MINISTERIAL CONFERENCE: SPANISH STATEMENT

Prime Minister Massimov, Minister Shkolnik, Vice Minister Karabalin, Mr. Sarsenov (Vice-chairman of the Conference), Mr. Šefčovič, Ambassador Rusnák (Secretary General), Ministers, Honorable Delegates:

It’s a great pleasure for me to address these words on behalf of the Spanish Government.

First of all, let me join the rest of the delegations to congratulate and to thank the Government of Kazakhstan and the Energy Charter Secretariat for their hard work in the organization of this Ministerial Conference and for the excellent reception given to all delegates.

Modern life understood in broad economic, political and social terms would not be possible without energy. Since developments in the international energy sector have increasingly been perceived as a threat by governments the question of energy security has come high on the political agendas. There is not a single and clear definition of the concept of energy security but it is commonly accepted that it encompasses several factors which form a value chain that can only be understood in the framework of international cooperation, solidarity and mutual trust. The recent events in Ukraine show that ensuring the smooth functioning of very link in the chain is a must in the broad context of energy security.

In this sense the extent of a country’s vulnerability regarding energy security is not a function of how much energy it produces domestically or buys from abroad, these are just parts of a more complex picture. Nowadays nations are moving towards energy interdependence in every respect. National policy decisions cannot be understood without bearing in mind the regional level. Construction of energy infrastructures requires a cross border approach. Decision to undertake particular projects belongs to the private sector but the political decisions that create conditions to favor proper development of these projects belong to governments.

Therefore cooperation among these different actors who are closely intertwined is at the center of any discussion on energy security and that’s precisely the reason why any discussion related to energy at international level includes the need to enhance energy security through dialogue and cooperation.

The question would be then how to encourage cooperation and how to design strategies to implement it. The Energy Charter, together with other benchmark
international organizations in the field of energy, are called for playing an instrumental role by providing the forum where producer, consumer and transit countries can put on the table and freely discuss their interests, concerns and proposals.

Certainly the Energy Charter, taking advantage of its political dimension, can contribute to facilitate dialogue among public authorities. The Energy Security Contact Group set up by the Secretariat on the context of the Ukraine crisis is evidence of this role. The organization of international events, as for instance the Fora that have been recently hold in Bratislava and Tokyo, and the Industry Advisory Panel, that provides advice on relevant issues related to energy investments and cross-border flows, are good examples of how to enhance dialogue between governments and the private sector.

Nevertheless the Energy Charter should also strengthen its legal and technical dimension to contribute to create clear investment conditions, open and competitive markets, stable and transparent trade and safe and reliable transit. The real added value of the Energy Charter and what distinguishes it from other organizations in the field of energy is the existence of a legally binding instrument which is the Energy Charter Treaty.

Taking advantage of this unique framework and making the most of it must be a key goal, even the key goal, for the current constituency and also for those countries that are on their road to complete their accession to the Treaty and for those that, hopefully, will join the Energy Charter process in a near future. Consequently and as for the need for new binding instruments it seems logical to fully implement first the provisions of the already existing instruments, especially those that have already proven to be effective, before considering the possibility of new ones being developed.

As regards the role of the transit corridors within the scope of energy security there is no doubt that the development of critical infrastructure contributes to guarantee energy flows and allows producer, consumer and transit countries to benefit from the opportunities of cross-border trading and interconnected markets. This being said and acknowledging that construction of new energy infrastructure is of utmost importance, it is not less relevant to take full advantage of existing infrastructures.

On the other hand the absence of the relevant transit corridors hampers the necessary diversification of energy sources which is instrumental to ensure the economy remains productive and viable even in the event of adversity or conflicts that may result in market disruptions.
Finally, achieving adequate levels of interconnection capacity is crucial for every country to benefit from the advantages of the integrated and regional markets. In this sense, it must be highlighted the paramount importance of ending the energy isolation and the bottle necks that force the countries concerned to assume extra costs to guarantee their own supply or to meet their international commitments. The lack of interconnection is not just a concern at national level but rather a problem that drags competitiveness, encumbers energy flows and hinders energy security at regional and global level.

Ladies and gentlemen, the development of transit corridors in the framework of energy security must be understood as part of a comprehensive strategy that builds upon many different elements, all of them relevant and all of them essential, which once again shows that the energy sector is a complex patchwork in which governments, private sector and international organizations are call to work together to achieve their goals.