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Committee on Sustainable Energy

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Item 9 of the Provisional Agenda

How can the Committee best respond to the needs of member States going forward?

Budget and resourcing of the United Nations Economic for Europe sustainable energy subprogramme

Note by the Secretariat

I. Introduction

1. This document has been prepared by the secretariat at the request of the Bureau to provide an overview of the budget and resources available for conduct and delivery of the sustainable energy subprogramme, Subprogramme 5 of the United Nations Economic Commission for Europe (ECE).
2. The activities of the Committee on Sustainable Energy (the Committee) are conceived with a view to ensuring access to affordable and clean energy to all and to helping reduce greenhouse gas emissions and the carbon footprint of the energy sector. ECE is pursuing work in three critical areas: reconciling the reality of fossil fuels' enduring share of the energy mix with the need to address climate change, enhancing integration of the region's energy markets, and facilitating the transition to a sustainable energy system.
3. Through its groups of experts ECE develops normative instruments, including work on standards and best practice guidance in energy efficiency, renewable energy, natural gas, clean electricity, and coal mine methane. ECE helps countries improve management of their natural resource endowments through the United Nations Framework Classification and has developed recommendations to ensure the future availability of carbon capture and storage.
4. The programme of the ECE's Committee on Sustainable energy aims to:
 - (a) Enhance access to sustainable energy;
 - (b) Improve energy efficiency from source to use;

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- (c) Minimize the impact of the energy sector on the environment;
- (d) Reduce energy and carbon intensities;
- (e) Correct energy market failures;
- (f) Facilitate economic integration and cooperation and promote sustainable development;
- (g) Ensure that energy production, conversion and use is cost competitive;
- (h) Enhance cost-effective attainment of environmental goals through: technology, including renewable energy and carbon capture and storage; raised full cost awareness, including externalities; increased capacity; and constructive innovation in the organization of society, industry, and government; and
- (i) Facilitate exchange of experience and expertise through dialogue and networking among the United Nations Member States, industry, non-governmental organizations (NGOs), intergovernmental organizations (IGOs), academia, and the public on energy matters.

5. The current activities for the Committee and its subsidiary bodies are set forth in the respective work plans and the programme of work (Decisions on matters relating to the Committee on Sustainable Energy, ECE/EX/7, and Revised programme of work for 2016–2017 of the United Nations Economic Commission for Europe subprogramme on Sustainable Energy, ECE/ENERGY/2015/2/Rev.1). The energy-related sustainable development goals extend beyond Sustainable Development Goal number 7, as noted in the document Mapping of the Sustainable Energy subprogramme processes and activities that support countries in achieving the Sustainable Development Goals (ENERGY/ECE/2016/16). It is of critical importance that the work of the Committee be coordinated with and embrace the activities of other actors within ECE, within the broader United Nations family of organizations, and with other stakeholders acting in these areas.

6. In addition to the specific activities described in the work plans of the subsidiary bodies, the Committee undertakes certain activities and oversees cross-cutting activities:

(a) International Fora on Energy for Sustainable Development are organized annually by all five United Nations regional commissions and are designed to explore policy options that countries might implement, outline assistance that the United Nations regional commissions can provide, report gaps between countries' ambitions and their actions, and engage with Member States in the respective regions to assist them in meeting their sustainability and climate commitments;

(b) ECE is working with member States to explore what sustainable energy means for the region from the perspective of reducing the environmental footprint of energy while assuring the energy needed for sustainable development. The dialogue on pathways to sustainable energy is designed to support stakeholders in identifying activities needed to achieve the sustainable development and climate goals from both a political and a technical point of view;

(c) ECE is supporting the development of regional reports under the Global Tracking Framework. This activity is led by the World Bank within the framework of the Sustainable Development Goals and is intended to identify gaps in attainment of objectives and opportunities for acceleration based on jointly-developed indicators for tracking progress;

(d) Finally, ECE is working with key partners to develop best practice guidance for a) monitoring, recording, and reporting methane emissions; and b) abatement of methane emissions in extractive industries.

II. Resourcing constraints

7. This document is intended to sensitize the Committee and its member States to the resources currently available to support the work of the ECE subprogramme on sustainable energy and to request the support of member States for additional resources both in the regular budget and through extra-budgetary resources.

8. Annexes 1 and 2 provide an overview over existing resources available for the management of the sustainable energy subprogramme, both regular budget, extrabudgetary and United Nations Development Account (UNDA).

9. Resources available to the Committee to achieve its objectives, whether at the secretariat or through extra-budgetary projects, are extremely limited. The secretariat is currently staffed with one programme officer in support of each group of experts and the Committee. In order to be fully serviced by the secretariat, each subsidiary body and the Committee would have one senior programme officer (level P5 or P4) and one junior programme officer (level P3 or P2) in support.

