Introduction to the responses from Quaker Council for European Affairs

The Quaker Council for European Affairs (QCEA) is an advocacy NGO working on a range of overlapping issues including energy security, peace and human rights. Our responses stem from an understanding of security which is based on human rights and the prevention of violent conflict as a primary principle and objective of political action both within and outside of the EU. To quote a Quaker who worked on the abolition of slavery in the 18th century: '*May we look upon our treasures, the furniture of our houses, and our garments, and try whether the seeds of war have nourishment in these our possessions'*[1]. QCEA celebrates the successful peace project that the EU has become. But we also believe strongly that there is still more to do to embrace peace at a global level as the driver of EU policy. In our view, this is especially important in the field of energy security where the direct connections between the overuse of (and the related excessive demand for) energy resources in the EU has direct consequences on the livelihoods, lives, human rights and security risks of people in other countries. Our comments on the external dimension of the EU energy policy are framed within the context of our commitment to ensuring that the EU and its citizens try to see whether the '*seeds of war'* are intrinsic to our lives and lifestyles and how we can address that.

Question 1:

In responding to this question, we would like to differentiate between the two parts of the question:

- ***Should the EU promote further energy market integration and regulatory convergence (notably as regards energy market regulation, environmental and safety standards) with its neighbours?***

  Insofar as such integration leads to enhancements in efficiency of production and consumption of energy and improvements of safety and environmental standards, this would seem to be a useful thing to do. If integration, however, is mainly driven by the desire to have more access to more resources for the EU (industry and citizens alike) at the expense of others, then we would not support that.

- ***Is there a need for a differentiated approach between the Eastern and Southern neighbours or between countries?***

  We believe that a commitment to peacebuilding, conflict prevention and the full implementation of human rights for all people and peoples should drive the EU's policies that impact third countries. That goes far beyond foreign policy or external action as this consultation rightly demonstrates.

  The EU should have a differentiated approach which reflects the different levels of respect for human rights, good governance, democratic accountability and transparency in public affairs and the ability and willingness of third country governments to work in peace with its neighbours and its own citizens in different countries.

  The EU's own energy interests should not take precedence over these other principles.

  This leads us to conclude that where the EU has serious concerns with regard to these matters (in countries such as Uzbekistan and Turkmenistan for example) it should put its own energy interests second. Where the EU feels that its purchasing power does not give it sufficient leverage to bring about change, this should not lead to the decision to do business anyway, but rather to stay true to its principles. Any other decision devalues the principles to the point where they become worthless.[2]

Question 2:

Should the EU take concrete actions to foster greater investment in renewable energy sources in its neighbouring countries? What actions?

Yes, most definitely – annual rates of investment in many low-carbon electricity generating technologies must be significantly increased from today's levels. In OECD member states in Europe alone, the electricity sector will need to be almost completely de-carbonised by 2050 if Europe is to meet its greenhouse gas abatement targets. We would support technology transfer with strong renewable potential to neighbouring countries, e.g. North Africa and solar. It is in the EU's interest that the whole world moves towards being a sustainable low carbon world. This is far more important than being a market leader or making profit from renewable energy technologies, and combined with our obligations of climate justice, is a strong rationale to provide free renewable and efficiency technologies to our less developed neighbours. It is also important that such technology transfer is not seen primarily as another way of the EU and EU Member States accessing renewable energy from neighbouring countries but rather that such technologies assist those countries to build a renewable energy economy.

Question 3:

What measures should the EU take to reinforce and focus its partnerships with key suppliers (of hydrocarbons and other energy sources) and transit countries? What should be the focus of such enhanced partnerships? (What countries? What topics?)

The Extractive Industries Transparency Initiative is an important measure in EU partnerships with key suppliers, especially of hydrocarbons, and must not be forgotten in the current trend of EU engagement with energy rich, autocratic regimes. Engagement can only be commensurate with European treaty-based principles of respect for human rights if it is conditional on initiatives like the EITI. As stated above: if the EU is willing to compromise its principles for fuel supplies, those principles become worthless; as a result, there will be less of an incentive for others to follow the EU's lead on human rights and peacebuilding. Energy security cannot, and must not, become the justification for engaging with the repressive regimes, at the expense of those they repress.

