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on towards a common European foreign policy on energy
(2007/2000(INI))

Committee on Foreign Affairs

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(*) Enhanced cooperation between committees – Rule 47 of the Rules of Procedure

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on towards a common European foreign policy on energy (2007/2000(INI))

The European Parliament,

- having regard to the Commission green paper entitled “A European Strategy for Sustainable, Competitive and Secure Energy” (COM(2006)0105),
- having regard to the joint paper by the Commission and the Council's High Representative on the external aspects of energy policy, submitted to the European Council of 15-16 June 2006,
- having regard to its resolution of 18 May 2006 on the proposal for a Council decision on the conclusion by the European Community of the Energy Community Treaty¹,
- having regard to its resolution of 23 March 2006 on security of energy supply in the European Union²,
- having regard to its resolution of 1 June 2006 on Energy efficiency or doing more with less – Green Paper³,
- having regard to its resolution of 14 December 2006 on a European strategy for sustainable, competitive and secure energy – Green Paper⁴,
- having regard to the conclusions of the European Council of 23-24 March 2006, concerning the European Council's endorsement of the Green Paper on an Energy Policy for Europe, and of 15-16 June 2006 concerning the joint paper by the Commission and the High Representative on the external aspects of energy security,
- having regard to the Treaty establishing a Constitution for Europe under which energy is a field in which there is shared competence with the Member States,
- having regard to the Communication from the Commission to the European Council and the European Parliament entitled “An Energy Policy for Europe” COM(2007)0001,
- having regard to Communication from the Commission to the Council and the European Parliament entitled “Black Sea Synergy – A New Regional Cooperation Initiative” (COM(2007)0160),
- having regard to the conclusions of the European Council of 8-9 March 2007, and the European Council's Action Plan (2007-2009) for an Energy Policy for Europe (EPE),
- having regard to Rule 45 of its Rules of Procedure,
- having regard to the report of the Committee on Foreign Affairs and the opinions of the Committee on Industry, Research and Energy and the Committee on Development and the Committee on International Trade and the Committee on Environment, Public Health and Food Safety (A6-0000/2007),

¹ OJ C 297 E, 7.12.2006, p. 340.

² OJ C 292 E, 1.12.2006, p. 112.

³ OJ C 298 E, 8.12.2006.

⁴ *Texts Adopted*, P6_TA(2006)0603.

- A. whereas energy security must be regarded as an essential component of the overall security of the European Union, as well as a key element for the pursuit of economic and social development in Europe,
- B. whereas, due to current existing and increasing energy supply dependency on largely unstable and undemocratic countries, efforts to ensure security of supply exclusively at the national level have proved to be insufficient and do not guarantee the long-term interests of all EU Member States,
- C. whereas security of supply cannot be guaranteed only by market forces, as some of the world's largest energy firms are state-owned monopolies which function as instruments of foreign and trade policy and do not operate according to fair and transparent market rules,
- D. whereas energy has been used as a tool for the exertion of political pressure on transit and recipient countries,
- E. whereas the gas sector is currently the most vulnerable to external threats,
- F. whereas a common European foreign policy on energy, based on solidarity and diversification, would create synergies ensuring security of supply for the European Union and would enhance the EU's strength and credibility as a global actor,
- G. whereas close cooperation in the field of supply of energy constitutes one of the most effective and indispensable confidence-building measures in relations between the European Union and neighbouring countries,
 - 1. Calls for the development of a common European foreign policy on energy which would guarantee energy security for the whole of the EU, thus bringing substantial added value to efforts made at national level;
 - 2. Stresses that, whilst the Member States should retain their sovereign right to make strategic choices concerning the energy mix, to exploit their energy resources and to decide on the supply structures, there is a need to elaborate concrete provisions, to be included in the Treaties, leading to the creation of a common European foreign policy on energy, covering security of supply, transit and investment;
 - 3. Supports a gradual approach in progressing towards a common European foreign policy on energy;
 - 4. Calls on the Council and the Commission to set up, by the end of 2007, a precise road map leading to the formation of such policy, indicating short, medium and long-term objectives, targets and steps, with specific time-frame for implementing them;
 - 5. Calls on the Commission to submit an annual progress report concerning the implementation of the above-mentioned objectives, in order to allow the European Parliament to be closely involved in the monitoring of the common European foreign policy on energy;
 - 6. Calls on the Commission to prepare annual reports concerning observance of the rules governing the internal market in the energy sector, notably as regards transparency and compliance with EU competition law, by third-country companies, especially main suppliers, together with all of their subsidiaries;
 - 7. Calls for the speedy appointment of a Special Energy Representative, acting under the authority of the High Representative for the Common Foreign and Security Policy (CFSP), who would coordinate the common European foreign policy on energy;

