



МИНИСТЕРСТВО ЭНЕРГЕТИКИ
РОССИЙСКОЙ ФЕДЕРАЦИИ

The EU-Russia Energy Dialogue, problems and prospects of its development (view from the side of Russia)

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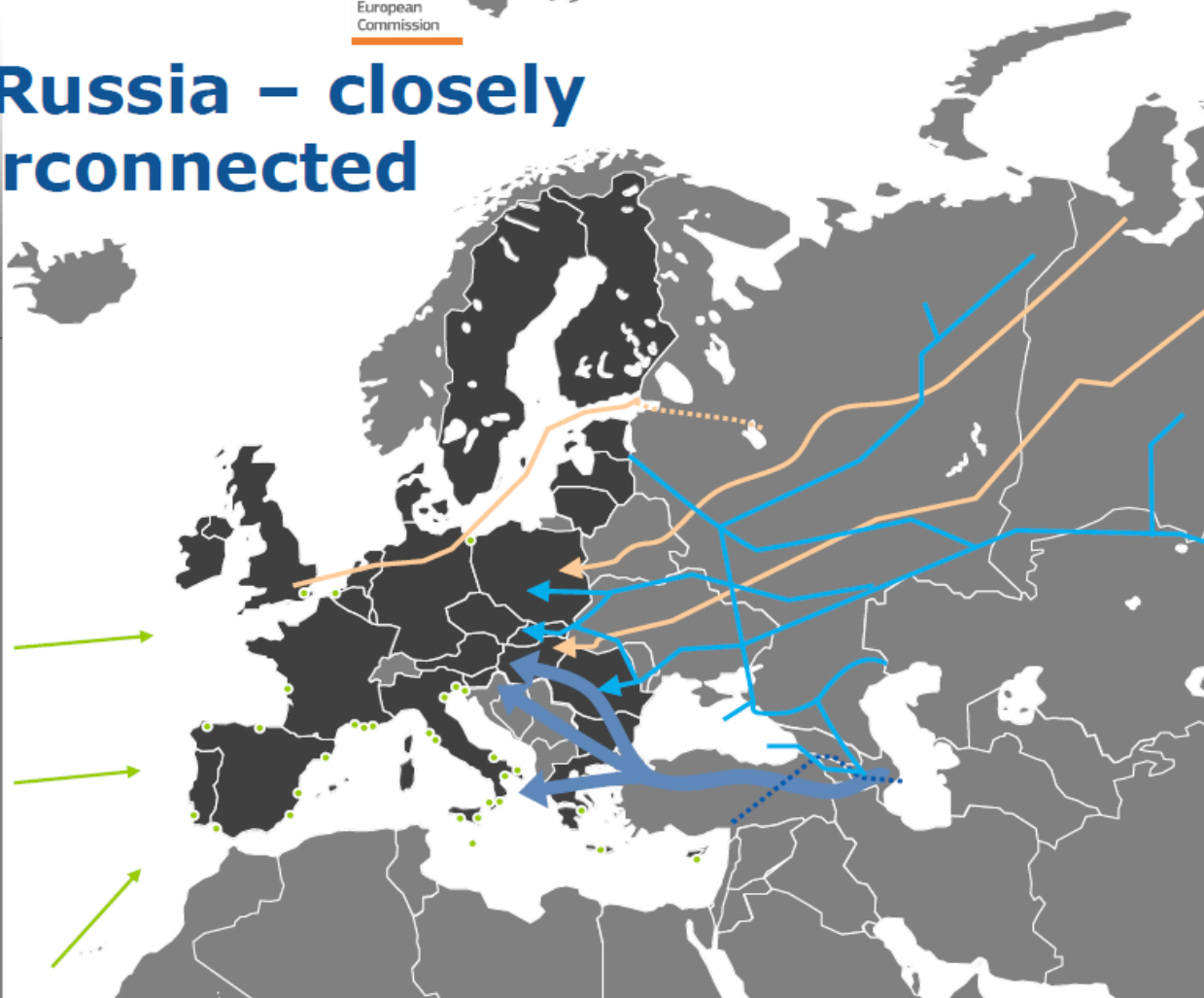
**Depute Director Oil and Gas Research Institute of
Russian Academy of Sciences**

Nice - 29 NOVEMBER 2013



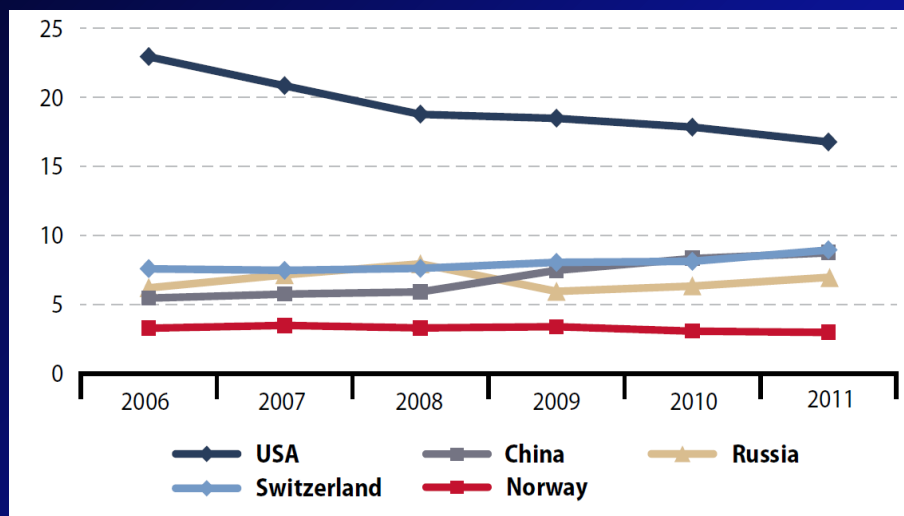
EU – Russia – closely interconnected

- Oil pipeline connections
- Gas pipeline connections
- Southern gas corridor
- LNG terminals

