
- Lastly to aiming continuity and consistency in the activities of the 19<sup>th</sup> and 20<sup>th</sup> Economic and Environmental Forums a consideration could be given to energy sector also next year when discussing the theme of good governance and transparency the possibility to discuss the issue of good governance and transparency in the energy sector.

As a follow up to the discussions held during the 19<sup>th</sup> Economic and Environmental Forum, the Chairmanship would like to propose to discuss and adopt at Vilnius Ministerial Council Meeting decisions on Transport security and Energy security. In close collaboration with the Secretariat, the Chairmanship is working on the draft documents. We will be consulting with pS on their content. One of the proposals briefly introduced by Vice Minister Meilūnas at the Opening Session two days ago would be the formation of a Task Force on Energy Security as well as agreeing on a set of principles of cooperation in the area of energy security, based on OSCE commitments.

We will continue detailed discussions of the main conclusions and of the possible follow-up to the 19<sup>th</sup> Economic and Environmental Forum during the upcoming Economic and Environmental Dimension Implementation Meeting in Vienna on 17- 19 October. We are also looking forward to the further input and guidance from the participating States in the framework of the Economic and Environmental Committee.

Let's join our efforts, so that by the end of the year, by the Vilnius Ministerial Council meeting, many of this Forum's conclusions and recommendations are successfully translated into political decisions.

The Lithuanian Chairmanship remains committed to promote co-operation in the field of Energy Security. Using this opportunity I would like to invite you to participate actively in the upcoming Chairmanship Conference of the Heads of Energy Agencies - "Integrating Global Energy Markets – Providing Energy Security," on 3-4 November 2011 in Ashgabat.

Ladies and Gentlemen,

Before concluding this Forum Meeting, I would like to thank all participants for their active involvement in the discussions and debates, all the speakers and panellists for the high quality and pertinent interventions. In addition, I would like to congratulate the moderators for their professionalism in chairing the sessions and the rapporteurs for making sure that all the voices are well reflected in the summaries.

I would like also to express my gratitude to Mr. Goran Svilanović and his team, as well as to the Prague Office and technical staff of the meeting for the excellent cooperation and in particular for their work in preparing and coordinating this year's Forum.

Last but not least, I would like to warmly thank our host, the Ministry of Foreign Affairs of the Czech Republic, for providing us with all the facilities to organize the concluding part of the Forum in this beautiful and always inviting city.

Looking now to the future, I would like to wish every success to the incoming Irish Chairmanship, in organizing and conducting the next Economic and Environmental Forum cycle on which, as we heard from the Irish Permanent Representation, will focus on *Promoting Security and Stability through Good Governance*.

My last, but certainly not least thanks go to our interpreters who again, demonstrated exceptional skills and professionalism in providing excellent services to all of us.

I wish you all safe trip home.

The Forum is closed.

Thank you.