REPORT

on Engaging in energy policy cooperation with partners beyond our borders: A strategic approach to secure, sustainable and competitive energy supply (2012/2029(INI))

Committee on Industry, Research and Energy

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(*) Associated committee - Rule 50 of the Rules of Procedure
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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on Engaging in energy policy cooperation with partners beyond our borders: A strategic approach to secure, sustainable and competitive energy supply

(2012/2029(INI))

The European Parliament,

- having regard to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on security of energy supply and international cooperation: ‘The EU Energy Policy: Engaging with Partners beyond our Borders’ (COM(2011)0539),

- having regard to the Commission proposal for a decision of the European Parliament and the Council setting up an information exchange mechanism with regard to intergovernmental agreements between Member States and third countries in the field of energy (COM(2011)0540),

- having regard to the Council conclusions of 24 November 2011 on security of energy supply and international cooperation – ‘The EU Energy Policy: Engaging with Partners beyond our Borders’,


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- having regard to Rule 48 of its Rules of Procedure,

- having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committee on Foreign Affairs, the Committee on Development and the Committee on International Trade (A7-0168/2012),

A. whereas the current common global energy challenges and implementation of the EU’s ambitious energy and climate change objectives require common, effective and equitable action by the European Union on the international stage, in particular by strengthening the external dimension of its energy policy and taking a unified stance in order to increase diversification of energy sources and routes, enhance security of supply and support sustainable production and consumption;

B. whereas with current trends global population is expected to reach nine billion by 2050, global energy demand will increase by 40% by 2030, mainly in non-OECD countries, and global competition for fossil fuel resources from emerging economies will intensify;

C. whereas the EU’s dependence on energy imports is likely to increase over the next decade as its fossil fuel resources are depleted, despite increasing input from renewables, energy efficiency and research on energy technologies;

D. whereas energy efficiency is key to reducing the EU’s reliance on foreign energy and increasing its geopolitical independence and energy security, as the EU is spending more than EUR 400 billion a year on energy imports; whereas achieving the minimum 20% energy savings target will not only enhance our energy security but also reduce by at least EUR 50 billion a year the wealth transfer from EU economies to energy-producing countries;

E. whereas it is important for the EU to give priority to securing and developing internal fossil fuel sources, especially the significant reserves recently discovered in the Mediterranean Sea, which would reduce European dependence on energy imports; whereas there are substantial opportunities for co-development and co-exploitation of fossil fuel sources with countries neighbouring the EU;

F. whereas the EU today, as a digital economy and society, is far more dependent on a continuous and reliable supply of electricity than it has ever been;

G. whereas the EU is already a major importer of fossil fuels and is becoming increasingly dependent on imports and vulnerable to external suppliers and transit countries; whereas, on the other hand, this gives the EU considerable power as a major purchaser on global energy markets;

H. whereas population increase and rising living standards could push global energy demand up by 40% by 2030; whereas the EU’s high and increasing import dependence calls for policies that reflect and address these potential developments;

I. whereas a common external energy policy, based on solidarity, diversification and strategic cooperation, including with the major energy-consuming countries, as well as on the promotion of indigenous renewable energy sources, would create synergies helping to ensure security of supply for the European Union and enhance the EU’s capacity for foreign policy action and its credibility as a global actor, including in the field of climate change;

J. whereas companies from third countries benefit from the opening of the EU energy market, but whereas opaque trading and hostile takeover moves by such companies represent a threat which requires the strict application of EU competition rules and other relevant legislation in order to ensure a properly functioning internal market with diversified energy supply and prevent future crude oil and gas supply disruption and crises;

K. whereas Member States are becoming increasingly interconnected and whereas efforts to ensure security of supply exclusively at national level have therefore proved to be insufficient and unable to safeguard the long-term interests of all Member States;

L. whereas although the need for energy infrastructure development has been largely recognised by the EU the necessary investment is still lacking;

M. whereas only a fully integrated European energy market functioning on the principle of solidarity can sufficiently address the challenges of security of energy supply stemming from the differences in composition and share of energy imports in the various Member
States;

N. whereas ensuring consistency and coherence in the EU’s external energy relations with key producer, transit and consumer countries is of critical importance, and whereas strategic and political coordination among Member States in negotiations with powerful energy suppliers in third countries is essential;

O. whereas relations in the field of energy require predictability, stability and long-term investment;

P. whereas the challenge of energy security is to alleviate uncertainties that give rise to tensions between countries and to reduce market inefficiencies that counteract the benefits of trade, both for suppliers and consumers;

Q. whereas the Arctic region contains an estimated one-third of the mean estimate of the world’s undiscovered gas and 13% of undiscovered oil;

**Internal energy market – better coordination at EU level**

1. Stresses the need to ensure that cross-border energy infrastructure within the Union is fully developed; stresses, too, the need for strong coordination between Member States’ policies and for joint action and solidarity in the field of external energy policy and energy security, recognising the importance of transparency and full implementation of the internal energy market, in line with the EU’s long-term energy and climate change objectives;

2. Considers that energy policy must be an integrated and prominent part of the common foreign policy and should be elaborated and implemented in synergy with other policies that have an external dimension;

3. Stresses that, taking into account both current economic conditions and the aim of achieving a truly single EU energy market, the EU should give priority to investments in energy infrastructure which allow for a gradual increase in capacities at marginal investment costs, allowing the single market to benefit from the optimised use of energy infrastructure while ensuring and promoting security of supply, competitiveness and sustainability in a cost-effective way;

4. Recalls Parliament’s request that plans be prepared for a European Energy Community involving strong cooperation on energy networks and European funding of new energy technologies in order to overcome the fragmentation of European energy policy and give the Union a strong international voice in its energy relations;

5. Urges the Commission to bring forward a proposal to establish an Energy Observatory with the objectives of improving intelligence on energy import markets and enhancing analysis of export markets;

6. Believes that a fully functioning, interconnected and integrated European internal energy market can significantly enhance supply security even in the short term and that it is an essential element for a successful European external energy policy; believes, too, that the
European energy regulatory framework is key to the process of building the internal energy market and should be promoted in partner countries by raising awareness of its purpose, advantages and benefits; the overall goal being to ensure that the EU’s external energy policy and the Member States’ bilateral agreements fully comply with EU legislation;

7. Stresses that the Commission and the EEAS must ensure that all the EU’s multilateral and bilateral agreements, especially partnership and cooperation agreements, fully comply with EU internal market rules; stresses that such agreements should ensure reciprocity, a level playing field and transparency in order to provide a secure legal environment for EU investors in energy supply countries and transit countries;

8. Calls on the EU and the Member States to ensure a connected internal energy market that can withstand external pressures and attempts to use energy supply and prices as a tool of foreign policy pressure; stresses, therefore, the need to increase resources for projects interlinking energy markets in the EU and to complete the European gas and electricity infrastructure networks by the end of 2015, in particular the Baltic interconnection plan, as set out in the EU’s Third Energy Package;