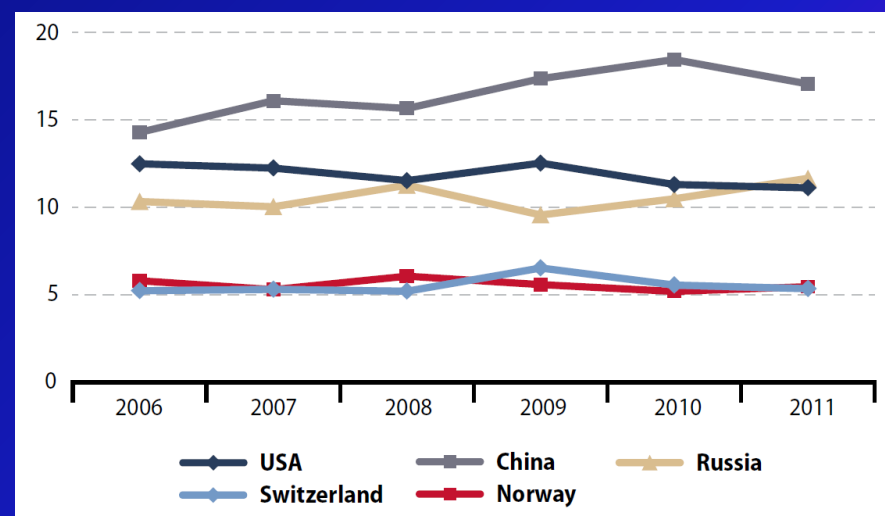


Основные торговые партнёры ЕС-27 в 2006-2011 гг., % Main trading partners' shares of EU-27, 2006-2011 (%)

Экспорт товаров Exports of goods

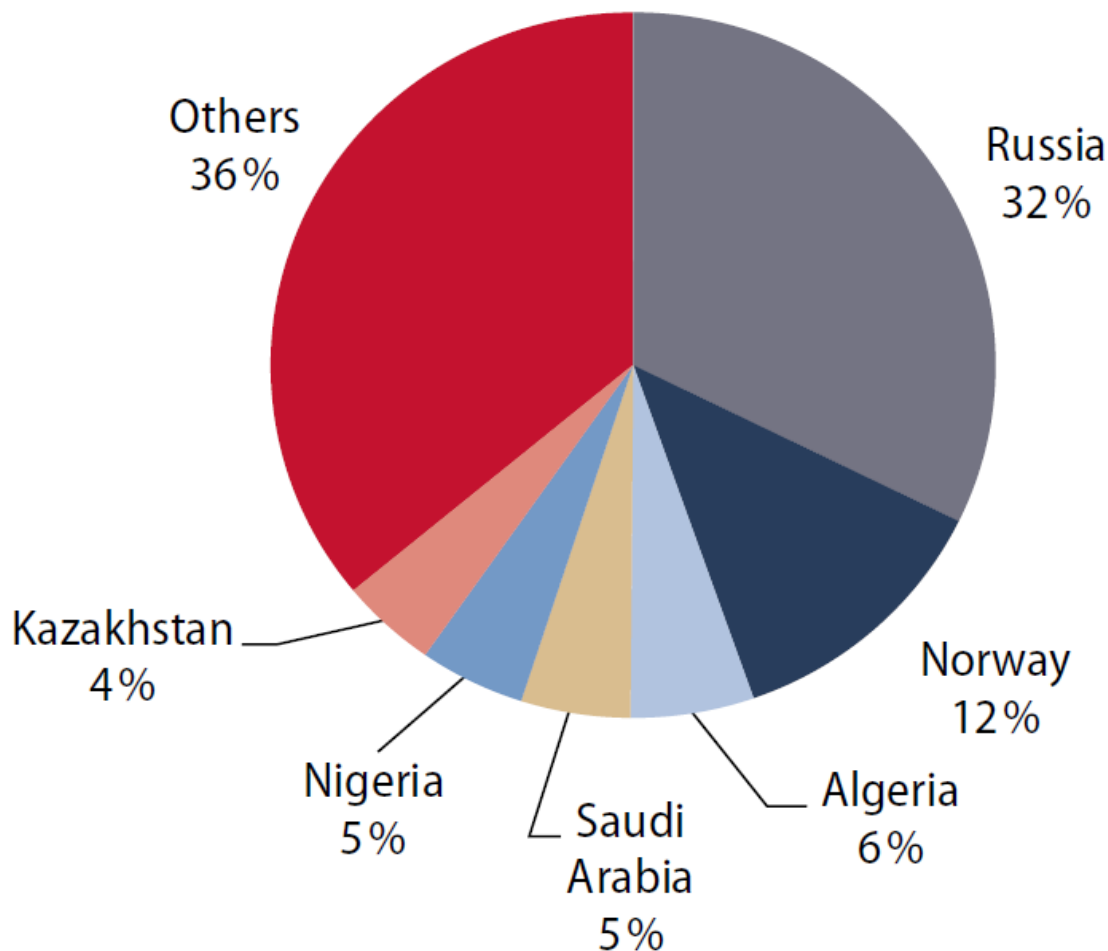


Импорт товаров Imports of goods



Основные торговые партнёры ЕС-27 в сфере энергетических продуктов в 2011 г. (%)

Main trading partners' shares of EU-27 imports of energy products, 2011 (%)





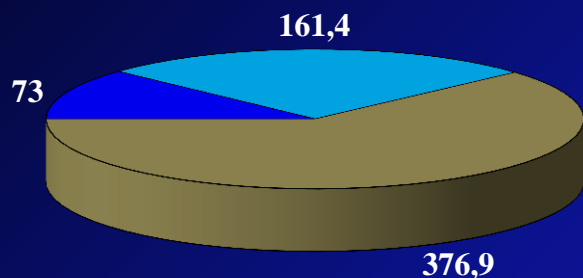
Объём и структура потребления основных энергоресурсов в ЕС-27 в 2012 г.

