

# COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNITY POSITION FOR THE UNITED NATIONS CONFERENCE  
ON NEW AND RENEWABLE SOURCES OF ENERGY (NAIROBI, AUGUST 1981)

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(Presented by the Commission to the Council)

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1. INTRODUCTION

On 20 December 1978 the United Nations General Assembly decided in Resolution 33/148 to convene in August 1981 a Conference on New and Renewable Sources of Energy (NRSE)<sup>1</sup>, which is to be held in Nairobi next month.

This initiative is important for the following reasons:

- it is the first United Nations Conference dealing specifically with energy and will launch an international debate on what has come to be called the "energy transition";
- the sources of energy considered account for a large share of the developing countries' supplies and will have to meet a growing proportion of the industrialized countries' requirements too; accordingly, the Conference should lead to increased cooperation between the two groups of countries.

Generally speaking, the overall objective of the Conference can be defined as increasing the development and use of NRSE, particularly in the developing countries, by means of national, regional and international projects; consequently, the Conference should lead to:

- greater diversification in the use of energy resources worldwide;
- a better global balance between energy supply and demand;
- improved transfers of know-how and technology.

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<sup>1</sup> By these are meant the following sources of energy: solar, geothermal, hydro, wind, tidal and marine temperature gradient, biomass, peat, oil shale and tar sands, fuelwood and charcoal, draught animal power.

## II. THE COMMUNITY'S INTEREST IN ALTERNATIVE SOURCES OF ENERGY

NRSE will not solve all energy problems; they are bound, however, to account for a bigger proportion of the Community's supplies, in keeping with the targets set by the Community for 1990. According to the Commission's current estimates NRSE could cover 6 to 10% of the Community's gross energy consumption in the year 2000. The resolution passed by the Council in May 1980, according to which energy prices must in particular reflect world market forces and be determined in the light, inter alia, of the cost of replacement and of developing non-conventional energy sources, is likely to encourage this process of change.

NRSE already occupy an important place in various fields of Community activity, such as research, energy, cooperation and training and information. Here, a number of points should be borne in mind:

### (i) financial resources earmarked for research programmes

46 million ECU (1979-83) for the indirect action programme on solar energy<sup>1</sup>;

26 million ECU (1980-83) for the direct action programme (JRC), also on solar energy;

18 million ECU (1980-83) for the indirect action programme in the field of geothermal energy.

### (ii) financial resources earmarked for demonstration projects

under the energy policy, aimed at disseminating commercially and industrially viable techniques:

22.5 million ECU, for five years, in the solar sector;

22.5 million ECU, for five years, in the geothermal sector.

### (iii) cooperation with the developing countries

through cooperation with developing countries, the Community and its Member States take the world's first place in grant aid to energy: 280 million EUA in 1980, which has enabled the implementation of projects

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<sup>1</sup> contracted research

totalling almost 1 milliard EUA. Approximately one-fifth of this figure is attributed to NRSE. Although the World Bank is in the leading position in the area of loans (about 3 billions\$ dollars in 1980), loans given by the EIB have risen to 249,2 million EUA in 1980, some of which are eligible for interest rebates.

(iv) training and information

the amount spent by the Community during the period 1975-80 on general and specific energy-related training is estimated at 30 million ECU.

The Community also organizes training courses (at the Ispra establishment) and has arranged many meetings (conferences, seminars) on NRSE, at several of which the problems specific to the developing countries have been considered.

III. COMMUNITY POSITION AT THE CURRENT STAGE OF THE NEGOTIATIONS PRIOR TO THE OPENING OF THE CONFERENCE

The Community has participated actively in preparing the Conference, being involved both in its technical phase and in the Conference's preparatory committees proper. In accordance with a Preparatory Committee recommendation to all participating states and organizations the Community has contributed a paper presenting its activities in the NRSE field<sup>1</sup>.

During the preparatory phase the Conference Secretariat presented a draft Programme of Action<sup>2</sup> on which the various groups concerned failed to reach a consensus at the recent Preparatory Committee meeting in New York (8-26 June.

Negotiations will therefore have to continue at the Conference itself. The purpose of this point is to identify, in the Programme of Action, those chapters which may be sensitive for the Community and to come up with guidelines

<sup>1</sup> Document COM(81)3 final of 11.2.1981

<sup>2</sup> United Nations, A/CONF. 100/PC/51 Add. 1 and 2 of 5 and 6 June 1981

for a Community position in the light of the coordination that has operated satisfactorily so far within both an ad hoc Council working party and at meetings of the Preparatory Committee. The main points at issue here are the chapters of the Programme of Action dealing with institutional and financial measures and the analysis of the energy transition process. In this connection the Commission proposes the following guidelines:

A. Institutional and financial measures

(a) Institutional aspects (Chapter V of the Programme of Action)

The Community can declare itself in favour of an intergovernmental committee on NRSE. Such a committee, membership of which will be open to all states and organizations, must be an existing agency already operating in related fields. The committee's tasks would include:

- evaluating energy potential and requirements with a view to increasing the contribution made by NRSE to the energy balance-sheet at subregional, regional or global level;
- promoting the development and use of NRSE worldwide;
- taking all the measures required to implement the Programme of Action.

The Community recommends that a unit existing within the United Nations Secretariat be used to act as the intergovernmental committee's secretariat.

The Community considers that effective machinery must be set up within the United Nations Secretariat for coordination between all the agencies, institutions and bodies potentially involved in the NRSE field and feels that it is for the relevant United Nations authorities to take the appropriate steps in this respect.

