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'I/A' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: The Sixth Ministerial Meeting of the Southern Gas Corridor Advisory Council, Baku 28 February 2020 - Joint Declaration
- Authorisation to sign on behalf of the European Union

1. On 9 January 2020, the Commission informed the Energy Working Party of the sixth Ministerial Meeting of the Southern Gas Corridor Advisory Council taking place on 28 February 2019 in Baku, and the preparations for the signature of a Joint Declaration at the Ministerial Meeting.
2. It is envisaged that the Joint Declaration will be endorsed by representatives of the Republic of Azerbaijan, the Republic of Albania, Bosnia and Herzegovina, the Republic of Bulgaria, Georgia, the Hellenic Republic, Hungary, the Italian Republic, the Republic of Turkey, the Republic of Croatia, Montenegro, Romania, San-Marino, Turkmenistan, the United Kingdom, the United States of America, and the European Union.

3. On 28 January 2020 and 4 February 2020, the Working Party on Energy examined the draft Joint Declaration. The draft declaration was amended to take into account the comments of delegations.
4. Subject to the confirmation by the Permanent Representatives Committee, the Council is invited to authorise the signature, on behalf of the European Union, subject to minor adjustments at the Ministerial Meeting, of the Joint Declaration set out in the Annex.

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ANNEX

The Sixth Ministerial Meeting of the Southern Gas Corridor Advisory Council

JOINT DECLARATION

BAKU, 28 FEBRUARY 2020

We, the participants of the Sixth Ministerial Meeting of the Southern Gas Corridor¹ Advisory Council, held in Baku on the 28th February 2020:

Reaffirming our strategic partnership based on the shared goals of improving the security and prosperity of our citizens, the protection of the environment and the reduction of greenhouse gas emissions;

Recognising the EU's approach under the Energy Union Strategy and emphasizing the importance of establishing an integrated European energy system advancing towards a clean energy future in line with the EU's Green Deal to achieve a climate-neutral EU by 2050 and a secure and competitive economy, as well as the European Union's long-term objective to further reduce greenhouse gas emissions in line with its international commitments;

Noting the relevant role of natural gas in the transition to low and zero emission energy systems, as well as being one amongst other back-up solutions for power generation from renewable energy sources;

¹ The Southern Gas Corridor, for the purpose of this Declaration, currently comprises the extension of the South-Caucasus Pipeline (SCx), the Trans-Anatolian Gas Pipeline (TANAP) and the Trans-Adriatic Pipeline (TAP).

Building on the recognition that the Southern Gas Corridor enhances Europe's energy security and diversification by connecting the Continent to new sources of natural gas supplies, fostering regional and European cooperation;

Recognizing the importance of supply security and the security of energy transportation routes, as well as the diversification of energy supplies by country of origin, path of delivery, and fuel types, including renewables and of uninterrupted trade and competitive markets to the region's economic security, taking into account national circumstances, needs and priorities;

Recognizing the strategic role of the Republic of Azerbaijan as a key enabler of the Southern Gas Corridor, in close partnership with respective countries, in the efforts to deliver secure, competitive and affordable energy to consumers in the Republic of Turkey and in Europe and in appreciation of Azerbaijani investments in the Southern Gas Corridor's Georgian, Turkish and European components;

Building on the recognition that the Southern Gas Corridor, which brings diversification of natural gas supply and contributes to the security of energy supply, is of strategic importance for the Caucasus, the Republic of Turkey, Europe, and other potential suppliers of natural gas;

Welcoming the completion of the Trans Anatolian Natural Gas Pipeline, a major segment of the Southern Gas Corridor, by July 1, 2019 and its full operational readiness as of November 30, 2019;

Noting that all remaining segments of the Southern Gas Corridor are nearing completion, with first gas to Italy expected to be supplied in 2020;

Reaffirming the importance of continued political support to the completion of the Southern Gas Corridor including new infrastructure development which will ensure the cross-border interconnectivity between transmission systems;

Recognizing the need for the effective operations of the Southern Gas Corridor through the timely completion of the Trans Adriatic Pipeline;

Recognizing the decision of the Republic of Azerbaijan and investing companies to facilitate development of Absheron, Umid, Babek, Karabakh, Dan Ulduzu, Ashrafi, Shah Deniz III and other fields to continue to contribute along with the other gas producers to the further expansion of the Southern Gas Corridor, provided there is sufficient market interest;

Appreciating the Republic of Azerbaijan's faithful observance of sanctity of contracts in its energy sector, which encourages long-term foreign investment and cooperation;

Appreciating that operators of the Southern Gas Corridor project, are signatories to the Methane Guiding Principles, which safeguards that the Southern Gas Corridor will employ the industry's best practices to ensure prevention of methane leakages.

Emphasizing the crucial role of the Republic of Turkey, Georgia, the Hellenic Republic, the Republic of Albania, the Republic of Bulgaria and the Italian Republic in assuring the successful operation of the Southern Gas Corridor as well as the transport of gas supplies from the Caspian Region to Europe on their territories;

Highlighting the importance of Georgia in effective and successful implementation and operation of energy transportation corridors transiting across its territory;

Appreciating the key role of the Republic of Turkey in the successful implementation of the Trans-Anatolian Natural Gas Pipeline Project, which is the backbone of the Southern Gas Corridor;

Appreciating the fundamental role of the Hellenic Republic, the Republic of Albania and the Italian Republic in the progress on the implementation of the Trans-Adriatic Pipeline;

Appreciating the Republic of Bulgaria's key role in the financial structuring of the gas Interconnector Greece-Bulgaria and highlighting the ongoing efforts and successive and focused steps towards its timely completion, whilst recognising the considerable progress already achieved;

