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Subject: Council conclusions on Energy Diplomacy

Delegations will find attached Council conclusions on Energy Diplomacy as adopted by the Council (Foreign Affairs) on 20 July 2015.

Council conclusions on Energy Diplomacy

Foreign Affairs Council on 20 July 2015

1. The Communication "A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy" of 25 February 2015 and the European Council Conclusions of 19-20 March 2015 recognised the importance of the external dimension of the Energy Union. The objectives of the Energy Union can only be met if the external and the internal dimensions of energy policy, in particular a fully functioning Internal Energy Market, are mutually reinforcing.
2. EU policy objectives defined in the EU Energy Union should be supported by a coherent EU foreign and energy policy action, taking into account geopolitical developments. The Council, in line with the Energy Union's implementation roadmap and building on existing EU foreign policy engagement on energy and climate diplomacy, welcomes, as a basis for further work, the annexed EU Energy Diplomacy Action Plan presented jointly by the High Representative and the Commission. It also reaffirms the right of Member States to decide their own energy mix.

The Council invites the High Representative and the Commission to ensure the follow-up of the EU Energy Diplomacy Action Plan, in close consultation and coordination with the Member States and in accordance with their respective roles and competences as determined by the Treaties.

3. In particular, the Council invites the High Representative and the Commission, while ensuring coherence with the EU's climate diplomacy, to strengthen strategic guidance on energy diplomacy, notably through regular engagement of the Council and its relevant preparatory bodies; to support the establishment of new and further development of existing energy cooperation and dialogues, particularly in support of the EU's diversification efforts and initiatives that promote sustainable energy markets; to support objectives to enhance the global energy architecture and multilateral initiatives; and to develop specific proposals for common EU messages on energy diplomacy in order to further strengthen the ability of the EU to speak with one voice, while fully respecting the membership and rules of international organisations.
4. The Council considers the following issues as key priorities for the follow-up of the Action Plan:

On diversification of sources, suppliers and routes: diplomatic support should focus on the Southern Gas Corridor, the Southern Caucasus and Central Asia; the strategic potential of the Eastern-Mediterranean region; the Euro-Mediterranean energy cooperation in the Southern Neighbourhood; the wider Middle East region; new energy sources in the Americas, Africa and Australia, including the potential of Liquefied Natural Gas (LNG).

On energy partnerships and dialogues: foreign policy instruments and channels for engagement should be used to open up opportunities for cooperation with increasingly important producing and transit countries particularly in our Neighbourhood, including the need to ensure, in line with the ongoing trilateral talks, the long-term energy supplies to and transit through Ukraine, also in the context of potential new infrastructure projects, and to further strengthen the Energy Community, notably by promoting energy reforms, including energy efficiency, among all its members; with established key EU partners such as the US, Norway and Canada as well as other major interlocutors, notably China, India, Brazil and other important countries particularly those identified in the Energy Union Framework Strategy. When the conditions are proper, the EU will proceed accordingly in reframing the energy relationship with Russia, based on a level playing field in terms of market opening, fair competition, environmental protection and safety, for the mutual benefit of both sides.

Energy partnerships and dialogues should be coherent with relevant foreign and external policy goals – including climate goals - and promote safe and sustainable low-carbon and energy efficiency technologies including with a view for business opportunities for EU companies. They should also ensure that sovereignty and sovereign rights of Member States to explore and develop their natural resources are safeguarded.

On nuclear safety: the EU remains committed to the promotion and continuous improvement of the highest level of standards in third countries.

On energy architecture and multilateral initiatives: EU energy diplomacy should support strategic engagement with relevant energy architecture and key multilateral initiatives relating to energy such as relevant G7/G20 and UN initiatives, including SE4ALL and post-2015 sustainable development goals; the International Energy Agency Association Initiative; the Energy Charter modernisation and outreach process and the efforts of IRENA to promote renewable energy.

5. The Council invites the High Representative and the Commission to regularly report back on the progress made on the follow-up to the EU Energy Diplomacy Action Plan.

EU Energy Diplomacy Action Plan

1. Strengthen strategic guidance through regular high-level engagement
 - The Foreign Affairs Council will continue to hold regular strategic discussions on energy diplomacy to enhance common analysis and to enable commonly agreed actions and messages, in particular to support the external aspects of the Energy Union.
 - In order to facilitate the engagement of the Foreign Affairs Council, ad hoc papers to steer the discussion may be prepared on major energy issues which could benefit from a strong, unified, EU diplomatic support, as well as about global energy developments with significant foreign and geopolitical impact. These should take into account the full range of foreign policy instruments, climate objectives, the completion of the internal market, market approximation goals, research cooperation, trade, and development assistance instruments.

