

Promoting Energy Security and Investment in the Black Sea Area: The role of multilateral cooperation

Odessa, 27 July 2010

Ann Eggington
Head of Division for Europe, Middle East and Africa
International Energy Agency

Some key themes

*Region **severely affected by economic and financial crisis**: uncertainty over how quickly demand will recover both in Black Sea area itself and in main Black Sea export markets*

*Large **scope for improvements in energy efficiency** across the region*

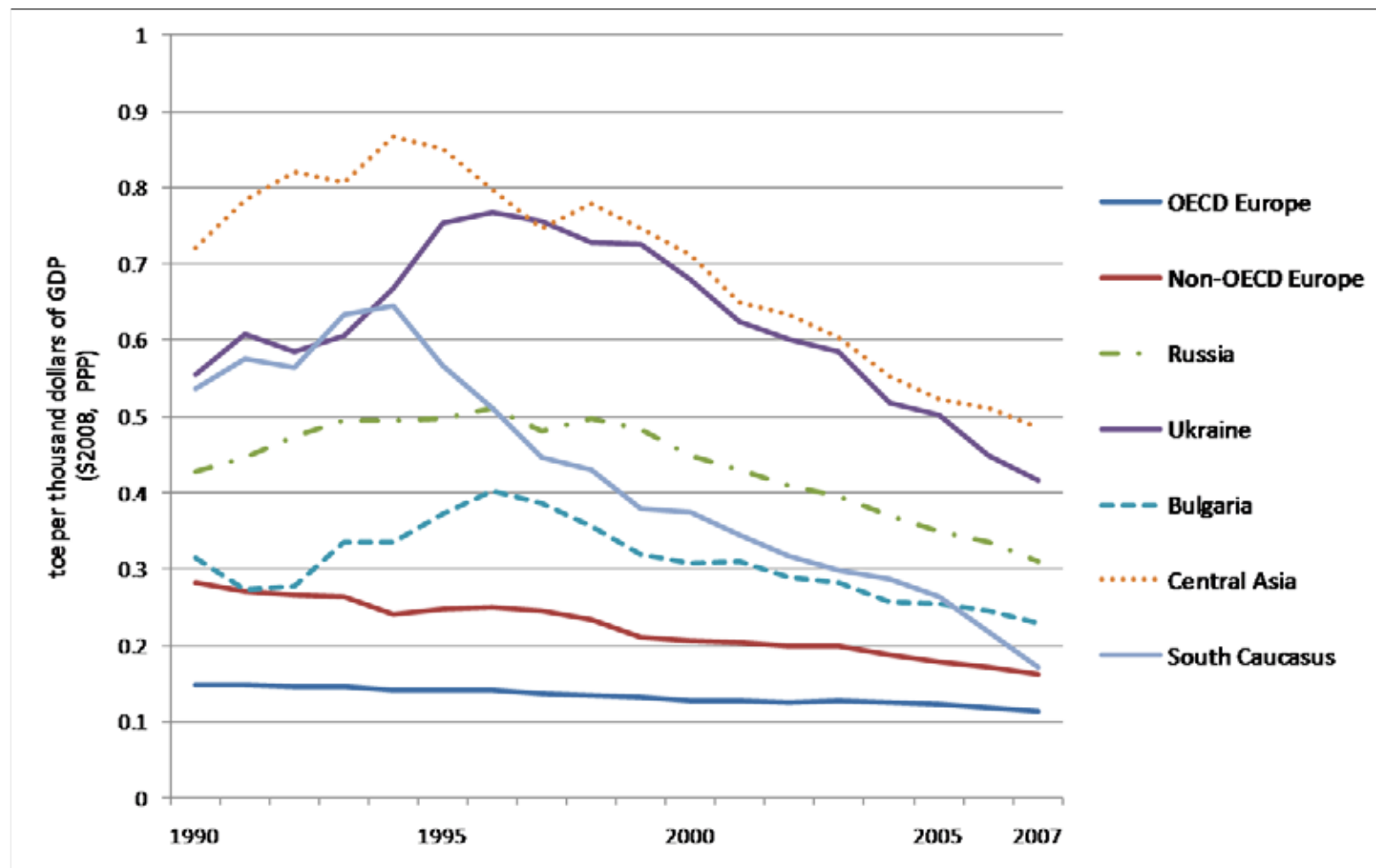
***Different resource endowments** imply a strong rationale for regional energy trade but regional markets in early stages of development*

