



## **ENERGY WORKING GROUP**

**Fostering Regional Energy  
Cooperation in APEC**

**Energy for Sustainable Development**

**A Type 2 Partnership Initiative  
Submission to the  
World Summit on Sustainable Development**

## PARTNERSHIP INITIATIVES INFORMATION SHEET

**Name of the Partnership/Initiative:**

Fostering Regional Energy Cooperation in APEC: Energy for Sustainable Development.

**Expected date of initiation:** 23 July 2002 – the Fifth Meeting of APEC Energy Ministers.

**Expected date of completion:** Most activities to be completed and reported to Energy Ministers within 2 years. Some longer term activities to 2006.

**Partners Involved:**Governments:

Asia-Pacific Economic Cooperation (APEC) comprises 21 developed and developing member economies, viz. Australia; Brunei Darussalam; Canada; Chile; People's Republic of China; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; Philippines; Russian Federation; Singapore; Chinese Taipei; Thailand; United States of America; Viet Nam.

All APEC economies are represented on APEC's Energy Working Group (EWG).

Major groups:

- (a) The Asia-Pacific Energy Research Centre.
- (b) The EWG's Expert Groups, viz.
  - (i) Expert Group on Clean Fossil Energy;
  - (ii) Expert Group on Energy Efficiency & Conservation;
  - (iii) Expert Group on Energy Data & Analysis;
  - (iv) Expert Group on New & Renewable Energy Technologies;
  - (v) Expert Group on Minerals & Energy Exploration & Development;
  - (vi) Expert Sub-group on Environmental Cooperation.
- (c) The EWG Business Network, which comprises industry representation from the Asia-Pacific region.

Leading Partners:

**Acting on the direction of APEC Energy Ministers, this partnership initiative is submitted by Australia and Mexico on behalf of the Energy Working Group.**

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**Main objectives of the Partnership/Initiative*****Please provide a brief description:***

APEC was established in 1989 in response to growing interdependence among the Asia-Pacific economies. APEC has since become the primary regional vehicle for promoting open trade and practical economic cooperation.

The APEC Energy Working Group (EWG) was launched in 1990. It seeks to maximise the energy sector's contribution to the region's economic and social well being, while mitigating the environmental effects of energy supply and use.

APEC Energy Ministers decide the activities of the EWG.

***Please also provide a brief description of the relationship of the Partnership/Initiative with the objectives of Agenda 21 as well as relevant goals and objectives of the United Nation Millennium Declaration:***

*“Agenda 21 of the United Nations Conference on Environment and Development (Earth Summit in Rio de Janeiro) points to the fact that much of the world's energy is produced and used in ways that may not be sustained if overall quantities continue to increase substantially and if technology were to remain constant. In various chapters of Agenda 21, it was stated that all energy sources need to be used in ways that protect the atmosphere, human health and the environment as a whole.”<sup>1</sup>*

The *Millennium Declaration* affirms support for the principles of sustainable development set out in Agenda 21. Through its activities, the EWG's partnership will complement the Declaration's resolve to “*create an environment – at the national and global levels alike – which is conducive to development and to the elimination of poverty*”<sup>2</sup> and to protect our common environment by addressing the threat of energy resources being insufficient for the needs of future generations<sup>3</sup>.

The EWG, through its *Future Directions Strategic Plan*, endeavours to promote the 3 E's (economic growth, energy security and environmental protection) for the enhancement of the APEC community. The new partnership initiatives proposed in this submission are consistent with this intent.

The EWG achieves its objectives by voluntary cooperation among member economies through involving government policy makers, technical experts, business and energy regulators, working in partnership under the aegis of the EWG.

**Expected results:**

<sup>1</sup> United Nations Sustainable Development Website, <http://www.un.org/esa/sustdev/enr.htm>.

<sup>2</sup> United Nations Millennium Declaration, A/RES/55/2, 18 September 2000, para 12.

<sup>3</sup> Ibid, para 21.