9. Stresses that the proper functioning of the internal market requires that the energy imported into the Union, once on EU territory, is fully governed by internal energy market rules; emphasises, therefore, that the EU should aim for regulatory convergence with neighbouring countries willing to embrace its internal energy market rules; stresses the importance and role of the Energy Community in this regard;

10. Calls on the Commission to support the establishment of a comprehensive EU system of gas indexation based on gas market prices, so as to enable all EU gas trading companies to trade with external gas suppliers in a more fair and predictable manner, independently of oil prices, and to further foster competition in the EU’s internal gas market;

11. Emphasises that the strength resulting from integration of the internal energy market and infrastructure should be fully exploited by combining the means, expertise and capabilities of Member States and the EU; calls, therefore, for increased transparency and more EU involvement in negotiations on agreements between Member States and third countries, as these agreements could also impact on the functioning of the EU internal energy market; supports the Commission in its moves towards greater transparency and sharing of information between Member States and calls for increased use of existing competition measures to ensure EU law is not circumvented;

12. Stresses Parliament’s additional responsibilities in the field of energy under Article 194 of the TFEU and insists on Parliament being appropriately involved in all information and consultation processes relating to external energy policy; stresses, in this respect, that data sharing on collective actions, programmes and projects undertaken by the EU, its financial institutions or other EU entities should include Parliament;

13. Welcomes the accession of the Republic of Moldova and of Ukraine to the Energy Community, as well as Armenia’s and Georgia’s observer status, which will contribute to improving regional energy cooperation through a better regulatory framework for future partnerships between the EU and those partner countries;
14. Renews Parliament’s call for international energy projects to be governed by transparent intergovernmental agreements at Member State or Union level; stresses that basing energy projects solely on commercial agreements risks both investor protection and full compliance with internal market rules;

15. Calls for greater synergy between EU trade and energy policies in line with strategic documents on energy policy cooperation with non-EU partners, including the Energy 2020 strategy and the Commission communication on the security of energy supply and international cooperation;

16. Emphasises that strengthening the external dimension of the EU’s energy policy is of key importance in terms both of increasing the EU’s energy security and improving its trade relations with third countries; emphasises the need to build a stable framework for energy and raw materials cooperation with our strategic trading partners which complies fully with the regulations governing the internal energy market;

17. Believes that improved coordination between Member States themselves and between Member States and the Commission should enable Member States to fully benefit from the political and economic weight of the Union; welcomes, in this context, the Commission proposal for a decision setting up an information exchange mechanism with regard to intergovernmental agreements between Member States and third countries in the field of energy; underlines the added value of a Commission opinion and assistance during the negotiation process in order to ensure that IGAs are compatible with internal energy market legislation, in line with the EU’s long-term energy and climate change objectives;

18. Emphasises that creating an information exchange mechanism for intergovernmental agreements between EU Member States and third countries on energy policy would greatly enhance policy transparency, coordination and efficiency in the EU as a whole;

19. Calls for closer coordination between the Council, the Commission and the European External Action Service so that they may speak and act jointly on issues concerning a common foreign policy on energy; stresses the need to establish an energy policy desk within the EEAS and to involve EU delegations in the conduct of energy diplomacy on the ground;

20. Calls on the Member States and the Commission to identify trade and investment barriers in the energy field in relations with third countries and to take action, where appropriate, to eliminate them, both bilaterally and through the World Trade Organisation;

21. Supports the Council proposal to analyse the functioning of the Energy Community Treaty as well as the establishment of a roadmap allowing the accelerated modernisation of energy sectors; calls for more emphasis to be placed on the implementation of reforms and technologies such as smart grids to boost the integration of renewable energy and increase energy efficiency; hence supports ideas to give new impetus to the Energy Charter Treaty and proposes the introduction of strategic partnerships to this end; reiterates that the social dimension of the treaty must be developed to tackle problems such as energy poverty and corruption effectively;

22. Calls on the Commission to underline the importance of the Energy Charter Conference
and the need to support it, in order to make better use of the Energy Charter’s potential in key areas such as trade, transit, investment and dispute resolution, including, inter alia, by extending the Energy Charter Treaty to countries which have not yet signed and/or ratified it;

23. Considers that every Member State should publish and submit to Eurostat its average bilateral import price for natural gas, at least on a quarterly basis, with a time lag of not more than two quarters;

24. Considers that implementation of a consistent and coherent EU external energy policy requires regular coordination between Member States and the Commission; calls on the Commission to hold regular exchanges with Member States, notably through the proposed Strategic Group for International Energy Cooperation, on the priorities and activities of the EU and Member States in the field of external energy strategy at both political and expert levels; calls for independent energy regulators to participate as experts in the Strategic Group for International Energy Cooperation, given their experience and in-depth knowledge of the functioning of cross-border electricity and gas markets;

25. Considers that the measures proposed by the Commission could be made more effective by prioritising them, by establishing time-frames and action plans, and by providing an indication of the progress achieved and the deadlines;

26. Considers that ensuring coherence between the horizontal objectives set out in the Lisbon Treaty is crucial for the EU’s external energy policy; calls for Parliament to be informed about the EU’s priority projects in a timely manner;

27. Calls on the Member States not to conclude contracts on energy or energy-related technology supply with third countries which violate the interests of another Member State of the Union;

28. Takes the view that regular discussions should be held on the challenges facing the EU’s external energy policy during formal and informal meetings of energy ministers in the Council, with the involvement and strong support of the High Representative, the Energy Commissioner and their relevant services; such meetings should also be used to coordinate a common and consistent European position ahead of high-level meetings in international organisations such as the IEA, UN, IRENA, IPPEEC and IAEA, where it is important that the EU plays a more active and influential role; Parliament should be regularly informed and consulted on all relevant issues;

29. Believes that where an infrastructure project of strategic importance affects the security of energy supply for the EU as a whole, the Council should consider granting the Commission a mandate to conduct the negotiations, and that such a mandate should also be considered in the case of other intergovernmental agreements considered to have a significant impact on the EU’s long-term energy policy objectives, in particular its energy independence; calls, in this regard, for proper consultation and communication with Parliament;

30. Calls on the Commission to develop an information sharing tool to collect and make available relevant data on the Member States’ and EU administrative and financial
institutions’ energy programmes and projects in third countries; calls on Member States to provide the relevant data to the Commission in this context;

31. Calls on the Commission to monitor global energy markets and cooperate in this regard with Member States and international organisations such as the IEA; calls on the Commission to present a legal instrument for this purpose before the end of 2012;

32. Stresses that, given the Union’s high dependence on energy imports, increased diversification of supply sources – including new sources of energy – and transit routes and the development of EU sources of renewable energy are urgent and essential elements supporting the Union’s external security policy, strategic role and foreign policy independence, coherence, credibility and effectiveness;

33. Calls for a coordinated, unified EU policy strategy for new energy suppliers to be developed, with particular attention on enhancement of conditions for competition in the EU so as to open up opportunities for new suppliers to enter the EU market;

