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SUPPORT

OTHER FUNDS AND PROGRAMMES SUPPORTING ACTIVITIES FOR ENERGY

Actions taken in respect to programmes in energy development
including follow-up to the
United Nations Conference on New and Renewable Sources of Energy,
Nairobi, 10-21 August 1981

Report of the Administrator

Summary

This report has been prepared to inform the Governing Council of the various actions initiated by the Administrator on implementing the decisions of the Nairobi Programme of Action. The report includes a summary of the progress made in raising funds for the UNDP Energy Account as well as details of the projects approved.

I. FOLLOW-UP TO THE CONFERENCE ON NEW AND RENEWABLE SOURCES OF ENERGY

1. The General Assembly in its resolution 36/193 endorsed the Nairobi Programme of Action which, inter alia, assigned to the Director-General for International Economic Co-operation and Development, under the authority of the Secretary-General of the United Nations, the responsibility for the implementation and co-ordination of the United Nations development system in the field of new and renewable sources of energy. The Programme of Action, in addition, calls upon the financial institutions to intensify their activities in the developing countries in this area, and specifically invited the World Bank and UNDP to undertake a study of the financial requirements for supporting actions and pre-investment activities in order to implement the Programme of Action. The President of the World Bank and the Administrator have accepted this invitation.

2. The modalities for carrying out the study were worked out jointly with the World Bank and agreement was reached to share on an equal basis the cost of the study, estimated at \$395,426. A former high-level Government official, experienced in energy programmes of developing countries, was appointed as co-ordinator of the study. Under his direction, the work has been carried out by consultants provided under direct sub-contract and by utilizing the expertise available in the United Nations Department of Technical Co-operation for Development, the specialized agencies, the World Bank and UNDP. Time constraints in preparing the study for the Intergovernmental Meeting on New and Renewable Sources of Energy scheduled for June 1982 have not permitted the extensive field investigations at the country level of the new and renewable energy programmes of the developing countries which the Bank and UNDP would have preferred. However, the requirements have been determined as accurately as possible based upon available data and checked with frequent reference to the individual countries through UNDP's extensive network of field offices. In addition, at the mid-point of the study, a panel of high-level experts drawn from developed and developing countries reviewed the data collecting phase of the study and provided advice to the co-ordinator. A steering committee composed of senior staff of both the World Bank and UNDP has monitored the work. The full text of the report is available to members of the Governing Council for information.

3. In order to assist him in the preparation of the various reports required by the Intergovernmental Committee, the Director-General for International Economic Co-operation established a steering committee and an interdepartmental working group of senior officials, including UNDP staff, to allocate the tasks among the various departments and to monitor the work of preparing for the meeting. UNDP has actively participated in the preparatory work and, in addition, at the request of the Director-General, has made available 12 work-months of a senior staff member to serve in the secretariat established in the Director-General's office. The cost of allocating this staff member has been met by the temporary redeployment of a field officer to headquarters.

4. In agreement with the Administrator, the Director-General has requested UNDP to co-ordinate the preparation of two papers for the Intergovernmental Meeting: a supplementary policy statement by United Nations financial institutions; and current activities and policies of other international financial institutions. Copies of these two papers have been made available to members of the Governing Council for information.

II. ENERGY ACCOUNT

5. The Governing Council, at its twenty-seventh session in June 1980 (decision 80/27), authorized the Administrator on an interim basis to seek and accept contributions in cash or in kind to undertake specific programmes and projects designed to meet urgent needs for assistance to developing countries in the energy sector. A number of Governments have responded positively to the request of the Administrator to strengthen UNDP's financial resource base to assist energy projects. Pledges from a number of donors amount to \$4.26 million, with the OPEC Fund for International Development agreeing to contribute 10 per cent of the funds received up to an amount of \$6 million. Of the amount pledged, \$2.84 million has been paid. Annex I gives the list of donors to the Energy Account.

6. With the funds made available, the Administrator has been able to initiate the activities listed in annex II to this report. The Administrator believes that the 60 Country Energy Assessment Survey being implemented by the World Bank will be of particular interest to members of the Council, as a number of Governments have shown considerable interest in the results of this exercise. The reports of these assessment missions can be of great assistance to developing countries in the setting of priorities and the future financing and development of their energy resources. Missions have been completed in 11 countries^{1/} and missions are planned for 15 more countries during the remainder of 1982. The World Bank and UNDP are actively involved in ensuring that there is adequate follow-up to the reports and that high-priority projects both for pre-investment and capital investment will be realized. General Assembly resolution 34/201 requested the United Nations to undertake multilateral assistance missions at the request of Governments to help identify and plan their exploration and development of the natural resources including energy. In response to this resolution, the United Nations Department of Technical Co-operation for Development has launched 25 assessment missions and has co-operated closely with the World Bank. It has also participated with its experts in some of the Bank mission teams in order to maximize the scarce human and financial resources available to developing countries through the United Nations system.

