

EU foreign policy enters the post-Lisbon Treaty era, and the new global terra incognita

Following the final ratification of the Lisbon Treaty the EU has moved swiftly to implement its institutional provisions with appointment on 18 November of Belgian Prime Minister, Herman Van Rompuy, as President of the European Council, and with Baroness Catherine Ashton (UK, responsible in the European Commission for trade policy in 2009) nominated to the double position of High Representative of the Council for foreign and security policy and Vice-President of the European Commission.

On 27 November President Barroso of the European Commission followed through with appointment of the entire college of 27 Commissioners and assignment of their responsibilities. Of relevance to foreign policy were the following appointments:

- Baroness Ashton becomes First Vice-President of the Commission, which is the first time there has been a First V-P, and signals her *primus inter pares* in relation to other Commissioners having responsibilities in the broad foreign policy domain. These include:
 - Stefan Füle, Czech Minister for European Affairs, who becomes Commissioner for Enlargement and Neighbourhood Policy;
 - Karel de Gucht, former Belgian foreign minister, who becomes Commissioner for Trade;
 - Andris Piebags, Latvian, outgoing Commissioner for energy, who becomes Commissioner for Development;
 - Rumiana Jeleva, Bulgarian, who becomes Commissioner for Humanitarian Aid and Crisis Response.

These are only the Commissioners whose mandates explicitly relate to external affairs. However there are several other portfolios that have significant external relations content. These include:

- Connie Hedegaard, Danish, Commissioner for Climate Action;
- Olli Rehn, Finnish, Commissioner for Economic and Monetary Affairs;
- Guenther Oettinger, German, Commissioner for Energy;
- Maria Damanaki, Greek, Maritime Affairs and Fisheries;

- Sim Kallas, Estonian, Commissioner for Transport;
- Cecilia Malmstrom, Commissioner for Home Affairs, which includes Schengen and visa policies, and frontier protection.

Together with President Barroso this makes no less than twelve Commissioners with significant interests in external relations.

For the European neighbourhood the appointment of Stefan Füle is of course of special importance. There are both personal and policy aspects to note here. Stefan Füle is 47 years old and studied from 1980 to 1981 at the Charles University in Prague, but then for much longer at the Moscow State Institute for International Relations (MGIMO) from 1982 to 1986. After these studies he became a career diplomat and has been ambassador to Lithuania and the UK. Wikipedia tells us that he was a member of the Czech Communist Party from 1982 to 1989, a point that will no doubt be noted in the forthcoming hearings of the European Parliament, which have to confirm the appointments.

The striking point about his portfolio in the Commission is that it combines enlargement and neighbourhood policies together. European neighbouring states that have expressed membership ambitions (Ukraine, Moldova, Georgia) will be intrigued by this move. These states should not jump to the conclusion that this organisational step means a political move in the direction of recognising their membership perspectives, which would be a decision that only the member states in the Council could take. Yet it could mean some reinforcement of the *modus operandi* of the Commission in its management of the neighbourhood policy in the direction of 'enlargement-lite'. However it seems that the staff organigramme here has still to be worked out. The President of the Commission's announcement of portfolios and staff structures includes for Stefan Füle both the Enlargement Directorate-General and "the neighbourhood parts of the External Relations Directorate-General", whereas all the rest of the External Relations DG go to the External Action Service.

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editorial continued...

This service will be a new semi-institution combining the external relations staff of both Commission and Council under Baroness Ashton. The small print of President Barroso's decision says that this retention of the neighbourhood policy staff in the Commission is "without prejudice for the creation of the future European External Action Service (EEAS)".

We are unsure what this means, as between the neighbourhood staff either remaining in the Commission with the Enlargement DG or going into the EEAS, but the first version seems more likely. These are not entirely inconsequential bureaucratic minutiae, since the outcome could have some influence on the depth of the integration quality of the neighbourhood policy.

Overall the Lisbon Treaty marks a certain step change, enhancing the EU's institutional apparatus for foreign and security policy. The merger of parts of the Council and Commission under the double-hatted High Representative/First Vice President of the Commission is going to take the whole of 2010 to sort out, and the operational consequences will take years to take shape. One might even say decades since there are surely going to be no more Treaty changes for a long time, given the political pain and stresses of ratifying Lisbon. The development of the content of EU foreign policy is surely going to get a new impulse, but the political nature of this development remains unknown. In principle the EU aims to become a values-driven foreign policy actor, seeking to reinforce the mechanisms of international law, multilateralism and rule-based foreign policy, but the global context is a world of newly emerging major powers, some of whom have quite different ideas. There now loom up big open questions over the nature of this new world, whether it is going to become at best an ordered and stable world regime, or at worst a dangerously unstable multi-polarity. The EU's emerging foreign policy is going to have to play into this new global terra incognita.