When the energy savings potential in the EU could dramatically cut our energy dependence (e.g.: 20 per cent energy savings would be equivalent to the energy supplied by 14 Nabucco pipelines) the EU has far more bargaining power in favour of human rights, peacebuilding and conflict prevention than it admits. It is not bargaining power that is lacking; it is political will.

Question 4:

How can the EU best support complex infrastructure projects outside the EU that can contribute to enhancing the EU security of supply and diversifying its supply sources and routes? For instance, should the EU seek to coordinate or be party to intergovernmental agreements which concern projects of European interest?

The question pre-supposes that such infrastructure projects are the right answer to the issues which the EU needs to address in terms of energy policy. However, it is a question which starts from the assumption that energy demand will continue its 'business-as-usual' growth. This approach locks the EU in to new expensive infrastructure, intended to supply quantities of energy that don't take into account the intended and necessary reduction in demand. This is counterproductive and paradoxical; indicating both policy incoherence and a lack of sincerity in the commitment to demand reduction which is part of EU policy in the Energy 2020

commitment of 20% energy savings via energy efficiency by 2020. Such incoherence is incompatible with any vision of *sustainable* energy security.

In addition, and given the known potential for the 'business-as-usual' approach to contribute to conflict (because of competition for resources, because of human rights violations, because of climate change related degradation of land currently (still) available for human/animal habitation and use) such an approach is also inconsistent with the EU's treaty obligations to contribute to peace.

In pursuing a supply-focused policy, the EU's image on the world stage as a neo-colonial, self-interested actor, will undermine the EU's ability to contribute effectively and credibly to the negotiation and implementation of effective intergovernmental agreements for sustainability. If the EU cannot lead from a position of backing up its moral claims with effective action to reduce its own energy demand, it will not be or become credible.

Question 5:

What focus should the EU give to its energy cooperation with major consuming countries? In what topics and countries could the EU action bring most added- value?

The EU should focus on promoting energy efficiency, in industry, buildings, transport, agriculture, consumer products and consumer behaviour. It should also engage in the transfer of renewable and energy-efficiency technologies, especially in the case of developing/industrializing countries, with large emerging middle classes. It is imperative in the fight against climate change that development occurs in a low carbon way, which is why clean technology to enable this must be distributed on a basis that is not primarily profit-driven. There are a number of different ways in which all these can be achieved. We list below three specific priorities which we believe the EU should focus on.

Two Sides of the Same Conversion Efficiency Coin

Supply and demand are two sides of the conversion efficiency[3] coin. For example: if the EU reduced its energy consumption by just one per cent (demand), 50 coal plants and 25,000 wind turbines would not be needed (supply).

Significant efficiencies are possible both in primary energy generation, and final-use demand. Not only are buildings the single largest energy consumer in the world – private housing alone accounts for a quarter of the world's energy demand – but the burning of fossil fuels in combined-cycle power plants offers efficiencies of only up to 60 per cent.

By cooperating with major consuming nations on achieving greater conversion efficiency, the EU would simultaneously advance its own climate targets domestically (through the adoption and promotion of common standards, a skilled workforce, and increased market share), and it would also enhance bilateral and regional cohesion.

Biomass – Fuel for the World's Future

While biomass occupies less than five per cent of the EU's primary energy mix, it is expected to expand to 30 per cent (globally) by 2050. As a major and increasing component of land use, biomass energy systems therefore have significant impacts on ecosystem services, food production and prices and poverty.

In the global South, biomass enterprises often dominate forest-sector activities and have significant implications for forest governance, the prospects for the growth of small forest enterprise, and climate-change adaptation and mitigation.

Europe must investigate the *indirect* effects of land use change for agrofuel production, especially in the developing world. It must ensure its sustainability criteria are truly comprehensive, taking into account the need to protect water, soil quality and prevent pollution, as well as evaluating the compatibility with food security and food sovereignty, human rights, working conditions, land rights, rural poverty and pro-poor forest governance.