Recognizing the importance of the continuing support of the United States of America in developing the Southern Gas Corridor;

Welcoming the participation of delegations ... in the Sixth Ministerial Meeting of the Southern Gas Corridor Advisory Council;

Appreciating the continuous support expressed by South Eastern European countries for the implementation of the Southern Gas Corridor and their contribution to connecting Southern and Central Europe and the Southern Gas Corridor;

Recognizing the valuable and active support of the European Union and welcoming the European Commission's inclusion of the SCP(F)X, TAP, and TCP projects in the 4th list of EU Projects of Common Interest;

Recognizing the importance of natural gas discoveries in the Eastern Mediterranean countries and the need to develop infrastructure linking those resources to respective markets, in particular the East-Med Gas Pipeline, recognized by the EU as a Project of Common Interest (PCI), in order to further diversify energy supplies, sources and paths of delivery.

Noting the significant role of the international, European and national financial institutions in contributing to the provision of loan capital to realise the Southern Gas Corridor;

Noting the renewed commitment of the international oil and gas companies for their long-term local presence and the common interest to ensure a continuous fair and transparent framework for investment in the energy sector in the Republic of Azerbaijan;

Recognizing that the Southern Gas Corridor is designed to welcome additional volumes of natural gas from countries that have not hitherto supplied gas to the European Union and in this context confirming that the Southern Gas Corridor infrastructure can be available for use by multiple suppliers;

Hereby declare the following:

1. We remain determined to continue deepening the long term strategic relationship among the stakeholder countries of the Southern Gas Corridor and between transporters, suppliers, and consumers of the energy resources, to secure reliable and sustainable supply and transportation of gas from the Republic of Azerbaijan to Georgia, the Republic of Turkey, the Hellenic Republic, the Republic of Albania, the Republic of Bulgaria and the Italian Republic and further to European countries;
2. We welcome the substantial progress achieved in the implementation of the Southern Gas Corridor since the previous Ministerial meetings held in Baku on 12 February 2015, 29 February 2016, 23 February 2017, 15 February 2018 and 20 February 2019;
3. We appreciate the successful efforts regarding the completion by relevant authorities and entities of the remaining regulatory and legal prerequisites and procedures related to permitting and authorizations, as well as other measures necessary for the unimpeded construction of the Southern Gas Corridor to be completed without undue delays;

4. We intend to continue to examine the expansion of the Southern Gas Corridor to further markets, provided there is sufficient market demand, e.g. such as the Energy Community Contracting Parties in the Balkans, through assessing technical and commercial opportunities to cooperate with existing and planned infrastructure owners, including within the framework of the Central and South Eastern Europe Gas Connectivity (CESEC) whilst taking into account the need for diversification of sources, suppliers and routes. We welcome, for instance, the further development of the Ionian Adriatic Pipeline (IAP) project within the framework of the Energy Community. We welcome the start of the construction of the Interconnector Greece – Bulgaria and express support to the implementation of the other regional gas transportation infrastructure initiatives; the already constructed interconnector between Bulgaria and Romania and progress on the bi-directional connection between the gas systems of Bulgaria and Romania, and Bulgaria and Serbia (IBS);

5. We welcome the confidence of international financial institutions, which have provided access to affordable financing for projects within the framework of the Southern Gas Corridor and we support further efforts to engage national, European and regional financial institutions, notably by maintaining and developing further the transparent, predictable and stable regulatory environment with its appropriate monitoring mechanisms;

6. We continue to promote strategic energy partnerships in the region and beyond in order to address the remaining implementation issues of the Southern Gas Corridor and adjoined new and expanded interconnecting infrastructure with the continuous support of the European Union, in particular through the implementation of the Energy Union Strategy and in line with long-term de-carbonisation goals.

7. We maintain our firm intention to continue developing bilateral and multilateral cooperation to open the Southern Gas Corridor to possible future participants in their capacities as suppliers and/or transit countries, and to continue working level consultations to address, in the most practical and timely way, relevant legal, regulatory, environmental, safety and security matters, which may emerge during the realization of any future expansion of the Southern Gas Corridor;
8. We welcome the interest of potential additional new suppliers of natural gas to use the Southern Gas Corridor to further diversify natural gas supplies to Europe and to other countries; and encourage discussions to ship additional gas supplies to Europe;
9. We assert that the Southern Gas Corridor will play a reliable role in enhancing the security and diversity of supply of natural gas to Europe, given its potential to enhance the cross-border interconnectivity among the EU Member States in Central and Eastern Europe and the Balkans, as well as among the Energy Community Contracting Parties. The already existing gas infrastructure in the region such as the Interconnector between Bulgaria and Romania and the BRUA project, developed within the framework of the Vertical Corridor, will significantly contribute to this increased role of the Southern Gas Corridor due to their capabilities to reach new markets.
10. We declare that the Southern Gas Corridor has achieved significant progress and we maintain our effort to ensure its timely completion enabling delivery of natural gas to European countries in 2020.

This Joint Declaration was endorsed by representatives of the Republic of Azerbaijan, the Republic of Albania, the Republic of Bulgaria, Georgia, the Hellenic Republic, the Italian Republic, the Republic of Turkey, Turkmenistan, and the Republic of Croatia, Montenegro, Romania, Bosnia and Herzegovina, San-Marino, the United Kingdom, the United States of America, and the European Union.

The Republic of Azerbaijan

Georgia

The Republic of Albania

The Republic of Bulgaria

Hungary

The Republic of Turkey

The Hellenic Republic

The Italian Republic

The Republic of Croatia

Montenegro

The United States of America

The European Union

Bosnia and Herzegovina

San-Marino

The United Kingdom

Romania

Turkmenistan