by Michael Emerson

Russian proposal for a European Security Treaty

Russian Presidency press service

Moscow, 29 November 2009. [Link](#)

The Parties to this Treaty,

Desiring to promote their relations in the spirit of friendship and cooperation in conformity with international law,

Guided by the principles set forth in the Charter of the United Nations, Declaration on Principles of International Law concerning Friendly Relations and Cooperation among States in accordance with the Charter of the United Nations (1970), Helsinki Final Act of the Conference for Security and Cooperation in Europe (1975), as well as provisions of the Manila Declaration on the Peaceful Settlement of International Disputes (1982) and Charter for European Security (1999),

Reminding that the use of force or the threat of force against the territorial integrity or political independence of any state, or in any other way inconsistent with the goals and principles of the Charter of the United Nations is inadmissible in their mutual relations, as well as international relations in general,

Acknowledging and supporting the role of the UN Security Council, which bears the primary responsibility for maintaining international peace and security,

Recognizing the need to join efforts in order to respond effectively to present-day security challenges and threats in the globalized and interdependent world,

Intending to build effective cooperation mechanisms that could be promptly activated with a view to solving issues or differences that might arise, addressing concerns and adequately responding to challenges and threats in the security sphere,

Have agreed as follows:

Article 1

According to the Treaty, the Parties shall cooperate with each other on the basis of the principles of indivisible, equal and undiminished security. Any security measures taken by a Party to the Treaty individually or together with other Parties, including in the framework of any international organization, military alliance or coalition, shall be implemented with due regard to security interests of all other Parties. The Parties shall act in accordance with the Treaty in order to give effect to these principles and to strengthen security of each other.

Article 2

1. A Party to the Treaty shall not undertake, participate in or support any actions or activities affecting significantly security of any other Party or Parties to the Treaty.

2. A Party to the Treaty which is a member of military alliances, coalitions or organizations shall seek to ensure that such alliances, coalitions or organizations observe principles set forth in the Charter of the United Nations, Declaration on Principles of International Law concerning Friendly Relations

and Cooperation among States in accordance with the Charter of the United Nations, Helsinki Final Act, Charter for European Security and other documents adopted by the Organization for Security and Cooperation in Europe, as well as in Article 1 of this Treaty, and that decisions taken in the framework of such alliances, coalitions or organizations do not affect significantly security of any Party or Parties to the Treaty.

3. A Party to the Treaty shall not allow the use of its territory and shall not use the territory of any other Party with the purpose of preparing or carrying out an armed attack against any other Party or Parties to the Treaty or any other actions affecting significantly security of any other Party or Parties to the Treaty.

Article 3

1. A Party to the Treaty shall be entitled to request, through diplomatic channels or the Depositary, any other Party to provide information on any significant legislative, administrative or organizational measures taken by that other Party, which, in the opinion of the Requesting Party, might affect its security.

2. Parties shall inform the Depositary of any requests under para. 1 of this Article and of responses to them. The Depositary shall bring that information to the attention of the other Parties.

3. Nothing in this Article prevents the Parties from undertaking any other actions to ensure transparency and mutual trust in their relations.

Article 4

The following mechanism shall be established to address issues related to the substance of this Treaty, and to settle differences or disputes that might arise between the Parties in connection with its interpretation or application:

a) Consultations among the Parties;

b) Conference of the Parties;

c) Extraordinary Conference of the Parties.

Article 5

1. Should a Party to the Treaty determine that there exists a violation or a threat of violation of the Treaty by any other Party or Parties, or should it wish to raise with any other Party or Parties any issue relating to the substance of the Treaty and requiring, in its opinion, to be considered jointly, it may request consultations on the issue with the Party or Parties which, in its opinion, might be interested in such consultations. Information regarding such a request shall be brought by the Requesting Party to the attention of the Depositary which shall inform accordingly all other Parties.

2. Such consultations shall be held as soon as possible, but not later than (...) days from the date of receipt of the request by the relevant Party unless a later date is indicated in the request.

3. Any Party not invited to take part in the consultations shall be entitled to participate on its own initiative.

Article 6

1. Any participant to consultations held under Article 5 of this Treaty shall be entitled, after having held the consultations, to propose the Depositary to convene the Conference of the Parties to consider the issue that was the subject of the consultations.

2. The Depositary shall convene the Conference of the Parties, provided that the relevant proposal is supported by not less than (two) Parties to the Treaty, within (...) days from the date of receipt of the relevant request.

3. The Conference of the Parties shall be effective if it is attended by at least two thirds of the Parties to the Treaty. Decisions of the Conference shall be taken by consensus and shall be binding.