Volume and structure of consumption of the main energy in the EU-27 in 2012

Нефть Oil

ЕС, всего EU - total

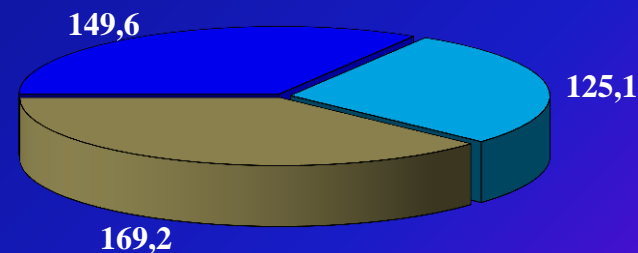
млн. т **611,3** Million tonnes



Газ Gas

ЕС, всего EU - total

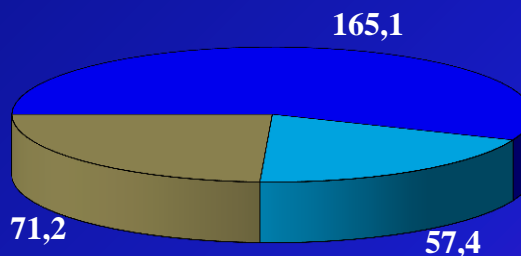
млрд. м³ **443,9** BSM



Уголь Coal

ЕС, всего EU - total

млн. т н.э. **293,7** MToe



-  Собственная добыча
Domestic production
-  Импорт из России
Import from Russia
-  Импорт из других стран
Import from other countries

Source:



Зависимость России от Евросоюза Russia's dependence on the European Union

- 45% импорта России приходится на ЕС
45% of the Russian import is from the EU
- Доходы в российский бюджет от экспорта сырья в ЕС составляют около 40%
Revenues of the Russian budget from export of raw materials to the EU is about 40%
- на страны ЕС приходится 75% накопленных иностранных инвестиций в России
the EU countries account for 75% of accumulated foreign investments in Russia

Главный вывод: Россия и ЕС являются взаимозависимыми партнёрами

The main conclusion is that Russia and the EU are interdependent partners



EU-Russia Summit
Paris, 30 October 2000

Joint Declaration

of the President of the European Council, J. CHIRAC, assisted by the Secretary-General of the Council/High Representative for the Common Foreign and Security Policy of the EU, J. SOLANA, of the President of the Commission of the European Communities, R. PRODI, and of the President of the Russian Federation, V. V. PUTIN

We, the leaders of the European Union and the Russian Federation, meeting in Paris for the sixth summit since the entry into force of the Partnership and Cooperation Agreement (PCA), reaffirm the particular importance we attach to strengthening our strategic partnership, based on the principles of democracy, respect for human rights, the rule of law and the market economy.

The policy of reforms instituted in Russia heralds the beginning of a new stage in its development which the French Presidency's work programme aims to support. The implementation of these reforms will contribute to the development of our relations. The EU has reaffirmed its willingness to bolster this process, based on the PCA and on its common strategy on Russia. The primary objective of this cooperation, which is entering into a new phase, will be to support the institutional, economic and social reforms, with a view to strengthening the rule of law and meeting the democratic requirements of a modern economy and society. The TACIS programme in particular will be geared towards this goal, in consultation with the Russian authorities.

The recent meeting in Moscow of a round table of Russian and European industrialists also made it possible to identify opportunities for investment and trade which need to be maximised.

We regard Russia's speedy accession to the WTO as a matter of priority. The EU will continue to provide technical assistance in this context. The EU and Russia have agreed on the need to step up the work in progress in Geneva and, in particular, their bilateral negotiations on the conditions of access to markets in industrial products and services, on the basis of new offers to be submitted by Russia in the near future. The EU and Russia welcome the fact that a conference will be held in Moscow at the end of March 2001 on Russia's accession to the WTO.

The European Union and Russia have decided to institute, on a regular basis, an Energy Dialogue which will enable progress to be made in the definition of an EU-Russia energy partnership and arrangements for it. This will provide an opportunity to raise all the questions of common interest relating to the sector, including the introduction of co-