34. Calls for greater synergies between the EU’s trade and energy policies, in line with the Europe 2020 strategy; underlines the need to promote global governance structures for raw materials in order to decrease international tensions in this area, and commends the example of the International Energy Forum (IEF) in this regard; considers the conclusion with our strategic trade partners of long-term energy and raw materials supply contracts at fair prices to be one of the top priorities; calls, therefore, for the EU to adopt a coherent strategy with regard to energy supply contracts with these partners;

Diversification – enhanced security of European energy supply

35. Stress that the EU Treaty calls for solidarity between Member States, which should be part of both the daily work and crisis management of internal and external energy policy; calls on the Commission to provide a clear definition of ‘energy solidarity’ in order to ensure that it can be respected by all Member States;

36. Points out that the EU’s increasing dependence on imported fossil fuels will undermine its political leverage and may have significant effects on the independence of its decision-making in other policy areas, and that only a full transition to environmentally sound energy supply and energy efficiency and interconnection, interdependence and solidarity among Member States can counterbalance this unfavourable situation;

37. Stresses that the EU’s common energy policy and strategic goals should be appropriately reflected in its external relations and regional and European Neighbourhood policies;

38. Calls on the Commission also to support research and development in the field of own-fuel resources, and to support the establishment of fuel supplies from diversified suppliers, sources of supply and fuel transmission lines to individual EU regions in order to ensure a minimum of two different sources of supply for each region, in accordance with the Commission communication on Energy infrastructure priorities for 2020 and beyond – A Blueprint for an integrated European energy network (COM(2010)677));

39. Stresses that the EU’s external energy policy should contribute to ensuring safe, secure,
sustainable and affordable energy, consistent with the overall objectives of EU energy policy of competitiveness, security of supply and sustainability, as well as with the EU 2050 energy and climate objectives;

40. Stresses that action to diversify suppliers, routes and sources of energy supply to the EU should be accelerated, taking into account the priority energy infrastructure corridors, especially those aimed at creating a real competitive market for gas, creating new transit corridors (Southern Corridor and the Mediterranean Basin), reinforcing existing corridors (Eastern Corridor) and creating real competition among sources of gas supply by increasing the EU’s share of LNG and by reaching new and remote suppliers (Australia, Canada, United States, Latin America, Sub-Saharan Africa, Central Asia, etc.);

41. Stresses, also, the importance of improving the interconnection of energy grids and completing the Euro-Mediterranean and Euro-Atlantic electricity and gas infrastructure rings and the Baltic energy market interconnection plan, while also modernising and upgrading the existing fleet of electricity and gas power plants and infrastructure (interconnections, grids, pipelines, transmission networks, storage and LNG terminals); these measures should ensure that no Member State remains an energy island and that energy can flow freely throughout the EU; in this respect, welcomes the proposed Connecting Europe Facility;

42. 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 any unilateral change in terms by one of the partners;

43. Welcomes the Commission communication entitled ‘On security of energy supply and international cooperation; the EU Energy Policy: Engaging with Partners beyond our Borders’ (COM(2011)0539); believes, however, that further instruments based on solidarity between EU Member States are needed in order to provide the EU with the ability to protect its energy security interests and in negotiating with its external partners, in particular in crisis situations;

44. Calls on the Commission to draw up a comprehensive set of short-, medium- and long-term energy policy priorities in relations with its neighbours with a view to establishing a common legal area based on the acquis-related principles and norms of the internal market; stresses the importance of further extending the European Energy Community and setting up legal control mechanisms to deal with deficient acquis implementation;

45. Supports political and economic dialogue with the EU’s neighbouring countries on the use of new energy sources;

46. Calls for the implementation of existing mechanisms, and the creation of new ones, within the European Neighbourhood Policy and the Black Sea Synergy in order to strengthen cooperation with a view to achieving greater transparency and stability of supply and transit;

47. Stresses the importance of further developing the Africa-EU Energy Partnership launched in 2010;
48. Is in favour of a political dialogue with Norway and Russia over the exploration of new energy sources in the Barents Sea, based on the prerequisite of protection of the vulnerable environment of the Arctic region, and of cooperation with Norway on the import of hydroelectric electricity via long-distance submarine power cables; calls for the swifter formulation of an EU strategy towards the Arctic region;

49. Regards external political dialogue as essential to decoupling global economic growth from the use of energy resources, and to promoting more predictable energy markets, as well as being beneficial to political relations; stresses the importance of dialogue with emerging economies such as China, India, Brazil, Indonesia and South Africa, in addition to other key consumer countries such as the United States and Japan;

50. Takes the view that the EU should promote the development and deepening of energy policy cooperation with third countries which share the same values and are willing to engage in democratic reforms and the promotion of the values upon which the EU is founded;

51. Welcomes the Commission’s recommendations on enhanced political cooperation with the Eastern neighbours and deems it essential for Turkey’s accession to the Energy Community Treaty and the opening of the energy chapter in EU accession negotiations to be treated with the utmost urgency; furthermore, welcomes the initiative for a tripartite dialogue (EU-Ukraine-Russia) and emphasises the need to ensure thorough political and administrative cooperation with both partners;

52. Stresses that action to increase internal production of renewable energy is critical to reducing the EU’s dependence on imports of hydrocarbons; maintains that the EU’s energy production and distribution structure should be reassessed in accordance with its long-term energy and climate objectives;

53. Recalls the significant contribution of LNG to EU energy supply and calls for a strengthening of cooperation with the main suppliers and current and future consumers;

54. Emphasises that diversification should mean new non-Russian sources of oil, gas and electricity for those Member States which are overly dependent on this single supplier; stresses that while Russian gas accounts for only 24% of gas consumed EU-wide, it accounts for between 48% and 100% in 12 of the 27 Member States, and therefore has a direct impact on the Union’s energy security;

55. Takes the view that with the development of new, unconventional energy technologies (oil sands and shale gas from Canada, the United States, Australia, Qatar, Brazil and Argentina, energy exploration in the Arctic region, and further exploitations in Iraq, Venezuela and Africa), new actors, partners and regions are emerging as possible future suppliers, and the EU should therefore also concentrate on taking full advantage of this new situation and develop new energy partnerships in order to diversify its suppliers;

56. While appreciating the importance of the transition to a low-carbon economy, underlines the need to maintain its competitiveness and innovativeness, inter alia by using appropriate trade policy instruments; the transition to a low-carbon economy must be adapted to the potential of the geographical area in question, the specific nature of the
energy system and energy mix of the particular Member State and its geological structure; believes that this approach will make it possible to maintain the highest level of energy security and economic competitiveness while at the same time respecting the autonomy of each Member State, as enshrined in the Treaties, to set the conditions for use of its energy resources, to choose between different energy sources and to determine the general structure of its energy supply;

57. Recognises the importance of EU foreign direct investment in the construction and modernisation of energy infrastructure in developing countries; at the same time, underlines the need for appropriate legal protection for such investment, which may be achieved by extending the acquis communautaire to third countries (inter alia by strengthening and extending the area of application of the Energy Community Treaty);