***High dependence on hydrocarbon imports** for many Black Sea countries, primarily from Russia*

*Potential to **develop indigenous production** both of fossils fuels and of renewable energy resources*

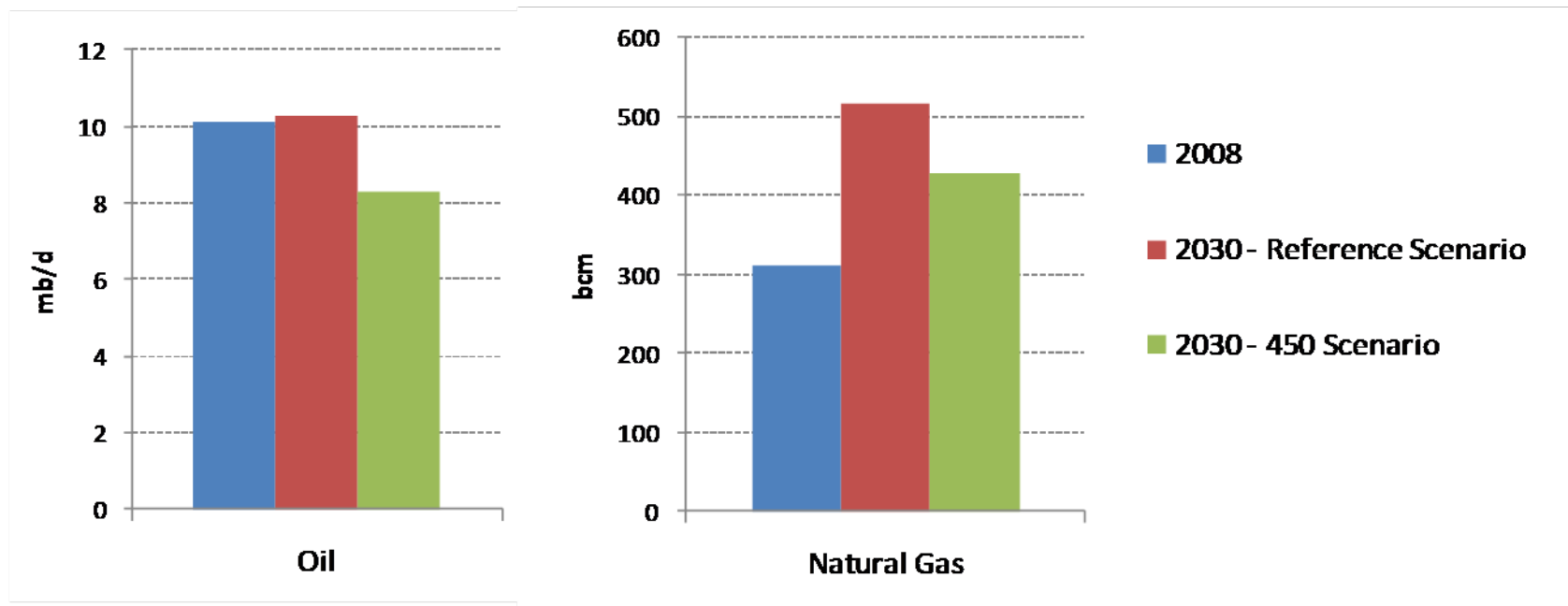
*Caspian region provides a diversification option for many Black Sea countries but still **uncertainties over new transportation / transit infrastructure** and how to align interests across multiple national borders*