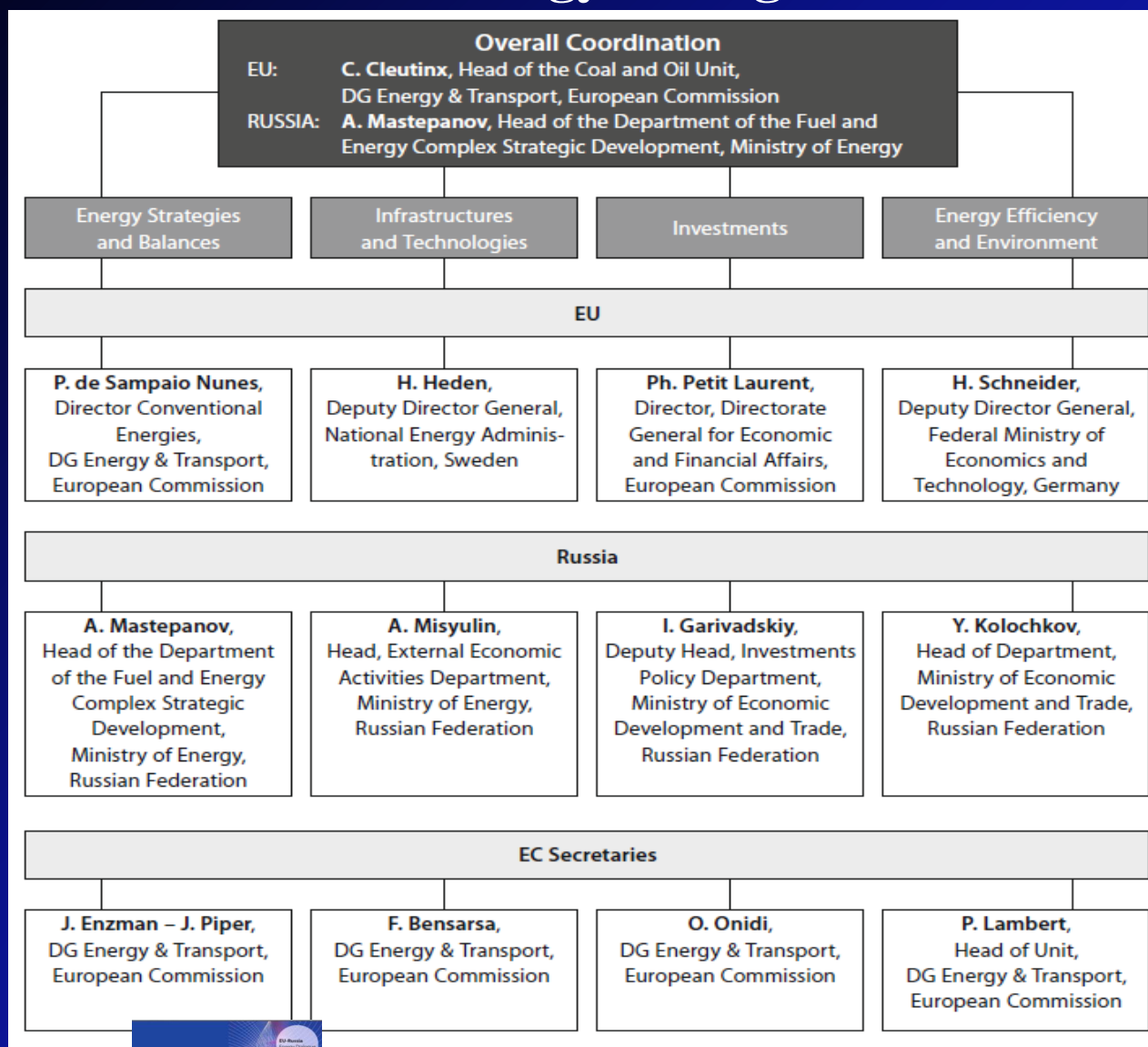
Source:





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Structure of the EU-Russia Thematic Expert Groups of the Energy Dialogue in 2001



Source:



Timeline EU-Russia Energy Dialogue

Agreement to initiate a regular Energy Dialogue with the aim of establishing an energy partnership between Russia and the European Union



Vice-Prime Minister Viktor Khristenko and European Commission President Romano Prodi, September 2000

EU-Russia Agreement on Partnership and Cooperation signed, establishing a legal framework for cooperation between the European Union and Russia. Title II includes a provision on political Dialogue, provides the legal basis for an Energy Dialogue

Political decision to establish a format of Permanent Partnership Council to deal with all areas of cooperation



EU-Russia Summit 2003, Russian President Vladimir Putin and President of the European Commission Romano Prodi