58. Notes the importance of broad cooperation in the Arctic region, particularly among countries in the Euro-Atlantic sphere;

Sustainability – strengthened partnership with supplier countries and international organisations

59. Believes that the world’s increasing demand for energy and the high concentration of fossil fuel reserves in largely unstable and undemocratic countries makes the EU vulnerable and deeply undermines the development of credible, effective and consistent common European policies;

60. Believes that EU energy partnerships and EU participation in global forums such as the G20 must be used to promote more sustainable energy policies in third countries, while enhancing market transparency, reducing volatility in international markets and contributing to the building of a global energy market that is less vulnerable to shocks and supply interruptions;

61. Emphasises the need to expand the links between the European energy network and neighbouring countries (the Western Balkans, Eastern neighbours, Caspian countries, North Africa and the Middle East) by building new interconnectors and promoting a wider regulatory area, extending EU environmental and safety standards as far as possible, in order to ensure that all types of power plants in the vicinity of the EU’s borders comply with the highest standards of nuclear safety;

62. Stresses the importance of pursuing common-interest infrastructure projects, as defined in the Commission’s proposal for a Regulation on guidelines for trans-European energy infrastructure and its Communication on Energy infrastructure priorities for 2020 and beyond; given the strategic importance of these projects, regards it as essential that the resulting agreements with external partners are appropriately prioritised, sustainably developed and swiftly concluded, within a rules-based market system;

63 Emphasises that in the EU-Russia energy dialogue, where the EU should speak with one voice, the specific and dependent situation of the Central and Eastern European Member States should be taken into account as their energy supply security can only be guaranteed through the interconnection of EU-wide infrastructure and the full implementation of internal energy market rules; considers that crucial topics such as access to energy
resources, networks and export markets, investment protection, reciprocity, crisis prevention and cooperation, a level playing field and the pricing of energy resources should be taken into account in the dialogue; emphasises that particular attention should be paid to the ‘Druzhba’ issue and that specific steps should be taken at EU level to resume the supply of oil via the closed branch;

64. Emphasises that as Member States set about connecting and integrating their national markets through investment in infrastructure and the approval of common regulations, efforts should also be made to work together with Russia to identify creative and mutually acceptable measures aimed at reducing discrepancies between the two energy markets;

65. Stresses the importance of the energy dialogue with Russia and an EU-Russia roadmap as proposed by the Energy Council; highlights the importance of cooperating in areas of mutual benefit, such as common research and technology transfer, particularly on energy efficiency and renewable energy;

66. Calls for the Energy Charter Treaty to be extended to more countries and for the participants at the Energy Charter Conference to work towards a negotiated settlement leading to the full acceptance of the principles of the Charter and its protocols by Russia;

67. Calls for the strategic partnership with Russia to be reinforced through the conclusion of a new partnership and cooperation agreement; emphasises that this new agreement should be in full compliance with internal market rules and the regulations of the EU’s Third Energy Package and based on mutual respect and reciprocity; emphasises that Russia is already bound by the Energy Charter Treaty pursuant to Article 45 thereof; is convinced that ratification of the ECT by Russia would have mutually beneficial effects on bilateral energy relations;

68. Highlights the role of the Euronest Parliamentary Assembly, which will contribute to achieving the goals of the Eastern Partnership and therefore have a positive impact on energy security issues;

69. Points out that the countries of the European Economic Area are already part of the EU internal market and that their cooperation is key to achieving the 2020 energy targets; welcomes the current initiatives to intensify cooperation with Switzerland, which should also aim for full integration into the EU internal energy market;

70. Believes that the EU’s external energy policy should be based on and promote the principles of solidarity, transparency, subsidiarity, sustainability, cooperation, reciprocity, a rules-based market approach and coordination between the EU, its Member States and partner countries; believes that respect for the horizontal objectives laid down in the Lisbon Treaty is crucial to affirming the role of Europe in the changing regional political context; calls on the Council to give the Commission a mandate to start negotiations on transforming the current Memorandums of Understanding on energy issues with neighbouring states into legally binding texts;

71. Stresses the importance of further developing the Africa-EU Energy Partnership launched in 2010;
72. Is convinced that more effective management at a global level would improve cooperation with producer, transit and consumer countries; believes that the EU should therefore play a major role in international management of energy policy with a view to promoting transparent and non-discriminatory principles, pursuing the objective of sustainability, lowering transaction costs and setting incentives for market participants to compete on price and quality;

73. Welcomes the inclusion of the target of universal energy access by 2030 in the communication on ‘The EU Energy Policy: Engaging with Partners beyond our Borders’, and believes that for developing countries this should focus on decentralised, sustainable and affordable energy, particularly for rural and poor populations; encourages support for innovative payment schemes with private and public involvement aimed at making energy access affordable for end-users;

74. Stresses that sustainable energy is a key driver of development, and reiterates its call for a specific ‘energy and development’ programme with particular focus on renewable, energy-efficient, small-scale and decentralised energy solutions and the promotion of capacity development and technology transfer in order to ensure local ownership; notes that large-scale renewable energy schemes may be necessary in order to sustainably meet the growing energy demand from urban centres and industry, particularly in emerging countries; calls for such schemes to adhere in all cases to the highest social and environmental criteria;

75. Calls for respect for the EU’s over-riding development objectives and for democracy and human rights when dealing with developing countries on energy matters, in the context of a strategic approach to achieving a secure, sustainable and competitive energy supply which puts the interests of the people living in developing countries at the core;

76. Emphasises the importance of transparency, democratic oversight and civil society involvement in relations with third countries in the field of energy;

77. Stresses the importance of continuing to include key trade and investment principles, including those promoting a level playing field for investment in sustainable energy, both in bilateral agreements and in multilateral legal frameworks, such as the Energy Charter Treaty and the WTO, and making them enforceable through effective dispute settlement mechanisms;

78. Takes the view that while cooperating on the exploitation of, and trade in, energy products, and their transit to the EU, there is also a need to intensify cooperation on other important energy-related issues; calls, therefore, for strategic energy partnerships to be developed between the EU and key third countries, such as the BRICS and countries whose energy consumption is growing rapidly, inter alia, in the following areas:
- R&D cooperation on low-carbon technologies and innovation,
- investment in sustainable energy production,
- safety and security of energy technologies,
- data-sharing on know-how transfer, including in the field of clean and renewable energy sources,
- promotion of energy efficiency and energy savings,
- balancing of systems,
- smart grids,
- energy storage,
- fusion research,
- clean coal technology and carbon capture and storage;

79. Urges the Commission to require and enforce the highest international safety standards for nuclear power plants in countries neighbouring the EU, using all available instruments and treaties, such as the Convention on Environmental Impact Assessment in a Transboundary Context (the ‘Espoo Convention’) and the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (the ‘Aarhus Convention’); calls on countries neighbouring the EU to perform comprehensive EU nuclear safety and risk stress tests and on the Commission to offer EU technical assistance for this purpose;

