

Tackling the Global Energy Crisis

by Mohamed ElBaradei

The world needs a global energy organization that would complement, not replace, bodies already active in the energy field.

World leaders need to take action on the energy crisis that is taking shape before our eyes. Oil prices are soaring and it looks less and less likely that this is a bubble. The price of coal has doubled. Countries as far apart as South Africa and Tajikistan are plagued by power cuts and there have been riots in several nations because of disruptions to electricity. Rich states, no longer strangers to periodic blackouts, are worried about security of energy supply. In the developing world, 1.6 billion people — around a quarter of the human race — have no access to electricity.

I believe that fundamental changes are underway in the energy field whose significance we have not yet fully grasped. Global demand for energy is rising fast as the population increases and developing countries such as China and India undergo dramatic economic growth. The International Energy Agency (IEA) says the world's energy needs could be 50% higher in 2030 than they are today. Yet the fossil fuels on which the world still depends are finite and far from environmentally friendly. Serious thought needs to be given now to creating viable alternatives. The need for coordinated political action on energy and related issues — climate change and alleviating poverty, to name but two — has never been more acute. Yet there is no global energy institution in which the countries of the world can agree on joint solutions to the potentially enormous problems we see emerging.

We have a World Health Organization, two global food agencies, the Bretton Woods financial institutions and organizations to deal with everything from trade to civil aviation and maritime affairs. Energy, the motor of development and economic growth, is a glaring exception. Although, like food and health, it cries out for a holistic, global approach,

it is actually dealt with in a fragmented, piecemeal way. A number of institutions focus on energy, but none with a mandate that is global and comprehensive and that encompasses all energy forms. OPEC, for example, has just 13 members and deals exclu-



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sively with oil — from the producers' perspective. The IEA represents the 27 OECD countries from the consumers' viewpoint. Only 51 countries, almost all in Eurasia, have signed the Energy Charter Treaty, whose focus is limited to issues such as trade, transit and dispute settlement.



Even the pessimists believe we still have at least a few decades before the oil on which the world's prosperity is built starts to run out. Let us use that time wisely to develop long-term solutions to the world's energy needs which will benefit all humankind.


The UN coordinating mechanism, UN-Energy, is barely four years old. It has 20 member agencies, an indication of how fragmented the UN's energy activities are. UN-Energy has no budget or authority and serves as a modest forum for discussion and information sharing.

So does the world really need yet another international organization? Frankly, yes. A global energy organization would complement, not replace, bod-

ies already active in the energy field. It would bring a vital inter-governmental perspective to bear on issues which cannot be left to market forces alone, such as the development of new energy technology, the role of nuclear power and renewables, and innovative solutions for reducing pollution and greenhouse gas emissions. Here are a few things a global energy organization could do:

- ❖ provide authoritative assessments of global energy demand and supply and bring under one roof key energy data that are now dispersed and incomplete.
- ❖ speed the transfer of appropriate energy technology to poor countries and give them objective advice on an optimal energy mix that is safe, secure and environmentally sound.
- ❖ develop a global mechanism to ensure energy supplies in crises and emergencies. (The IEA already does this for its members with oil. The International Atomic Energy Agency is considering establishing guarantees of nuclear fuel supplies for reactors).
- ❖ help countries run their energy services and even do it for them temporarily after a war or major natural disaster.
- ❖ coordinate and fund R&D, both upstream and downstream, especially for energy-poor countries, whose needs too often get overlooked by commercial R&D oriented to rich countries.

Efforts in the 1970s to establish a global energy organization were unsuccessful. The world has changed dramatically since then and the need for joint action to develop long-term solutions to the looming energy crisis is now undeniable. It is difficult to see how this can be done without an expert multinational body, underpinned perhaps by a global energy convention, with the authority to develop policies and practices to benefit rich and poor countries alike, equitably and fairly. We need to act before crisis turns into catastrophe.

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