10. In addition, funds for travel of participants and for staff and for hiring consultants are insufficient to meet the demands placed on the secretariat (see Annex 1). All work plans and the report of the Committee include tasks that feature the phrase “depending on the availability of resources”, which in essence means that the tasks at hand either linger or are addressed in an incomplete fashion.

III. Recommendations

11. In light of the resource constraints under existing mandates, given increasing demands placed on the ECE secretariat to support the 2030 Agenda for Sustainable Development and the importance of energy in reaching the Sustainable Development Goals, the Committee is requested to endorse and support the following recommendations:

(a) Six additional professional posts (three at the P3-level and three at the P2-level) for the ECE Sustainable Energy Division;

(b) Double the regular budget allocation for travel and consultancy for the sustainable energy subprogramme;

(c) Fund the project proposals that the Committee has requested and that are currently seeking donors; and

(d) Request the secretariat to develop an energy trust fund to complement the regular budget for travel, consultancy, publications, and outreach.

Annexes

Annex I

I. Existing Resources

Regular Budget

1. The **regular budget** for the Sustainable Energy Division covers staff costs, travel costs for participants and staff, and consultant fees.

Staff costs¹: US\$2,077,400

Annual consultants: US\$ 11,100

Annual travel costs for participants and 16 staff: US\$ 14,200

2. The regular programme of technical cooperation (RPTC) serves to support developing countries, least developed countries, countries with economies in transition and countries emerging from conflict in their capacity-development efforts. The funding for the regional advisory services comes from Section 21 of the regular budget, and from extra-budgetary resources, donor countries and countries with economies in transition. These funds are used to hire a P5-level regional adviser and to fund technical cooperation activities and advisory missions. Due to limited staff resources, activities are focused on a limited number of countries taking into account their priority areas for development, government support, as well as the availability of extra-budgetary financing.

Staff costs (Regional Adviser): US\$187,000

Travel of staff: US\$ 3,200

Grants and contributions: US\$ 28,800

3. The United Nations Development Account (UNDA) also is funded by the regular budget. ECE current is involved in two UNDA projects (see Annex II):

(a) Promoting renewable energy investments for climate change mitigation and sustainable development (ECE and the United Nations Economic and Social Commission for West Asia (ESCWA) as lead agency). Expected timing/ duration: 2014-2017. Estimated Financial Resources for ECE: US\$ 272,750;

(b) Sustainable Energy for All (SE4All) in Eastern Europe, the Caucasus and Central Asia (ECE is lead implementing agency and ESCAP is the implementing partner). Expected timing/ duration: 2016-2019. Estimated financial resources: US\$ 564,000 total; US\$ 338,000 for ECE.

Ongoing Extrabudgetary Projects

4. Trust fund for dissemination of best practices in the emission abatement, recovery, and use of coal mine methane. Expected timing/ duration: January 2016 – December 2017. Estimated extra budgetary resources: US\$ 100,000 from the United States.

¹ (for one D1, two P5s, four P4s, one P3, three G6s, and one G5). An additional P2 currently is funded separately by Germany as a junior professional officer.

II. Current and imminent project proposals not yet (fully) funded

5. A project proposal has been developed and approved by the Group of Experts on Resource Classification to support the further development, deployment, and maintenance of the United Nations Framework Classification (UNFC) for effective management of national resource endowments and socio-economically efficient development of the energy resources needed for sustainable development. The expected outcomes of the project are: comprehensive oversight of UNFC processes, programmes, and activities, and management of the secretariat; broadened application of UNFC to encompass renewable energy and geological storage of CO₂ for CCS projects; maintenance of the classification system, development of case studies of UNFC application, and support for educators; dissemination of UNFC through workshops, websites, publications, presentations, and educational courses; and capacity-building through training courses, certification procedures, and qualification of competent persons. The project budget amounts US\$1,900,000 annually to be requested from donors, a process that has just begun.

6. The “Pathways to Sustainable Energy” project aims at strengthening capacity of the ECE member States to achieve sustainable energy objectives. It will increase the understanding of governments on what a sustainable energy future might look like and how this can inform national energy policy making. It will improve the capacity of governments to develop and implement sustainable energy action plans by addressing the challenges faced by each of the very diverse countries on how to embark on a sustainable energy path while integrating international agreements in their national energy policy making. Phases 1 and 2 are expected to last from late 2016 through to 2018. The total project budget is US\$ 990,000, whereas only a small fraction will be available as project coordination funds to ECE (for staffing, travels, communication). Project approval will be sought at the eighty-sixth meeting of the ECE Executive Committee on 15 September 2016. Further project sponsors are being sought for this long-term project under the oversight of the Committee (for more details please consult document ECE/ENERGY/2016/7, Pathways to Sustainable Energy).

