

CONFERENCE
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Session 1: Reliable energy as an integral part of 21st century energy security

Statement on behalf of the Swedish Presidency of the European Union

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Excellencies, Ladies and Gentlemen,

Allow me first to thank the organizers of this conference for inviting me to speak today. I am delighted to be in Bratislava and to represent the Swedish Presidency of the European Union.

This is a timely conference and the topic for our deliberations – energy security - is at the top of the international agenda. I shall comment on that issue, but would like first to give you a brief overview of the challenges Sweden faces as we now begin our Presidency of the EU.

The circumstances of this Presidency are special – I suppose this is a fairly standard thing to say for any Presidency representative... Every six-month Presidency of the EU faces its own set of challenges – some expected, others less so. The Swedish Presidency of the EU during the second half of 2009 has to face up to two well-known yet nonetheless formidable challenges. First of all, Sweden will have to lead and co-ordinate the efforts to steer the EU out of the economic and financial crises. At the same time, it will be the responsibility of Sweden to take the lead within EU in seeking to ensure that we reach a global agreement on fighting climate change in Copenhagen in December. These two priorities will dominate our Presidency.

Moreover, the coming six months will be characterized by both change and renewal within the EU. We have a newly elected European Parliament that is in the process of getting organized. A new European Commission is due to take office some time during our Presidency. There is also uncertainty as to whether the Treaty of Lisbon will be able to enter into force during our Presidency. We await the referendum in Ireland with a great deal of interest.

Ladies and Gentlemen,

Climate change has already begun to cause a fundamental shift in thinking on how we use the earth's scarce resources. This will sooner rather than later force businesses to adapt the way they produce their goods and services – or even what goods and services they choose to produce. At the same time, the economic and financial crises have forced governments and citizens everywhere to reconsider what the sources of our future prosperity might be. And so the climate and the financial crises have already set in motion a process of fundamental change of our economies that will affect us all.

We must not see these developments as threats, but welcome them as opportunities. We should simply not accept the argument that countries, in the midst of an economic crisis, cannot afford to

take initiatives to prevent climate change. On the contrary, countries can and must be both climate smart and resource efficient.

The Swedish economy is a good illustration that economic growth and concern for the environment can go hand-in-hand. Since 1990 we have lowered our CO2 emissions by 9 per cent, at the same time as our GDP has grown by 44 per cent. And we are far from alone. Similarly, the proportion of renewable energy used in Sweden has increased from 33 per cent in 1990 to 43 per cent in 2006.

I stress these two issues – the climate and the economy – because the links are so obvious with energy and the issue of energy security.

How we generate, transmit and use energy is at the core of the transition to an Eco-Efficient Economy. Learning to use energy and natural resources as efficiently as possible and to generate energy from new, clean sources is not only central for reducing emissions. Such new energy technology will also lay the basis for the development of businesses and green jobs, and ultimately economic recovery.

Over the last few years, much attention has been given to security of energy supply, building infrastructure and the handling of energy crises.

During our Presidency, we will continue to deal with these important issues. But allow me to stress the point that *energy efficiency* is central to strengthening our security of supply. This is why Eco-efficiency in general and efficient energy systems in particular will be the topic of several activities during the Swedish Presidency. We want to send a strong signal that the EU is taking the lead in promoting energy efficiency as a means of combating both climate change and economic recession.

The formal agenda in the EU Energy Council will be characterized by the Second Strategic Energy Review, and the package of initiatives on security of supply that was presented by the Commission in November 2008. Our top priority is to try and finalize the negotiations on the three energy efficiency directives on the performance of buildings, labelling of products and labelling of tyres. We look forward to the Commission's coming package containing a revised action plan for energy efficiency and a communication on financial solutions for low-carbon technology. These are important instruments in achieving an Eco-efficient economy.

We also look forward to dealing with the Commission's expected revision of the present security of gas supply directive.

Beyond the formal Council agenda we are faced with the possibility of a new disruption of the gas supply from Russia through Ukraine. It is, as we all know, a serious situation and one of immediate concern for the European consumers. Depending on developments over the next few days and weeks, the Presidency stands ready to act forcefully and swiftly in the interest of European gas consumers. As underscored recently by the European Council, it is of major importance for the EU to continue speaking with one voice with its partners. It is very much a responsibility of the Presidency, in close collaboration with the Commission to show the leadership required for that objective to be fulfilled. We also need to ensure that individual member States as well as the European Union take internal action to increase energy security. We have to do our homework.

However, ultimately, the responsibility to do everything possible to avert the eruption of a crisis rests with the parties directly concerned. International dialogue, as well as external advice and assistance will lead to sustainable solutions and work only if the parties take it upon themselves to be forward-looking, market-oriented and transparent in their approach to the delivery of gas to European customers.

To illustrate my point about energy efficiency and energy security: If Ukraine were to improve its energy efficiency to achieve the same level as Slovenia and the Czech Republic, it would be almost independent of gas imports.

Perhaps of less immediate concern, but still of very high importance are other external relations in the energy field. I am thinking in particular of the need to take further steps in developing energy and economic cooperation with the countries in Central Asia and the Russian Federation on energy diversification programs; and of the very promising contacts we have seen between the EU and the United States with a view to enhancing the transatlantic dialogue on energy.

Returning, finally, to my introductory remarks concerning the timeliness of this conference. It is a fact that OSCE is well placed to deal with European security from a comprehensive perspective. Given the very obvious links between security in this broader sense and security of energy supply, it is very appropriate that we discuss the role of the OSCE in this field. It is equally clear, however, that the energy security issue is at the top of the agenda in many different organizations and contexts. Therefore, it is essential that each and every organization define the value added and unique competence that it can bring to the table, taking into account the existing institutional as well as the internationally agreed legal framework. I am confident that this conference will help us in doing precisely that as far as OSCE is concerned.

Ladies and Gentlemen,

In closing, let me just re-iterate some of my key points today:

1. The issue of energy efficiency is at the heart of our Presidency priorities. We believe it can provide one of the responses to climate change and emissions; to energy security and to economic competitiveness and recovery.
2. The Swedish Presidency is ready to act forcefully and swiftly in the interest of European gas consumers, should there be a break-down in the supply of Russian gas through Ukraine. The responsibility for ensuring that there is not a crisis, however, ultimately rests with the parties directly involved.
3. In identifying energy security as an important topic, any organization needs to reflect carefully on its own competitive advantage in this field and put emphasis on that. That goes for the OSCE as well as, for example, for the European Union and the international financial institutions.

Again, let me thank the Slovak Ministry of Foreign Affairs as well as the Greek Chairmanship for organizing this important event.

Thank you all.