***Please provide a brief description:***

The United Nations Economic and Social Council<sup>4</sup> notes that:

*“Access to energy is crucial to economic and social development, and alleviation of poverty. Improving accessibility of energy implies finding ways and means by which energy services can be delivered reliably, affordably and in an environmentally sound and socially acceptable manner, particularly in meeting the energy requirements of developing countries, including their rural areas.”*

*“Furthermore, accessibility of energy is conditioned by security of supply and demand as well as by market stability, all of which need to be addressed in terms of their regional and international dimensions, which include cross-border energy transport infrastructure, storage and shipment by tankers.”*

The EWG has long noted that ongoing initiatives must demonstrate added value in the context of the World Summit. As such, new partnership initiatives to be undertaken by the EWG, in the context of its ongoing activities, are particularly influenced by the need to improve **accessibility to energy** and the **security of energy** supplies.

In consideration of the challenges to improving accessibility to energy<sup>5</sup>, and in response to the directives of APEC Energy Ministers<sup>6</sup>, the EWG will pursue new initiatives to:

(a) Undertake **longer-term actions** to improve regional energy security, including to:

- Identify impediments to energy exploration and development, including regulatory and fiscal impediments, and the impacts of energy market reform;
- Recognise that energy efficiency and conservation are very important aspects of energy security and therefore encourage APEC members to actively participate in a Pledge and Review Initiative on Energy Efficiency and a general policy framework for cooperation on energy standards.
- Advance APEC’s 21<sup>st</sup> Century Renewable Energy Development Initiative;
- Direct the EWG’s Expert Group on Energy Efficiency and Conservation and its Expert Group on New and Renewable Energy Technology to work together on areas of mutual interest.
- Direct special focus on alternative fuels, high efficiency vehicles and public transport to mitigate growing oil demand.

(b) Advance regional energy security through **short-term actions** to:

- Improve the collection of monthly oil data, through an exercise in collaboration with APEC, Eurostat, IEA, OLADE, OPEC and the UN, to contribute to improving the transparency of the global oil market;
- Share information on issues of sea-lane security;

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<sup>4</sup> Ad Hoc Open-ended Intergovernmental Group of Experts on Energy and Sustainable Development, Energy and sustainable development: options and strategies for action on key issues: Report of the Secretary General, E/CN.17/ESD/2001/2, paras 19 & 20.

<sup>5</sup> Ibid, para 22.

<sup>6</sup> The Fifth Meeting of APEC Energy Ministers was held in Mexico City, 23 July 2002.

- Implement a real-time emergency information sharing system;
  - Encourage all APEC economies to have a fully-developed energy emergency preparedness plan in place and to share experiences and best practices;
  - Consider the option of oil stocks among interested economies, including consideration of a feasibility study of joint oil and oil product stockpiles by net oil importing member economies and other interested APEC economies, covering all aspects of impacts on the world economy, including impacts on net oil exporting countries.
- (c) Improve access to energy by addressing the barriers to the interconnection of power grids between APEC member economies by:
- Conducting workshops to consider the political, technical, structural, regulatory, treaty, legal and financing barriers to the interconnection of regional power (electricity) grids, including in the context of the proposed major interconnection projects in the Asia-Pacific region.
  - Expanding the focus of its ongoing work to identify and consider strategies to address the barriers to the interconnection of gas pipeline networks.
- (d) Address sustainability through practical responses that encompass burning fuels more cleanly, capture and geological sequestration of carbon dioxide, the use of new and renewable energy technologies, and improving energy efficiency
- (e) Explore new mechanisms for working more closely with international financial institutions to facilitate infrastructure development within the APEC region.

These activities will complement the EWG's ongoing efforts to diversify its energy mix, improve energy efficiency, deploy new and renewable energy technologies, promote clean energy, facilitate energy business and trade, improve data collection and information sharing and encourage private investment through policy and regulatory reform.

**Specific targets of the Partnership/Initiative and timeframe for their achievement:**

The EWG's targets and timeframe are set out in its *Future Directions Strategic Plan* (June 2001)<sup>7</sup>.

The EWG will work cooperatively over the next five years (i.e., to 2006) to promote its vision through voluntary agreements, which take into account the individual circumstances of member economies.

As part of its contribution to sustainable development within APEC, the EWG will pursue the following objectives/targets:

- Strengthening the security and reliability of affordable energy to all within our APEC community;
- Promotion of clean and efficient technologies, and the efficient use of energy to achieve both economic gains and environmental enhancement;
- Achieving environmental improvement of energy production, use and mineral extraction within our APEC community;

<sup>7</sup> The Plan can be viewed at <http://www.apecenergy.org.au/welcome/background/objectives/index.html>

- Harnessing all expertise available to the EWG to give effect to the above objectives.

