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## **Sofia Energy Summit**

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**France**

1- France is grateful to Bulgaria for organising this Sofia summit on « natural gas for Europe security and partnership », because this summit takes place at the right moment for the following reasons :

- The gas crisis of early 2009, which calls for more international cooperation and a better organised playing field for the energy sector ;
- But also, the obvious need of a better use of natural resources in a long term perspective, also to ensure the necessary global energy transition towards a more sustainable development ;
- And, third, the global economic crisis, which has an impact on energy demand, on prices of hydrocarbons and, therefore, on supply, in the mid-term, through more difficult conditions for investments in production and in energy infrastructure.

For all these reasons, there is a need of a more intense dialogue between producer, consumer and transit countries, with a cooperative approach, but also with the private sector. From that point of view, the Business Forum which was organised yesterday before the summit was a precious opportunity to hear industry's views and identify facts, figures and economics on which projects must be based, but also to identify more precisely the splitting between what has to be done by companies and what is up to governments and public policies.

- 2- France also welcomes the approach for the Summit, which is reflected in the declaration, and which we think is relevant: First, it is necessary to assess TRENDS of supply and demand of gas in Europe, 2), it is useful to recall PRINCIPLES of gas security we can share. Then, 3), we must identify POLICIES AND MEASURES, based on these principles, which can improve energy security. And, finally, 4), We can say how to apply these principles and policies in the region of South-East Europe, which is in a specific situation as far as energy is concerned.
- 3- France's opinion, within the European Union, is that energy security is not only a question of trade and pipes. It is also a question of diversification of the energy mix to address simultaneously the double challenge of climate change and energy security, it is also a question of investments, of policies, which must treat as well the demand-side and the supply side, a question of solidarity and well-prepared plans in case of emergency.
- 4- Thus, for France, we think that energy security can be really improved through :
- More capacity, which means more investment in production and transport infrastructure, but also to improve gas storage facilities or resilience and flexibility of the network ;
  - More transparency and predictability: on data, on demand, on supply, on the way pipes will be filled and used – we must think more upstream and downstream of gas pipelines- on stocks, on transit conditions, on the legal frameworks and the market conditions...
  - More diversity and flexibility : diversity of sources and routes, but also of supplier companies, of the ways to transport energy (pipelines or LNG) ; and we need also more flexibility of the networks, through reverse flows or solidarity mechanisms, but also through storage facilities or fuel switching in case of emergency ;
  - More energy efficiency and energy technology cooperation

As the representative of GDF-SUEZ said yesterday, « there is no one single solution, nor one single project ». There is no single response to energy security. The solution is in the implementation of a whole set of policies

and measures, small and big investments, transparent and market-based rules...

- 5- And more international cooperation is needed to implement all these actions. This implies that we must have strong, long-term and coherent energy policies, which should be open and forward-looking and which take due consideration of the business approach.
- 6- Finally, when assessing projects and deciding of priorities, we think it is absolutely necessary to consider facts, maps and figures, as they are. For, at the end of the game, these data determine the investment choice.
- 7- Mrs Galina Tosheva, CEO of Bulgarian Energy Holding, said yesterday during the Business Forum that the Sofia summit was mainly a summit about rules. Not a summit about pipes, a summit about principles and about rules which must be based on shared principles. Rules and principles for building pipes, to ensure a better interconnectivity and a better functioning of pipes.
- 8- In South-East Europe, the rules are quite clear, although they can be improved and a lot has still to be done to improve interconnectivity in the region for a better energy security. These rules are the EU rules for EU Member States in the area, and the rules of the treaty of the Energy Community for the countries of the region which do not belong to EU. All the countries of South-East Europe belong to this Energy Community, which is a key tool to improve energy security in the region, and it is very important to speed up and progress in the negotiations to enlarge this Community to other countries in the Black sea region.
- 9- With neighbouring countries and regions, as it was stressed yesterday by President Barroso, EU external energy dialogue and cooperation – with Russia, with Ukraine, with Turkey, with the countries of Caucasus and the Caspian region (notably through the Baku process), with countries of the Middle-East and the Mediterranean area- offers real opportunities to discuss principles and improve rules on which cooperation should be based to better organise our energy interdependence.

10- For all these reasons, France considers that the Sofia's approach of gas security is a useful contribution in the debate, which will be pursued in other fora, such as the next Praha Summit, on how to improve our common energy security, particularly in the South-East region.



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