80. Urges the Commission to promote the adoption, in all relevant trade agreements, including within the WTO, of the principles of the Extractive Industries Transparency Initiative and international standards on energy markets governance, including a phasing-out of fossil fuel subsidies with quantitative objectives;

81. Notes that the storage of energy and electricity produced from renewable sources and other advanced energy applications requires a series of raw materials, including rare earth minerals, which are currently hard to obtain; considers that coordinated action by the EU and other leaders in the technology field, including the United States and Japan, is required to advance research into the creation of new raw and substitute materials or a reduction in the use of raw materials that are problematic from the point of view of continuous supply, toxicity or environmental impact;

82. In order to promote globally secure, safe and environment-conscious energy production, supports the strengthening and promotion of radiological protection and safeguards, nuclear safety standards, stringent requirements for offshore oil and gas operations, the safety of maritime transport of crude oil and oil products and LNG, as well as cooperation on new technologies, on R&D&I and work on international standards;

83. Takes the view that global climate change challenges cannot be mitigated without the involvement of big emitters and encourages the Commission to set up a common strategy with a view to achieving a global solution involving those countries; recognises that the accrued expertise within the EU, based on our experience with the design and implementation of the ETS, could be of benefit to third countries, and urges the Commission to provide assistance and encouragement to third countries in the setting up and design of their own ETS, with a view to linking such systems to the EU’s;

84. Emphasises Europe’s need for a long-term policy perspective comprising new global partnerships and bilateral cooperation instruments allowing the EU to play a key role in global energy agenda-setting by taking the lead in shaping new market standards and heading international efforts in technology research and innovation in the energy field;

85. Emphasises the need to improve cooperation on R&D&I with third countries with a view to tackling global challenges; believes that the EU should work closely with major third-country exporters of biofuels to ensure that these alternative, clean energy options, which
can contribute to diversification of supply, can be truly sustainable, and that indirect land-use change with negative consequences can be avoided; stresses that external sources of biofuels should be subject to the same standards as EU sources, especially environmental and climate standards; believes that the Union should promote the adoption of second- and third-generation biofuel technologies, both internally and externally;

86. Draws attention to the complex relationship between energy, food supply and security, particularly with regard to biofuels, which may have a negative social and environmental impact on developing countries; believes that the right to food must take precedence over the EU’s renewable energy target for biofuels;

87. Notes that the expansion of agrofuels has relied overwhelmingly on the expansion of large-scale industrial monoculture, thereby extending agricultural practices that are harmful to the environment, biodiversity, soil fertility and water availability; expresses its concern that, by encouraging concentration of land ownership, this expansion of agrofuels may have dramatic consequences in terms of violation of land rights, loss of access to vital natural resources, deforestation and environmental degradation;

88. Expresses its concern at the absence of any binding sustainability criteria for biomass production within the framework of the Renewable Energy Directive (RED); considers, under these circumstances, that bioenergy could play a negative role in the fight against climate change as well as becoming a major additional driver of land grab, food insecurity, deforestation and forest degradation in developing countries; urges the Commission, therefore, to develop legally binding sustainability criteria aimed at preventing negative climate, environmental and social impacts from the production and use of biomass for energy;

89. Calls on the EU to put in place a policy for sustainable biomass production and its use for energy purposes that meets the requirements of the climate change policy and is also consistent with the Union’s development cooperation policy;

90. Believes that the EU ought to ensure that energy becomes a key component of its external assistance programmes, as energy access, essential for economic development, remains a challenge in developing countries;

91. Believes that cooperation on the development and deployment of future-oriented energy technologies should be at the centre of the EU’s cooperation with industrialised partners and emerging economies;

92. Takes the view that the EU should place energy matters at the core of European initiatives such as the Eastern Partnership, the Union for the Mediterranean and the European Neighbourhood Policy;

93. Calls on the Commission to draw up joint energy roadmaps with all the key energy suppliers and strategically important transit countries, and to establish partnerships with countries facing similar energy challenges and sharing similar values, notably with the aim of promoting technological, research and industrial cooperation, and to set common standards for renewable energy technologies, energy efficiency, electric vehicles, new and unconventional energy technologies and safety of offshore drilling as well as nuclear
safety and non-proliferation;

94. With the aim of ensuring energy access for all and in line with the Millennium Development Goal, reaffirms the importance of increasing EU FDI in the building and modernisation of energy infrastructure and energy efficiency in developing countries through renewable generation capacity and support for the creation of adequate legislative frameworks to help them diversify their energy-mix while enhancing the protection of European investments in those countries through appropriate legal means;

95. Calls for coordinated action with other technological leaders (e.g. the US and Japan) to address the emerging challenges, such as the shortage of raw materials, including rare earth minerals, that affects the deployment of renewable energy technologies, energy storage and advanced energy applications;

96. Calls for EU Energy Cooperation Programmes with developing countries to facilitate the establishment of a relevant market structure and rules in order to ensure that domestic consumers benefit from renewable energy at an appropriate cost;

97. Considers that the strict nuclear security rules in force in the EU must be reflected in EU strategies with external countries, particularly those neighbouring countries where nuclear power plants which may have a major impact on EU security are already in operation or are planned;

98. Welcomes, in this context, the recent commitment of the Transatlantic Economic Council and the EU-US Energy Council to foster cooperation on energy security, smart grid standards, hydrogen and fuel cell technology, renewables and other clean energy technologies, energy efficiency and effective policies for facilitating trade and bringing clean energy technologies to market; calls for the EU-US Energy Council conclusions to be better transmitted to decision-making structures;

99. Underlines the need to deepen the dialogue on strategic energy issues of mutual interest, foster cooperation on energy policies and strengthen research collaboration with the United States, in particular in the field of energy-efficient technologies of production and transport; calls for the establishment of an Energy Security Partnership with the United States based on the current cooperation within the US-EU Energy Council;

100. Stresses the need for the Transatlantic Economic Council to foster cooperation on regulatory regimes, sustainable energy research and energy efficiency, fusion research and nuclear safety, amongst other matters, and calls for regular energy dialogues with Russia and other partners to develop and better enforce international rules for safe, secure and efficient energy generation, transmission, transit, storage and processing, as well as bilateral trade in new energy technologies and products such as biofuels;

101. Calls on the Commission to increase its cooperation with the International Energy Agency, which provides vital information and data for energy planning; believes the EU and all Member States which are not IEA members should accede to the IEA;

102. Welcomes the EU’s participation in the International Thermonuclear Experimental Reactor (ITER) project and the Generation IV International Forum (GIF);
103. Calls on the EU and the Member States to cooperate further with the Organisation for Security and Cooperation in Europe on energy security issues and the protection of critical energy infrastructure;

104. Calls on the Council and the Commission to work with the United States and other allies to protect energy infrastructure from cyber-attacks; stresses that as we move towards a ‘smart’ grid, this risk, which traditional security measures cannot prevent, will become even more important in critical infrastructure protection;

105. Welcomes the proposed ‘EU-Southern Mediterranean Energy Partnership’; considers that this partnership should focus on the enormous renewable (solar) energy potential of this region and that it should put in place the necessary measures to help meet the significant energy needs of the Southern Mediterranean countries on the basis of sustainable solutions;

