

**DARWIN DECLARATION ON:
ACHIEVING ENERGY SECURITY AND SUSTAINABLE DEVELOPMENT
THROUGH EFFICIENCY, CONSERVATION AND DIVERSITY**

Message from APEC Energy Ministers

1. *We, Energy Ministers of the APEC economies, gathered for the eighth time in Darwin, Australia, on 29 May 2007 under the theme “Achieving Energy Security and Sustainable Development through Efficiency, Conservation and Diversity”.*
2. *We met within the context of an increasing global consensus that energy security is fundamentally linked to our economic, social and environmental well-being. We discussed the Ha Noi Declaration’s call to respond to the challenges of meeting rapidly growing energy demands while minimising environmental effects.*
3. *We emphasised the need to strengthen our emergency preparedness and participate in measures to manage the risks and consequences of short-term energy supply disruptions.*
4. *We also recognised the importance for our longer-term energy future of pursuing policies and technologies to promote the development of cleaner energy and the improvement of energy efficiency and conservation.*
5. *We determined that addressing the challenges of energy security and sustainable development should be based on well-functioning markets that are progressively characterised by free and open trade, secure and transparent frameworks for investment, market-based price signals, market transparency, good governance and effective competition.*
6. *We welcomed the keynote address by the Executive Director of the International Energy Agency (IEA) on global and regional energy security challenges. We encouraged the development and implementation of APEC–IEA collaboration.*
7. *We recognised the need to address environmental challenges – in particular air quality and climate change objectives – requires a concerted response to promote energy efficiency and conservation, develop and deploy cleaner and more efficient technologies, address barriers to energy investment and facilitate cross-border energy trade.*

8. *We discussed actions to achieve greater efficiency and diversity in the stationary energy sector. We noted how energy efficiency in industry, buildings and commerce and cleaner power generation technologies – including renewables, clean coal, natural gas/LNG, and for interested economies, nuclear technologies – can provide for more secure, diversified systems of energy supply and use with lower carbon emissions.*
9. *We discussed actions to achieve greater efficiency and diversity in the transport energy sector, which is the key driver of oil demand. We encouraged the development of policies and technologies to promote fuel efficient transport as well as the uptake of biofuels and other alternative transport fuels in a sustainable manner.*
10. *We welcomed the meeting of energy business at the APEC Energy Business Forum and the address by the Energy Business Network. We noted the recommendations of the Energy Business Network. We encourage the efforts of the Energy Business Network to strengthen its structure and widen its membership.*
11. *We responded to APEC Leaders' instructions to report in 2007 on ways in which APEC might further contribute to policies and technologies that promote the development of cleaner energy and the improvement of energy efficiency, thereby enabling economies to meet increasing energy needs with a lower environmental impact and to address climate change objectives.*

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Instructions from APEC Energy Ministers

ACHIEVING OIL SECURITY

12. APEC oil import dependency is forecast to rise from 36 percent in 2002 to 52 percent in 2030.¹ Recent high oil prices have been driven by supply-demand fundamentals, geopolitical risks and concerns about supply interruption and speculative trading. In response we encourage APEC economies to adopt a broad range of measures designed to enhance security of supply and promote fuel efficient transport and the uptake of viable alternative fuels.

(a) Facilitating investment and trade in downstream and upstream oil markets

13. To ensure sufficient investment in refining capacity to meet growing demand, including for cleaner fuels, we encourage APEC economies to:

- *provide a transparent and streamlined regulatory framework for such investment;*
- *facilitate freer trade of oil products; and*
- *create a positive environment for technology development to help refiners to produce cleaner oil products more efficiently.*

14. Transparent, credible, equitable, and effective legal and regulatory frameworks, including the ability to enforce contracts, are essential to generate sufficient and sustainable international upstream investment.

- *We support ongoing dialogue between consumers and producers to facilitate an enabling investment climate in oil and natural gas resources and reserves.*
- *We recognise the importance of facilitating upstream investments.*

15. Observing the important role of oil and gas companies in APEC economies:

- *we encourage the Energy Working Group (EWG) to study the trade and investment practices of these oil and gas companies and to examine how partnerships and cooperation can improve the value chain.*

(b) Enhancing emergency preparedness

16. Oil supply disruptions can affect all member economies. In response:

- *we encourage APEC economies to participate in the Real-Time Emergency Information Sharing System (RTEIS) and to develop and communicate emergency mechanisms and contingency plans, including through the APEC Taskforce for Emergency Preparedness and also through enhancing the RTEIS to facilitate the establishment of an APEC Rapid Response Points of Contact Network for the Protection of Critical Energy Infrastructure to help minimise the potential for supply disruptions and to better protect critical energy infrastructure, including for maritime transportation;*
- *we instruct the EWG to strengthen cooperation with other relevant international fora, such as the IEA, for coordinating efforts at the time of energy supply disruption;*
- *we recognise the implications of disruptions and limitations to maritime energy transport and we instruct the EWG to develop linkages with organisations responsible for regional maritime security with a view to identifying and reporting any cross-cutting issues to our next meeting; and*
- *we encourage interested economies to continue to report on implementing best practices for the establishment, financing and management of strategic oil stocks.*

(c) Improving oil data sharing

17. A lack of transparent and reliable oil market data aggravates price volatility.

- *We reaffirm our support for the Joint Oil Data Initiative (JODI) as an international initiative that addresses investor uncertainty, contributes towards global harmonisation of energy data, and strengthens producer and consumer dialogue by demonstrating concrete action.*
- *We encourage APEC economies to report timely, accurate and complete data on oil reserves, supply and demand, stocks and production under the JODI. We direct the EWG to continue to provide training through JODI for economies to undertake this task and to contribute towards the JODI World Database.*

(d) Promoting energy efficient transport and alternative transport fuels

18. Transportation is the leading sector for oil demand growth in the APEC region and high oil prices are driving cost-effective improvements in vehicle fuel efficiency and the development and uptake of alternative transport fuels.

