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COMMITTEE ON SUSTAINABLE ENERGY

Twelfth session, 20-21 November 2002
Item 3 of the provisional agenda

**MATTERS ARISING FROM THE FIFTY-SEVENTH SESSION OF
THE ECONOMIC COMMISSION FOR EUROPE**

Note by the secretariat

I. INTRODUCTION

1. The fifty-seventh session of the Economic Commission for Europe took place from 7 to 10 May 2002. The following substantive topics and issues were examined and debated at the session: labour market challenges in the ECE region; the ECE role in developing the economic conditions for long term security; the sectoral dimension of security, particularly in areas of transport, energy, environment, trade facilitation and human settlements; strengthening the organisation in the light of the Millennium Declaration principles and priorities; ECE technical assistance activities; preparation and follow-up to world conferences, in particular: the second World Assembly on Ageing; the World Summit on the Information Society (WSIS); the World Summit on Sustainable Development (WSSD); and the International Conference on Financing for Development.

II. PROVISIONS OF INTEREST TO THE COMMITTEE ON SUSTAINABLE ENERGY

Economic Conditions for Long-Term Security

2. The discussion on the role of ECE in developing the economic conditions for long-term security was opened with a keynote address by Mr. Jan Kubis of the Organisation for Security and Cooperation in Europe (OSCE) that underlined the close cooperation between the OSCE and

ECE. The discussion was organised around two Round Tables: Round Table I – An integrated policy approach to security and development, and Round Table II - The sectoral dimensions of security: the ECE role. Documentation for the discussion included ‘Implications of Market Liberalisation for Energy Security’ (ENERGY/2001/7) and ‘Energy Efficiency and Energy Security in the CIS’ (ECE/ENERGY/44), previously considered by the Committee on Sustainable Energy.

3. The Commission expressed its support to the endeavour of all UN agencies to ensure a more stable and safe environment in the region and noted the work of the secretariat to identify the appropriate contributions of ECE in this regard. It was felt that, while ECE was not a security agency, it could contribute through its ongoing work in the various sectors. However, it stressed that ECE should avoid duplicating the work of other regional and international organizations and institutions and build on its recognized areas of expertise.

4. It encouraged the ECE to continue its work relating to the economic aspects of security and its cooperation with OSCE whilst ensuring coordination and complementarity of the work between the two organizations. It further expressed its support for the private sector’s involvement as an important component of future work.

5. The attention of member States was also drawn to the contribution of the European economic integration process to the security and economic prosperity of the region, as well as to further positive effects anticipated in this regard as a result of the enlargement of the European Union. In view of this, the ECE should also cooperate with the European Commission to ensure complementarity and synergies in the work relating to the economic aspects of security in the region.

6. The chairpersons of Principle Subsidiary Bodies of the Commission (PSBs) were invited to look closely at the work programmes of PSBs in the context of security and safety. This would provide a basis for a cross-sectoral examination of the challenges and potential threats to security that pertain to ECE work. The Executive Secretary was encouraged to continue to monitor this aspect of the activities of the Commission.

7. In considering the Commission's conclusions, delegations should note that, during its eleventh session, the Committee recognised the growing importance of strengthening measures and policies to improve energy security, particularly in the light of new and emerging market developments and the risks posed by terrorism. The Committee welcomed the need to re-examine energy policies on coal, nuclear power, indigenous energy production, new and renewable energies and environmental measures in the light of the growing concern about energy security. Under agenda item 4, the Committee will have the opportunity to discuss energy security risks and the policy responses necessary in the light of recent developments and emerging trends.

ECE Strategic Directions

8. During the fifty-sixth session of the Commission, in order to strengthen overall policy coherence and communication in the ECE, the Chairman of the Commission, with the concurrence of member States, established a Steering Group consisting of ECE Bureau members, PSB chairpersons,

and the Executive Secretary, in which interested member countries could also participate. The Steering Group meets in the context of the annual session of the Commission to discuss and articulate overall policy and strategic directions for the ECE. The Commission considers the results of these discussions. The Chairman of the Committee on Sustainable Energy is a member of the Steering Group.

9. While the Steering Group reviewed the work of the Commission as a whole, the discussions most relevant to the Committee on Sustainable Energy were in the context of its discussion on technical assistance. The Steering Group stressed the need to develop mechanisms to facilitate the participation of representatives from countries with economies in transition in meetings and activities of the Commission. It also discussed the use of regional advisers and operational activities. It was observed that operational activities should be better targeted, coordinated, demand driven and transparent. The Commission reaffirmed the role of the Steering Group in contributing to the overall policy coherence and strengthening communication in ECE.

Strengthening the Organisation

10. In February 2002 the Secretary-General launched an initiative to continue the process of strengthening the Organization in the light of the Millennium Declaration principles and priorities. Part of this initiative involved a review of the Secretariat's programme of work and each UN department was asked, as a first step, to prepare self-assessments. Departmental contributions will form part of the report on Strengthening the Organization that the Secretary-General will present to the General Assembly in September 2002.

11. The Commission welcomed the opportunity to discuss the proposals set out in the secretariat note on Strengthening the Organisation (CRP.3). Delegations' initial comments on them were very diverse. The Commission believed that further discussion was needed on important matters such as: introducing more policy dialogue, the social dimension and security issues into the Commission's work programme, reforming ECE's intergovernmental structure, strengthening the role of the annual session of the Commission and its Bureau, as well as the proposed orientation of technical assistance and operational activities.