Energy intensity of GDP



***Energy intensity of GDP still relatively high across the region,
in particular in Central Asia and Ukraine***

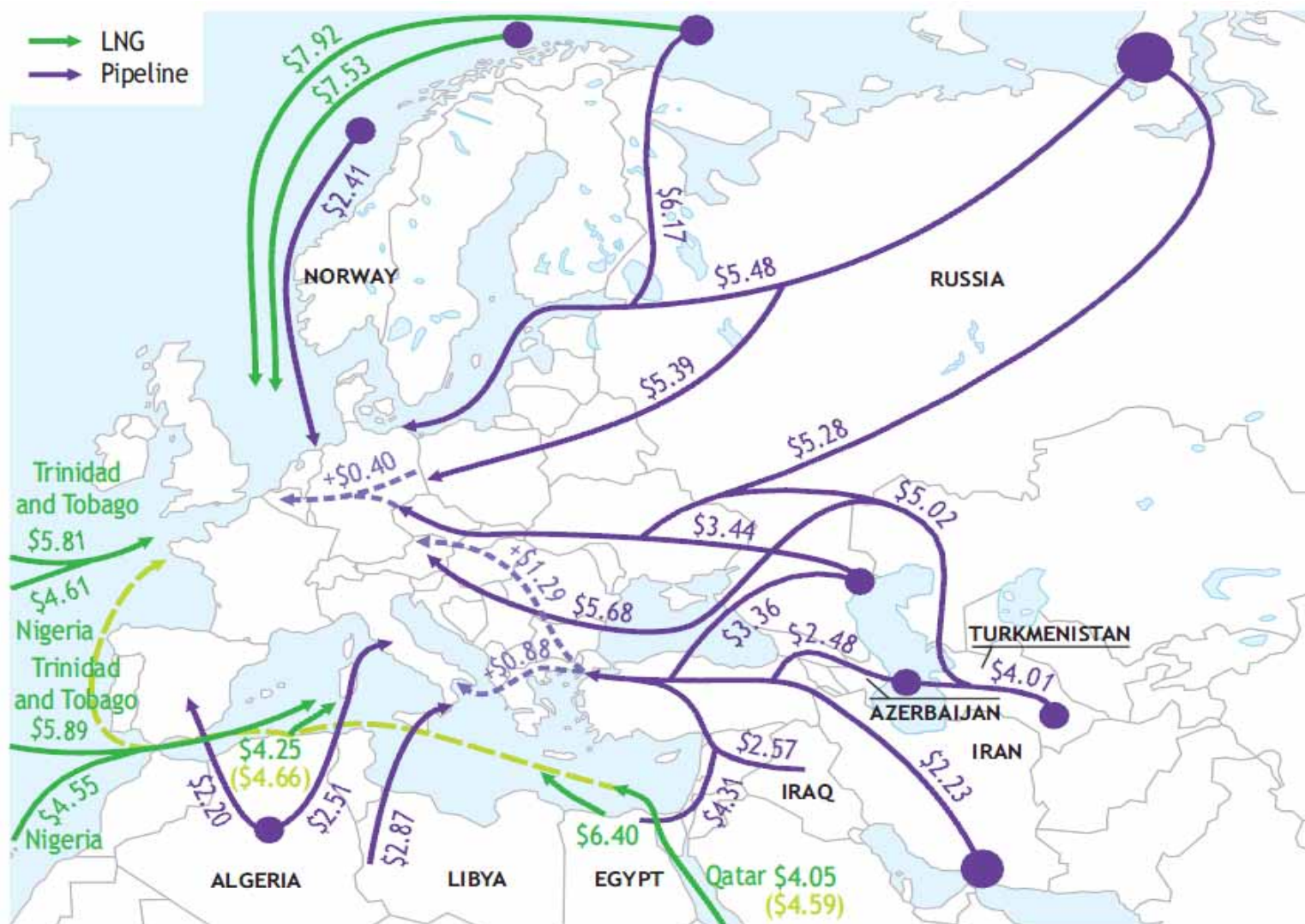
European Union oil and gas net imports



Source: World Energy Outlook 2009

***Even in 450 Scenario, Europe's oil net imports will be over 8 mb/d;
gas net imports at least +100 bcm more than currently***

Indicative costs for potential new sources of gas delivered to Europe, 2020 (\$/MBtu)



The boundaries and names shown and the designations used on maps included in this publication do not imply official endorsement or acceptance by the IEA.

- **Better control of demand** through energy efficiency
- **Diversity of supply**
 - *Types and sources of energy supply*
 - *Means of transmission and delivery*
 - *Flexibility (reversibility)*
- **Regional cooperation, interconnectivity**
 - *Open and transparent market*
 - *Speaking with one voice*
- **Adequate and timely investment**
- **And short-term, emergency response measures when a crisis hits...**

- **Policy reviews**

- *Black Sea study (2000) conducted with the Energy Charter Secretariat*
- *In-depth review of Ukraine (2006)*
- *Energy in the Western Balkans (2008)*
- *Country studies for IEA members (Turkey 2009; Greece 2006)*
- *Forthcoming study of the Caspian region (2010 WEO)*

- **Joint activities and policy dialogue**

- *High-level policy dialogue (2010 Partnership Meeting on Energy and Sustainability, support to regional initiatives such as the Energy Community)*
- *Training and capacity-building (statistics, energy efficiency, technology policies, i.e. joint workshop in Sofia in April 2010)*