The Community feels that the idea of setting up ad hoc task forces for the implementation, where necessary, of specific programmes must be considered carefully but advises against a proliferation of such task forces as this would reduce their effectiveness and lead to an undesirable duplication of effort. It cites as an example the programmes implemented by the regional commissions or existing bodies in connection with science and technology and, here too, stresses the importance of proper coordination and harmonization.

(b) Financial aspects

The Community considers that the implementation of the Nairobi Programme of Action will require financial support from the international financial institutions, all industrialized countries and those developing countries which are able to contribute to such support. It advocates the setting up of machinery for consultations between the different contributing states.

This would make <sup>it</sup> unnecessary to create a new financial agency responsible for activities connected with NRSE, which would not be justified from the technical point of view either, as the implementation of projects in this field covers many aspects other than NRSE proper (agriculture, industrial, etc.). In this connection, the use and coordination of the financial mechanisms existing within the United Nations system and the recourse, where necessary, to additional resources for financing NRSE projects should be carefully examined.

Lastly, financing of exploitation investment for NRSE cannot be completely dissociated from that for other forms of energy. In this light and without excluding other procedures for intervention, the establishment of a World Bank energy affiliate, part of whose resources would be earmarked for NRSE, could help meet the two essential criteria for the financing of energy resources:

- a significant increase in the financial resources currently available at the multilateral level for the developing countries, entailing an increase in private investment flows;

- involvement of the oil-producing countries in joint operations with the industrialized countries so that they become progressively integrated in a system of co-responsibility vis-a-vis other developing countries.

B. Analysis of the process of energy transition (Chapter I of the Programme of Action)

The first chapter of the Programme of Action, entitled "Challenge and opportunity : the energy transition", places the development of new and renewable sources of energy in the more general context of the transition towards a less oil-dependent world economy. The fact that a United Nations conference has adopted such a text at a time when there is deadlock in the international debate on energy is of greater political importance than the actual subject of the Conference. The recent discussions of the Preparatory Committee in New York have clearly demonstrated the extent to which this concern was felt by all the participants without, however, erupting into conflict.

Despite a number of controversial passages the draft originally proposed by the Conference Secretariat presented a relatively balanced view of the global energy situation and reiterated many ideas accepted by the Community and often defended by it in international forums :

- the need to reduce excessive dependence on oil and to meet the growing demand for energy in the industrialized countries, but also and above all in the developing countries;
- the crucial importance of using existing resources in a more rational manner and of adjusting economic structures to the new energy parameters;
- the importance of an orderly transition as a key factor of world stability and sustained economic growth.

However, the many amendments proposed by the Group of 77 would significantly alter the whole tenor of the text. In addition to the traditional references to the new international economic order and necessary changes in international economic structures, which the Group of 77 would like to

figure more prominently, these amendments tend to impose responsibility for the energy crisis, and consequently the obligations arising therefrom, on the industrialized countries alone. Putting the final touches to the text in Nairobi may therefore prove a difficult matter because of the highly controversial nature of the subject dealt with and the real risk of dissension within the Group of 77 itself on certain aspects of the text (guaranteed access for the developing countries to adequate energy resources, financing of their energy imports, etc.)

The Community must therefore aim to achieve a text which :

- presents as balanced as possible an analysis of the energy situation and of the necessary transition in line with the draft initially presented by the Conference's Secretary-General;
- situates new and renewable sources of energy as correctly as possible in that process.

This aim must be pursued by endeavouring to avoid needless controversy. It would be totally inappropriate for us to respond to the Group of 77's attitude by criticizing the oil-producing countries. The energy objectives pursued by the Community in the global North-South dialogue (energy forum, joint effort by the industrialized and oil-producing countries to develop the developing countries' energy resources) could be jeopardized if the discussions in Nairobi were to lead to serious confrontation and the arraignment of the OPEC countries by the industrialized countries. The Community must, on the contrary, attempt to prove that a constructive international debate is possible, even on such a difficult subject, provided that the problems of common concern and collective solutions to those problems can be objectively identified. The promotion of new and renewable sources of energy is undeniably one of the planks of common action here.



#### IV. FOLLOW-UP TO THE CONFERENCE

The notable participation of most countries in the Conference and the accompanying exhibition, as well as the adoption of the Plan of Action will make many developing countries much more aware of the use of NRSE and will thus bring about a significant request for increased cooperation on the part of the Community in the determination of projects or development programmes for these sources. Besides this request will not be confined to NRSE but will also affect other sectors of the development of energy resources of developing countries. With this in mind, the last Development Council invited the COREPER to examine the question of the energy provisions of these countries based on a communication from the Commission. In this area, the Commission considers important to increase the efficiency of cooperation with developing countries, by strengthening the coordination between community and national aids, and even by increasing the means.

With particular reference to the NRSE, the Community will make efforts to guarantee all the developing countries linked to it by association or cooperation agreements maximum assistance with the development of techniques and the practical use of renewable sources of energy, in keeping with their objectives. It will develop training and educational activities and publicize as widely as possible in the developing countries interested by the results of its research, development and demonstration programmes.

Considering its know-how and special relations with most developing countries, the Commission proposes that the Community should announce in Nairobi its intention to take an active part, in the areas where it possesses recognised competence, in the implementation of the measures decided by the Conference.

The Community's action should consist of encouraging transfers of know-how by proposing specific projects to be executed as concerted operations between the countries and the national and international organizations involved in promoting this kind of technology.

#### V. CONCLUSION

In the light of the foregoing the Commission asks the Council to approve this paper, which could serve as a basis for the positions to be adopted by the Community at the Conference.