4. The Conference of the Parties shall adopt its own rules of procedure.

Article 7

1. In case of an armed attack or a threat of such attack against a Party to the Treaty, immediate actions shall be undertaken in accordance with Article 8(1) of the Treaty.

2. Without prejudice to the provisions of Article 8 of the Treaty, every Party shall be entitled to consider an armed attack against any other Party an armed attack against itself. In exercising its right of self-defense under Article 51 of the Charter of the United Nations, it shall be entitled to render the attacked Party, subject to its consent, the necessary assistance, including the military one, until the UN Security Council has taken measures necessary to maintain international peace and security. Information on measures taken by Parties to the Treaty in exercise of their right of self-defense shall be immediately reported to the UN Security Council.

Article 8

1. In cases provided for by Article 7 of this Treaty, the Party which has been attacked or threatened with an armed attack shall bring that to the attention of the Depositary which shall immediately convene an Extraordinary Conference of the Parties to decide on necessary collective measures.

2. If the Party which became subject to an armed attack is not able to bring that to the attention of the Depositary, any other Party shall be entitled to request the Depositary to convene an Extraordinary Conference of the Parties, in which case the procedure provided for in Para. 1 of this Article shall be applied.

3. The Extraordinary Conference of the Parties may decide to invite third states, international organizations or other concerned parties to take part in it.

4. The Extraordinary Conference of the Parties shall be effective if it is attended by at least four fifths of the Parties to

the Treaty. Decisions of the Extraordinary Conference of the Parties shall be taken by unanimous vote and shall be binding. If an armed attack is carried out by, or a threat of such attack originates from a Party to the Treaty, the vote of that Party shall not be included in the total number of votes of the Parties in adopting a decision.

The Extraordinary Conference of the Parties shall adopt its own rules of procedure.

Article 9

1. This Treaty shall not affect and shall not be interpreted as affecting the primary responsibility of the UN Security Council for maintaining international peace and security, as well as rights and obligations of the Parties under the Charter of the United Nations.

2. The Parties to the Treaty reaffirm that their obligations under other international agreements in the area of security, which are in effect on the date of signing of this Treaty are not incompatible with the Treaty.

3. The Parties to the Treaty shall not assume international obligations incompatible with the Treaty.

4. This Treaty shall not affect the right of any Party to neutrality.

Article 10

This Treaty shall be open for signature by all States of the Euro-Atlantic and Eurasian space from Vancouver to Vladivostok as well as by the following international organizations: the European Union, Organization for Security and Cooperation in Europe, Collective Security Treaty Organization, North Atlantic Treaty Organization and Community of Independent States in ... from ... to ...

Article 11

1. This Treaty shall be subject to ratification by the signatory States and to approval or adoption by the signatory international organizations. The relevant notifications shall be deposited with the government of ... which shall be the Depositary.

2. In its notification of the adoption or approval of this Treaty, an international organization shall outline its sphere of competence regarding issues covered by the Treaty.

It shall immediately inform the Depositary of any relevant changes in its sphere of competence.

3. States mentioned in Article 10 of this Treaty which did not sign the Treaty during the period indicated in that Article may accede to this Treaty by depositing the relevant notification with the Depositary.

Article 12

This Treaty shall enter into force ten days after the deposit of the twenty fifth notification with the Depositary in accordance with Article 11 of the Treaty.

For each State or international organization which ratifies, adopts or approves this Treaty or accedes to it after the deposit of the twenty fifth notification of ratification, adoption, approval or accession with the Depositary, the Treaty shall enter into force on the tenth day after the deposit by such State or organization of the relevant notification with the Depositary.

Article 13

Any State or international organization may accede to this Treaty after its entry into force, subject to the consent of all Parties to this Treaty, by depositing the relevant notification with the Depositary.

For an acceding State or international organization, this Treaty shall enter into force 180 days after the deposit of the instrument of accession with the Depositary, provided that during the said period no Party notifies the Depositary in writing of its objections against such accession.

Article 14

Each Party shall have the right to withdraw from this Treaty should it determine that extraordinary circumstances pertaining to the substance of the Treaty have endangered its supreme interests. The Party intending to withdraw from the Treaty shall notify the Depositary of such intention at least (...) days in advance of the planned withdrawal. The notification shall include a statement of extraordinary circumstances endangering, in the opinion of that Party, its supreme interests.

President Medvedev Speech at 11th United Russia Party Congress

Saint Petersburg, 21 November 2009. [Link](#)

The main theme of the Congress was a 10-year development programme for United Russia.

Over six hundred delegates and about two thousand guests, including representatives of 36 foreign delegations, are taking part in the Congress.