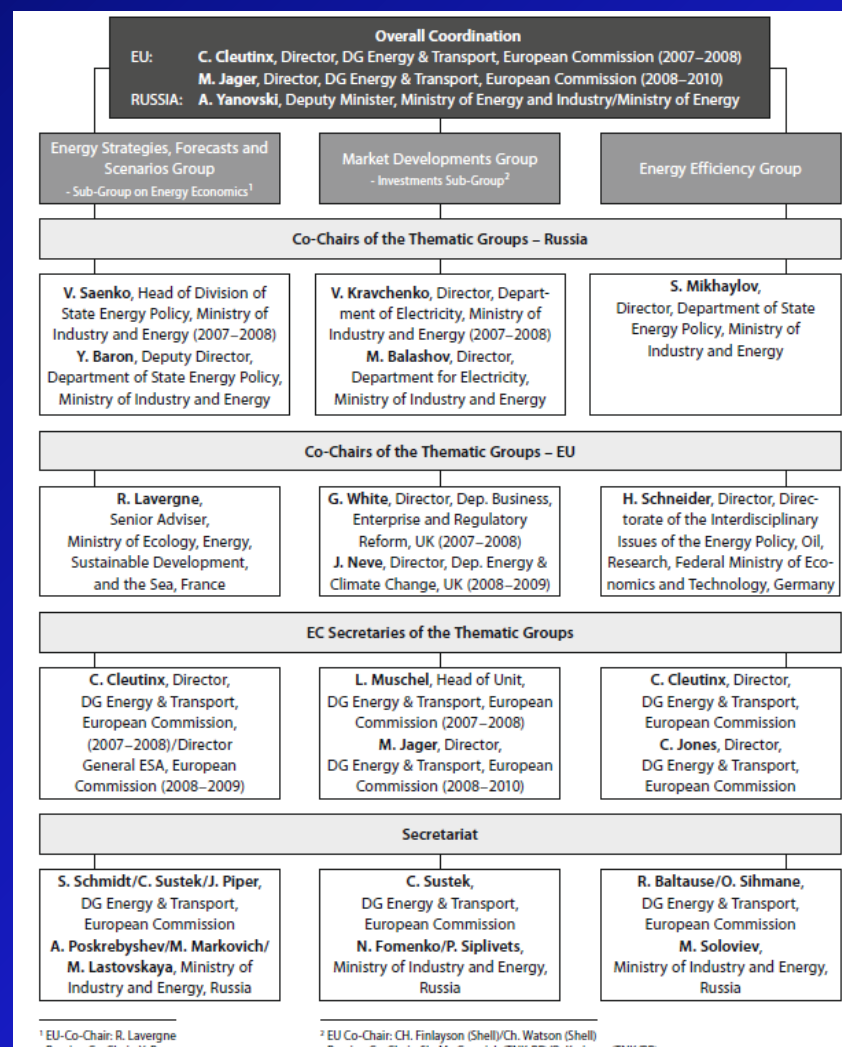
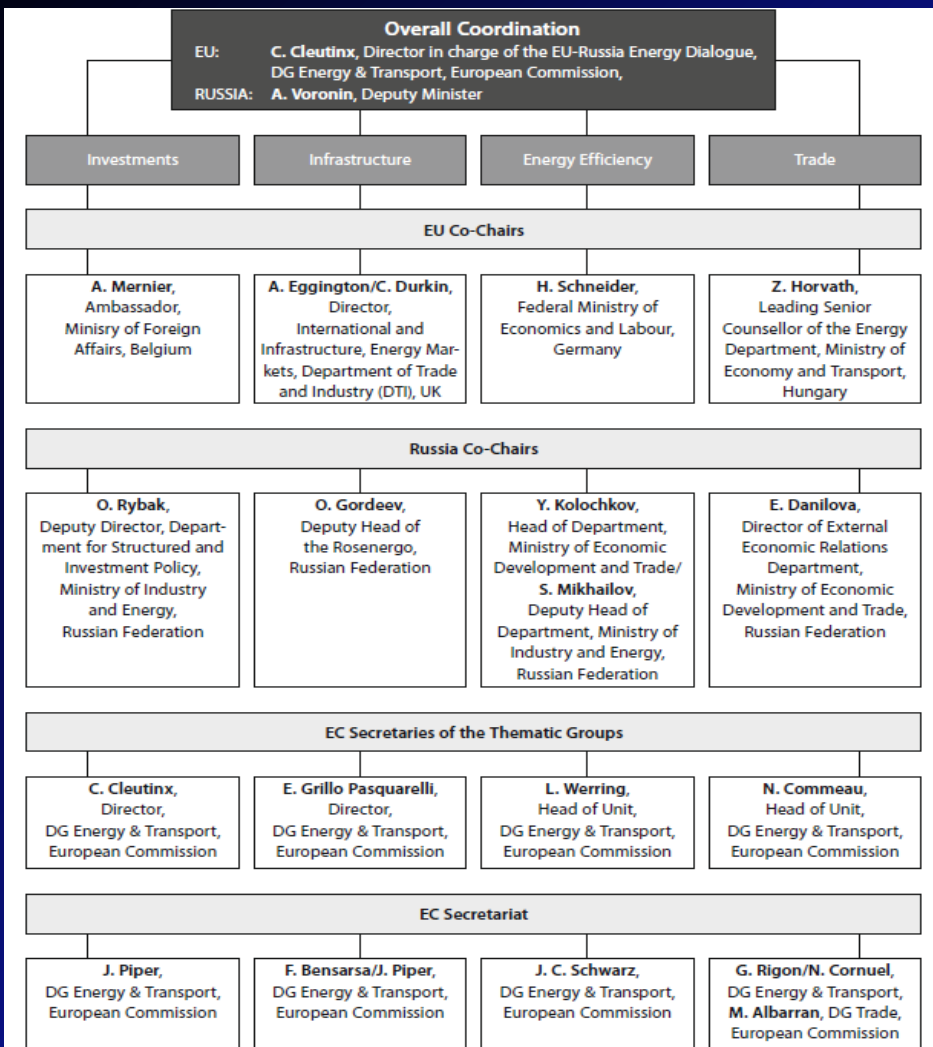
The short- and long-term guidelines for the EU-Russia Energy Dialogue identified in order to promote investment, increase energy security and boost commercial relations in the sector



Source:



Structure of the EU-Russia Thematic Groups of the Energy Dialogue in 2004 – 2006 and 2007 – 2009



