

Energy: cooperation with developing countries.

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PURPOSE : to propose a framework for discussion, a co-operation framework based on the ownership principle and concrete recommendations to integrate energy more effectively into the sustainable development concept. **CONTENT** : the Johannesburg World Summit in August -September 2002 (Rio+10) will for the first time address globally the issue of sustainable development. Energy is likely to be high on the agenda in view of its central role in the three dimensions of sustainable development: the social dimension, the economic dimension and the environmental dimension. Energy has been neglected for a long time and now has become an essential part of the sustainable development debate. The Johannesburg conference should provide an opportunity to catch up in this area, by allotting energy the place that it deserves in order to contribute to sustainable development. The EU's experience and aid can facilitate the establishment of a sustainable energy sector in the developing countries. Energy, a sector where three major issues (poverty reduction, security of supply and environmental protection) coincide, should be integrated, in its three dimensions, into the existing EU cooperation instruments, namely development policy, energy policy, environmental policy and research policy. This communication analyses the energy situation of the developing countries and ways of revitalising energy cooperation between them and the EU. About 2 billion people in the world do not have access to basic energy services. The developing countries often have in common very rapid demographic growth, low levels of sharp increase in energy demand. As regards the proposed framework, it is based on the opening up of production and distribution to principle of "ownership", according to which the beneficiary countries and regions themselves choose their cooperation priorities. The broad outlines of the proposal are: - reform of the energy sector: in particular opening up of production and distribution to the private sector and pricing; - technology transfer: notably technologies relating to energy efficiency renewable energy sources. As regards demand-side co-operation: the Commission particularly stresses the potential of this aspect of cooperation. Energy efficiency is an area in which the EU has developed broad experience and which is still largely untapped in the developing countries. Concerning supply-side cooperation: - Energy diversification: introduction and development of clean coal technologies. While the use of renewable energy sources such as solar energy, wind or small hydro plants can play an important role in permitting local access to energy, particularly in rural areas, the Commission points to their high cost and the low probability that they can totally offset the decrease in traditional biomass. With regard to nuclear energy, the Commission considers that most developing countries do not have all the necessary technical and safety conditions in place. However, the European Union can provide the necessary technical assistance to those countries that have chosen the nuclear option in order to guarantee the highest possible level of safety. - Development of networks, and in particular interconnections: the development of energy infrastructures at regional level can offer major added value and important economies of scale along the lines of the EU internal energy market. Lastly, the Commission announces a new European Union Energy Initiative and draws up a set of operational recommendations for improving the efficiency of cooperation in the medium and long term. The aim of the European Union Energy Initiative will be to combat poverty and establish a sustainable energy sector in the developing countries. It will be of a voluntary nature and encourage partnerships between governments and the organisations responsible for development and energy in the developing countries on the one hand, and their counterparts at the Commission and in the Member States on the other. Private companies, the relevant financial institutions and NGOs will be invited to participate. Long-term objectives are also highlighted in the communication.