[Extracts]

“Nevertheless, I will say a few more words about the state in which we currently find ourselves. A backward commodity-based economy, which in the modern sense of the word can hardly be called an economy, cannot guarantee substantial and sustained national prosperity. Our social well-being is highly dependent on factors over which we have no control, on the fluctuations and vagaries of global market conditions.

True, other countries are in a similar position to some degree. But our country’s dependence on global situation and foreign markets is extremely high. And this is bound up with the structure of our economy. That is why our country needs a new economy, a smart economy based on intellectual superiority and the production of highly specialised information, aimed at continuously improving our quality of life through the creation of new technology. Such an economy is crucial if Russia is to remain a global power. We simply have to create one.”

[...]

“Our political system must match the interests and convictions of intellectually curious, free, enterprising, socially aware, talented people. During the first few years of the new century, we strengthened and organised the institutions of our democratic country, and succeeded in this. This year, together we took important decisions designed to modernise our country’s political system.

Now I would like to once again thank all members of United Russia who supported my proposals. I expect the same support in further work on developing democratic institutions at the regional level. I recently laid out the main vectors for this work in my Presidential Address [to the Federal Assembly]. United Russia will be able to make changes only to the extent that it can change itself – I think this is self-obvious. The party must always be modern so as not to become obsolete, keep up with life and its own voters.

Unfortunately we have to admit openly that some regional representatives of both United Russia and other parties are guilty of this. They occasionally show signs of a retrograde mentality and reduce political activity to intrigue and games. Elections are intended to be an expression of the popular will, a contest of ideas and programmes, but as a result they sometimes turn into exercises in which democratic procedures are confused with administrative ones. We must simply get rid of these people and at the same time these bad political habits as well.

In the end democracy exists not for parties, those in government or in opposition, but for citizens, so that people can exercise their exclusive right to determine their government, to decide how their country is to be ruled, and the party is only a tool, a very important tool, it’s true, an absolutely necessary one, but only a tool, a means, not an end.

I am confident that United Russia will be able to eliminate all these administrative excesses. Your authority in society has been very high. After all, in your ranks there are some genuinely famous, very popular people. It is necessary to modernise the party, make it more flexible, more open. You need to learn how to win, we all need to learn how to win in a fair fight.”

President Medvedev Address to the Federal Assembly of the Russian Federation

Moscow, 12 November 2009. [Link](#)

[Extracts]

We have a duty to heed the lessons of recent events. So long as oil prices were growing many, almost all of us, to be honest, fell for the illusion that structural reforms could wait and that what was important now was to make maximum use of the high prices. The priority was on pushing ahead the old raw materials economy, while developing unique technology and innovative products was the subject of only random individual decisions.

But we can delay no longer. We must begin the modernisation and technological upgrading of our entire industrial sector. I see this as a question of our country’s survival in the modern world.

I hope the time is not far off when Russia’s prosperity will depend on our successes in developing a market for ideas, inventions and discoveries, and on the ability of our state and society to find and encourage talented individuals capable of critical thinking, and rear young people in a spirit of intellectual freedom and civic activeness.

What are the main factors in this development, as I see them? The Russian economy must make people’s real needs its focus, and people’s needs today are primarily about ensuring their safety, improving their health, and guaranteeing access to energy and information. This determines our priorities for economic modernisation and technological development. These are the key tasks for placing Russia on a new technological level and making it a global leader. These priorities include introducing the latest medical, energy and information technology, developing space and telecommunications systems, and radically increasing energy efficiency.

A special presidential commission has approved specific projects in all of these five areas and has drawn up detailed timetables for their implementation. Work is already underway on their practical implementation. I hope for the active participation of all the state organisations, the business, scientific and expert communities.

[...]

Under the Constitution the sole source of power in our country is the people. In practice, economic, social and foreign policy is developed following complex interactions between various social groups. It is the duty of the government, of any democratic government, to take into account the legitimate interests and opinions of all citizens of Russia, regardless of

their ethnicity, religion, political or other beliefs. The ability to fulfil this duty is the main criterion for the effectiveness of government.

Our society’s political diversity is defined by the structure of our multi-party system. Today we can say that the multiparty system has evolved throughout the Russian Federation. It has become a stable, functioning, national political institution, the most important tool for ensuring the fundamental rights and freedoms of our people, including their exclusive right to power.

The political parties currently operating in our country have passed the test of time. As they fought for votes and voters’ trust they have become stronger, and become truly popular. They have an organisational structure, personnel and intellectual capabilities: all that is necessary for work in a country Russia’s size. Their programmes reflect the entire spectrum of society’s political views.

At the same time, many aspects of political life have been subject to public criticism. There have been problems regarding the organisation of elections, low levels of political culture, and a lack of alternative proposals on specific issues of socio-economic development.