Transmission and Storage

Increasing interconnection between networks is likely to be an important feature of the electricity industry in Europe as the drive to maximise supplies of secure, low carbon sources of energy increases over the next two decades.

"Smart" networking can make the leap from marginal, intermittent power sources to steady, reliable base-load energy sources. However, unless so-called smart grids are adequately planned, funded and realised, the supposed, inherent intelligent networking will collapse at the first dumb obstacle.

Like the deep-sea drilling proponents before them, smart grid proponents are guilty of making unrealistic predictions to a political class eager to believe that nature has been mastered. Smart Grids, without equivalent consideration of Smart Generation, Smart Loads (including efficient buildings and management processes), energy mobility, reliable networks, Smart Cities, Smart Metering, and most importantly Smart Consumers, are nothing but more technological hyperbole, and will only amount in another shameful monument to money. Although great potential networking capability exists, information and communication technology should not be wasted on poorly considered and over-hyped intelligent networking, particularly when there are much more powerful and cost-effective energy saving solutions, using existing technologies and know-how.

The true future of power distribution, characteristic of the next industrial revolution, will not be continued hierarchical, top-down, proprietary and closed smart-in-nothing-but-name solutions, but transparent, distributive, collaborative and lateral networking responses. Only when behavioural change and distributed energy – where each home is an energy efficient dwelling and a miniature-power plant – meets distributed networks, will smart grids actually become a genuine reality.

Question 6:

Should the EU take action to increase its collective weight in global energy discussions and in international organisations and initiatives dealing with energy? How?

Energy is a global issue, and a key part of the global challenge of climate change.

Unilaterally increasing the EU binding target of reducing GHG emissions from 20 per cent by 2020 to 30 per cent, instead of waiting for similar commitments from other international actors, would send a strong message of EU leadership in, and dedication to, mitigating dangerous climate change.

Demonstrating that this reduction will come about by reducing energy demand and consumption will give a clear signal that energy efficiency and savings, and the promotion of more sustainable consumer behaviour, are the new challenges for the energy sector. This may give the EU added weight in global energy and climate discussions where, as a Western power, it is often perceived as self-interested. This could help foster cooperation in the energy sector as a whole, to move from fossil-based to renewable energy sources and to move towards more equitable and sustainable levels of energy consumption.

Question 7:

What initiatives could help the EU promote nuclear safety, security and non-proliferation standards globally?

QCEA does not consider nuclear energy as a desirable part of an energy policy. It comes from a non-renewable source, nuclear power plants operate at less than 40% efficiency, it is expensive to bring new facilities on stream, it is expensive to deal with the waste products arising from its production, and the short, medium and long-term safety issues of nuclear power generation and nuclear waste material have not been resolved. Furthermore, and given the length of time involved in the management and storage of nuclear waste materials, the long-term issues are so unpredictable that on the precautionary principle alone, this should not be considered part of a sustainable energy policy.

Therefore, phasing out the renewal of nuclear facilities in the EU, and thereby demonstrating that energy security and climate targets can be met without nuclear would allow the EU to take on a positive leadership role on this important topic. This would also assist its policy with regard to the development of nuclear power generation capability in third countries; however, such a policy has to be even-handed and based on the principle that if one country is seen as a security risk if it has access to nuclear power, then that must hold for all.

That said, and given that there are nuclear facilities in the EU, the EU's policy should include a clear commitment to not exporting nuclear waste to third countries; i.e. the EU and its Member States should take responsibility for the bad environmental consequences, as well as the environmental goods they generate.

Question 8:

How could the EU and its Member States gain together greater impact on international energy issues? What concrete actions should be taken to ensure synergies and coordination between Member States' initiatives and EU initiatives?

First and foremost, the EU and its Member States will have greater impact on international energy issues if they have credibility. That means ensuring that energy policy is coherent with other policies; that means ensuring that the values upon which the EU is based are not compromised for economic advantage; that means that if the EU is actually committed, for example, to the Low-Carbon Roadmap to 2050, any infrastructure projects agreed are tested against that roadmap and will go ahead only if they contribute to its achievement.