106. Reiterates that external energy policy cooperation must contribute to the promotion, not decline, of the core values of the Union, such as respect for human rights, democracy, good governance, the rule of law, social dialogue, mutual respect, responsible use of natural resources, the fight against climate change and the comprehensive protection of the environment, and must promote peace and be coherent with the Union’s foreign policies;

107. Calls on the Council and the Commission to set up, in cooperation with the European External Action Service, by the end of 2013, a precise roadmap based on the Commission communication ‘On security of energy supply and international cooperation; the EU Energy Policy: Engaging with Partners beyond our Borders’ (COM(2011)0539), leading to the formation of an effective foreign energy policy with short-, medium- and long-term objectives, targets and steps and a specific time-frame for their implementation;

108. Emphasises the importance of the Black Sea region in terms of diversification of sources and routes, renewable energy potential and its geostrategic location as a gateway to the Caspian sea area, the Middle East and central Asia; believes that the Commission and the Member States should provide assistance for multilateral energy cooperation in the areas of integration of markets, regulatory frameworks and infrastructure; highlights, in this respect, the key importance of the Southern Corridor, the Nabucco project and the Trans-Caspian pipeline, as well as other smaller projects;

109. Recognises the contribution of GMES in the identification, from space, of the solar energy resources from which the Earth benefits; mindful that GMES has identified the fact that desert areas receive in one day a greater quantity of solar energy than that consumed by the whole of mankind in one year, calls on the Commission to form partnerships with countries having large desert areas, especially in Africa, and to develop strategies and technologies for the efficient use of this energy potential, including the use of the mechanisms for cooperation and development provided for by the energy and climate change package;

110. Calls for the further extension of membership of the Energy Community Treaty (ECT) to more of the EU’s neighbouring countries, notably those in the Eastern Partnership and the Central Asian republics; emphasises that the Commission should ensure and enforce the
timely and strict implementation of EU energy rules by members of the ECT, in particular by making the availability of EU funds contingent on compliance with Treaty obligations;

111. Believes that access to sustainable energy is a key driver for development and urges the EU to focus its development activities on assisting developing countries in promoting sustainable energy policies, reform measures, infrastructure development, favourable investment conditions and energy efficiency;

112. Calls for a special energy dialogue with the countries of the Caspian region, and welcomes the work on a Caspian Development Corporation; asks the Commission to continue working to strengthen the EU’s relations with Azerbaijan and Turkmenistan;

113. Maintains that the EU’s external energy policy priorities should be appropriately reflected in the post-2013 external financial instruments;

114. Emphasises the importance of cooperation within the Eastern Partnership Energy Security Platform in order to promote the introduction of European standards in energy policy and regulation and support the development of infrastructure and interconnections, energy efficiency and the use of renewables; welcomes the Eastern European Energy Efficiency and Environment Partnership (E5P) initiative, and expects this initiative to shortly involve other Eastern Partnership countries in addition to Ukraine;

115. Recalls the recent tensions in the Eastern Mediterranean over the existence of hydrocarbons; points out that energy should be used as a means of promoting peace, cooperation and stability in the region;

116. Instructs its President to forward this resolution to the Council and the Commission.
EXPLANATORY STATEMENT

In the last few decades energy has become a strong “weapon” of foreign policy. The Rapporteur is of the opinion that given its importance for our every day lives, energy should be principally a commodity and not used as a foreign policy tool. At the same time it is important that the European Union takes into account all aspects concerning our security of supply.

Europe is a major purchaser of energy on global energy markets: While this can be seen as a weakness, it can also be one of our strengths: we are the biggest importer - and if we used this in a coordinated manner at EU level, and took a firm, common negotiating position with third countries, we would nearly always be in a good bargaining position as could exert our power as a strong market player on the demand-side. Therefore, the Rapporteur believes that when defining European energy policy, we should focus on finding the common approach in our dealings, extending our sphere of influence beyond Europe’s borders, particularly in the field of energy market rules. There is a clear need for a well functioning internal market that can create more competition among our external partners, and we should be promoting regulatory convergence with our neighbours.

The rapporteur has the view that ensuring reliable and cost-competitive access to global energy supplies is fundamental to supporting Europe’s competitiveness and security in light of the EU’s existing policy objectives set by the 20-20-20 package and the long-term commitment to decarbonisation of our economy by 2050. Only a coherent and coordinated approach by Member States, the Commission and the Council will allow for effective promotion of the EU’s energy objectives externally and will result in an improved negotiating position vis-à-vis third countries.

According to the rapporteur Research & Development & Innovation (R&D&I) is crucially important. Within the EU, pooling our research efforts can result in quality research which is more efficient, cost-effective and dynamic than if it were carried out individually by each Member State. Similarly, we should look to further cooperate in R&D&I with third countries, in order to maximise these advantages internationally.

Finally, the EU can and should build on existing priority areas of engagement in external energy policies, in order to enhance consistency and coordination amongst the Commission, the Council, Member States and the industry. These areas include the question of large energy infrastructures, strategic dialogues and partnerships in international fora: the EU-Russia Dialogue, the Energy Charter, the Energy Community process and relations with other international bodies concerned with energy and climate.
25.4.2012

OPINION OF THE COMMITTEE ON FOREIGN AFFAIRS

for the Committee on Industry, Research and Energy

on Engaging in energy policy cooperation with partners beyond our borders: A strategic approach to secure, sustainable and competitive energy supply (2012/2029(INI))

Rapporteur (*): Justas Vincas Paleckis

(*) Associated committee – Rule 50 of the Rules of Procedure

SUGGESTIONS

The Committee on Foreign Affairs calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Considers that energy policy must be an integrated and prominent part of the common foreign policy and should be elaborated and implemented in synergy with other policies that have an external dimension;

2. Stresses that given the Union’s high dependence on energy imports, increased diversification of supply sources – including new sources of energy – and transit routes and the development of EU sources of renewable energy are urgent and essential elements supporting the Union’s external security policy, strategic role and foreign policy independence, coherence, credibility and effectiveness;

3. Is convinced that more effective management at a global level would improve cooperation with producer, transit and consumer countries; believes that the EU should therefore play a major role in international management of energy policy with a view to promoting transparent and non-discriminative principles, pursuing the objective of sustainability, lowering transaction costs and setting incentives for market participants to compete on price and quality;

4. Calls for closer coordination between the Council, the Commission and the European External Action Service so that they may speak and act jointly on issues concerning a common foreign policy on energy; stresses the need to establish an energy policy desk within the EEAS and to involve EU delegations in the conduct of energy diplomacy on the ground;
5. Stresses that the Commission and the EEAS must ensure that all multilateral and bilateral agreements of the Union, especially partnership and cooperation agreements, must fully comply with EU internal market rules; stresses that such agreements should ensure reciprocity, a level playing field and transparency in order to provide a secure legal environment for EU investors in energy supply and transit countries;

