CONCEPT PAPER of the Co-Prime Mover – the Republic of Kazakhstan

«Development of Energy Cooperation among Member Countries of the Asia Cooperation Dialogue (ACD)»

Strengthening of the international energy security is a corner stone element of strategy of global energy development and should be based on reliable provision of global economy and population with maximum possible types of energy on predicted conditions and acceptable prices as well as with minimal environmental danger.

Finding of mutually acceptable balance between interests of all participants of the energy market of our countries, as well as its complementarities, assumes necessity of prevalence of long-term contracts between producers and consumers caused by durable pay-backs of such contracts along with the provision of greater availability and transparency of information on available reserves and demand of energy resources.

One of the aims of energy cooperation within ACD is a provision of mutually beneficial information exchange on energy market including production, consumption and transit operations. Abovementioned directions would promote the greater predictability of the market in the sake of common interests of all participants.

Fight against energy poverty is the major concern of the world community within its activity towards elimination of people's poverty.

According to the United Nations, nowadays almost 2,5 billion people have no access to modern energy services, more than 1,6 billion do not use electricity. Environmental pollution as a consequence of energy poverty (utilization of poor quality fuel) annually causes death of about 2 million children under age of five years. Constantly growing utilization of mineral kinds of fuel in developing countries affects global climate. These problems would inevitably aggravate without acceptance of crucial measures.

In this connection, the ACD Member-countries should contribute in reduction of energy gap between developed and developing countries. Basic directions consist of assistance in reduction of shocking consequences of growth of oil prices and in support of strategic efforts to overcome energy poverty of developing economies.

Sustainable development and energy security of our countries could be ensured only through the energy policy based on utilization of modern energy technologies and principles of combination of economic efficiency and

environmental safety. The modern energy sphere of economy should be based on economically reasonable utilization of various energy sources.

The further energy production growth based on utilization of organic fuel faces number of hard economic, transport and environmental problems: environmental pollution, growth of volumes and cost of transportations of fuel, exhaustion of operation efficient deposits, emission of radioactive isotopes and concerogene substances.

Nowadays development of alternative energy sources, nuclear energy and industry is the real opportunity which allows us to decrease mentioned problems both promoting growth and efficiency of energy supply sources.

ACD Member-counties should continue mutually beneficial, balanced and steady development of energy cooperation based on principles of mutual understanding, respect, friendship and good neighborhood as well as on positive experience.

In order to achieve this aim during the Seminar on Energy Cooperation of ACD in Almaty (Kazakhstan) in October, 2006 and the Second Energy Forum of ACD in Islamabad (Pakistan) in November, 2006 the following question should be considered and effective measures of cooperation in Asia should be elaborated:

- cooperation in elaboration of effective national programs on energy development;
- implementation of measures to increase energy efficiency and saving;
- stimulation of the development of alternative energy sources;
- assistance in information exchange in innovative development sphere and energy related technologies transfer;
- improving of environmental security in energy production;
- development of local mainly renewable energy sources and energy infrastructure;
- cooperation in the field of creation of new energy capacities and transportation of energy;
- assistance in exchange and introduction of high-tech in production, processing and exploitation of hydrocarbon raw materials and uranium;
- cooperation in the field of peaceful utilization of nuclear energy.