8. Is convinced that the Energy Charter Treaty (ECT) should be the cornerstone of the common European foreign policy on energy as it is the international community's most significant instrument for the promotion of cooperation in the energy sector, provides a basis for fair and equitable treatment, ensures security of investments and guarantees a right to compensation in the event of expropriation and/or nationalisation; calls on the Commission and the Council to strongly demand the application of the ECT, including the Transit Protocol, by its major energy partners;

Underlying principles and recommendations for action within a common European foreign policy on energy

A. Diversification

9. Is of the opinion that, taking into consideration the increasing dependence of the EU on a limited number of energy sources, suppliers and transport routes, it is essential to support the priority initiatives aimed at their diversification;
10. Supports the prioritisation of all the diversification projects realised within the neighbourhood – especially those aimed at creating new transport corridors which diversify both suppliers and routes, such as the Central Asia-South Caucasus-Europe corridor – in particular the construction of the Nabucco pipeline and the realisation of the Odessa-Gdańsk project as high-priority projects of European interest;
11. Notes that it is essential to move beyond declarations and open bids for concrete priority projects, and calls for the Special Energy Representative to be also responsible for coordinating the engagement in developing external energy infrastructure (the Nabucco and Odessa-Gdańsk projects);
12. Considers that the realisation of the energy diversification projects should be one of the priorities of the strengthened European Neighbourhood Policy, and calls for enhanced support for improvement of the investment climate and the regulatory framework, based on the principles of the ECT, in the energy sectors of the producer and transit countries;
13. Calls for recognition of the diversity of situations in which various Member States find themselves when it comes to energy mix, import dependency and infrastructure, and supports all efforts aimed at overcoming the existing dependencies of Member States on either dominant suppliers or infrastructure limitations;
14. Supports all efforts aimed at establishing new sources for financing all above-mentioned undertakings, including special loans from the EIB, as well as earmarking for that very purpose special budgetary lines within the EU budget, provided that they do not undermine the security of any Member State;
15. Calls for the improvement of cooperation with the EIB and the EBRD, with a view to using financial instruments to back up priority projects;

B. Unity in defending the EU's interests

16. Considers it necessary for the Council to develop a long-term strategy and framework leading to the creation of a common foreign policy on energy, in order to adopt a stronger position in dialogue with main supplier countries and to enhance the ability to speak with one voice;
17. In the short term, calls on the Member States to keep each other and the Commission informed of strategic decisions before concluding any bilateral agreements with third

countries on energy projects, which could affect the interests of other Member States and the EU as a whole;

18. In the medium term, calls for the Commission to be vested with institutional competence to negotiate EU framework agreements with third countries concerning energy supply;

C. Solidarity in crisis situations

19. Considering that solidarity and energy security are necessary for the smooth functioning of the internal market, including equal access to energy for all economic operators, calls on the Council and the Member States to create a solidarity mechanism, to be included in the Treaties, which would allow the EU to act efficiently, swiftly and coherently in crisis situations caused either by disruption of supply, damage to critical infrastructure or any other event;
20. Calls on the Commission to support the so-called "energy security clause" to be included in trade, association, and partnership and cooperation agreements with producer and transit countries, which would lay down a code of conduct and explicitly outline measures to be taken in the event of disruption of supply by one of the partners;
21. Suggests the creation of an efficient mechanism with which to react in the event of supply disruptions, including measures to make effective use of warning systems and build up energy crisis infrastructure, especially for gas, which could be used to assist the Member States in need;