6. Emphasises that creation of an information exchange mechanism for inter-governmental agreements between EU Member States and third countries on energy policy would greatly enhance policy transparency, coordination and efficiency in the EU as a whole;

7. 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 any unilateral change in terms by one of the partners;

8. Welcomes the Commission communication entitled ‘On security of energy supply and international cooperation; the EU Energy Policy: Engaging with Partners beyond our Borders’ (COM(2011)0539); is of the opinion, however, that further instruments based on solidarity between EU Member States are needed in order to provide the EU with the ability to protect its energy security interests and in negotiating with its external partners, in particular in crisis situations;

9. Calls on the Member States and the Commission to identify trade and investment barriers in the energy field in relations with third countries and to take action, where appropriate, to eliminate them, both bilaterally and through the World Trade Organisation;

10. Calls on the EU and Member States to ensure a connected internal energy market that can withstand external pressures and attempts to use energy supply and prices as a tool of foreign policy pressure; stresses, therefore, the need to increase resources for projects interlinking energy markets in the EU and to complete the European gas and electricity infrastructure networks by the end of 2015, in particular the Baltic interconnection plan, as set out in the EU’s Third Energy Package;

11. Supports energy diversification projects, especially those aimed at creating new transport corridors which diversify both routes and suppliers, such as the Nabucco pipeline, liquefied natural gas, cross-border interconnectors and other high-priority projects of European interest;

12. Calls also for a coordinated, unified EU policy strategy for new energy suppliers to be developed, with special attention on enhancement of conditions for competition in the EU so as to open up opportunities for new suppliers to enter the EU market;

13. Supports the use of instruments such as the Early Warning Mechanism in relations with energy suppliers and transit countries; is convinced that further promotion of the idea of common purchasing of energy raw materials by Member States is needed in the context of growing competition for resources and existing producer monopolies;

14. Calls on the Commission to draw up a comprehensive set of short-, medium- and long-term energy policy priorities in relations with its neighbours with a view to establishing a
common legal area based on the acquis-related principles and norms of the internal market; stresses the importance of further extending the European Energy Community and setting up legal control mechanisms to deal with deficient acquis implementation;

15. Underlines the need for closer energy relations, strategic cooperation and political dialogue with the countries of the Mediterranean region, Africa, the Middle East, the South Caucasus, Central Asia and the littoral states of the Caspian and the Black Sea in a comprehensive manner, across all energy areas, in particular through the deployment of future-oriented, competitive energy technologies; encourages the Union to further develop the import of solar energy from the Southern and Eastern Mediterranean;

16. Stresses that the common EU energy policy and strategic goals should be appropriately reflected in its external relations and regional and European Neighbourhood policies;

17. Supports political and economic dialogue with the EU’s neighbouring countries on the use of new energy sources;

18. Calls for the implementation of existing mechanisms, and the creation of new ones, within the European Neighbourhood Policy and the Black Sea Synergy in order to strengthen cooperation with a view to achieving greater transparency and stability of supply and transit;

19. Stresses the importance of further developing the Africa-EU Energy Partnership launched in 2010;

20. Calls for the strategic partnership with Russia to be reinforced through the conclusion of a new Partnership and Cooperation Agreement; notes that it should be in full compliance with internal market rules and the regulations of the EU Third Energy Package and based on mutual respect and reciprocity; emphasises that Russia is already bound by the Energy Charter Treaty pursuant to Article 45 thereof; is convinced that ratification of the ECT by Russia would have mutually beneficial effects on bilateral energy relations;

21. Is in favour of a political dialogue with Norway and Russia over the exploration of new energy sources in the Barents Sea, based on the prerequisite of protection of the vulnerable environment of the Arctic region, and of cooperation with Norway on the import of hydroelectric electricity via long-distance submarine power cables; calls for the swifter formulation of an EU strategy towards the Arctic region;

22. Regards external political dialogue as essential to decoupling global economic growth from the use of energy resources, and to promoting more predictable energy markets, as well as being beneficial to political relations; stresses the importance of dialogue with emerging economies such as China, India, Brazil, Indonesia and South Africa, in addition to other key consumer countries such as the United States and Japan;

23. Takes the view that the EU should promote the development and deepening of energy policy cooperation with third countries which share the same values and are willing to engage in democratic reforms and the promotion of the values upon which the EU is founded;
24. Underlines the need to deepen the dialogue on strategic energy issues of mutual interest, foster cooperation on energy policies and strengthen research collaboration with the United States, in particular in the field of energy-efficient technologies of production and transport; calls for the establishment of an Energy Security Partnership with the United States based on the current cooperation within the US-EU Energy Council;

25. Urges the Commission to monitor and enforce the highest international safety standards of nuclear power plants in countries neighbouring the EU using all available instruments and treaties, such as the Convention on Environmental Impact Assessment in a Transboundary Context (the ‘Espoo Convention’) and the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (the ‘Aarhus Convention’); calls on EU neighbouring states to perform comprehensive EU nuclear safety and risk stress tests and on the Commission to offer EU technical assistance for this purpose;

26. Reiterates that external energy policy cooperation must contribute to the promotion, not decline, of the core values of the Union, such as respect for human rights, democracy, good governance, the rule of law, social dialogue, mutual respect, responsible use of natural resources, the fight against climate change and the comprehensive protection of the environment, and must promote peace and be coherent with the Union’s foreign policies;

27. Calls on the Council and the Commission to set up, in cooperation with the European External Action Service, by the end of 2013, a precise roadmap based on the Commission communication ‘On security of energy supply and international cooperation; the EU Energy Policy: Engaging with Partners beyond our Borders’ (COM(2011)0539), leading to the formation of an effective foreign energy policy with short-, medium- and long-term objectives, targets and steps and a specific time-frame for their implementation;
RESULT OF FINAL VOTE IN COMMITTEE

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| Substitute(s) present for the final vote | Laima Liucija Andrikienė, Andrew Duff, Tanja Fajon, Kinga Gál, Elisabeth Jeggle, Antonio López-Istúriz White, Carmen Romero López, Marietje Schaake, Indrek Tarand, Alejo Vidal-Quadras, Renate Weber |
30.3.2012

OPINION OF THE COMMITTEE ON DEVELOPMENT

for the Committee on Industry, Research and Energy

on engaging in energy policy cooperation with partners beyond our borders: A strategic approach to secure, sustainable and competitive energy supply (2012/2029(INI))

Rapporteur: Norbert Neuser

SUGGESTIONS

The Committee on Development calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the inclusion of the target of universal energy access by 2030 in the communication ‘The EU Energy Policy: Engaging with Partners beyond Our Borders’, and believes that for developing countries this should focus on decentralised, sustainable and affordable energy, particularly for rural and poor populations; encourages support for innovative payment schemes with private and public involvement, aimed at making energy access affordable for end-users;

