

Ambassador Urban Rusnak
 Secretary General - Energy Charter
 Secretariat

"Ideal instrument for handling energy issues"

Ambassador Urban Rusnák became Secretary General of the Energy Charter Secretariat in January 2012. Amb. Rusnák is Slovak by nationality. He graduated from the Moscow Institute of Oil and Gas in 1990 with an M.Sc. and received his Ph.D. from the Ankara University Institute of Social Sciences in 1998. Amb. Rusnák also holds an Honoris Causa doctorate from the Kiev Slavonic University since 2009. Prior to his appointment with the Energy Charter Secretariat, Amb. Rusnák worked at the Ministry of Foreign Affairs of the Slovak Republic and was the Leader of the Project for Slovakia's External Energy Security. Before that, he was Extraordinary and Plenipotentiary Ambassador of the Slovak Republic to Ukraine (2005-2009), Head of the MFA Political Analysis Division (2003-2005), Deputy Head of Mission at the Embassy of the Slovak Republic in Turkey (1994-1998) and MFA Desk Officer for South Caucasus, Central Asia, CIS and South East Europe. He also held the position of Executive Director of the International Visegrad Fund in Bratislava (2000-2003) and Director of the Slovak Institute for International Studies (1999-2000).

Additionally, Amb. Rusnák was a Lecturer at the Kiev Slavonic University (2005-2009) and at the International Relations Faculty of the Economic University in Bratislava (2000-2003). He was also Chairman of the Editorial Board of the Slovak Institute for International Studies (2000-2003), Editor in Chief for the MFA International Issues Journal (1998-1999) and is the author of several articles on international relations, energy security, development assistance and Caspian oil and gas issues.

Besides his mother tongue, Amb. Rusnák speaks English, Russian, Turkish, Ukrainian, French and Hungarian.

Since 1991 energy efficiency is registered in the Energy Charter. Do you think that this concept's practical implementation has evolved (improved) in the past decades?

It is well known that energy efficiency is the most cost effective way to address a number of challenges related to energy including energy security, economic development, and environmental protection. However when we speak about actual implementation it remains difficult to fully mobilize the huge existing potential of energy efficiency, even in the most advanced economies of the world. There are two main reasons for that: First, the investment needed to implement energy efficiency policies in all sectors, and second, the existing capacity to integrate and complement national policies and measures at local level.

Within the Energy Charter Process in the recent years we are trying to respond to both challenges. On one hand we intend to make an emphasis on what already exists in the Energy Charter Treaty to protect foreign direct investments and what we need to incentivize investments into energy efficiency. Therefore we started lately an assessment of the provisions of the Energy Charter Treaty and of the Protocol on Energy Efficiency and Related Environmental Aspects with regard to low carbon investment and energy efficiency. On the other hand, in order to complement our usual tools to enhance energy efficiency at national level we initiated new activities to transfer at the local level both knowledge and tools to prepare sustainable energy policies and plans.



Energy efficiency is the best way to respond to a number of energy challenges

policy objectives may otherwise prevent major investments into our future energy from being made. This is true for the hydrocarbons sector

as well as for investments into energy efficiency and renewables. Industry relies on governments to develop consistent and sustainable energy policies serving long-term objectives. In a time of growing interdependence, the Energy Charter is also a place where governments can consult each other with regard to the mutual effects of their energy policies.

What are the chances of the southern countries to catch up with the delay noticed in the energy sector and how can we reduce huge difficulties with local resources considering that foreign investments are increasingly difficult to acquire?

There is still widespread energy poverty in large parts of the planet, mainly in regions of Africa, Asia and Latin America. At the same time, access to energy is important for economic development and improvement of human and social living standards. The international community has pledged to work together with developing countries in order to address this challenge. In 2009, the Energy Ministers of the G8 together with their colleagues from 15 major emerging countries and the EU Commissioner for Energy issued a joint statement addressing this problem. The Ministers have asked the Energy Charter to play a role along with other players. The challenges are varied. Transparent national policies are required, capacity needs to be built, local communities must be involved, financing and investments be mobilised to access the great resource potential and to build the necessary infrastructure. In times of growing demand for energy world wide and growing prices I believe progress can now be made. The benefit of the local populations should be the primary focus. Here the model of the Energy Charter applies: co-operation among energy producing and consuming, developed and developing countries on the basis of common rules is good for all.

Is the Energy Charter efficient in energy transboundary transportation conflict resolution, particularly gas pipelines that across several countries?

The Energy Charter Treaty has strong provisions aiming at securing trans-boundary energy flows. Before conflicts arise, the focus is on an active role of governments in facilitating transit, in providing fair access to infrastructure and encouraging co-operation of network operators. In case of disputes related to transit, states can apply to a conciliator. We need to do the necessary that states will actively use these instruments and develop them further. Within the modernization of the Energy Charter Process, which is currently ongoing, the member states have identified this as a priority. We are also consulting on a reset of negotiations on the Transit Protocol as an instrument to enable energy trade between countries through grids and pipelines and to ensure their stable operation. As a multilateral treaty bringing together energy producing, consuming and transit states the Energy Charter Process is well suited to address these issues. ■

Energy demand is increasing, prices are rising. The top priority is to ensure that local populations benefit from the application of the Energy Charter model, based on cooperation between consumer and producer countries.

The Energy Charter is a result of a political consensus between leaders from energy producing and consuming countries. Its Energy Efficiency Protocol is not legally binding. How can a strict respect of its fundamentals be ensured?

The Energy Charter Treaty is a comprehensive multilateral treaty on energy providing for common rules on energy trade, transit, investment promotion and protection, environment and other issues. The Protocol on Energy Efficiency and Related Environmental Aspects (PEEREA) entered into force together with the Treaty in 1998 and both documents are today legally binding on nearly 50 states in Europe and Asia. It is true that compared to the Energy Charter Treaty, PEEREA is considered by Member States rather as soft law. Contracting parties of PEEREA commit to establish energy efficiency policies as well as legal and regulatory frameworks, but the protocol does not specify concrete policies, sectors, quantitative objectives and deadlines. In order to monitor countries' progress against PEEREA obligations in-depth

and regular energy efficiency reviews are undertaken on a peer basis. The reviews identify key considerations for policy makers, encourage good practices in policy development and

implementation and provide insight for potential investors on opportunities and challenges. Recommendations from the in-depth reviews are considered by Member States as a key driver for fostering the cause of energy efficiency.

Meeting growing energy demand requires continuous flow of investments. At this time of crisis, how can we make new investments profitable maintaining energy efficiency and respecting environment?

We need to give investors a minimum of stability with regard to non-commercial risks. In the energy sector, investments are extremely capital-intensive and require long-term planning. At the same time, energy is considered a strategic issue and thus energy markets are subject to a high degree of involvement by governments and market regulators. The Energy Charter Treaty protects investors against arbitrary behaviour of governments and thereby contributes to a favourable investment climate. In times of economic crisis this is more necessary than ever, as changing short term