

ENERGY POLICY OF THE EUROPEAN UNION IN CENTRAL ASIA

Energy issues were a key factor in the creation of the European Union. Germany, France, Italy and the Benelux countries initially agreed to set up the ECSC and Euratom in 1957 and the European Economic Community. Energy policy is determinative, since precisely by means it the prerequisites are created, which necessary for the existence of any industrial production. In recent years, with the increasing integration within the European Union there is a marked intensification of efforts to develop and implement a common energy policy, both within the EU and in relation to countries not included in this association, and international organizations.

Considering the legal basis and purpose of the EU energy policy, we should mention the conceptual provisions and objectives of energy policy, in the form of reports prepared by the «Green Book» – the original plan of policies proposed for discussion. Since 1999, after the entry into force of the Amsterdam Treaty, energy policy is seen as a factor in sustainable community development. An important role is played by the Energy Charter. The Energy Charter Treaty was signed in december 1994 and entered into force in april 1998. To date, the Treaty signed by 51 countries in Europe and Asia. The Treaty is a multilateral, legally binding instrument for intergovernmental cooperation in the field of energy. At its creation was supposed to develop universal rules for power trading. The Energy Charter Conference held regularly. All the governing bodies of the EU involves in the development and decision-making in energy policy, but the main role is played by the European Commission, one of whose members are directly responsible for the development of a common EU energy policy. Operational issues involved in the Directorate general for energy and transport [1].

In a paper published in November 2010, the strategy of «Energy 2020», which was prepared by the European Commission to the February 2011 EU summit, the first devoted to the issues of European energy security has been identified as a key challenge for European energy policy: «to ensure the uninterrupted physical availability of energy products and services on the market at an affordable for all consumers (individuals and businesses) price, while promoting wider social and environmental goals of the EU» [2].

The 2004 Baku Initiative placed the EU's energy policy initiatives on the map. This Initiative brings together states of the Black Sea, Caucasus and Caspian regions in a multilateral policy

dialogue. Specifically in Central Asia, the EU has initiated energy policy dialogues with Kazakhstan and Turkmenistan. So far most initiatives have barely gone beyond limited technical projects and general policy dialogue. The Kazakh oil sector is growing steadily, with various EU companies becoming investors. The agenda of the energy policy dialogue is wide-ranging. Topics for discussion include infrastructures, renewable energy supplies, energy efficiency, and taking a long-term perspective, possible supplies of gas that would transit the Caspian Sea. Kazakhstan wishes to have multiple export outlets for oil and gas, diversifying its prior reliance on routes through Russia. It is expanding its shipments of oil by tanker across the Caspian Sea to Baku, from where it is transported primarily by pipeline (to the Mediterranean by the Baku-Tbilisi-Ceyhan pipeline or to the Georgian Black Sea coast). These supplies are of growing importance, but there is no big policy issue here for the EU. Kazakhstan diversifies its exports as an economic priority linked to its multi-vector foreign policy, and oil is a freely distributed world market commodity. In contrast, gas supplies from Turkmenistan do pose a policy choice for the EU, since these supplies could become a major component of the proposed Southern Corridor, including the planned Nabucco pipeline. In April 2008, the European Commission and the Turkmen government signed a Memorandum of Understanding on a Strategic Energy Partnership. Ashgabat indicated a willingness to reserve 10 bcm of gas for Europe each year. This amount could increase substantially if transport networks are put in place [3, p. 15].

The EU and Central Asia share a paramount interest in enhancing Energy Security as an important aspect of global security. There is a common interest in diversifying export routes, demand and supply structures and energy sources. Besides oil, gas and electricity, water management is a decisive aspect of energy cooperation with Central Asia. Hydro-power production and distribution are crucial to promoting stability and prosperity in Central Asia and beyond, including Afghanistan and Pakistan. Its potential has not been sufficiently addressed. The development of resources in oil and gas has significantly increased the role of Central Asian States as energy producers and transit countries. Increasing oil and gas exploitation will contribute to better world market supplies and will be conducive to diversification. Gas deliveries from the region are of special importance to the EU. The key elements for a long-term partnership based on common interests and reciprocity can therefore be established in the years to come: the exploitation of the energy resources of Central Asian States calls

for substantial and sustained investment as well as for comprehensive policies addressing all the components of their energy sectors and facilitating access to most developed markets. The EU, for its part, is ready to consider all options for the development and transportation of these resources, in cooperation with other interested partners. The EU will lend political support and assistance to Central Asian countries in developing a new Caspian Sea – Black Sea – EU energy transport corridor.