We must continue to work together to improve the quality of popular representation and create additional conditions for free, fair and civilized competition between parties.

Already this year, a parliamentary majority supported a number of my legislative initiatives designed to address such problems. In practice we have reduced the so-called barrier parties must overcome to enter the Duma to 5 percent. Parties now have the right to nominate candidates for regional governors, and have also been given guarantees of equal coverage of their activities in state-owned media. I would like to thank the Federal Assembly for supporting these initiatives.

[...]

As the guarantor of the Constitution I will continue to do everything possible to strengthen democratic institutions in our country. At the same time I would like to emphasise: the consolidation of democracy does not mean weakening the rule of law. Any attempts to use democratic slogans to destabilise the situation, the government, and to split society will be prevented. The law is the same for all – for both the ruling party and the opposition. And freedom, as we know, entails responsibilities. I hope this is clear to all in this hall.

[...]

In my article I referred to corruption as one of the main obstacles to our development. It is clear that the fight against it must be waged on all fronts: from improving legislation, the law enforcement and judicial systems, to inculcating intolerance to all manifestations of this social evil, including domestic ones.

In Russia we often say that there are few cases in which corrupt officials are prosecuted. I want to cite a few figures. In just six months of this year we have reviewed more than 4,500 cases of corruption convicting 532 officials of government authorities and local self-government bodies, and more than 700 law

enforcement officers. These figures unfortunately show the extent to which corruption has infected our society. However, simply incarcerating a few will not resolve the problem. But incarcerated they must be.

To successfully combat corruption, all spheres of government must become more transparent, including the activities of public authorities, courts and other judicial bodies. That is the aim of the relevant laws which will come into force next year: the transparency of government and accessibility of information about the activities of the courts. These laws will also establish a mechanism for posting information on the activities of the courts on the Internet. The published texts of judicial decisions will allow us to gain a clearer idea of the work done by the courts, problems in legislation and judicial practices. I am confident that this will contribute to overcoming legal nihilism.

We are also planning to establish courts of appeal in courts of general jurisdiction. At the first stage which starts on January 1, 2012, this will be done for civil cases.

[...]

Now for what I consider to be our most serious, domestic political problem, the situation in the North Caucasus.

Terrorist crimes against government officials, members of the clergy and law enforcement agencies destabilise the situation and prevent normal economic and social development in the region.

We will engage in an uncompromising struggle against international terrorism and we will destroy the gunmen. Soldiers and prosecutors going about their work in the North Caucasus region will receive special government attention. Presidential orders and Cabinet directives will provide them with additional benefits and social support. And we will continue to pay attention to this.

I have already said that the situation in the North Caucasus would not be so acute if there was some real socio-economic development. It is obvious that the source of many problems lies first and foremost in economic backwardness and the fact that the majority of people there lack normal life prospects. Let us speak frankly: the level of corruption, violence and cronyism in the North Caucasus republics is unprecedented. Therefore, we will give priority attention to resolving the socio-economic problems of our citizens there.

This year, two federal target programmes for the development of southern Russia and the Chechen Republic have been allocated over 26 billion rubles. By the end of the year the Cabinet should adopt another federal programme to support the development of the Republic of Ingushetia from 2010 to 2016 with funding of at least 32 billion rubles.

As you can see, the sums available for the entire North Caucasus region are significant. However, the effectiveness with which they are spent leaves much to be desired. Moreover, part of these funds is stolen quite shamelessly by officials. And this at a time when unemployment and therefore mass poverty in the Caucasus has reached alarming levels.

[...]

Next year the transition of Russia's Armed Forces to a qualitatively new level should be complete, and we will have created a modern, efficient and mobile army, trained and equipped to protect us and our allies from any threats.

One of the most challenging and fundamental problems is supplying our troops with new systems, new sorts of weapons and military equipment. There is no need to embark here on some sort of abstract discussion: we simply need to acquire these weapons. In the next year we need to provide the Armed Forces with more than 30 ballistic land- and sea-based missiles, 5 Iskander missile systems, about 300 modern armoured vehicles, 30 helicopters, 28 combat aircraft, 3 nuclear-powered submarines, 1 corvette-class battleship and 11 spacecraft. All this simply has to be done.

Another important issue is providing the Armed Forces with modern automated control centres and information systems. Before 2012 we need to replace outdated analogue communications equipment with digital systems, and give priority in equipping with these modern communications means to the troops of the North Caucasus Military District.

[...]

Our relations with other countries should also be focused on the task of modernising Russia. We must not simply be full of hot air, as they say. We are interested in capital inflows, new technologies and innovative ideas. We know that our partners are counting on a rapprochement with Russia to realise their own priorities.

