



**Organization for Security and Co-operation in Europe**

**OSCE Special Expert Meeting on Assessing the OSCE's Future  
Contribution to International Energy Security Co-operation**

Vilnius, 13-14 September 2010

**Opening Plenary Session  
H.E Marc Perrin de Brichambaut  
Secretary General of the OSCE**

Ministers,  
Excellencies,  
Distinguished Guests,

It is a pleasure to take part in this special expert meeting on assessing the OSCE's future contribution to international energy security co-operation. This two-day meeting is one of the main components of the OSCE Ministerial Decision on Energy Security adopted in Athens in December 2009. I am convinced that our exchanges and discussions today and tomorrow will provide critical input for the report I will deliver to the Permanent Council later this year, which in turn will suggest concrete actions our Organization might take to contribute to international energy security co-operation

Energy security has been on the agenda of our OSCE for a number of years. Allow me to recall some of the most important milestones in this regard.

At the very beginning, in the 1975 *Helsinki Final Act*, participating States agreed on the importance of both the economy and the environment for the lasting security of their societies, States and regions. In the 1990 Bonn *Document of the CSCE Conference on Economic Co-operation in Europe* - whose 20<sup>th</sup> anniversary we celebrate this year – the participating States of what was then the CSCE established a set of core commitments in the

economic and environmental areas. These were reaffirmed in the *Charter for European Security*, agreed in Istanbul in 1999.

In 2003, at the Maastricht Ministerial Council, participating States agreed to the *OSCE Strategy Document for the Economic and Environmental Dimension*, where they agreed that “*energy security requires a predictable, reliable, economically acceptable, commercially sound and environmentally friendly energy, which can be achieved by means of long term contracts in appropriate cases.*” On this basis, participating States decided to encourage dialogue on energy issues, as well as more practical efforts to diversify energy supply, ensure the safety of energy routes and make more efficient use of energy resources.

The Brussels Ministerial Council of December 2006 took another step through a decision (MC.DEC/12/06) on “Energy Security Dialogue in the OSCE”. The decision expressed support for the principles and objectives agreed at the 2006 G-8 Summit in St Petersburg, and tasked the OSCE to promote dialogue on energy security, involving producing, transit and consuming countries.

2009 saw further movement. In July, in Bratislava, at the initiative of the 2009 Greek OSCE Chairmanship and of the Slovak government, the OSCE organized a conference on “Strengthening energy security in the OSCE area”. In December, at the Athens Ministerial Council, participating States agreed on a decision (MC.DEC/6/09) entitled “Strengthening Dialogue and Co-operation on Energy Security in the OSCE Area”. The decision encouraged participating States to use the OSCE as a platform for energy security dialogue in order to contribute to security and stability in the OSCE area and strengthen co-operation in the energy field, including at the regional and sub-regional level.

The importance of energy security at the regional and sub-regional level and of a legal framework for reliable and stable energy flows was further underlined during the OSCE supported international conference on “Strengthening regional co-operation in Central Asia for promoting stable and reliable energy within Eurasia”, in Ashgabat in May 2010. I

can attest that the discussions were frank and productive, with substantial contributions from many participating States and International Organizations.

All these commitments provide a solid framework for the OSCE to continue to promote a dialogue on stable and reliable energy.

Excellencies,

Ladies and Gentlemen,

The OSCE works to complement dialogues and processes that are underway in other fora and within other international organizations that have more targeted and technical mandates. As a political platform, we have a specific approach to security and can thus help partner organizations move their mandates forward.

This is why I am very pleased that representatives from so many different sectors are present at this expert meeting – experts from OSCE Participating States, the United Nations Economic Commission for Europe, the European Union and the Energy Charter Secretariat, as well as representatives from energy companies and selected independent experts.

We are also very pleased to be in Vilnius today as guests of the Lithuanian Government. I am grateful to the incoming 2011 OSCE Chairmanship for having chosen this critical issue for this first major OSCE event in its capital.