- *We welcomed the report of the APEC Biofuels Task Force. Among its key findings are that biofuels from several crops are cost-competitive at current oil prices, that biofuels can lower greenhouse gas emissions and that biofuels can displace a sizeable share of oil use over time.*
- *Biofuels production should be advanced in line with sustainable development objectives. We encourage intensified efforts to develop and deploy techniques for the cost-effective use of non-food feedstocks, such as farm and forest residues and grasses, which hold the greatest potential for expanded biofuels production and greenhouse gas reductions.*
- *We encourage the EWG to collaborate on alternative fuels with other international bodies, such as the IEA and the Global Bioenergy Partnership (GBEP).*
- *We encourage APEC economies to manage their growing dependence on oil for transportation through policies and measures to promote energy efficiency in transportation and to diversify the fuel mix using cleaner fuel sources.*
- *We direct the EWG to develop best practice principles for energy efficient transport.*

PROMOTING CLEAN AND EFFICIENT ENERGY PRODUCTION AND USE

19. Meeting growing energy needs with a lower environmental impact requires cooperation to improve energy efficiency, cleaner and more efficient energy technologies, attraction of additional energy investment and facilitation of cross-border energy trade.

(e) Improving energy efficiency

20. Improving energy efficiency is a cost-effective way to enhance energy security and mitigate greenhouse gas emissions. There is great potential for energy efficiency improvements in the power generation, industrial, transportation, public, residential and commercial sectors.

- *We encourage APEC economies to individually set goals and formulate action plans for improving energy efficiency on an overall and/or sector basis.*
- *We direct the EWG to collaborate with the IEA to develop energy efficiency indicators and compile best practices that can be used to help formulate and track progress towards such voluntary goals and action plans.*
- *We direct the EWG to strengthen efforts to share information on energy efficiency policies and measures, identify effective energy efficiency approaches and review progress towards efficiency goals.*
- *We encourage APEC economies to contribute to and utilise the APEC Energy Standards Information System (ESIS).*

(f) Developing and deploying cleaner and more efficient energy technologies

21. New energy technologies can address energy security and provide environmental benefits by reducing greenhouse gases and other atmospheric pollutants. To accelerate their deployment:

- *we encourage the development of cleaner and more efficient power generation technologies, including renewables, clean coal, natural gas/LNG, and for interested economies, nuclear technologies;*
- *we direct the EWG to progress the development of clean fossil energy technologies, including carbon capture and storage;*
- *we encourage EWG collaboration with the Renewable Energy and Energy Efficiency Partnership (REEEP) on financing, policy and regulation;*

- *we recognise the importance of progress in the uptake of new and renewable energy through the APEC 21st Century Renewable Energy Development Initiative;*
- *we encourage interested APEC economies to join the EWG's Ad-Hoc Group on Nuclear Technologies and to ensure that the safety, security, seismic, health and waste handling aspects, including trans-border effects, of civilian nuclear energy are adequately addressed; and*
- *we await EWG advice on the recommendations from the forthcoming meetings of regional nuclear safeguards experts.*

(g) Attracting energy investment and facilitating cross-border trade

22. Meeting energy demand in the APEC region will require new investment of at least US\$ six trillion to 2030. Significant economic benefits can be gained by removing barriers to such investment.

- *We encourage continued efforts by the Energy Efficiency and Renewable Energy Financing Task Force to help governments, businesses and financial institutions incorporate the value of energy savings in large-scale investment decisions.*
- *We direct the EWG to review the uptake and currency of Best Practice Principles on: Accelerating Investment in Natural Gas Supplies, Infrastructure and Trading Networks in the APEC Region; Facilitating the Development of LNG Trade; Financing Energy Projects; and Natural Gas Trade.*
- *We direct the EWG to contribute to the proposed APEC Energy Trade & Investment Study and Roundtable.*
- *We encourage APEC economies to address the recommendations of the APEC Gas Forum.*
- *We direct the EWG to continue implementation of its LNG Public Education and Communication Information Sharing Initiative.*
- *We direct the EWG to continue cooperative efforts to improve natural gas data collection.*

(h) APEC Energy Peer Review Mechanism

23. To assist interested economies in developing policies that support energy security and environmental objectives:

- *we direct the EWG to develop a voluntary Energy Peer Review Mechanism, with an initial focus on progress toward attaining energy efficiency goals.*

PROMOTING BROADER ENERGY COOPERATION

24. Cooperation and partnership are essential to addressing energy security and environmental challenges that extend beyond the sphere of any single economy or the APEC economies as a group. In response:

- *we direct the EWG to further advance collaboration with other international energy fora, including the International Energy Agency;*
- *we welcome the work of the Asia-Pacific Partnership on Clean Development and Climate (APP) and await advice from the EWG on potential areas of cooperation; and*
- *we direct the EWG to continue to report sustainable development activities to the United Nations Commission on Sustainable Development.*

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1 Asia Pacific Energy Research Centre. *APEC Energy Demand and Supply Outlook 2006*. <<http://www.ieej.or.jp/aperc>>.