Therefore, our foreign policy must be extremely pragmatic. Its effectiveness should be judged by a simple criterion: does it contribute to improving living standards in our country?

In my previous Address, I spoke at length about our foreign policy priorities, priorities which remain the same today. We still advocate stronger multipolarity, a concept which is becoming increasingly widespread throughout the world. 10 years ago, or even five years ago, could we imagine the leaders of so many different countries sitting at one table and discussing financial, economic and in effect domestic issues? But that is exactly what happens at G20 summits.

[...]

In the field of security we are now focussing our main efforts on a European security treaty. Legal, or rather the international legal formalization of the principle of indivisible security in Euro-Atlantic territory is imperative for us, as is the development of enforcement mechanisms related to this commitment. We are sometimes accused of having come up with this against NATO. This is not true: we absolutely do not conduct our foreign policy "against anyone". But we are not a member of NATO. This is true, and several other states are not members of that bloc either, but tough decisions must already be taken in order to strengthen security in Europe. We need a new, efficient platform. If we had such an effective institution that would have been able to halt an aggressor, then Georgia would not have had the nerve to start a war against South Ossetia.

EU-Russia Summit

EU press release

Stockholm, 18 November 2009. [Link](#)

[Extract]

Agreement on energy security

Energy efficiency and energy security were the other main discussion topics of the day. The EU and Russia are interdependent energy partners. At the summit, the EU emphasised the importance of stability, transparency and predictability, in order to ensure that energy relations run smoothly in the future.

The energy agreement between the EU and Russia that was signed on Monday in Moscow was also welcomed. The agreement will sound the alarm when there is a risk of a new energy crisis. The system is known as an enhanced Early Warning Mechanism and will help to avoid interruptions in energy supply from Russia to the EU in the future.

Agreement between EU and Russia

Other issues that were discussed at the summit were the economic and financial crisis, trade issues, human rights and democracy. On trade, both Fredrik Reinfeldt and José Manuel Barroso stressed the importance of Russia joining the World Trade Organisation, while Dmitry Medvedev highlighted the discussions on visa exemption between the EU and Russia.

"Today's visa system prevents normal exchange between Russia and the EU. We must continue to work to resolve this issue", said Dmitry Medvedev.

EU-Russia Memorandum on Early Warning Mechanism in Energy Sector

EU-Russia Summit, Energy Dialogue

Stockholm, 18 November 2009. [Link](#)

[Extracts]

Section 2**Objective of the Memorandum**

The objective of this Memorandum is to set out practical measures aimed at preventing, and rapidly reacting to an emergency situation or to a threat of an emergency situation to be undertaken by the EU-Russia Energy Dialogue Coordinators (Coordinators hereinafter) and the structures reporting to the Coordinators.

Section 3**Early Evaluation**

An early evaluation of potential risks and problems related to the supply and demand of energy materials and products is conducted by the Thematic Groups on Energy Strategy, Forecasts and Scenarios and Market Developments under the EU-Russia Energy Dialogue, and is regularly reported to the Coordinators.

Section 4**Prevention and Rapid Reaction**

The Early Warning Mechanism applies in case of either of the Sides discovering circumstances relating to an emergency situation or a threat of an emergency situation in the supply of natural gas, oil and electricity from the Russian Federation to the territory of the European Union, including supplies transiting through third countries.

Section 5**Notification**

5.1. Under the circumstances set out in Section 4, the Coordinators notify each other, within the shortest possible time, of the use of the Early Warning Mechanism aimed at preventing, and rapidly reacting to an emergency situation or to a threat of an emergency situation.

5.2. The notification indicates, inter alia, designated persons authorized by the Coordinators, who maintain permanent contact with each other.

Section 6**Exchange of Information**

6.1. Upon notification in accordance with Section 5, each Side provides the other Side with its own assessment of the circumstances which could lead to Prevention and Rapid Reaction - Section 4.

6.2. Such an assessment includes an estimate of the timeframe within which the threat of an emergency situation or the emergency situation could be eliminated.

6.3. Both Sides react promptly to the assessment and complement it with additional information available on its side.

Section 7**Consultations**

7.1. If one Side is unable to adequately assess or accept the other Side's assessment of the situation or the estimated timeframe within which a threat of an emergency situation or an emergency situation may be eliminated, the corresponding Coordinator can request consultations, which are intended to take place within a time period not exceeding 3 days from the moment of forwarding the notification foreseen in Section 5.

7.2. Such consultations take place through the Expert Group of the Early Warning Mechanism consisting of representatives authorized by the Coordinators.

7.3. The consultations aim at:

- elaborating a common evaluation of the situation and of the possible further development of events;

- elaborating recommendations to eliminate the threat of an emergency situation or to overcome the emergency situation;
- elaborating recommendations on a joint action plan of the Sides in order to minimize the impact of an emergency situation and, if possible, to overcome the emergency situation, including the possibility of establishing a Special Monitoring Group.