7. The project proposal on Energy Efficiency in Buildings, a joint project with the Committee on Housing and Land Management, is designed to improve energy efficiency in buildings in the ECE region through best-practice guidance and standards. It is expected to promote the harmonization of instruments and practices and strengthen capacity in the field of energy efficiency in buildings; to support sharing of information, knowledge and expertise; to explore the feasibility of ECE standards in the field of energy efficiency in buildings; and to establish mechanisms and procedures for standard setting. The project is expected to last for two years following receipt of funding, and the total budget for two years of US\$ 600,000.

8. ECE together with partners Renewable Energy Policy Network for the 21st Century (REN21) launched its flagship report, the ECE Renewable Energy Status Report² in Paris during the climate negotiations. This first report allowed to establish a partnership to complete missing data and information on renewable energy uptake in 17 ECE member States and thus provided a unique opportunity for partnerships and exchanges on data availability, collection and interpretation. Based on funding from Germany efforts can continue in 2016 and 2017 to establish a more systematic approach to improve the understanding of developments in the region, including access to data, enhancement of network exchange and capacity building on best-practice policies. The second edition of the

² <http://www.unece.org/fileadmin/DAM/energy/se/pdfs/gere/publ/2015/web-REN21-UNECE.pdf>

report will make a further contribution to the efforts to create an ongoing process of information and data flows with the region. Other activities of work will focus on the interpretation of the key findings from the report in order to identify key barriers and develop a set of best practice in policy making. The results could inform a platform that can initiate and guide the dialogue among stakeholders from public and private sectors, as well as civil society from the region. It is expected that in the longer run, improved capacities will allow countries to establish more ambitious targets on the basis of information and data gathered by the ECE report, which could translate into improved policy making in a region that still has to develop energy strategies and markets. The current available budget for two years is EUR 140,000. Additional project sponsors are being sought.

9. The Gas Industry Advisory Board is designed to provide a platform for transparent dialogue among the gas industry and government representatives in the context of the United Nations Sustainable Development Goals and the Paris climate agreements. A draft project proposal is under consideration by member States and by the gas industry. Improved awareness of member States of challenges and opportunities for natural gas and of the perspectives of the natural gas industry collectively to accelerate attainment of the Sustainable Development Goals and the Paris climate agreements. The objectives of the project are to provide analytical support and thought leadership on specific topics of interest on gas to member States and companies; improved focus of activities and work plans on natural gas; substantive input to member States on topics that may not be covered by the work plans of United Nations bodies working on natural gas; and expertise and competence on gas to be provided to interested parties. The project would initially run for two years to test its effectiveness. The total budget is indicated as US\$ 1,050,900 annually, but US\$ 600,000 is anticipated to be in the form of in-kind contributions (e.g. secondments), with the remainder sought from project sponsors.

III. Possible future project proposals

10. **Seventh tranche of the United Nations Development Account (UNDA).** When the next tranche of UNDA is announced, ECE and the other regional commissions anticipate submitting a proposal with the goal to enhance the capacity of the regional commissions' respective member States to develop and implement fact-based sustainable energy action plans. The project would be expected to enhance the technical capacities of member States countries to produce relevant and comprehensive statistics on the energy-related sustainable development goals and to strengthen the national capacities of beneficiary countries to develop and implement policies for sustainable energy. This would be achieved through developing relevant indicators for energy-related sustainable development goals, improving the capacity of beneficiary countries to gather needed data and to produce the relevant indicators meets minimum statistical standards, and helping countries develop Sustainable Energy Action Plans.

11. **Methane management in extractive industries.** As noted during the twenty-fourth session of the Committee (documents ECE/ENERGY/99 and ECE/ENERGY/2015/1), the information that is available regarding methane emissions is relatively sporadic and often based on estimates/guesstimates. There is neither a common technological approach to monitoring and recording methane emissions, nor a standard method for reporting them. The extent of the challenge and opportunity to manage such emissions remains largely undefined. Recommendations were made by the Committee to agree on common philosophies, standards, and technologies for monitoring, recording, and reporting methane emissions at each stage of production, processing, storage, transmission, distribution, and use of fossil fuels, whether coal, oil, or natural gas, while recognizing that there will be adaptation to specific situations. Additionally, it was agreed there is a need to mitigate

methane emissions, including identifying appropriate mechanisms for mobilizing needed resources, and to fund a detailed study, on a common basis across the entire ECE region. The Committee agreed that such a study of the methane challenges and opportunities in the extractive industries would be subject to the availability of extrabudgetary resources. A project proposal to this effect may be developed.

