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

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EU – Russia – closely interconnected
Основные торговые партнёры ЕС-27 в 2006-2011 гг., %
Main trading partners’ shares of EU-27, 2006-2011 (%)
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

EC, всего EU - total

млн. т 611,3 Million tonnes

Газ Gas

EC, всего EU - total

млрд. м³ 443,9 BCM

Уголь Coal

EC, всего EU - total

млн. т.н.э. 293,7 MTce

Собственная добыча Domestic production

Импорт из России Import from Russia

Импорт из других стран Import from other countries

Source: БГ Статистический обзор мировой энергетики
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 партнерами
The main conclusion is that Russia and the EU are interdependent partners
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-
Structure of the EU-Russia Thematic Expert Groups of the Energy Dialogue in 2001

Overall Coordination
- EU: C. Cleutinx, Head of the Coal and Oil Unit, DG Energy & Transport, European Commission
- Russia: A. Mastepanov, Head of the Department of the Fuel and Energy Complex Strategic Development, Ministry of Energy

Energy Strategies and Balances
- EU: P. de Sampaio Nunes, Director Conventional Energy, DG Energy & Transport, European Commission
- Russia: A. Misyulin, Head, External Economic Activities Department, Ministry of Energy, Russian Federation

Infrastructures and Technologies
- EU: H. Heden, Deputy Director General, National Energy Administration, Sweden
- Russia: I. Garivadskiy, Deputy Head, Investments Policy Department, Ministry of Economic Development and Trade, Russian Federation

Investments
- EU: Ph. Petit Laurent, Director, Directorate General for Economic and Financial Affairs, European Commission
- Russia: Y. Kolochkov, Head of Department, Ministry of Economic Development and Trade, Russian Federation

Energy Efficiency and Environment
- EU: H. Schneider, Deputy Director General, Federal Ministry of Economics and Technology, Germany
- Russia: O. Onidi, DG Energy & Transport, European Commission

EC Secretaries
- EU: J. Enzman – J. Piper, DG Energy & Transport, European Commission
- EU: F. Bensarsa, DG Energy & Transport, European Commission
- EU: O. Onidi, DG Energy & Transport, European Commission
- EU: P. Lambert, Head of Unit, DG Energy & Transport, European Commission
**Timeline EU-Russia Energy Dialogue**

- **1 December 1997**: EU-Russia Agreement on Partnership and Cooperation signed, establishing a legal framework for cooperation between the European Union and Russia. It includes a provision on political Dialogue, providing the legal basis for an Energy Dialogue.

- **30 October 2000**: EU-Russia Summit in Paris.


- **February–October 2001**: Agreement to initiate a regular Energy Dialogue with the aim of establishing an energy partnership between Russia and the European Union.

- **3 October 2001**: EU-Russia Summit in Brussels.

- **31 May 2003**: EU-Russia Summit in St. Petersburg.

- **5 November 2002**: EU-Russia Energy Dialogue: Technology Centre inaugurated.

- **5 November 2002**: Initial analytical phase of the Dialogue: work of four working groups of EU and Russian experts and representatives of industry and IPs on analysing the areas of common interests in the energy sector. Energy Strategies and Balances, Infrastructure and Technologies, Investments, and Energy Efficiency and Environment.

- **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 President Romano Prodi.

**Source:**

Overall Coordination
EU: C. Cleutinx, Director, DG Energy & Transport, European Commission
RUSSIA: A. Voronin, Deputy Minister

Investments
Infrastructure
Energy Efficiency
Trade

EU Co-Chairs
A. Mornier, Ambassador, Ministry of Foreign Affairs, Belgium
A. Egginton/C. Durkin, Director, International and Infrastructure, Energy Markets, Department of Trade and Industry (DTI), UK
H. Schneider, Federal Ministry of Economics and Labour, Germany
Z. Horvath, Leading Senior Counsellor of the Energy Department, Ministry of Economy and Trade, Hungary