7.4. The consultations, common evaluations and proposed recommendations are based on the principles of transparency, non-discrimination and proportionality.

7.5. The Coordinators, within their competencies, work to eliminate the threat of an emergency situation or overcoming the emergency situation taking into account the recommendations that were elaborated as the result of the consultations.

7.6. The Expert Group of the Early Warning Mechanism reports its activities within a short time period after the implementation of any agreed plan of action in an emergency situation, to the Coordinators.

Section 8 Monitoring

8.1. If an emergency situation occurs, the Coordinators may establish a Special Monitoring Group for examining the ongoing circumstances and development of events and for an objective record of them. The Group consists of:

- representatives of both Sides;
- representatives of energy companies;
- representatives of international energy organizations, proposed and mutually approved by the Sides;
- independent experts proposed and mutually approved by the Sides.

8.2. The Special Monitoring Group starts its work without delay and operates, as necessary until the emergency situation has been solved. A Decision on the termination of the work of the Special Monitoring Group is taken jointly by the Coordinators.

Section 9 Participation of Third Parties

9.1. The Sides may invite, in mutual agreement, representatives of third parties to take part in the consultations or monitoring, as described in Sections 7 and 8.

9.2. Third parties indicated in Section 9.1, in agreement between the Sides, can participate in further carrying out any plan of mutual actions.

[...]

Coordinators of the EU-Russia Energy Dialogue:
Minister of Energy of the Russian Federation, S.I. Shmatko

Member of the European Commission responsible for Energy,
A. Piebalgs

Russia-Ukraine gas agreement

Ukrainian Mission to the EU press release
Kyiv, 24 November 2009. [Link](#)

On November 24, 2009 NJSC Naftogaz of Ukraine and Russian Gazprom signed addenda to the Natural Gas Purchase and Sale Contract dated January 19, 2009.

The new agreement stipulates the reduction of Russian gas supplies to Ukraine for 2010 – from 52 billion cubic meters down to 33,75 billion cubic meters.

The signed documents stipulate no penalties related to the amount of gas consumption by NJSC Naftogaz of Ukraine in 2009.

Russian President Medvedev on Russian natural gas prices for Belarus

Russian Presidency press release
Moscow, 23 November 2009. [Link](#)

As for natural gas, over recent years, Belarus has been buying Russian natural gas at reduced preferential prices and in fact at some point such prices were even equal to those at the Russian domestic market. Expert estimations show that the gains the economy of Belarus had from preferential prices on gas, oil and other commodities sold by Russia totalled about 50 billion dollars. To better comprehend the scope, it should be noted the gains from preferential commodities prices for Ukraine amounted to 75 to 100 billion dollars for the respective period. These are high figures, very high figures indeed and they confirm our special and close partnership relations.

Neither now nor before, have we considered it possible to fully unify tariffs, though even within our own country we are making efforts aimed to diversify gas prices so as to reach the so-called equal profitability, and we intend to continue this way. It means that even our domestic prices will equal the world gas prices. This issue is closed.

As for our gas agreements with your country, they are based on a solid legal foundation. In the fourth quarter of this year Russian gas is supplied at the price of 122dollars per 1,000cubic metres subject to a 30percent discount for 2009 following a decision Gazprom and its contracting party reached. The price for the next year is being calculated at the moment and therefore I won't announce it as it has to be calculated automatically based on the contract made. Still, I can assure you that this price will nevertheless be 30 to 40percent lower than the price of gas supply to the comparable territories or comparable countries, first of all, due to the mechanisms applied in our agreements and due to the fact that we participate in the Belarusian gas transit system and implement joint programs.

Russian Gazprom and French EDF Memorandum on Joint Participation in South Stream

Gazprom press release

Moscow-Paris, 27 November 2009. [Link](#)

Today in Paris, in the presence of Prime Minister of Russia Vladimir Putin and Prime Minister of France François Fillon, Alexey Miller, the Chairman of Gazprom's Management Committee and Henri Proglio, CEO of Electricité de France (EDF) signed a Memorandum of Understanding on EDF's possible participation in the construction of the offshore section of the South Stream pipeline. The document specifies that the details of EDF's participation in the project will be worked out jointly with ENI, which currently owns 50% of South Stream AG, the operator of the offshore section of South Stream. The Memorandum states that EDF's entrance in South Stream will foresee the conclusion of new long-term gas sales contracts. It will secure Gazprom's marketing of the resources with a reliable European customer and enable EDF, which handled 29 bcm in 2008, to secure guaranteed supply volumes of hydrocarbons from Russia in the long term. According to the Memorandum Gazprom and EDF will also expand cooperation in the electricity sector in France and elsewhere. "We are gaining a new reliable and long-term partner today in EDF. The participation of a French company in South Stream underscores the pan-European scale of the pipeline and is an additional evidence of its tremendous importance in guaranteeing stable energy supplies to the continent. We are confident that South Stream, along with Nord Stream, increasingly being recognized by European countries, will ensure the well-being of Gazprom's customers in terms of energy," - Alexei Miller said.