The EWG will promote policy approaches and initiatives and adopt work programs within the following strategic themes:

- Fostering a common understanding on regional energy issues;
- Improving the analytical, technical, operational and policy capacity within member economies;
- Facilitating energy and minerals resource and infrastructure development in an environmentally and socially responsible manner;
- Facilitating energy efficiency and conservation;
- Facilitating improved reliability and stability in the provision of energy supply to meet demand;
- Facilitating energy technology development, exchange, application and deployment; and
- Facilitating a diverse and efficient supply mix.

### **Coordination and Implementation mechanism**

*Please provide a brief description of expected coordination/implementation mechanism of the Partnership/Initiative.*

The EWG is a voluntary partnership with a Secretariat provided by Australia. Technical cooperation, both of a technology and economic nature largely takes place through the EWG's five Expert Groups, the Asia-Pacific Energy Research Centre and ad-hoc Task Forces.

The EWG meets biannually and will coordinate implementation and review of this partnership initiative, including all relevant projects, workshops and/or dialogues conducted under the APEC banner.

The EWG next meets in Chinese Taipei, 9-10 October 2002.

### **Arrangements for funding**

*Please describe available and/or expected sources of funding for the implementation of the Partnership/Initiative (e.g. donor government(s); international organization(s)/financial institution(s); foundation(s); private sector; other major groups, etc.)*

Funding for the new activities will be primarily sourced from:

1. APEC Operational Account;
2. APEC Trade and Investment Liberalisation and Facilitation Special Account;
3. Self-funding by individual host economies;
4. Private sector;
5. International financial institutions, including the *Asian Development Bank*, *Inter-American Development Bank* and the *World Bank*.

Relevant international financial institutions will be invited to observe in EWG meetings.

### **Arrangements for capacity building and technology transfer**

*Please include information if the Partnership/Initiative provides for training, informational support, institutional strengthening and/or other capacity building measures:*

***Please also provide here a brief description of expected arrangements for technology transfer (if applicable).***

The outputs and outcomes of all EWG activities, including all new initiatives, are made available to all APEC member economies and are available to the wider global community through publications and the Internet.

**Links of Partnership/Initiative with on-going sustainable development activities at the international and/or regional level (if any)**

***Please provide a brief description:***

The new Initiatives announced by the EWG complement the on-going sustainable development activities, as outlined in the EWG's *Future Directions Strategic Plan*.

**Monitoring Arrangements**

***Please describe expected arrangements for monitoring of progress in the implementation of Partnerships/Initiative after it will be launched at the WSSD: (e.g. frequency/modalities of preparation of progress reports; electronic updates, news-letters, etc)***

Progress on the new initiatives will be monitored by the EWG for reporting to the Sixth Meeting of APEC energy Ministers (date and venue to be decided).

Detailed progress on all new initiatives is reported to the biannual meetings of the EWG, the occasional meetings of its Expert Groups and to the biannual meetings of the EWG Business Network.

This information is also regularly available from the EWG Secretariat Internet homepage.<sup>8</sup>

**Other relevant information:**

At their Fifth Meeting, APEC Energy Ministers welcomed the initiative of the EWG to showcase its contribution to energy for sustainable development through the report *Energy for Sustainable Development: The Contribution and Role of the APEC Energy Working Group*.

Ministers believe that the World Summit on Sustainable Development is an opportunity for APEC to demonstrate to a wider global audience how voluntary regional partnerships can be utilised to achieve sustainable development objectives. They have therefore directed the EWG through Australia and Mexico to forward this report to the World Summit on Sustainable Development for their consideration.

The report has been prepared by the EWG and has been endorsed by Ministers and officials from all 21-member economies. It describes the ongoing activities of the EWG in the context of energy for sustainable development and is submitted as an attachment to this Partnership Initiatives

<sup>8</sup> [www.apecenergy.org.au/welcome/home/index.html](http://www.apecenergy.org.au/welcome/home/index.html).

Information Sheet.

The report can also be downloaded from the EWG web-site:

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