7. In addition to the Energy Assessment Survey project, a feasibility study for the establishment of a co-operative programme for training in energy assessment planning and management has provided the basis for initiating a global project as a preparatory phase. An office has been opened and a co-ordinator and consultant appointed for managing the programme. The First Meeting of Co-operating Institutions in Asia was held early in 1982 and the report is presently under preparation. Similar meetings are foreseen for other regions.

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^{1/} Bangladesh, Burundi, Haiti, Indonesia, Kenya, Malawi, Mauritius, Papua New Guinea, Rwanda, Sri Lanka, and Zimbabwe.

8. With a modest contribution from the Energy Account, the UNITAR/UNDP Information Centre for Heavy Crude and Tar Sands became operational in late 1981. This Centre is unique as 100 per cent of its support will come from membership dues contributed by Governments, and national and international petroleum companies which have programmes for the development of heavy crude and tar sands. The second meeting of the Advisory Board took place in Caracas in February 1982, and a sufficient number of contributing members of the Centre announced pledges for five years.

9. The United Nations Department for International Economic and Social Affairs (DIESA) has requested UNDP to undertake on behalf of the Department the execution of a trust fund project for staff services for an interagency programme in the field of energy. This project is concerned with providing various projections on energy forecasting and demands and is part of the ongoing programme of DIESA.

10. While the funds contributed to the Energy Account have been limited, they have nevertheless been catalytic in initiating activities that would not otherwise have been possible. The Administrator will continue to expand his efforts to increase the resources available to Governments through the Energy Account. In addition, he is exploring various multilateral contacts to initiate projects in the energy field.

III. UNDP'S ROLE IN TECHNICAL CO-OPERATION FOR ENERGY DEVELOPMENT

11. Within UNDP itself, an Energy Policy Group has been established under the chairmanship of the Deputy Administrator to co-ordinate the overall policy activities of UNDP and its various associated funds and programmes. In addition, a project review committee examines all energy projects with a view to co-ordinating activities between countries and to ensure not only that there is no overlap but also that there is a cross-fertilization of the results of projects between regions.

12. During the period 1975 to 1981, the energy activities financed by UNDP have expanded in monetary terms from \$44.2 million to \$83.7 million. The staff supporting activities for this expansion have been met from within existing resources except for the appointment of a senior consultant who assisted in UNDP's preparations for the Nairobi Conference.

Annex I

STATUS OF CONTRIBUTIONS PLEDGED AND RECEIVED
BY THE ENERGY ACCOUNT

Received

Netherlands
Sweden

0
1 923 077
920 810

2 843 887

Pledged

Australia
Finland
OPEC Fund
(10 per cent up to a maximum
of \$6 million)

564 334
465 116

387 333

1 416 783

Total

4 260 670

Annex II

STATUS OF PROJECTS APPROVED FOR FINANCING
FROM THE ENERGY ACCOUNT

	<u>\$</u>
1. Assessment of the Investment and Technical Assistance Needs in the Energy Sector (Total UNDP Contribution: \$3.4 million)	1 706 000
2. Caribbean Energy Programme Co-ordination Project	19 550
3. Coal Transportation Study in Colombia	200 000
4. UNDP/UNITAR Information Centre for Heavy Crudes and Tar Sands	20 000
5. Energy Savings Device - Consultant Mission to Barbados	6 000
6. Contribution to the Secretariat of the UN Conference on New and Renewable Sources of Energy	100 000
7. Energy Survey - Benin	28 575
8. Biogas Project - Honduras	45 000
9. Feasibility Study for an International Co-operative Programme for Training and Research in Energy Planning and Management	147 440
10. World Bank/UNDP Study of Pre-investment Requirements for Renewable Energy Development	97 713
11. UN/UNDP Seminar on Coal for Power Generation	100 000
12. Development of an Energy Savings Device for Antigua and Barbuda, Barbados and Grenada	16 450
13. Preparation for the Energy Master Plan in Niger (project in collaboration with the UN Sahelian Office for a total cost of \$200,000)	100 000
14. Preparatory Assistance to the Renewable Energy Project in Egypt	27 650
<u>Total</u>	<u>2 614 378</u>

