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Thank you for bringing peace into the loop. Lee Hye-Min will conclude.

LEE Hye-min, G20 Sherpa, Ambassador for International Economic Affairs, Republic of Korea

It is my great pleasure to share with you the discussions of G20 countries regarding energy issues. G20 is an ad-hoc group of countries which are working together to achieve strong, sustainable and balanced economic growth. As mentioned by the Chair at the outset of this workshop, energy is fundamental to economic development. That is the reason why it is important for G20 countries to talk about energy issues in order to help address the energy challenges of today and the future. My presentation is in two parts. The first part is on energy issues of the G20 in general and the second part is on climate change.

I will start with energy issues. There are five important issues to be dealt with by the G20 countries in 2015 under the Turkish Presidency. The first is energy access for all. In the Energy Access Plan, the G20 leaders agreed to voluntarily collaborate on energy access. The first phase focuses on enhancing electricity access in sub-Saharan Africa, where the problem is most acute. The plan aims to strengthen G20 coordination and establish a long-term voluntary cooperation framework that can be applied to other regions over time. This recognises that energy access is a critical factor in fostering development.

In this first phase, G20 countries will cooperate and collaborate with African countries and relevant regional and international organisations. This is on policy and regulatory environments, technology development and deployment, investment and finance, capacity building, regional integration and cooperation. This takes into consideration national needs and contexts. When we first discussed these issues, some countries raised objections to focusing only on sub-Saharan countries for energy access. They stated that the energy access issue is not only important to sub-Saharan countries, but also to countries in South East Asia. That is why we said it is the first place. The second phase will focus more on South East Asia, under the Chinese Presidency in 2016.

The second is energy efficiency. It recognises actions on energy, including improving energy efficiency, increasing investment in clean energy technology and supporting related research and development activities. These will be important in tackling climate change and its impacts. The G20 leaders agreed to further support the 2015 outcomes of existing work streams. These include efficiency emissions performance of vehicles, particularly heavy-duty vehicles, networked devices, buildings, industrial processes and electricity generation. There is also financing for energy efficiency.

The third issue is renewable energy. In light of the importance of renewables and their potential long-term growth, the G20 toolkit voluntary options for renewable deployment was adopted. This toolkit set out useful options for further work, highlighting the importance of innovation and technology. This was to encourage the increased uptake of renewables in the energy mix and to highlight the central role played by system integration and by stable national policies and regulatory frameworks.

The fourth issue is the market transparency. Transparent and competitive energy markets are a pre-requisite for energy security and encouraging investment. To promote market transparency and efficiency, the G20 countries committed to further strengthening the Joint Organisations Data Initiative (JODI). This was by encouraging and facilitating the dissemination of high-quality energy data, as well as by enhancing support for capacity building. The G20 countries also support efforts to improve the functioning of energy markets, including gas. They acknowledge the importance of public disclosure of market related information on all energy resources.
The fifth issue is inefficient fossil fuel subsidies that encourage wasteful consumption. The G20 leaders reconfirmed the commitment to rationalise and phase out inefficient fossil fuel subsidies that encourage wasteful consumption over the medium term. They recognise the need to support the poor and agree to endeavour to enhance progress in moving forward this commitment. In fact, this issue is very much stressed by the United States, which tried to move forward on this commitment. This was made in 2009 at the Pittsburgh G20 Summit.

The US stressed that we need to implement this commitment, saying that if it is not implemented, it will be detrimental to the credibility of the G20 process. However, some countries are adamantly opposed. The US proposed later that we should set the target date for phasing out inefficient fossil fuel subsidies at 2025, because the leaders had agreed to phase it out over the medium term. I found the suggestion to phase out by 2025 a reasonable one, and it has been agreed to do so over the medium term. However, it was not agreed because of one specific country’s strong opposition, and the US was very frustrated.

The second part is climate change issues. As you are well aware, climate change is one of the greatest challenges of our time. The G20 sherpas gathered together two days before the Summit meeting in order to finalise the language to be contained in the leaders’ communiqué. We spent almost all of our time trying to produce acceptable language concerning climate change. It was so painful and so difficult, and I realised that the COP 21 would not be an easy exercise. It will be very difficult.

It was a kind of preview of the COP 21 negotiations to be held at the beginning of next month. We finally agreed to work together for a successful outcome from COP 21. It is a very simple declaration, but in order to produce this language, we spent more than six hours on it. We heard the news about the terrorist attack in Paris during our discussions. G20 leaders felt that the Paris agreement should be fair, balanced, ambitious, durable and dynamic. It took more than three hours to put dynamic, because of the opposition of developing countries. Being dynamic means that the ambition level will continue to grow in the years to come. That is the reason why the developing countries were opposed to this word dynamic.

It is welcome that over 160 countries, including all G20 countries, have submitted their intended nationally determined contributions. This is to the United Nations Framework Convention on Climate Change (UNFCCC). It is a very successful outcome as the total gas emission by these countries is over 86%. It is very successful. However, there are two remaining issues to be tackled at the Paris COP 21 Conference. One is how to establish review mechanisms for the implementation of the Intended Nationally Determined Contributions (INDC).

That is a key question, focused on by the United States and the European countries. It is about how to make measurement reporting and verification processes legally binding. It is not an easy process. As I noticed from our discussions among the G20 Sherpas, it will be extremely difficult. We failed to mention in the leaders’ communiqué that we are preparing to implement our INDCs in a transparent manner. We deleted the words ‘in a transparent manner’ and simply stated that we are prepared to implement the INDCs. Transparency will be a key issue.

The second issue is for the developing countries and it is about how to source financing to help developing countries with adaptations and mitigations. These are two issues that are closely related and they will be the key obstacles to the successful outcome of COP 21 in Paris. President Obama spoke at the meeting and cited his experience of participating at COP 18 in Copenhagen in 2009. He mentioned that the reason for the failure of the Copenhagen Summit was that leaders came too late. The leaders gathered at the end of the meeting and there was no room for leaders to intervene.

That is the reason why France convened a summit meeting at the outset of COP 21, in order to engage leaders from the beginning of the conference. However, in my experience as a negotiator, it would be much better to engage leaders in the middle of the negotiations, after reviewing the first phase of the negotiations. They may give political input in the further process of the negotiations. I am not sure whether the leaders’ meeting at the outset of COP 21 on 30 November and 1 December can play a decisive role in the successful outcome of COP 21.