

## Shared Goals

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The member countries of the IEA seek to create conditions in which their economies' energy sectors can make the fullest possible contribution to sustainable economic development and to the well-being of their people and of the environment. In formulating energy policies, the establishment of free and open markets is a fundamental point of departure, though governments need to give particular emphasis to energy security and environmental protection. IEA countries recognise the significance of increasing global interdependence in energy, and so they seek to promote the effective operation of international energy markets and to encourage dialogue with all participants.

In order to secure their objectives, member countries therefore aim to create a policy framework consistent with the following goals:

- Diversity, efficiency and flexibility within the energy sector are basic conditions for longer-term energy security: the fuels used within and across sectors and the sources of those fuels should be as diverse as practicable. Non-fossil fuels, particularly nuclear and hydro power, make a substantial contribution to the energy supply diversity of IEA countries as a group.
- Energy systems should have the ability to respond promptly and flexibly to energy emergencies. In some cases this requires collective mechanisms and action: IEA countries co-operate through the Agency in responding jointly to oil supply emergencies.
- The environmentally sustainable provision and use of energy are central to the achievement of these shared goals. Decision-makers should seek to minimise the adverse environmental impacts of energy activities, just as environmental decisions should take account of the energy consequences. Government interventions should respect the Polluter Pays Principle where practicable.
- More environmentally acceptable energy sources need to be encouraged and developed. Clean and efficient use of fossil fuels is essential. The development of economic non-fossil sources is also a priority. A number of IEA member countries wish to retain and improve the nuclear option for the future, at the highest available safety standards, because nuclear energy does not emit carbon dioxide. Renewable sources also have an increasingly important contribution to make.
- Improved energy efficiency can promote both environmental protection and energy security in a cost-effective manner. There are significant opportunities for greater energy efficiency at all stages of the energy cycle from production to consumption. Strong efforts by governments and all energy users are needed to realise these opportunities.
- Continued research, development and market deployment of new and improved energy technologies make a critical contribution to achieving the objectives outlined above. Energy technology policies should complement broader energy policies. International co-operation in the development and dissemination of energy technologies, including industry participation and co-operation with non-member countries, should be encouraged.

- Undistorted energy prices enable markets to work efficiently. Energy prices should not be held artificially below the costs of supply to promote social or industrial goals. To the extent necessary and practicable, the environmental costs of energy production and use should be reflected in prices.
- Free and open trade and a secure framework for investment contribute to efficient energy markets and energy security. Distortions to energy trade and investment should be avoided.
- Co-operation among all energy market participants helps to improve information and understanding, and encourages the development of efficient, environmentally acceptable and flexible energy systems and markets worldwide. These are needed to help promote the investment, trade and confidence necessary to achieve global energy security and environmental objectives.

*This document was adopted by IEA Ministers at their  
4 June 1993 meeting in Paris.*