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“Energy Security Co-operation – can the OSCE bring added value?”

OSCE and Energy Security

- For Slovakia, a landlocked country fully dependent on the external suppliers of oil and gas from external, the energy security means – more transparency, more predictability, clearer rules of behavior, non-confrontational dialogue among all stakeholders and recognition of our mutual interdependence. These expectations have not been met yet, despite increased activities of various organizations and arrangements involved in the promotion of the energy security agenda in the recent years.
- In this context, we welcome discussion about possible stronger role of the OSCE and more effective use of its comparative advantages in order to create added value both for participating States and other specialized international organizations. The OSCE can contribute to the generating of the stable political environment and possibly also of the strategic agreement between governments.
- We should not ask whether there is any a role for the OSCE in the area of energy security but what kind of role it should play to in order to have stronger impact.
- 2003 Maastricht Strategy Document – high level of energy security requires a predictable, reliable, economically acceptable, commercially sound and environmentally friendly energy supply; encouragement of dialogue and efforts to diversify energy supply, ensure the safety of energy routs and make more efficient use of energy resources.
- 2006 OSCE Ministerial Council in Brussels – importance of energy dialogue with partner organization such as the Energy Security Charter and the IEA. OSCE concept of energy security goes beyond security of supply to include security of demand and security of transit, as well as energy efficiency.
- In 2006 the OSCE Secretary General conducted a technical fact finding mission to gather and analyze the information on energy security within the OSCE area and to make suggestions on renewed international dialogue.
- July 2009 – Bratislava Conference on Strengthening Energy Security in the OSCE area – new impetus to the discussion on the topic further to the gas crises in January 2009 and the beginning of the Corfu process.
- 2009 OSCE Ministerial Council in Athens – intensify dialogue and cooperation on energy security, confirmation of the OSCE as a platform for broad political dialogue and its complementing role to existing bilateral and multilateral activities and initiatives in energy co-operation, call for co-operative dialogue in order to enhance transparency, reliability and cooperation in energy field, as well as strengthen the ability of international

community to prevent and resolve energy-related disputes, task the PC supported by the OSCE Secretariat in organizing in 2010 an OSCE special meeting to assess OSCE's future contribution to international energy security co-operation and task the OSCE SG to submit in 2010 a report based on recommendations from above mentioned event and relevant international and regional organizations and agencies concerning the complementary role of the OSCE in the field of energy security.

- We can admit good progress, energy security is finally recognized as a natural point on our agenda but we are still hesitating to exploit fully potential of the OSCE in this field. Strategic decision remains to be taken – the problem is not the OSCE, the problem is our attitude towards it.
- The discussion about the future security arrangement in the OSCE area known as the Corfu Process, along with the upcoming OSCE Summit in Astana offers a unique opportunity for a strong boost to the energy security agenda in the OSCE framework.

Why the OSCE?

- Energy security has become an integral part of the OSCE agenda, OSCE has demonstrated the relevance in this field, but clearer identification of its role is needed.
- Security and reliability of energy supplies have direct impact on overall security in Europe. This is now understood by all but our approach remains very fragmented reflecting the diversity of interests of various players.
- OSCE encompasses energy producers and exporters, transit and consuming states.
- OSCE applies principles of equality and non-discrimination.
- OSCE provides platform for co-operative, non-intrusive dialogue and for interaction with relevant international organizations, as well as between governments, interested NGO's, business and expert community.
- OSCE has unique track record of early warning, early action, including in the field of dispute settlement based on transparency, predictability, good will and consensus.
- OSCE has vast experience with negotiations, as well as with standard and principle setting and promotion of their implementation through various political and expert dialogues along with peer review
- OSCE focuses on security aspect of economic cooperation or disputes.
- OSCE has comprehensive/crossdimensional approach to economic cooperation based on political commitments.
- OSCE promotes confidence building through transparency, respect of norms of behavior, dialogue and collective action.

How we could build on the OSCE's comparative advantages?