As I already mentioned, I very much look forward to your contributions and input. Our aim should be not to conclude a dialogue, but to open one. Together we should consider a number of key questions:

- What are the prospects for the development of the OSCE's role for international energy security co-operation?
- What should be the principles for a stable and reliable energy market?
- How can legal frameworks contribute to the reliability of the energy market?

These are complex questions, but I am confident that, given the diverse expertise we have in this room today, we will be able to find interesting and innovative answers.

Participating States will face many challenges in the energy market in the years to come:

- the need to reduce energy consumption to adapt to finite fossil fuel resources, to say nothing of environmental considerations;
- the emergence of new energy routes as well as new energy players, such as the central Asian countries and China, and the need to meet their energy demand;
- the development of the gas market towards global scale, in particular with the development of liquefied natural gas (LNG) and the expectation of new capacities of non-conventional gas reserves, in particular from the United States and Canada.

Last, but not least, I would like to mention the need for massive investments, from upstream - exploration, production - to downstream, with the need to modernize and secure transport routes. These investments, in particular in the context of the present economic and financial crisis, will require high confidence, through clear legal frameworks, and a foreseeable business environment.

Interdependence is a key characteristic of the international energy market, and we should consider this as an opportunity to increase co-operation among all actors in the energy equation.

It is vital to develop stronger international governance for global energy supply on the basis of clearly identified legal norms and mechanisms. We all recognize that this process will take time, and that it is important to gather the required expertise and political will from all actors in order to move forward.

As you are aware, last year, the President of the Russian Federation presented an initiative to develop a new framework. This would take into consideration the interests of

both suppliers and consumers and also address some concerns regarding the transit of energy. I believe that we should see these ideas as an invitation to a genuine dialogue.

Multilateral tools play a crucial role in intergovernmental processes. The Energy Charter Treaty deserves careful attention. All parties have recognized the need for an evolution of the Treaty. This was confirmed during the last Energy Charter Conference in December 2009. It is also clear that the *acquis* of the Energy Charter as developed over the last 15 years can contribute vitally to improving the present legal framework, taking into consideration lessons learned and new challenges in the energy market.

The OSCE can be useful in raising awareness of problems and exploring new approaches for co-operation among participating States, also taking into account the contribution of civil society. The OSCE can act as a clearing house for expert advice and discussions and for facilitating an inclusive political debate.

Your Excellencies,

Ladies and Gentlemen,

At its heart, energy security and reliability is a classic cross-dimensional challenge, and as such, it should remain a core issue for the OSCE. The Organization can provide a unique platform for dialogue among participating States, and with other organizations and bodies, including the private sector.

Balanced and fair rules in the energy sector are as vital as they are in any other part of the economy. Equally, energy co-operation should be driven by a balanced approach – taking into account the interests of production and development, transportation and consumption. Transparency and predictability are vital at every stage of the energy chain.

Regional and international initiatives for good governance play a key role in elaborating basic rules and principles. As political commitments or as legally binding treaties, conventions and legal instruments, these rules and principles can and should act as the

cement for more stable and predictable international interaction and set the basis for more efficient co-operation.

Strategic choices are continuously being made by governments and by the private sector on issues that affect the future and determine the predictability of the investment climate. For investors, who must commit significant resources over the long term - whatever the current state of markets - this requires solid commitments and a stable, trust-based relationship between all concerned actors at all stages of the exploration, production, and transportation and distribution cycle.

Interests are definitely interlinked. Choices that are made today on development, transportation and transit will have consequences for decades to come, by structuring economic and political relationships between countries of the OSCE region and beyond. These choices must be made on solid foundations and in ways that strengthen development and co-operation.

Your Excellencies,  
Ladies and Gentlemen,

To conclude, let me once again thank the Lithuanian Government for its initiative and hospitality. I am grateful also for the support provided by the OSCE Chairmanship and the Office of the Co-ordinator of OSCE Economic and Environmental Activities in organizing this event.

Thank you for your kind attention and I look forward to our deliberations.