¹ EU Co-Chair: R. Lavergne
Russian Co-Chair: Y. Baron

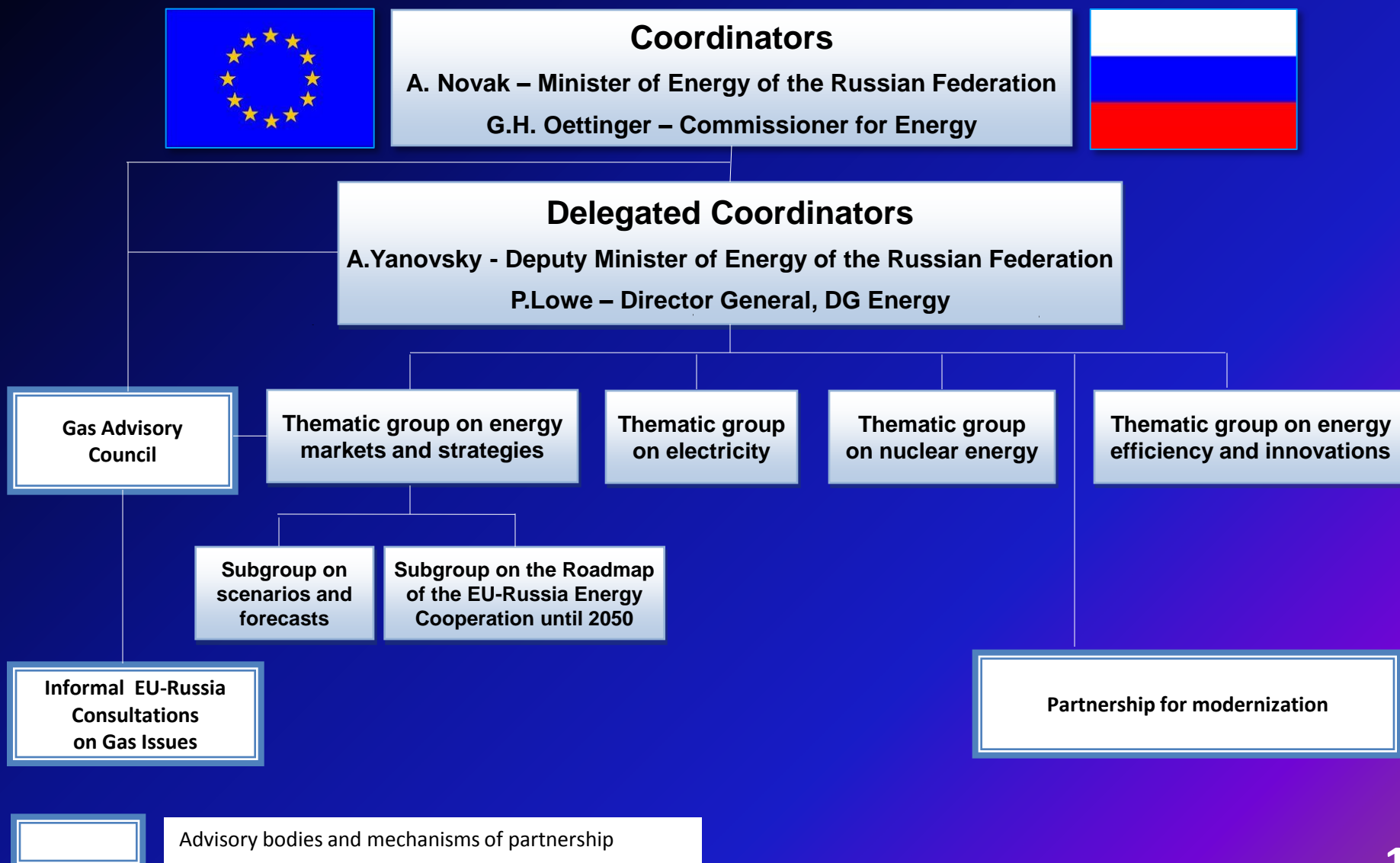
² EU Co-Chair: CH. Finlayson (Shell)/Ch. Watson (Shell)
Russian Co-Chair: Sh. Mc Cormick (TNK-BP)/O. Karimov (TNK/BP)

Source:





Structure of the EU-Russia Energy Dialogue



Дорожная карта энергетического сотрудничества: март 2013

Energy Cooperation Roadmap: March 2013





Основные принципы Дорожной карты энергетического сотрудничества



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Energy Cooperation Roadmap: principles

- признание суверенности политических решений России, ЕС и стран, входящих в ЕС

Recognize the sovereign policy decisions of the Russian Federation and of the EU and its Member States

- достижение приемлемого уровня неопределённости в контексте будущего устойчивого и взаимовыгодного развития отношений России и ЕС в области энергетики

Achieve a tolerable level of uncertainty in the context of the robust and mutually advantageous future development of Russia-EU energy relations

- ориентация на перспективу и наличие рекомендаций по последовательным шагам для укрепления сотрудничества России и ЕС в области энергетики в ближайшие десятилетия

Be forward-looking and make recommendations for a series of steps to enhance Russia-EU energy cooperation over the coming decades

- отношение к Дорожной карте как к «живому» документу, рассматриваемому в качестве общей точки отсчёта в контексте энергетического диалога Россия – ЕС

Be a living document and serve as a common reference in the context of the Russia-EU Energy Dialogue



Стратегическая цель Дорожной карты Energy Cooperation Roadmap: strategic target by 2050



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«Формирование к 2050 г. пан-Европейского энергетического пространства с функционирующей интегрированной сетевой инфраструктурой, с открытыми, прозрачными, эффективными и конкурентными рынками, которое будет способствовать обеспечению энергетической безопасности и достижению целей устойчивого развития России и ЕС»

*“To achieve a Pan-European Energy Space,
with a functioning integrated network infrastructure,
with open, transparent, efficient and competitive markets,
making the necessary contribution to ensuring
energy security and reaching the sustainable development goals
of Russia and the EU”.*



Применение Дорожной карты Energy Cooperation Roadmap: implementation



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➤ Дорожная карта не является юридически или политически обязывающим документом, поэтому механизм её реализации должен базироваться в первую очередь на процессе регулярного мониторинга достигаемых результатов – в том числе в рамках Ежегодного обобщающего доклада о ходе ЭнергодIALOGа Россия-ЕС

Energy Cooperation Roadmap doesn't and shouldn't have status of legally or politically binding document, so the implementation mechanism is based on its continuous monitoring process, including regular presentation of the corresponding results in frame of the annual Russia-EU Energy Dialogue progress report

