

Ashgabat Energy Charter Forum

Welcoming remarks Urban Rusnák, Secretary General, Energy Charter

Dear Mr. President, dear Minister Meredov, Ministers, Ladies and Gentlemen,

It is my pleasure to welcome you, on behalf of the Energy Charter, to the Ashgabat Energy Charter Forum. First of all, I would like to express my sincere gratitude to President Berdymukhammedov and the government of Turkmenistan for hosting this Conference together with us. Thank you for the warm welcome and your hospitality. A warm welcome to all distinguished participants.

For myself, this year started with an official visit to Turkmenistan. We then had a very fruitful and result-oriented discussion with the honourable Mr. President and leading members of the cabinet. We discussed how we can work together more closely to achieve common objectives. Turkmenistan is one of the founding nations of the Energy Charter.

Since the Charter was established, much has been achieved in view of the development of the energy sector in and between the member states. It suffices to take a glance at the impressive investments that have been made here in Turkmenistan. But there is still a lot of work ahead of us. There is potential for a much more closer cooperation, which is waiting to be unlocked.

During my visit in February, I was particularly impressed by the resolve of neutral Turkmenistan to play an active role as part of the family of nations. In the energy sector, there truly is a lot of potential to work together. So it is no coincidence that as this year is coming to a close, we are back in Ashgabat to discuss energy cooperation, trade, and diversification of sources, routes and markets.

For the Energy Charter this has been an intense year. A new practice of Chairmanship in our organisation was put in place as the new year started, with Kazakhstan being the first member state to assume the role of Chairman. I am very pleased that the Kazakh Chairmanship of the Energy Charter is represented here by our dear friend Jambulat Sarsenov, Vice-Chairman of the Energy Charter Conference. Two weeks ago, we had a very successful Ministerial Session in the context of the annual meeting of the Charter Conference in Astana. I am sure that Jambulat will in a moment share some insights with our guests today on the achievements of the 25th Meeting of the Energy Charter Conference, and the Astana Declaration concluded there. The Conference also decided that in 2017, Turkmenistan will assume the Chairmanship in the Energy Charter Conference.

One of the biggest achievements of this year has been the agreement of a text of a new political declaration, the International Energy Charter, which we have negotiated among around 100 countries invited during the course of 2014. Next spring, on 20-21 May 2015, the declaration will be formally adopted and signed at a Ministerial Conference hosted by the government of The Netherlands in The Hague. The International Energy Charter is clear evidence that we are serious about our two main objectives: to expand the geographical scope of the Energy Charter, and to modernise it.

By signing the International Energy Charter, non-members will join the Charter's international platform for energy cooperation. This platform is unique in view of the broad and diverse participation of countries - advanced economies, countries in transition,

developing countries, energy producers, consumers and transiters. New partners have joined us from all continents of the world. They have brought with themselves a fresh perspective on energy issues. The discussions gave an impressive picture how much energy markets and policies have changed since the early 1990ies. We managed to have modern energy challenges duly reflected in the new declaration, together with areas where we wish to work together. At the same time, the negotiations have been an impressive confirmation of the validity of the Energy Charter's core principles, including

- State sovereignty over energy resources
- Political and economic cooperation
- Development of efficient energy markets
- Promotion of a favourable climate for enterprises, and the flow of investments and technologies
- And environmental concerns.

The Energy Charter's principles are in line with the G20 principles on energy cooperation, as agreed at the Brisbane Summit last month. On this basis, we believe that the Energy Charter will become a key player in the evolving global energy governance architecture. Its main advantage is that it offers real added value for business, by fostering a reliable legal framework for energy investments and a level playing field for governments and the private sector.

At the same time, every organisation or framework may have its shortcomings. Again, the International Energy Charter, to be signed next year, and the Astana Roadmap, demonstrate clearly that our members are ready to further develop the positive role of the Charter. This will be much more effective than creating new mechanisms.

One of the challenges is the matter of discussion at today's Forum. We are here in a country with huge energy reserves. Turkmenistan possesses the fourth largest gas reserves in the world. It actively develops export projects in all four geographic directions. It is keen to make a positive contribution to international energy security. So are a number of Turkmenistan's neighbours in this energy-rich region.

In order to bring oil and gas to global markets, and to trade electricity, infrastructure is needed – pipelines and grids. International pipelines are always a source of inspiration for politicians, managers and academics.

The Energy Charter Treaty is the only multilateral Treaty providing binding rules on energy transit and investments. Undoubtedly, it has played a positive role in facilitating pipeline projects. This is documented in many Intergovernmental Agreements that refer to the Energy Charter Treaty. The fact that all five countries in Central Asia are full contracting parties of the Energy Charter Treaty, together with almost the whole of Europe, Turkey, the Southern Caucasus, Mongolia and Japan, gives investors a lot of comfort. But a number of problems need to be addressed:

First, some countries participating in energy projects are not parties to the Energy Charter Treaty. These countries cannot benefit from it as yet. But the Energy Charter is open to new

accessions. As I said before, the Charter has the potential to become a global organisation, and with the International Energy Charter declaration we designed a powerful tool to expand its geographical scope. We work especially with China, Pakistan and India, countries whose membership would make a difference. But we also focus on South East Asia and North Africa.

Second, the Treaty's transit provisions have not always been effectively implemented. This was the reason why we have been negotiating an additional transit protocol, which is currently on hold. In the Astana Declaration our members have stated clearly that they wish to discuss the possibility to resume transit negotiations on a new basis. They are waiting for the messages coming from gatherings like today's Forum and tomorrow's expert meeting, to support this initiative.

And third, more needs to be done to ensure operational security on cross-border energy infrastructure. Recent events have again demonstrated how vulnerable critical energy infrastructure may be. I am pleased to inform you that the Energy Charter Conference welcomed the elaboration of a Model Energy Charter Early Warning Mechanism that can be used by all future signatories of the International Energy Charter, to prevent disruptions on critical infrastructure. Its main tools are exchange of information, transparency and dialogue.

Ladies and Gentlemen,

the Energy Charter Secretariat is grateful for the opportunity to host this Forum together with the Ministry of Foreign Affairs of Turkmenistan. The discussion will allow us to reflect on the common benefits of our cooperation, and to elaborate on joint responses to the challenges faced. The Energy Charter is ready to play an active role.

I appreciate the high level of representation at this meeting, welcome you all again, and look forward to the discussion.

Thank you very much for your attention.