12. One of the results of the pathways project will be an exploration of alternative pathways to sustainable energy. Countries that rely on fossil energy may wish to collaborate on a project to develop their vision of achieving sustainable energy.

13. Another outcome of the pathways project (see para. 6 on page 5) will be an early warning system to provide indications of whether or not the world is on a pathway to sustainable energy. A follow-up to that project would be systematic tracking of the signposts to provide the early warning when member States are not on track with set objectives.

Annex II

Overview of United Nations Development Account (UNDA) projects involving the United Economic Commission for Europe (ECE)

A. Promoting renewable energy investments for climate change mitigation and sustainable development (ECE and ESCWA; ESCWA is a leading agency)

Expected timing/ duration: 2014–2017

Objective: To strengthen the capacities of government officials, national financial institutions and national energy experts and project developers, which are involved in renewable energy (RE) in developing countries and countries with economies in transition in the Arab region and ECE region, to attract investments in renewable energy projects as a means of sustainable development and climate change mitigation.

Activities:

(a) Providing technical assistance to the national officials and experts through two regional trainings (one course for each region) in RE project development, finance and business planning to educate participants on mentioned issues;

(b) Providing assistance to six beneficiary countries (three countries in each region) in developing an investment project pipeline: inventory of RE project proposals, each of which contains standard presentation of RE investment project, with details of the total cost of the project, investment requirements, projected internal rates of return and carbon dioxide emission reductions, to support them in the submission process to domestic and international investors, banks, investment funds, and other financial institutions. Business plans will be developed for the two most interesting projects from the pipelines (one for each region) will be selected and presented at the end-of-project workshop;

(c) End-of-project workshop to bring together officials from the two regions along with major domestic and foreign investors. The closing workshop will present business plans from investment project pipelines from the two regions that would be considered for financing by various financial institutions and would have a good chance to receive investments;

(d) Providing knowledge on RE investment projects, which concerns both the regulatory and policy requirements and purely technical aspects that countries would need to deal with when attracting and implementing investments based on foreign or national capital through two regional workshops (one in each region);

(e) Developing six case studies (4 in the ESCWA region and 2 in the ECE region), in beneficiary countries and in cooperation with national coordinators and national participating institutions, on the experience of policy reforms;

(f) Organizing two policy seminars focusing on policy reforms (one in each region) to promote financing of RE investments with the aim of strengthening the capacity of national and local policymakers. The participants will consider the case studies for six countries developed in the above bullet point;

(g) Establishing an online platform for knowledge sharing information and compilation of best practices and lessons learned from other regions. That platform will also provide a knowledge base on promoting investments in renewable energy projects, available international financing mechanisms and best practices, and maintaining a database of case studies, as well as proposed and approved institutional and policy reforms, and

other related information (financing schemes, capacity building, institutional strengthening).

Estimated financial resources: US\$ 272,750 for ECE

Summary of (expected) impact/outcomes

(a) Improved capacity of government officials, national financial institutions and national energy experts and project developers to develop renewable energy investment projects in the private and public sectors;

(b) Improved capacity for governments to adopt policies and measures to improve opportunities for banks and commercial companies to invest in renewable energy projects through the development of new financing mechanisms.

B. Sustainable Energy for All (SE4All) in Eastern Europe, the Caucasus and Central Asia (ECE is lead implementing agency and the Economic and Social Commission for Asia and the Pacific (ESCAP) is the implementing partner)

Expected timing/ duration: 20162019

Objective: To strengthen the national capacity of economies in transition to develop National Action Plans for Sustainable Energy for All (SE4All) in the context of the post-2015 Sustainable Development Agenda.

Activities:

(a) A baseline review of sustainable energy data in each beneficiary country in order to assess the existing gaps in data collection;

(b) Two sub-regional trainings to the national officials and experts responsible for sustainable energy data collection;

(c) Identification of best practices on sustainable energy for each beneficiary country;

(d) Multi-stakeholder consultations with the participation of national officials/experts, ECE, the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), the United Nations Department of Economic and Social Affairs (DESA), SE4ALL and others;

(e) Development of a National Action Plan for each beneficiary country;

(f) A final validation workshop for the National Action Plans for sustainable energy for each beneficiary country;

(g) Organize one regional meeting for ECE member States to share lessons learned on the development of the methodology of the data collection and support to the related sustainable housing and urban development policies.

Estimated financial resources: US\$ 564,000 total; US\$ 338,000 for ECE

Summary of (expected) impact/outcomes

(a) Improved national capacity for data collection and monitoring of progress on energy related sustainable development goals;

(b) Strengthened national capacities to develop national action plans for sustainable energy based on the best international practices.