12. The following points were made:

- It was suggested to agree at the session on clear recommendations for further advancement of inter-governmental negotiations on the "reform package" including the format and time frame for this process. As an option, the existing Group of Experts on the Programme of Work (GEPW) could be authorized to undertake a preliminary expert-level examination of proposals and its conclusions and recommendations could be subsequently considered at an ad hoc informal meeting of the Commission.
- Support was expressed for the endorsement by the annual session of the recommendations recently prepared by the GEPW concerning the organization and holding of the annual sessions of the Commission, without linking them to the "reform package" which should be agreed upon in the future.

The Plan of Action adopted in 1997 remained the basic reference for ECE and, in accordance with this Plan, ECE's activities should focus on those areas where it has recognized expertise and comparative advantages.

- In ECE activities, a combination should be retained of various functions, namely the exchange of views on topical issues related to development in the region, norms and standards setting, collection of statistical data and economic analysis, provision of technical assistance.
- Transparency in ECE secretariat procedures should be strengthened and consultation with member States should be enhanced on implementation of programme activities, preparation of budgetary requests, and spending of budgetary and extra-budgetary resources.
- The ECE role in European affairs and seeking solutions to global problems should be increased, and its image in political and business circles should be improved. This will require refreshing the priorities and introducing tangible result-oriented working methods.
- The need to agree on the strategic vision of the Commission's role and tasks and to prepare its medium-term plan of action (with the possibility of up-dating the plan at the annual sessions) was also noted.
- Measures aimed at any changes in the subsidiary machinery and reallocation of means and resources among the secretariat entities should be based on the results of a comprehensive review of the ECE activities both sector-wise and function-wise.
- The Commission should build on its existing strengths in areas of norms and standard setting and strengthen the implementation and monitoring of them.
- The work programme should be focused.
- Activities should respond to the needs and interests of all member countries and sub-regions.
- Any changes should take into account the mandates of other bodies in the UN system, European regional institutions and organizations in order to avoid overlapping, inefficiencies and ensure appropriate coordination.
- Any measures taken should be demand-driven and taken with the full participation of and consultation with member countries, the Bureau, the Steering Group, GEPW and PSBs.
- Any new activities must be taken on only when other activities are dropped.
- The modalities and timing of the process would have to be agreed at future ad hoc informal meetings of the Commission, following consideration by the GEPW, the Bureau and the PSBs.

13. During its eleventh session, the Committee noted with satisfaction that the recent decisions of the Commission and the emphasis of the new ECE Steering Group were reflected in the Committee's programme of work under relevant work programme elements. The Committee may wish to consider the discussions of the Commission described above in its deliberations under agenda item 11, ECE programme of work in the field of energy.

ECE Technical Assistance and Operational Activities

14. The Commission underlined the importance it accorded to ECE's work on technical assistance and operational activities. It was considered that further improvements were necessary to make them more effective. These activities needed to be better targeted and more coordinated with a view to producing tangible results, at the national and sub-regional levels and thus having a real impact on the development of recipient countries. It was also felt that they needed to be more transparent and that more information should be provided to clarify the understanding of the procedures involved in these activities from conception through funding, implementation and on to follow-up and evaluation.

15. Delegations made the following points:

- ECE technical assistance should respond to member States' real needs and necessities, be demand-driven and action-oriented and not be carried out at the expense of ECE's core activities, and be based on ECE's proven competencies.
- Technical assistance activities should benefit in particular those transition economies which have not yet achieved strong economic and social performance, are resource constrained and have limited support from various donor sources.
- Given ECE's limited budget for such activities, efforts should be made to mobilize extra-budgetary contributions from the donor community and develop diversified sources and funding schemes for technical assistance with civil society groups, foundations and the business community.
- The Commission should continue its cooperation with the EU, OSCE, WTO and OECD with a view to supporting and developing joint technical cooperation programmes and seeking funding.
- A stronger overall horizontal coordination would be necessary to provide for priority setting in line with member countries' demands and increasing flexibility in the use of resources.
- Within the framework of ECE's technical assistance activities, it is important to address the problem of supporting the participation of experts from low- and middle-income transition economies in various activities, especially in PSBs and related work.
- It was considered that greater transparency and accountability was required regarding these activities. Member States needed to be provided with regularly updated information on the requests coming from individual countries or groups of countries, project proposals and a list of

completed, ongoing and planned projects and priorities and analysis of project efficiency for end-users.

16. The following decisions were taken:

- The Commission adopted paragraphs 3, 4 and 5 and the ECE Technical Assistance Project Outline contained in document E/ECE/1393.
- It was agreed that document E/ECE/1393 would be the basis for the continuation of the dialogue between the Group of Experts on the Programme of Work and the secretariat on technical support issues.
- An ad hoc informal meeting of the Commission will be convened during the course of 2002 to discuss ECE's technical assistance and operational activities in more detail.

17. The Committee on Sustainable Energy has one of the most extensive programmes of technical assistance and operational activities of the UNECE as described in the note on the ECE initiatives in the field of energy (ENERGY/2002/3). The Committee will have the opportunity to discuss the Commission's decisions and the further development of this work method and these projects under agenda item 6 - Capacity building and special initiatives, agenda item 10 - Regional Advisory Services and agenda item 11 - ECE programme of work in the field of energy.

Preparation for and follow-up to World Conferences

18. The Commission considered its activities in relation to a series of World conferences including the second World Assembly on Ageing held in Madrid, Spain from 8 to 12 April 2002; the World Summit on the Information Society (WSIS) to be held from 10 to 12 December 2003 in Geneva; the World Summit on Sustainable Development (WSSD) to be held in Johannesburg, South Africa, from 26 August to 4 September 2002; and the International Conference on Financing for Development held in Monterrey, Mexico from 18 to 22 March 2002. The Chairman of the Commission encouraged the secretariat and all permanent missions to further consult on the planning and preparations for WSIS-related activities.