- OSCE can promote transparency and confidence building through more intensive political dialogue on energy security issues. Energy security should become a permanent point on the agenda of the OSCE Economic Forum. Participating States should be encouraged to address energy security related issues at the OSCE permanent bodies, including the OSCE Permanent Council.
- OSCE can serve as platform for interactive engagement of experts, government representatives, sharing expertise, industry leaders and other stakeholders in order to share best practices both on regional and OSCE level.
- OSCE can promote further strengthening of regional cooperation and arrangements in this area.
- OSCE can contribute to the development of strategies for addressing of new related security risks (protection of critical infrastructure best practices, critical infrastructure incident database, respective protective measures, energy efficiency, and climate change) and assist participating states to build and strengthen their own capacities and counter-terrorism strategies.
- OSCE can serve as a focal point of contact for networking and can help to “open” energy security community for decision makers and wider public.
- OSCE can identify and address potential interstate energy crises in, which is considered by a participating State or group of States as a threat to their security or regional stability in a structured and transparent way.
- OSCE can serve as platform for a regular in-depth discussion about all aspects of energy security - including good governance and transparency with the objective to work out set of politically binding principles of interstate cooperation in this area.
- OSCE can help in practical way to avoid future energy crises and solve situations caused by disruption of energy supplies in the OSCE area and thus contribute to overall stability and security in this region.
- OSCE can be used as platform for the energy security disputes already now, but it would be helpful to consider elaboration of practical measures and mechanisms in order to set clear principles for early warning and crises management in this particular field.
- The key word is trust – between us and in the organization. Without the political will demonstrated by all participating States we will be unable to develop a common vision of strategic cooperation in the field of energy security.

No need to reinvent the wheel

- OSCE is equipped with various early warning mechanisms that, which can be, if we wish so, applied in case of energy related disputes and crises
- There are already successful early warning mechanisms for the settlement of disputes outside the OSCE (Energy Charter or Memorandum, Early Warning Mechanism in the

Energy Sector signed between EU and Russia in November 2009), but they either encompass limited number of countries or are rather inflexible.

Existing OSCE early warning mechanisms

- The Vienna Mechanism based on the sequence of few steps - response to request and exchange of information, bilateral meetings to exam and resolve issues, bring the issue to the attention of other pS and call for a follow-up OSCE meetings,
- The Moscow Mechanism that “... provides possibility for participating states to establish ad hoc missions of independent experts to address or contribute to the resolution of related questions ... ”
- The Berlin Mechanism where “... pS should provide within 48 hours all relevant information in order to clarify the situation (major disruptions endangering peace, security or stability) ... Should the situation remain unresolved ... an Emergency Meeting of the PC is to be held”.

OSCE Energy Security Early Warning Mechanism (ESEW)

- In the context of Corfu dialogue on the future of European security Slovakia has proposed to elaborate ESEW, which consists of the sequence of 4 steps:
 1. Exchange of information between requesting and responding pS with the assistance of the OSCE CiO.
 2. Consultations among involved/interested pS, also involving relevant experts from the List of Energy Security Independent Experts.
 3. Deployment of the ad hoc fact finding mission if independent experts (with the consent of the host country).
 4. Reporting to the CIO and subsequently informing the OSCE PC and agreeing on the possible follow up in accordance with existing rules and procedures.

ESEW can:

1. Provide structure for involvement of all relevant actors in potential energy security crises situations and clarify the situation on the basis of unbiased evaluation by experts.
 2. Address the situation in its early stages to avoid possible deepening of crises, raise awareness and call other to the action.
 3. Help to improve transparency, predictability and ensure that problems are addressed in a collective manner through dialogue and cooperation.
- Our overall goal is to create a practical tool that could be used in case of an emerging or potential energy crisis considered by participating State (or group of States) as a threat to

their security or regional stability; this tool could be complementary, and I stress again complementary to the involvement, role and activities of other international organizations,

And finally:

1. The proposal is based exclusively on existing and agreed OSCE mechanisms and approaches combining their flexible and progressive elements and adjusting them to specific area of energy security.
 2. The proposed mechanism is by no means extending current prerogatives and responsibilities of CIO, Secretariat or the OSCE Institution.
 3. It definitely does not challenge the consensus principle of the OSCE.
It does provide first and foremost structure for involvement of all relevant actors in potential energy security crises situations and clarify the respective role of the CIO. Any activity of the CIO and the team of experts in the field would be a subject to an approval of the receiving country.
- We hope to get a broad support for this concept that would allow us to continue our work on the mechanism in the frame of the Corfu Process and on our road to OSCE Summit and beyond.