2. Establish and further develop energy cooperation and dialogues
 - Work should continue to enhance existing and to establish new energy cooperation and dialogues with increasingly important producing states or regions, transit states or regions, countries of the neighbourhood as well as key global and regional strategic partners and interlocutors. Conditions permitting, the EU could also consider reframing the energy relationship with Russia.

- Foreign policy should give particular priority to partners and initiatives crucial to EU efforts to strengthen the diversification of EU energy sources, supplies and routes, as identified in the Energy Union Communication, in particular in our neighbourhood (e.g. the Southern Gas Corridor, the Euro-Mediterranean energy cooperation, the East Mediterranean region, Energy Community). It should also underpin initiatives that promote sustainable energy markets in partner countries and in key third countries, based on EU know-how using safe and sustainable low-carbon technologies and system solutions, including with initiatives such as the Covenant of Mayors and smart cities.
- Foreign policy efforts should also focus on creating business opportunities in and with third countries, including by raising the awareness of third countries to the EU's leadership in energy technologies and assisting in the promotion of export of energy technology and know-how, particularly safe and sustainable low-carbon technologies contributing to reducing greenhouse gas emissions of the world economy, especially renewable energy and energy efficiency technologies.
- Full coherence of energy dialogues with related political and security dialogues, the Climate Diplomacy Action Plan, as well as with other external policy instruments such as development aid and trade should be ensured. Energy dialogues should, where appropriate, include discussions of global and regional energy security developments, where possible, take into account particular specificities and existing relevant engagements of EU Member States.
- Relevant financial resources and instruments such as the European Neighbourhood Instrument, the Instrument for Pre-accession Assistance, the Partnership Instrument and the Development Cooperation Instrument/Global Public Goods and Challenges could be utilised to support energy dialogues and diplomatic initiatives on a case by case basis. Special projects under these instruments could be developed to enable targeted expert support to energy dialogues, trade negotiations, energy diversification policies and the promotion of the transformation of the energy systems to low-carbon economies.

3. Support efforts to enhance the global energy architecture and multilateral initiatives
- Efforts should be increased to reach common EU positions in multilateral energy institutions and frameworks.
 - Particular support should be given to strengthening the existing multilateral energy institutions and initiatives with significant foreign policy impact. These efforts could include support to the modernisation of the Energy Charter, the association initiative of the IEA, the reform of the Energy Community, the further growth of IRENA as well as the relevant initiatives within the G7/G20 and UN (e.g. SE4ALL) frameworks including the post-2015 sustainable development goals.
 - Foreign policy consistency should also be ensured with the energy related initiatives in support of a stable, pro-competitive and sustainable global governance system for trade and investment in energy in bilateral and multilateral settings (e.g. free trade agreements, WTO).
4. Strengthen common messages and energy diplomacy capacities
- Systematic efforts should be made for the EU to speak with one voice on major energy issues both in bilateral relations and in multilateral frameworks.
 - The full range of foreign policy instruments should be used to provide support in promoting common messages and 'narratives' on the top priorities and challenges for EU energy diplomacy.
 - The work of the EU Energy Diplomacy experts' network should continue to provide a platform for exchanges on energy diplomacy. Coordination should be ensured with other relevant groups (e.g. Strategic Group on International Energy Relations) in order to exploit synergies and avoid duplications.

- The EU Energy Diplomacy Experts will coordinate on site with the EU Climate Diplomacy experts and their networks to enhance appropriate contextualisation and sequencing of different messaging and specific outreach activities.
- On the basis of an ongoing EU Energy Diplomacy Mapping exercise, recommendations should improve the coherence and effectiveness of EU institutions and EU Member States energy diplomacy capacities, such as measures to improve information-sharing and reporting to and from Delegations/Embassies in third countries as well as further elements for deepening energy cooperation with third countries.
- Interaction with independent think-tanks, academia and the energy industry should also be further enhanced and encouraged with the aim to increase understanding of the political repercussions of energy developments and trends.
- Close coordination with International Financial Institutions (in particular EIB, EBRD) should be sought as far as the preparation and funding of energy infrastructure projects in the Member States and neighbouring countries is concerned.

The Energy Diplomacy Action Plan should be implemented by the High Representative, the Commission and the EU Member States, in accordance with their respective roles and mandates as determined by the Treaties.
