



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

from: General Secretariat of the Council
to: Delegations

Subject: International relations in the field of energy:
a) Russia
b) Ukraine
c) Southern Corridor
d) Energy Community
e) OPEC
f) Others
= Information by the Presidency and Commission

Delegations will find attached some factual information concerning the Council's item "International relations in the field of energy".¹

¹ The joint declarations agreed on at bilateral meetings are to be found on the Council's website www.consilium.europa.eu

Besides the section on external relations in its Conclusions on the Second Strategic Energy Review (doc. 6670/09, 19 February) the Council also addressed energy issues with third countries and regions on the following occasions:

a) EU-Russia

The fourth EU-Russia Permanent Partnership Council (PPC) was held on 30 April 2009 in Moscow. That meeting yet again showed the importance of energy in EU-Russia relations and the energy dialogue between the two partners. The PPC was accordingly informed of progress to date by the three Thematic Groups and reviewed the main themes of the energy dialogue, namely energy strategies and scenarios, energy-market developments and the related investments and legal framework, as well as the theme of energy efficiency. It also debated the future activities of the three Thematic Groups and certain joint initiatives such as an enhanced Early Warning Mechanism, the terms of reference for monitoring of gas flows from Russia to the EU through Ukraine, the results of a study on interconnection between the power systems, and bilateral cooperation in the context of other international organisations (Kyoto/Copenhagen, G8, IPEEC, IEA). With respect to future energy relations, an exchange of views was held, in particular on the impact of the financial crisis on the energy sectors of the two sides.

Another opportunity to raise the subject of energy, and more specifically energy security, was afforded by the EU-Russia Summit which took place on 21-22 May in Khabarovsk.

b) Ukraine

In the very first days of 2009 the Council met in extraordinary session (12 January) and adopted Conclusions on Energy Security in relation with the Russia/Ukraine gas dispute (doc. 5215/09)

In line with the joint declaration of the last EU-Ukraine summit of 9 September 2008, a Joint EU-Ukraine International Investment Conference on the modernisation of Ukraine's gas transit system took place in Brussels on 23 March 2009, with the participation of a number of international financial institutions. This conference gave a valuable impetus to progress in the reforms of the Ukrainian energy sector and in particular the gas sector.

c) Southern Corridor

In the context of energy security and with a view to diversifying energy sources and transport routes as well as enhancing cooperation with the countries of the region, the presidency had convened a summit with the Southern Corridor countries, on 8 May 2009 in Prague. While the main but not the sole focus of the summit was on a mutually beneficial energy cooperation, the Southern corridor concept was considered as a modern Silk Road interconnecting countries and people and involving in particular also the area of transport as well as an overall cooperation. A number of common principles and implementation steps were agreed by the participants, reflected in a declaration to which, in addition to the EU, the countries of Azerbaijan, Georgia, Turkey and Egypt adhered, in the presence of representatives of Kazakhstan, Turkmenistan and Uzbekistan.¹

d) Energy Community

The fifth meeting of the Ministerial Council of the Energy Community took place on 11 December in Tirana, under the Presidency of Albania. The Ministerial Council took note of the progress achieved in the implementation of the Community *acquis* within the Energy Community countries and decided notably that certain provisions of the Energy Community Treaty would be extended to the oil sector, that a Coordination Group on Security of Supply for electricity and gas would be established, and that the Coordinated Auction Office in charge of cross-border capacity allocation and congestion management would be located in Montenegro.

In the meantime, the Commission, on the basis of the negotiating mandate adopted by the Council in late 2008, has continued negotiations with Moldova and Ukraine with a view to their accession to the Energy Community, the negotiations with Moldova being now concluded. The Commission is also holding technical talks with Turkey.

The sixth Ministerial Council which will be held on 26 June in Sarajevo under the Presidency of Bosnia and Herzegovina, will be informed on the progress of these accession negotiations. It will *inter alia* also decide on the budget and the work programme for 2010-2011 and adopt a mandate for a task force on renewable energy sources.

¹ The declaration can be found under http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/misc/107598.pdf

e) OPEC

Since the last EU-OPEC energy dialogue ministerial meeting in June last year, a Roundtable on carbon dioxide capture and storage was held in Brussels; moreover, the impact of financial markets on oil price and volatility was addressed in a study and a workshop. The results of both events and the study will be presented at the sixth EU-OPEC ministerial meeting which is scheduled for 23 June in Vienna. According to the provisional agenda, issues related to economic prospects and oil market developments as well as to long-term energy outlook and policies will also be addressed at that sixth ministerial meeting.

f) Others

Energy, alone or with reference to climate change and/or energy security, was or will be on the agenda of many of the Union's other summits or ministerial meetings with third countries. The most important of those meetings are the following:

The EU-Japan summit on 4 May in Prague,

The EU-Canada summit on 6 May in Prague,

The EU-China summit on 20 May in Prague,

The EU-Republic of Korea summit 23 May in Seoul,

and Ministerial (Troika) meetings with Pakistan(13 March, Prague), the Rio Group (13 May, Prague), ASEM (23-24 May, Hanoi), Central Asia (Dushanbe, 29-30 May), Nigeria (9 June, Prague) and the West African States (16 June, Luxembourg).)

The meetings devoted exclusively to energy include inter alia the first ASEM ministerial conference on energy security, to be held on 17 and 18 June in Brussels. Moreover, a G8 Energy Ministerial Meeting took place on 24 and 25 May in Rome ¹. The three objectives of that meeting were to define common strategies to cope with global climate change, to promote energy investment for security and sustainable development, and to determine measures that will help reduce energy poverty, with a particular focus on Africa

¹ The statements agreed are available at: www.g8energy2009.it