

Session 4: Economic Cluster – Energy Security

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Introductory remarks by Ambassador Marcel Peško of Slovakia

Excellencies, Dear Colleagues, Ladies and Gentlemen,

During the last decade, since the OSCE Istanbul Summit, the issues pertaining to the field of energy security have made it to the top on agenda of different international fora and institutions, including the OSCE. This is not surprising, as we all understand strategic role of access to affordable and reliable energy and efficient energy sector for our economic growth and sustainable development as well as for wellbeing of our citizens, for our political sovereignty and overall security. This has been amplified particularly in current era of globalization and growing uncertainty characterized by new security threats and challenges. Regardless of whether we represent energy producing, energy consuming or transit countries we are all aware of the growing need for the secure energy sector. We all wish for, I hope, transparent and predictable environment that would contribute to the creation of favorable conditions for stable energy markets and massive investments in development of the whole energy delivery chain, which are essential for sustainable growth of our economies. We all realize enormous economic and security costs of prolonged interruption in energy supplies and/or demands. Hence, we strive to improve the energy security through bilateral agreements and multilateral tools. Among them, of course, the Energy Charter Treaty and G8 St. Petersburg Principles on Global Security endorsed also by the OSCE deserve special attention. International organizations and institutions such as Energy Charter Treaty, European Commission, NATO, UN ECE, Energy Community, International Energy Agency and other bilateral and multilateral arrangements play vital role in promoting energy security and cooperation. Some of them have common fields of adherence with the OSCE within the scope of their mandates. For the OSCE, therefore, the principle challenge is to better identify its niche or, if you will, to generate consensus among participating State on how to strengthen its role and ensure more effective use of its comparative advantages in order to create higher added value both for participating States and other specialized international organizations while avoiding duplication and overlap and keeping in mind the multifaceted and complex

nature of the energy security. The OSCE's strongest strength is its cross-dimensional approach to cross-dimensional issues, including the energy security. In that respect, I welcome and highly praise *The Report by the OSCE Secretary General Concerning the Complementary Role of the OSCE in the Field of Energy Security*, which has been prepared in accordance with the Athens Ministerial mandate. It contains useful overview of the OSCE's engagement in this area along with numerous inspiring suggestions and ideas that ought to be looked at and elaborated further.

There is no need to specifically point to the relatively wide range of OSCE commitments in this field. On the other hand, to be honest with ourselves, one cannot be particularly satisfied with the overall level of implementation of the OSCE's energy security *acquis*. Assessing to which extend the OSCE has utilized its potential particularly as platform for energy security dialogue we have to admit that our practical efforts have been lagging behind the set objectives. Not everybody appreciates an active OSCE's contribution to the energy cooperation. Some are still not prepared to go beyond political rhetoric and substantiate the existing commitments with real action. They are not interested to engage in the in-depth dialogue on how the OSCE can and should be utilized in addressing growing or existing misunderstandings and disputes resulting from the gaps in energy security cooperation. In general, little is still known and even less understood behind these walls about the OSCE's potential and not all are particularly enthusiastic when it comes to the strengthening of its profile in this field.

On the other hand, we should applaud Greek and Kazakh chairmanships for their tireless efforts to keep this issue on our agenda in course of the Corfu dialogue. Many delegations took advantage of it to stress the need to continue efforts to strengthen OSCE's contribution and ability to address economic and environmental challenges, including in the energy security field. Overall, despite some reservations, I remain optimistic. One can observe a genuine interest among good number of participating States to continue intensive discussions on this very important and perspective agenda and to make further efforts in order to convert the ideas and proposals into concrete actions and commitments.

There is no merit in reinventing the wheel. So long ago as in 1975 in the *Helsinki Final Act*, participating States clearly showed the link between peace and security on one side and healthy economic and environmental, cooperation, development and governance on the other.

They have also admitted that growing worldwide interdependence calls for increasing common and effective efforts towards solution of major world economic problems, such as food, energy, commodities, monetary and financial problems. In fact, I believe that through the prism of common and comprehensive approach to security, the founding fathers of our organization foresaw an active role for the CSCE/OSCE in promoting economic cooperation, including in the field of energy. And this has been the case in numerous commitments related to the promotion of cooperation and dialogue in the energy security field, which we have adopted until today. However, the recent debates revealed that there is a need to look at the issue with the fresh eyes with the ambition to underpin these commitments with deeds.