Russia Co-Chairs
O. Rybak, Deputy Director, Department for Structured and Investment Policy, Ministry of Industry and Energy, Russian Federation
O. Gordeev, Deputy Head of the Rosenergo, Russian Federation
Y. Kolochkov, Head of Department, Ministry of Economic Development and Trade/ S. Mikhailov, Deputy Head of Department, Ministry of Industry and Energy, Russian Federation
E. Danilova, Director of External Economic Relations Department, Ministry of Economic Development and Trade, Russian Federation

EC Secretaries of the Thematic Groups
C. Cleutinx, Director, DG Energy & Transport, European Commission
E. Grillo Pasquarelli, Director, DG Energy & Transport, European Commission
L. Werring, Head of Unit, DG Energy & Transport, European Commission
N. Commeau, Head of Unit, DG Energy & Transport, European Commission

EC Secretariat
J. Piper, DG Energy & Transport, European Commission
F. Benders/L. Piper, DG Energy & Transport, European Commission
J. C. Schwarz, DG Energy & Transport, European Commission
G. Nigon/N. Cornelius, DG Energy & Transport, European Commission

Energy Strategies, Forecasts and Scenario Group
- Sub-Group on Energy Economics
- Sub-Group on Specific Policies

Market Developments Group
- Investments Sub-Group

Energy Efficiency Group

Co-Chairs of the Thematic Groups – Russia
Y. Karvenko, Director, Department of Electricity, Ministry of Industry and Energy (2007 – 2008)
M. Balashov, Director, Department for Electrification, Ministry of Industry and Energy
S. Mikhailov, Director, Department of State Energy Policy, Ministry of Industry and Energy

Co-Chairs of the Thematic Groups – EU
R. Lavergne, Senior Adviser, Ministry of Ecology, Energy, Sustainable Development, and the Sea, France
H. Schneider, Director, Directorate of the Interdisciplinary Issues of the Energy Policy, Oil, Research, Federal Ministry of Economics and Technology, Germany

EC Secretaries of the Thematic Groups
C. Cleutinx, Director, DG Energy & Transport, European Commission
J. Jones, Director, DG Energy & Transport, European Commission

Secretariat
S. Schmidt/C. Sustak/J. Piper, DG Energy & Transport, European Commission
A. Poskrebyshev/M. Markovich/ M. Lastovskaya, Ministry of Industry and Energy, Russia
C. Sustak, DG Energy & Transport, European Commission
N. Fomin/P. Sipilvets, Ministry of Industry and Energy, Russia
R. Balke/L. Sijman, DG Energy & Transport, European Commission
M. Soloviev, Ministry of Industry and Energy, Russia

Source:
Structure of the EU-Russia Energy Dialogue

**Coordinators**

A. Novak – Minister of Energy of the Russian Federation
G.H. Oettinger – Commissioner for Energy

**Delegated Coordinators**

A. Yanovsky - Deputy Minister of Energy of the Russian Federation
P. Lowe – Director General, DG Energy

**Thematic groups**

- Gas Advisory Council
- Thematic group on energy markets and strategies
- Thematic group on electricity
- Thematic group on nuclear energy
- Thematic group on energy efficiency and innovations

**Subgroups**

- Subgroup on scenarios and forecasts
- Subgroup on the Roadmap of the EU-Russia Energy Cooperation until 2050

**Partnerships**

- Partnership for modernization

**Advisory bodies and mechanisms of partnership**

Informal EU-Russia Consultations on Gas Issues
Дорожная карта энергетического сотрудничества: март 2013

Energy Cooperation Roadmap: March 2013
Основные принципы Дорожной карты энергетического сотрудничества

**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*
«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”.
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 Энергодиалога 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 Энергодиалога 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.
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
### Fundamental approaches of the Russian side

- 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.

### Implementation mechanisms

- 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.
- Cooperation between national regulators.
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
СПАСИБО за ВНИМАНИЕ!

Avec mes meilleurs remerciements

pour votre attention!

THANK YOU FOR YOUR ATTENTION!