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Fabrizio BARBASO
Deputy Director General
DG ENERGY - European Commission

21ST OSCE ECONOMIC AND ENVIRONMENTAL FORUM

**“Increasing stability and security: Improving the environmental footprint
of energy-related activities in the OSCE region”**

CONCLUDING MEETING

Prague, 11 – 13 September 2013

Ladies and Gentlemen,

I am very pleased to make some introductory remarks to this concluding meeting of the 21st Economic and Environmental Forum.

During the preparatory meetings, we have had a very good debate about how to address the security threats and challenges in our region caused by the environmental impact of energy-related activities. Now we need to think about possible conclusions that could usefully provide input to the 2013 OSCE Ministerial Council.

We all face great challenges in trying to improve the environmental footprint of energy-related activities. The EU has given high priority to this matter: the so-called "EU 20/20/20 strategy" represents a strong commitment in this direction, as it sets ambitious targets in the areas of energy efficiency, renewables, and

reduction of GHG emissions, to be reached by 2020 and supported by solid policy initiatives.

The European Commission is already working on a post-2020 sustainable energy framework and it will come out with a policy proposal by the end of the year. We believe it is essential to provide business operating in the EU with clear and stable policy signals in order to minimise regulatory uncertainty and boost long-term investments. The recent publication of the Green Paper "A 2030 framework for climate and energy policies" aims at consulting stakeholders to obtain evidence and views to support the development of this policy proposal.

An early agreement on the 2030 framework from all Member States will not only help us ensuring increased certainty for investors and creating growth and jobs via more low-carbon technologies; it will also set EU ambitions for a new

international agreement on climate change.

Of course, our proposal will have to be duly balanced with the other two interacting objectives of the EU energy policy: the security of supply and the competitiveness of economic systems.

The EU long-term vision behind this policy development is the progressive decarbonisation of the EU economy, as expressed by the Roadmap 2050. In this context, the Energy Roadmap 2050 outlines different decarbonisation scenarios for the energy sector that would at the same time ensure that the targets can be achieved without sacrificing a competitive and secure energy system.

The energy roadmap shows that investments in smart and flexible energy infrastructures are key to further integrate the European market and to accommodate more variable low-carbon

generation in our energy mix, providing a reliable input for growth and jobs.

The EU has been developing an ambitious and far-reaching European energy policy that focuses on completing the Internal Energy Market, boosting energy research and innovation, improving energy efficiency and deploying further the renewable energy sources. In this respect, the EU's external energy relations are essential to promote these priorities beyond EU borders. Sustainable energy policy, promotion of renewable energy and energy efficiency, as well as technology research and innovation efforts are at the heart of the EU cooperation with most partner countries and within various existing international cooperation organisations, including the International Energy Agency (IEA), the International Partnership for Energy Efficiency Cooperation (IPEEC), the International Renewable Energy Agency (IRENA), and the Energy Community Treaty.

A key goal of the EU external energy strategy is the establishment of a pan-European energy market. On the one hand, this entails the integration of physical infrastructures; on the other hand, it means approximating rules, standards, and best practices.

Major achievements have been attained with our eastern neighbours. Two main instruments serve this process: the Energy Community and the Eastern Partnership. The latter, through association agreements with a strong free-trade dimension, allows neighbour countries to gradually integrate in the EU economy. The Energy Community Treaty aims at establishing a common regulatory framework for energy markets by extending the EU energy *acquis* to the Balkan and Black Sea regions. With the accession of Ukraine and Moldova in 2011 and Georgia's recent application for membership, the Energy Community continues to be a key instrument for

extending the internal energy market to our neighbourhood.

We fully acknowledge the importance of the OSCE as the world's largest security-oriented intergovernmental organization. By offering a platform for political dialogue, negotiations and decision-making in a wide range of security issues, it constitutes a precious framework to ensure peace, democracy and stability worldwide. Its comprehensive approach to security encompasses on the one hand conflict prevention and conflict resolution, and on the other hand the politico-military, the economic and environmental, and the human dimensions.

In this context, OSCE could play a complementary role for specific activities aiming at the reduction of the environmental impact of energy-related activities. There are great opportunities for the OSCE to be involved in this area and contribute within the remit of its expertise

on security, confidence-building, trans boundary cooperation and conflict prevention. We believe that the OSCE should concentrate in the areas where it can create added value to what is already being done in bilateral, regional and other multilateral *fora*.

One theme which has emerged consistently from our discussions in this year's Forum has been the critical importance of good governance and transparency in helping states to better alleviate the threats and challenges stemming from energy-related activities.

The OSCE has already developed an expertise in the area of good governance. Future work could build on elements contained in last year's Ministerial Council Declaration on Good Governance as well as the G20 Anti-Corruption Plan. Focus could be on the importance of multi-

stakeholder partnerships to combat corruption in specific sectors, such as extractive industries.

Moreover, further efforts should be made to increase transparency in the energy sector. This might be by promoting and increasing multi-stakeholder cooperation and public participation in decision making processes related to environmental and energy-related issues. Another useful step is supporting the Extractive Industries Transparency Initiative. This initiative promotes improved governance in resource-rich countries through the verification and full publication of company payments and government revenues from oil, gas and mining. This would foster a climate of openness and accountability that can drive stability and predictability and guard against corruption or environmental damage.

Finally, I would like to highlight the value of the dialogue within the OSCE on

specific energy security issues, for example, your work related to critical energy infrastructure protection. Sharing information and exchange best practices is needed to prevent and respond to oil spills and other disasters tied to energy infrastructure.

OSCE work in this area should continue with further steps aimed at ensuring the involvement of civil society, academia and the private sector. A (formal) mechanism to collect and share data could help participating states to reduce the economic costs and environmental damage caused by natural or man-made disasters that impact critical energy infrastructure.

In conclusion, both the EU and OSCE have distinct and valuable areas of expertise. We are both driven by a commitment to peace and security. We are both convinced that dealing with the climate change threat is a top priority and

will lead to fundamental changes for society. We both see wider international collaboration as a valuable way to strengthen our effectiveness.

We see a number of areas relating to energy where the OSCE can develop their activities within its competence and bring added value to the work of both our organisations. I have mentioned three in particular here. Good governance, transparency, and critical energy infrastructure protection.

I look forward to the debate in the coming days and encourage the speakers to focus on identifying areas for future action of the OSCE, consistent with its mandate and its expertise.

Thank you.