In addition, the EU will continue to promote the Extractive Industries Transparency Initiative within the Central Asian region as a means to contributing to sustainable development and poverty reduction [4].

The European Commission has produced a policy document, Europe 2020, which aims to provide a framework for a «strong and ambitious» energy policy. The international dimension of this policy is paramount and emphasizes the establishment of a series of partnerships with the major producing and transit countries which have significant quantities of hydrocarbons.

This objective was also confirmed with the publication in September 2011 of another European Commission policy document – The EU Energy Policy: Engaging with Partners beyond Our Borders. This provides for the first time a comprehensive strategy for the EU's external relations in the energy field. Furthermore, it sets out a serious political and economic commitment to Central Asia. It is clear that the EU is gradually constructing a regional policy and providing accompanying investment support.

In parallel to the Baku Initiative, Europe is committed to the INOGATE program, which aims to improve energy cooperation between the EU, Turkey, and countries of the Former Soviet Union (FSU), with the exceptions of the Baltic States and the Russian Federation and advocates the convergence of Central Asian states' respective markets. The INOGATE program is expected to bring about increased imports and achieve export security by attracting new investment funds. This funded program, while maintaining its focus on the oil and gas sector in Central Asia, also focuses on electricity production, energy efficiency and supporting clean and renewable energy sources. The International Energy Agency (IEA), in fact, forecasts that the Central Asian states together will be responsible for as much as 70 percent of the increase in oil production outside OPEC expected in the next twenty years.

In April 2008 the European Commission and the Turkmenistan government signed a Memorandum of Understanding on a Strategic Energy Partnership which was devised to greatly increase the amount of

gas to be held in reserve for exclusive supply to the EU. The European foothold in this country, however, rests on less than solid ground. For instance, the European Investment Bank, while showing interest in the Nabucco project, has not yet institutionalized its relations with Ashgabat. In addition, The European Bank for Reconstruction and Development (EBRD) is cautious in dealing with Turkmenistan, because that country's political and economic institutions lack transparency. It has not yet offered Ashgabat a Partnership and Cooperation Agreement, although this type of agreement serves as the EU's main delivery instrument for economic and political cooperation – the EU has already signed such an agreement with a majority of regional states [5].

Finally, energy and security issues matter to all CASC states. These countries provide oil and gas and/or are important transit routes. Both energy producers and transit countries tend to face the same economic difficulties. The European Parliament has underlined the interdependence of the two regions by calling South Caucasus a «genuine gateway to Central Asia» [6, p. 4].

The EU programmes regarding infrastructure in the region also create an added value which should not be underestimated as they connect the different countries in the region. This aspect has been acknowledged by the EU, as two of the main programmes supported by the EU concerning CASC are TRACECA and INOGATE, both focussing on

energy and transportation issues. The awareness that «Europe will encounter difficulties relying only on the Middle East and Mediterranean sources of oil and gas» is currently growing, increasing the role of CASC's for EU's energy security [6, p. 16-17].

Given the geographical location, the Central Asian oil becomes a real option of diversification of energy supplies to the EU. Three countries with natural gas reserves in the region – is Kazakhstan, Uzbekistan and Turkmenistan. Each of them has different rates of production and consumption, as well as different potential gas exports to Europe. A lot of attention paid to the development of the coal sector. In order to improve the efficiency of the coal industry and addressing socio-economic problems is carried out a set of measures for the reorganization of the industry. Considering the main international aspects of Kazakhstan's energy policy, it should be noted that he had signed and ratified the Energy Charter Treaty. Kazakhstan participates in the program EU «INOGATE», as well as an interest in development projects pipeline infrastructure to transport oil and gas from the Caspian region. 70% of exported oil from Kazakhstan is directed to the EU countries (Italy, the Netherlands, France, Austria). The inclusion of Central Asia as an exporter of energy resources is planned mainly in the framework of the Trans-Caspian gas pipeline (planned participation of Turkmenistan) and oil (with the participation of Kazakhstan).

Литература

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