➤ Все тематические группы в рамках ЭнергодIALOGа должны будут учитывать рекомендации Дорожной карты в своих рабочих планах

All the Thematic Groups and Gas Advisory Council should take into account the Energy Cooperation Roadmap recommendations in their respective work programs



Проблемные области, связанные с применением Третьего энергопакета ЕС



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Risks associated with the implementation of the EU's Third Energy Package provisions

Areas of concern

- ❑ Cross-border issues are left unregulated: import, export, transit and the corresponding structure on the EU's external borders
- ❑ No provision is made for robust mechanism to raise investments for infrastructure development
- ❑ Exemptions to be granted to new energy transportation projects : criteria are blurry and the procedure is overly bureaucratic
- ❑ Requirements set for foreign companies to be certified as transmission system operators are discriminatory

Risks arise for:

- ❑ Gas exports to EU
- ❑ Security of electricity supply
- ❑ Long-term contracts
- ❑ Large infrastructure projects
- ❑ Investment protection



Российские инициативы Initiatives of Russia



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Fundamental approaches of the Russian side	Implementation mechanisms
<ul style="list-style-type: none">● Compliance by the parties with the previously signed bilateral international agreements and acknowledgement of their supremacy over national legislation.● Defining the status of “cross-border projects” to supply gas/oil and electricity to the EU Member States.● Safeguarding the existing and new export-import power systems● Recognizing that long-term contracts are the key mechanism for natural gas supplies● Preventing unilateral changes to the existing conditions of joint operation of the power systems● Joint elaboration of uniform criteria and principles to insure reliability and stability in the operation of the power systems● Availability of mandatory arbitration mechanism to settle disputes between different parties and between a party and investors on the other side	<ul style="list-style-type: none">● Agreement between the Russian Federation and the European Union on cooperation in the implementation of infrastructure projects for natural gas exports from the Russian Federation to the European Union, including projects of mutual interest● Agreement between the Russian Federation, Republic of Belarus and the European Union on joint synchronous operation of the Unified Energy System of the Russian Federation and Republic of Belarus, and the power systems of the Republic of Latvia, Republic of Lithuania and Republic of Estonia● Cooperation between national regulators



Некоторые рекомендации Дорожной карты энергетического сотрудничества



Some recommendations of Energy Cooperation Roadmap

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Gas chapter

- *Mitigate the infrastructure and regulatory risks in the EU-Russia gas relations, providing inter alia:*
 - *the secure and stable delivery of gas to the specified EU customers under existing and potential new supply contracts, including under long term contracts;*
 - *a consistent regulatory approach for gas infrastructure projects that allows for demand to be covered while avoiding “stranded” investments;*
 - *the support of major gas infrastructure developments considered by the Parties to be projects of mutual interest;*

Electricity chapter

- *Make necessary provisions aimed at ensuring the reliable and predictable functioning of the EU - Russia interconnected power systems; investigate further market evolutions and infrastructure development needs, notably as regards cross-border exchanges; develop working mechanisms for the identification and joint promotion of mutually beneficial cross-border infrastructure projects;*