Secondly, and on the basis of a shared commitment to such policy coherence, it is important to ensure that Member State initiatives and EU initiatives are complementary and do not frustrate one another's goals; this will enable the EU to present a united, and consistent, voice in international energy issues, based on sustainable energy procurement and use, as well as human rights, peacebuilding and the prevention of violent conflict.

Thirdly, it is important that all EU policy is based on the framework of an international commitment not to let global temperatures rise above 2 degrees compared to 1990 levels, and on the implications this has for the rapid reduction in our use of fossil fuels. We need to increase investment in alternative, renewable low-carbon energy sources, as well as energy savings via efficiency.

Furthermore, there are a number of policy initiatives which the EU could take jointly which will show leadership and imaginative responses to common problems such as recycling initiatives where such recycling leads to more effective and efficient resource use and re-use in areas such as electronic waste and the re-use of precious resources such as gold and cobalt.[4] [5]

Question 9:

Do you consider that the compliance with EU internal market rules and the EU energy security objectives of Member States' bilateral agreements with third countries can be an issue? Should the EU take action to ensure compliance? How?

Where Member States' bilateral agreements with third countries are in direct contradiction to EU goals, the EU should follow compliance procedures.

The EU is a more credible actor on the international stage because of its Single Market Act, allowing for trans-national climate commitments, instead of 27 piecemeal, ineffective and weak abatement strategies. The EU should use this advantage for the benefit of forward-looking energy policies which are focused on the best interests of humanity as a whole rather than narrow domestic (or even European) economic interests which especially now are leading to a surge in nationalism and protectionism, as countries fight to protect or support local industries.

Question 10: How could the European industry and civil society best contribute to the EU external energy policy objectives?

That depends first and foremost on what those objectives are. As we have stated above, QCEA believes that these objectives should be focused in the broadest terms on peacebuilding, the prevention of violent conflict and the adherence to human rights principles.

In more specific terms, this could be achieved by policies which emphasise energy demand reductions in part supported by energy efficiency and in part by reduction in overall consumption patterns especially in the richer parts of the world, notably Europe.

In part, this can also be achieved by the promotion of the development and application of technologies for generating energy from renewable sources both in the EU and elsewhere and supported by the necessary technology transfers.

If those are the policies of the EU, then it can bring industry and civil society on board by setting an energy savings agenda, making energy efficiency targets binding, and promoting more sustainable and less wasteful energy consumption practices and behaviour at the level of industry and civil society/citizens.

The EU should not underestimate the role that people and businesses of Europe can play, if it works harder and smarter to get them united behind this goal.

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[1] John Woolman, as quoted in: Britain Yearly Meeting of the Religious Society of Friends, Quaker Faith and Practice, 23.16, accessed on 7 February 2011 at: http://qfp.quakerweb.org.uk/qfp23-16.html.

[2] QCEA is not alone in this view; and what is more, it is also evident that it makes business sense to adhere to these principles. Excerpts from a recent article by Jacqueline Hale support this:

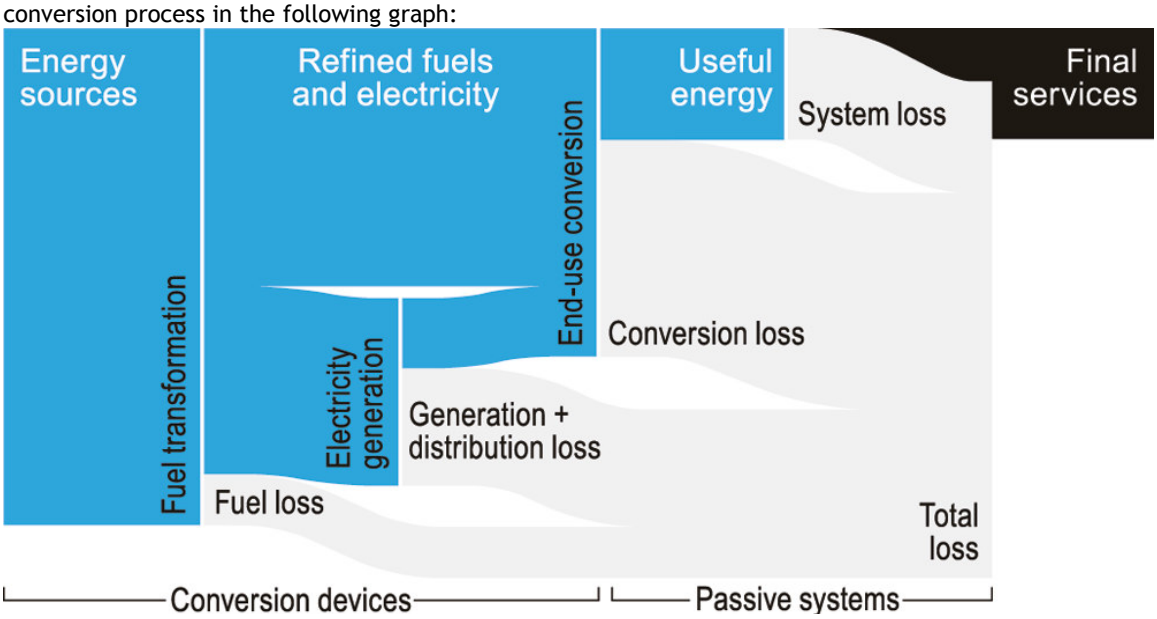
> 'Energy security and human rights are not mutually exclusive goals, as EU officials seem to accept too readily. Buying gas from Turkmenistan, a country with an obscure and half-secret budget, where corruption and patronage is rife and where European executives are forced to give gifts to the president in return for contracts, is akin to pouring money into a black hole. The absence of rules-based decision-making – an absence that is reflected in its human rights record – runs counter to EU interests in creating a sustainable, rules-based contractual arrangement.'
> 'The latest news from Turkmenistan, for example, makes typically grim reading: conscientious objectors have been imprisoned; a leading mobile-phone company blocked and – here, on European territory – a leading exiled activist threatened with assassination.'

'Likewise, it is unclear that engagement without preconditions is the way forward to creating the leverage the EU desires. The case of Azerbaijan, now a broker in a potential Trans-Caspian Pipeline, is instructive: since cooperation on energy took precedence in relations between the EU and that country, the EU has lost, rather than gained, leverage. There, the European stake in the oil and gas industry and the growing self-confidence of the government has left the regime impervious to EU demands on human rights. At the same time, the human rights situation in Azerbaijan has worsened considerably, culminating in openly fraudulent parliamentary elections in November 2010. As in Turkmenistan, the presence of a large number of international buyers vying for its hydrocarbons serves to strengthen the regime at the expense of sustainable, equitable development and the rights of its citizens.'

'At stake is more than a bilateral relationship with Turkmenistan: the EU risks undermining its soft power and mortgaging its freedom to act decisively in the future on core political concerns by hinging its foreign policy solely to energy needs. Meanwhile, governments in the region are watching to see how low the EU will be willing to let the bar slip in order to feed its energy addiction. Without a strong, consistent and credible longer-term EU strategy on the difficult questions towards countries such as Turkmenistan, the EU risks ending up looking, at best, no better than the rest and, at worst, guilty of hypocrisy in pursuit of short-term gains.'

Quotes from: http://blog.soros.org/2011/01/a-good-return-on-the-eus-diplomatic-investment/ accessed on 7 February 2011.

[3] Cullen, J.M., J.M. Allwood, and E.H. Borgstein (2011), Reducing Energy Demand: What Are the Practical Limits? *Environ. Sci. & Tech.* DOI: 10.1021/es102641n. shows the significant losses of energy in the conversion process in the following graph:



[4] It is useful to remember that the need to do this is recognised by business: according to General Electric, the cost of generating a kilowatt-hour of electricity is 70 to 170 times the cost of "saving" a kWh through efficiency measures. This necessitates an ambitious innovation strategy.

[5] The EU directive on Waste from Electrical and Electronic Equipment should be used to develop an effective rare materials strategy. Recycling existing electronic waste could be crucial. One ton of mobile phones contains from 300 to 350 grams of gold for example, and one fifth of cobalt can also be recycled in this way.