In this context, let me run through at least some ideas and proposal that have been submitted during our Corfu talks and other meetings concerning the stronger role of the OSCE in the field of energy security. From my perspective, the energy security as regards OSCE should be first and foremost about more transparency, more predictability, clearer rules of behavior framed by non-confrontational dialogue among all stakeholders. It is the high time to finally set aside the pipe dream of energy independence and fully embrace of the concept of interdependence. It seems realistic that in the near future, hopefully in the aftermaths of the Astana Summit, we could develop the following proposals into concrete set of action:

- Promote transparency, good governance and confidence building through commonly accepted principles/measures.
- Intensify regular political dialogue and thematic discussions on energy security related issues within the framework of regular OSCE bodies such as the OSCE Permanent Council, the Economic and Environment Committee and OSCE Economic Forum
- Enhance competence and create necessary institutional capacity so as the OSCE can become a respected and utilized platform for bringing together experts, government representatives, industry leaders and other stakeholders with the view to share expertise and best practices both on regional and OSCE level. OSCE can function as effective focal point (clearing house) for all interested actors and thus contribute to the “opening” of energy security community for decision makers and wider public.

- Serve as catalyst and neutral platform for interactive dialogue with and among relevant actors and specialized agencies, including on possible reinforcement of the existing legal frameworks for cooperation in the field of energy security at both bilateral and multilateral levels.
- Promote regional, sub-regional and cross-border cooperation and arrangements including through rendering good offices and hosting regional events at all levels.
- Support participating States in building of their capacities and expertise for dealing with energy security issues.
- Work out concrete strategy and action plan in the field of protection of critical infrastructure, including the critical infrastructure incident database.
- Support participating States in building their capacities and counter-terrorism strategies in the energy security field.
- Strengthen own tools and mechanisms for addressing potential interstate energy disputes in early stages in a structured and transparent way.
- Enhance early warning and crises management capacities of the OSCE in this field, including through the elaboration of the *Energy Security Early Warning Mechanism* encompassing exchange of information between requesting and responding states with the assistance of the OSCE Chairman in Office, consultations among involved/interested States, also involving relevant experts, deployment of the ad hoc fact finding mission of independent experts (with the consent of the host country) if necessary, reporting to the Chairmanship-in-Office and subsequently informing the OSCE Permanent Council with the view to reach consensus on possible follow up in accordance with existing rules and procedures.
- Work out OSCE strategy for addressing of the security consequences of climate change in a cooperative manner.

- Facilitate dissemination and/or work out an OSCE handbook of the best practices in the field of energy efficiency, use of renewable energy sources and innovative energy technologies with the view to provide practical support to the efforts of participating States wishing to develop their national strategies and strengthen relevant capacities.

Naturally, the substance and objectives of these proposals have to be better understood and developed. As everything in the OSCE, the progress of our discussion will depend on political will and the degree of trust between us and to the Organization. Of course, our work must be guided by the principle of value added; i. e. possible strengthening of the OSCE's role should not aspire to duplicate mandates and responsibilities of other organizations. It should rather supplement them, as it has been the case in many other areas, where the OSCE's soft security instruments successfully complemented other commitments and mechanisms for our common benefit. In the absence of political commitment of all participating States we will not be able to develop a common OSCE vision of strategic cooperation in the field of energy security. In addition, to ensure effective implementation of any action steps the Secretariat must receive adequate support for the strengthening of the OCEEA and increasing its capacities in terms of human and financial resources. We should also consider upgrading the OCEEA status.

I do not see any obstacles for moving this dossier ahead. The upcoming Astana Summit will be a unique opportunity for generating strong political mandate to carry on further negotiations also in this area. It would be irresponsible and short sighted to let this opportunity slip. Most likely the role of energy sector and its security will become even more important in our strategic discourses. No one in the future can exclude disputes or eventual conflicts stemming from energy security related issues. The opposite is more likely. In this context it is our duty to examine the potential of the OSCE in this field.

Thank you for your attention.