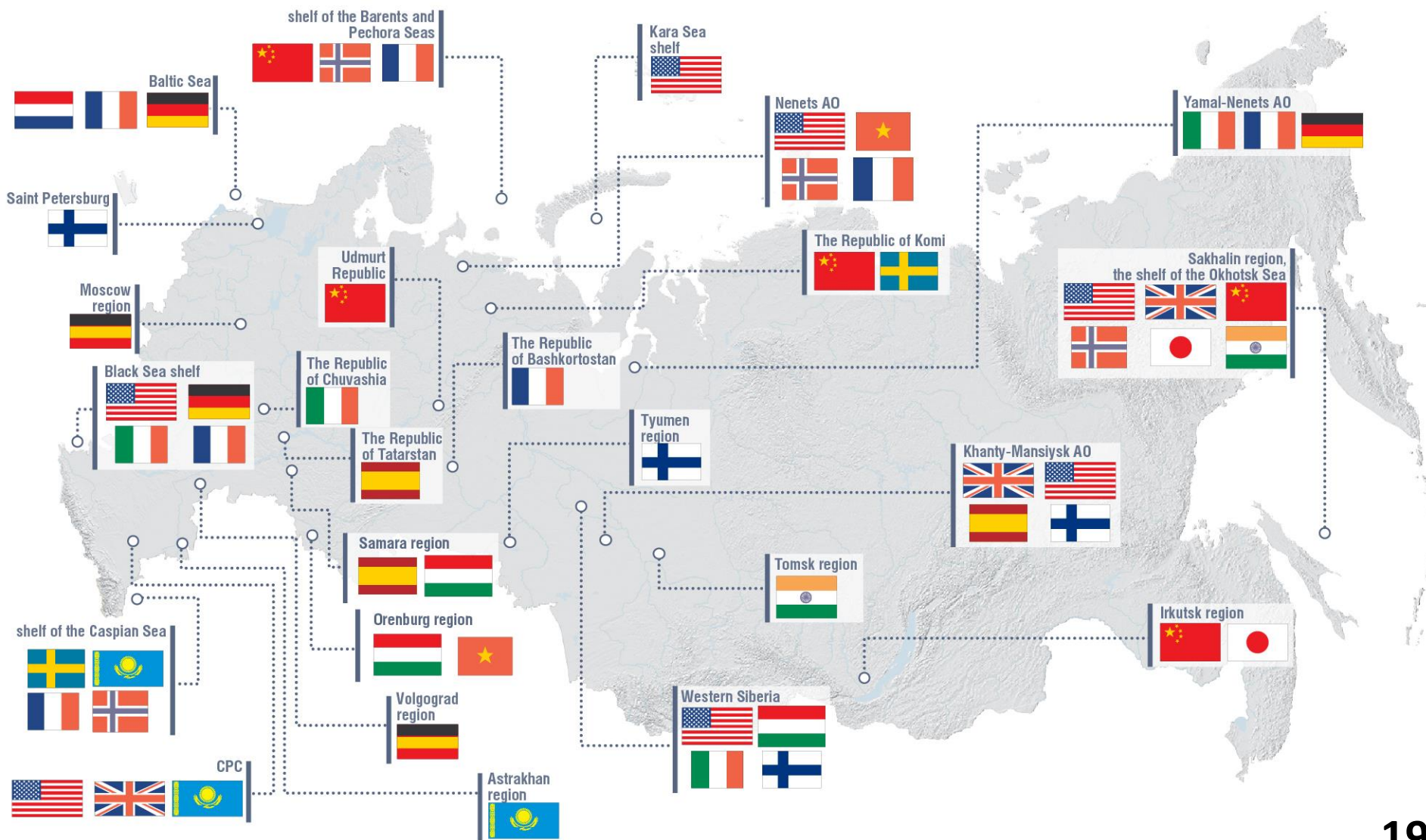


Зарубежные инвестиции в российском энергетическом секторе

FOREIGN INVESTMENT IN RUSSIAN ENERGY SECTOR



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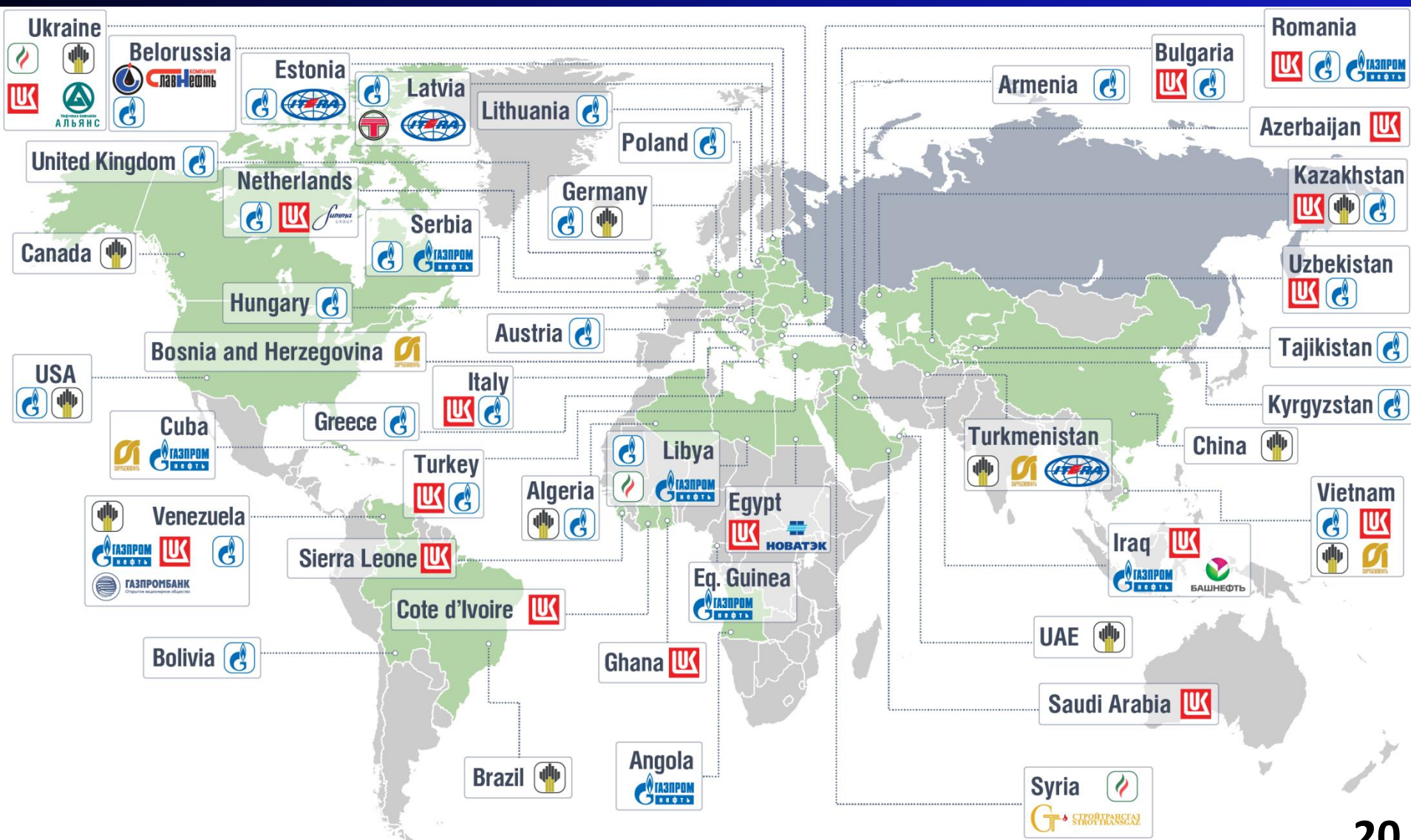




Зарубежная деятельность российских компаний OVERSEAS OPERATIONS OF RUSSIAN COMPANIES



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СПАСИБО за ВНИМАНИЕ!

**Avec mes meilleurs
remerciements
pour votre attention!**

**THANK YOU FOR YOUR
ATTENTION!**