D. Strengthened cooperation with major producer, transit and consumer countries

22. Calls on the EU and the Member States to engage actively in a close dialogue with all major producer, transit and consumer countries;
23. Supports all steps aimed at promoting transparency and improved governance in the energy sector through energy partnerships with third countries, with the objective of creating mutually beneficial, open, transparent, non-discriminatory, stable legal conditions for energy investment and trade, to be based on the principle of reciprocity;
24. Stresses the need to pursue research and development partnerships with major consumer countries outside the EU, in order to tackle the challenge of global warming and develop alternative and renewable energy sources;
25. Underlines, in particular, the importance of enhanced dialogue with the US; calls on the Community institutions to aim at establishing an Energy Security Partnership with the US;
26. Supports the initiatives of the Commission to develop a closer energy dialogue with the countries in the South Caucasus, Caspian and Central Asia regions; welcomes the EU's move towards an approach of 'critical and constructive dialogue' *vis-à-vis* the countries of the region, which balances the EU's interest in diversifying its oil and gas supplies and the goal of achieving political reforms in those countries;
27. Calls for the development of the existing mechanisms, and the creation of new ones, within the European Neighbourhood Policy leading to a deepening of the cooperation with the transit countries – Ukraine, Belarus, Moldova, the countries of South Caucasus, and also Turkey – in order to allow for greater transparency of market operation and provide for stability of supply and transit;

28. Calls on the Commission to develop tools and mechanisms allowing it to cooperate better with its neighbours in analysing and monitoring the situation in the transit areas, thus increasing the EU's ability to prevent crisis situations and to react in a more effective and rapid manner if a crisis were to occur;
29. Stresses the importance of the EU's energy partnership with Russia, while pointing out that Russia continues to be almost entirely dependent on the EU in its energy exports; emphasises that Russia is already bound by the ECT, by virtue of its acceptance of Article 45(1) thereof; regards the transposition of the ECT principles into the Partnership and Cooperation Agreement as redundant¹;
30. Calls on the Council and the Commission to use their leverage to persuade Russia to commit itself to open, fair and transparent markets for energy production and supply; considers that support for Russian accession to the WTO should depend on the ratification by Russia of the ECT and its Transit Protocol;
31. Calls on the Commission to prepare a report on the destination clauses regarding gas supplies, which are de facto preventing re-export of gas within the internal market, and calls on the Commission to enforce the abolition of any such clauses contained in any contracts on the EU market, inasmuch as they are prohibited by EU law;
32. Calls for the stepping-up of the dialogue with China, India, Brazil and other developing countries, in order to build a stable and predictable global energy market which is based on fair and transparent rules;
33. Calls for intensified relationship with the Middle East and North Africa in the energy sector, welcoming the Council's initiative to create an Africa-Europe Energy Partnership;
34. Calls on the Commission and the Council to actively counteract any oligopolistic tendencies, such as the danger of the creation of a gas cartel;
35. Supports all measures aimed at strengthening multilateral technical initiatives, such as the Global Gas Flaring Reduction Partnership, the Extractive Industries Transparency Initiative, the Financial Action Task Force, the IFC Equator Principles and Inogate;
36. Calls on the Council to create a strategy to protect critical energy infrastructure inside the EU and the immediate neighbourhood of the EU against terrorist threats;
37. Calls for a public debate to raise awareness of a common European foreign policy on energy among EU citizens, by means of a public information campaign;

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38. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Member States.

¹ Article 45(1) of the ECT provides for the states who have signed but who have not ratified to be provisionally bound by the charter from signature to ratification.