


# Procedure file

Basic information		
INI - Own-initiative procedure	<a href="#">2002/2244(INI)</a>	Procedure completed
Energy: cooperation with developing countries.		
Subject 3.60.15 Cooperation and agreements for energy 6.40.12 Relations with developing countries in general		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>DEVE</b> Development and Cooperation	PPE-DE <a href="#">WIJKMAN Anders</a>	02/10/2002
European Commission	Committee for opinion	Rapporteur for opinion	Appointed
	<b>ITRE</b> Industry, External Trade, Research, Energy		
	Commission DG Energy and Transport	Commissioner	

Key events			
17/07/2002	Non-legislative basic document published	<a href="#">COM(2002)0408</a>	Summary
21/11/2002	Committee referral announced in Parliament		
20/05/2003	Vote in committee		Summary
20/05/2003	Committee report tabled for plenary	<a href="#">A5-0196/2003</a>	
18/06/2003	Debate in Parliament		
19/06/2003	Decision by Parliament	<a href="#">T5-0294/2003</a>	Summary
19/06/2003	End of procedure in Parliament		

Technical information	
Procedure reference	2002/2244(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed

## Documentation gateway

Non-legislative basic document	<a href="#">COM(2002)0408</a>	17/07/2002	EC	Summary
Committee report tabled for plenary, single reading	<a href="#">A5-0196/2003</a>	20/05/2003	EP	
Text adopted by Parliament, single reading	<a href="#">T5-0294/2003</a>	19/06/2003	EP	Summary

## Energy: cooperation with developing countries.

**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. ?

## Energy: cooperation with developing countries.

The committee adopted the own-initiative report by Anders WIJKMAN (EPP-ED, S) on the Commission communication. It felt that the Commission's plans were not ambitious enough and was particularly critical of the fact that no additional resources were being proposed to meet the huge challenges posed by this sector. The Commission was urged to address the problem of extra funding and to consider setting up a special EU Sustainable Energy Fund using resources from the EDF. The report underlined that energy must be considered as a "cross-cutting issue" with a high development potential, especially for poverty eradication. Two types of intervention deserved particular attention: (1) policy development and investment at village level; and (2) policy development and investments to address resource efficiency, environmental and climate concerns in the modern sector. While acknowledging that access to electricity was much needed for the rural poor, the committee felt that priority should be given in the short term to other less costly forms of energy, like solar heaters, wind pumps, improved cooking stoves, biomass briquettes, etc., which could make a huge difference to people's daily lives and were often more appropriate to the level and structure of demand at village level than conventional alternatives. The Commission was also urged to pay special attention to the development of different forms of solar energy in many developing countries. The report further recommended increasing Community expenditure on R & D in the energy sector, giving primary importance to energy efficiency and renewable energy and ensuring the transfer of know-how. Amongst other benefits, the use of renewable energy sources could help to reduce dependence on expensive imports of fossil fuels and thereby to improve balance of payments; moreover, renewable energy projects could have a significant impact on job creation. The committee also called for immediate steps to remove subsidies and other supports for environmentally harmful technologies and to develop mechanisms to address externalities, like pollution, to enable alternative energy technologies to compete in the market on a more equal basis. While acknowledging that the development of alternative energies was important, the committee nevertheless pointed out that it was essential to limit the OECD countries' consumption of fossil fuels in order to restore the balance of use and enable developing countries to use and have access to them. It stressed the importance of global environment policy-making, "first and foremost through the United Nations", and underlined the need for all countries, including the USA, to ratify the Kyoto Protocol. The Commission was also urged to lend support to the proposal of establishing a World Energy Charter, whose main objective would be energy policy-making for sustainable development at global level. Lastly, the report was critical of the fact that the transportation sector, the cause of many problems, was largely overlooked in the

communication and called for it to be included in the Commission's strategy. Pollution as well as congestion could be reduced through enhanced fuel efficiency, mass transit systems, bus rapid transit, the use of biofuels, etc. ?

## Energy: cooperation with developing countries.

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The European Parliament adopted its own-initiative report drafted by Anders WIJKMAN (EPP-ED, Sweden) on energy cooperation with developing countries. (Please see the summary of 20/05/03.) Parliament emphasised that production and distribution of energy should be looked upon as essentially a public service and hence organised so as to guarantee affordable access for all. The key issue is not whether energy provision is organised by a public or private entity but rather the specific obligations provided by the policy framework. Parliament went on to ask the Commission to make sure that the primary purpose of energy programmes, within its development portfolio, is local development, facilitated by the decentralisation of energy programmes. Increased use of renewable energy sources would reduce dependence on expensive imports of fossil fuels and help improve the balance of payments. At the same time, renewable energy projects can have a significant impact on job creation. Parliament indicated that the ethanol programme in Brazil, for example, has generated at least seven hundred thousand new jobs in the rural areas. The governments of the developing countries, assisted by the Commission, must examine the possibilities of overcoming the many barriers to investment in renewable energy and energy efficiency, such as the lack of adequate legal, fiscal or regulatory frameworks, and the reasons for the lack of private investment. Finally, Parliament asked the Commission and the Council to establish binding environment and climate-related criteria for all grant-based assistance in the energy sector as well as for action taken within the EIB and national export credit agencies (ECAs) so as to promote investment in forms of sustainable energy. Negotiations with national ECAs must aim towards the introduction of an energy portfolio target of at least 20% in support of sustainable energy projects.?