2. Underlines that sustainable energy is a key driver of development, and reiterates its call for a specific ‘energy and development’ programme with a special focus on renewable, energy-efficient, small-scale and decentralised energy solutions and the promotion of capacity development and technology transfer in order to ensure local ownership; notes that large-scale renewable energy schemes may be necessary in order to meet in a sustainable way the growing energy demand from urban centres and industry, particularly in emerging countries; calls for such schemes to adhere in all cases to the highest social and environmental criteria;

3. Calls, when dealing with developing countries in energy matters, for respect for the overriding EU development objectives and for democracy and human rights, in the context of a strategic approach to secure, sustainable and competitive energy supply, putting the interests of the population in developing countries at the core;

4. Emphasises the importance of transparency, democratic oversight and civil society involvement in relations with third countries in the field of energy;
5. Draws attention to the complex relationship between energy and food supply and security developments, particularly with regard to biofuels which may have a negative social and environmental impact on developing countries; believes that the right to food must take precedence over the EU renewable energy target for biofuels;

6. Notes that the expansion of agrofuels has relied overwhelmingly on the expansion of large-scale industrial monoculture, thereby extending agricultural practices that are harmful to the environment, biodiversity, soil fertility and water availability; expresses its concern that, by encouraging concentration of land ownership, this expansion of agrofuels may have dramatic consequences in terms of violation of land rights, loss of access to vital natural resources, deforestation and environmental degradation;

7. Expresses its concern at the absence of any binding sustainability criteria for biomass production within the framework of the Renewable Energy Directive (RED); considers, under these circumstances, that bioenergy could play a negative role in the fight against climate change as well as becoming a major additional driver of land grabs, food insecurity, deforestation and forest degradation in developing countries; urges the Commission, accordingly, to develop legally binding sustainability criteria aimed at preventing negative climate, environmental and social impacts from the use and production of biomass for energy;

8. Calls on the EU to put in place a policy for sustainable biomass production and its use for energy purposes that meets the requirements of the climate change policy and is also consistent with the Union’s development cooperation policy;
RESULT OF FINAL VOTE IN COMMITTEE

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<td>Michael Cashman, Ricardo Cortés Lastra, Corina Crețu, Nirj Deva, Leonidas Donskis, Charles Goerens, Catherine Grèze, Filip Kaczmarek, Franziska Keller, Gay Mitchell, Norbert Neuser, Bill Newton Dunn, Maurice Ponga, Birgit Schnieber-Jastram, Michèle Striffler, Alf Svensson, Eleni Theocharous, Patrice Tiroliens, Ivo Vajgl, Anna Záborská, Iva Zanicchi, Gabriele Zimmer</td>
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<td>Enrique Guerrero Salom, Edvard Kožušník, Cristian Dan Preda</td>
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27.3.2012

OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on Industry, Research and Energy

on engaging in energy policy cooperation with partners beyond our borders: A strategic approach to secure, sustainable and competitive energy supply (2012/2029(INI))

Rapporteur: Jan Zahradil

SUGGESTIONS

The Committee on International Trade calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes a common EU external energy policy aiming at ensuring secure, safe, sustainable and competitive energy supplies to companies and citizens and reducing the dependence of certain EU regions on energy suppliers in third countries as well as establishing an energy economy based on high energy efficiency and a shift to environmentally-friendly renewables as soon as possible; calls on the Commission to ensure that its energy policy and cooperation activities in this field are consistent with the common EU policy concept, as described in Roadmap 2050;

2. Calls for greater synergies between the EU’s trade and energy policies, in line with the Europe 2020 strategy; underlines the need to promote global governance structures for raw materials in order to decrease international tensions in this area and commends the example of the International Energy Forum (IEF) in this regard; considers the conclusion with our strategic trade partners of long-term energy and raw materials supply contracts at fair prices as one of the top priorities; calls, therefore, for the EU to adopt a coherent Union strategy with regard to energy supply contracts with these partners;

3. Commends the setting up of an information exchange mechanism on energy agreements between Member States and third countries in order to strive for consistent external actions in the field of energy and to raise the transparency of energy imports into the EU; notes that many agreements in the energy field have investment components – this is the reason why the Commission should ensure that there is coherence between energy agreements and investment agreements, and in particular, that the powers and
recommendations of the European Parliament are taken into account in future investment policy; stresses that the Commission must play an active, promoting role when coordinating intergovernmental agreements, so as to ensure that all established entitlements can be realised; before signing energy agreements, the Member States shall submit these negotiated intergovernmental agreements for approval to the Commission, which shall ensure that such agreements are compatible with Union law and, in particular, with the trade and investment rules and the internal energy market, as well as the long-term energy and climate policy targets of the Union;

4. Urges the Commission to promote in all relevant trade agreements, including within the WTO, the adoption of the principles of the Extractive Industries Transparency Initiative and international standards on energy markets governance, including a phasing out of fossil fuel subsidies with quantitative objectives;

5. Stresses the need for the TEC to foster cooperation on regulatory regimes, sustainable energy research and energy efficiency, fusion research, and nuclear safety, amongst other matters, and calls for regular energy dialogues with Russia and other partners to develop and better enforce international rules for safe, secure and efficient energy generation, transmission, transit, storage and processing, as well as bilateral trade in new energy technologies and products such as biofuels;

6. Recalls that the EU is committed to reducing its greenhouse gas emissions by 20% by 2020 and that greater energy efficiency in cooperation with our partners beyond the borders of the EU is crucial in achieving this objective; believes that increasing energy efficiency represents a source of growth and will create jobs; therefore asks the Commission to foster R&D and innovation in renewable energies and efficiency technologies and promote the rational use of energy; stresses the need for the Commission to foster cooperation and strategic partnerships with countries in the transition towards sustainable economies in the fields of innovation and R&D, energy efficiency and savings, application of renewable energy technologies as well as energy storage, smart grids and balancing of energy systems and to negotiate market access for related EU products and services, while promoting a gradual shift towards a sustainable low-carbon economy through trade agreements with, for example, suppliers of renewable electricity with the lowest possible greenhouse gas emissions;

7. In line with the Millennium Development Goal concerning ensuring energy access for all, reaffirms the importance of increasing EU FDI in the building and modernisation of energy infrastructure and energy efficiency in developing countries through renewable generation capacity as well as support for the creation of adequate legislative frameworks to help their energy-mix diversification while enhancing the protection of European investments therein by appropriate legal means;

8. Calls on the Commission to support the establishment of a comprehensive EU system of gas indexation based on gas market prices, so as to enable all EU gas trading companies to trade with external gas suppliers in a more fair and predictable manner, independently of oil prices, and to further foster competition in the EU’s internal gas market.
RESULT OF FINAL VOTE IN COMMITTEE

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| Substitute(s) present for the final vote | Josefa Andrés Barea, Catherine Bearder, George Sabin Cutaş, Mário David, Elisabeth Köstinger, Jörg Leichtfried, Jarosław Leszek Wałęsa |
| Substitute(s) under Rule 187(2) present for the final vote | Gabriel Mato Adrover |
RESULT OF FINAL VOTE IN COMMITTEE

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<td>Anne E. Jensen, Nicole Kiil-Nielsen, Norica Nicolai</td>
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