Session 1: Development of transit corridors and global energy security: the view of transit and consuming country

Your Excellencies, Ladies and Gentlemen,

It has been already two years since Poland organized the Energy Charter Conference meeting. It was a great honor for the Polish Government to host the annual summit in our capital where we have initiated process, which plays a key role in the future of this organization and its expansion - the Warsaw Process. I would like to take this opportunity to thank the Kazakh authorities not only for their kind invitation to Astana but also for continuing the process, which will eventually lead to the adoption of the International Energy Charter.

The global energy sector has been evolving through the past years. The global energy consumption is steadily increasing which creates new challenges both for consuming and producing countries. In the same time we are observing a concentration of energy consumption in the regions located far away from production centers. Both groups share the interest of guaranteeing the reliability and predictability of energy supply, which brings up the role and importance of energy transiting countries to a new level. Against this background the Energy Charter Treaty remains the sole and only internationally binding legal instrument that can contribute effectively to development of needed investments.

As the only legal framework with such a broad scope of common rules in the energy investment cycle, the Treaty allows to improve the investment climate in the Signatories’ countries and to attract so needed investments. Ensuring the appropriate level of investment is thus crucial for economic development of countries and improvement of life conditions for their citizens. The Energy Charter Treaty has played a significant role in Poland for the past 15 years in terms of development and modernization of domestic energy and the strengthening of our energy security.

In reference to the transit issues two points should be highlighted. Poland is a consuming country which in the meantime plays a significant transit role for the European Union. This is why for us, the freedom of transit is one of the core values of the Treaty in the regional context. We believe that ECT’s transit provisions are the substance of this organization and in our view the free movement of the energy must be fully respected and enforced. These common rules significantly improve energy security and facilitate the development of stable and transparent trade in energy on a regional and global scale.

In addition the Energy Charter Treaty is crucial for guaranteeing stable investments in energy infrastructure. There is a direct link between strengthening the energy security and removing bottlenecks in transportation. The Energy Charter Treaty remains the most important tool for accelerating effective development of large domestic and cross-border infrastructure projects. Taking into account the perspective of the next few years, we hope that the Energy Charter framework will significantly contribute to the development of the Southern Gas Corridor in order to bring gas from the Caspian region to the European Union in order to further diversify its gas supplies. We do hope this concept will materialize as soon as possible.

The role of the ECT for the development of transit corridors and ensuring the security of transportation of energy is unquestionable. Nevertheless the ECT is only a framework that
gives guidance on how to create favorable investment climate. It is however we, the governments, who have to put regulatory regimes in place for it to work effectively. This is why the Energy Charter constitutes an excellent forum for sharing best practices in this field.

Ladies and Gentleman a number of experts emphasize that Multilateral Investment Treaties like the ECT play an effective role in promoting and protecting investments, bringing capital to the emerging economies and strengthening cooperation between different types of private and state-owned entities. Enforcing the provisions of the Treaty is essential for the new members to the ECT family. The experiences of the signatories of the Energy Charter Treaty show that its full implementation brings stability to the energy markets, improves investment flows and increases Foreign Direct Investments, which allows for an effective development of the transit corridors.

Summarising, I would like to underline once again that Poland is committed to the values of the ECT. We continuously promote it as the sole multilateral legally binding instrument that creates an open and competitive energy market. I am convinced that the future of the Energy Charter relies on its extension to new countries, especially in Asia and Africa. I would like to encourage all Signatories, old and new, to take full advantage of the expertise of the Energy Charter in creating a level playing field and integrating our energy markets. We should all do our best to make this process effective.

Thank you for your attention.