"The agreement signed with Gazprom, the world's first gas producer, marks the start of a long term partnership between the two companies. It enables EDF to complete a further major step forward in its strategy aiming to secure its gas supplies, both for supplying its own electricity production facilities and for selling natural gas to its clients. The EDF Group therefore strengthens its presence through gas reserve and infrastructure project", - Henri Proglio said.

Background:

In order to diversify natural gas export routes, Gazprom plans to build the South Stream gas pipeline across the Black Sea to the countries of South and Central Europe. Gazprom and ENI signed a Memorandum of Understanding on the implementation of the South Stream project on June 23, 2007. The memorandum specifies areas of cooperation between the two companies in the design, financing, construction and management of South Stream. The special-purpose company South Stream AG was registered in Switzerland on January 18, 2008. The founders of the company, on a parity basis, are Gazprom and ENI. On May 15, 2009, Gazprom and ENI signed a second Addendum to the Memorandum of Understanding between Gazprom and ENI of 23 June 2007 on further steps in the implementation of the South Stream project. The addendum provides for an increase in the capacity of the offshore section of the South Stream gas pipeline from 31 to 63 bcm per year and governs gas sales insofar as the project is concerned.

The EDF Group, one of the leaders in the energy market in Europe, is an integrated energy company active in all businesses: generation, transmission, distribution, energy supply and trading. The Group is the leading electricity producer in Europe. In France, it has mainly nuclear and hydraulic production facilities where 95% of the electricity output involves no CO2 emissions. EDF's transport and distribution subsidiaries in France operate 1,274,000 km of low and medium voltage overhead and underground electricity lines and around 100,000 km of high and very high voltage networks. The Group is involved in supplying energy and services to more than 38 million customers around the world, including more than 28 million in France. The Group generated consolidated sales of EUR 64.3 billion in 2008, of which 47% in Europe excluding France. EDF is listed on the Paris Stock Exchange and is a member of the CAC 40 index.

Level of preparedness of EU Member States and Energy Community countries in case of gas crisis

Gas Coordination Group Meeting

Brussels, 18 November 2009. [Link](#)

The Gas Coordination Group, chaired by the Commission, met this afternoon to analyze in detail all elements of the preparedness of the EU and the Energy Community for a potential supply disruption in the Winter 2009/2010. The Gas Coordination Group examined the gas consumption and storage levels in the EU and assessed emergency responses that have been put in place by the Members since January 2009. Special focus was given to the countries mostly affected by the January 2009 crisis in South-East Europe and the Energy Community parties.

In particular, the Group noted the full levels of storages in almost all Member States and that a number of short-term commercial agreements have been put in place to cover for the emergency case in those countries most hit by the January crisis. New reverse flow projects have been identified and are being implemented. The European Recovery Plan provides a stimulus of 1.44bn Euros for new gas interconnectors and reverse flow projects. In addition, industrial gas demand has dropped in 2008/09 due to the economic crisis. Gas and LNG prices have come down at European hubs.

The Group noted the need to coordinate emergency planning and implement the necessary infrastructure projects for the security of supply together with regional partners. Previously, in its October meeting the Group assessed the progress of various regional gas initiatives, including joint emergency planning.

The Commission also invited the Members of the Gas Coordination Group to run supply disruption scenarios at EU and regional levels to identify the best possible responses to a disruption of gas supplies.

In order to improve the level of preparedness of the Member States, the industry and the European Union in case of a supply disruption, the Commission proposed a new Regulation on security of gas supplies in July 2009. The January 2009 gas crisis showed that a more coordinated approach is needed on a European level to provide stable and secure energy supply

to European citizens. The draft Regulation suggests common infrastructure and supply standards to protect customers, as well as the elaboration of preventive action plans and emergency plans at national, regional and EU levels. The European Council of October 2009 urged Member States and the Parliament to make fast progress on the Commission proposal for the security of gas supply.

The Gas Coordination Group will meet again on 14 December 2009 to ensure the continuous assessment of the security of supply situation in the EU during winter 2009/10.

EU Presidency declaration on Georgia

EU press release

Brussels, 12 November 2009. [Link](#)

The European Union expresses its deep concern with respect to the recent detentions of Georgian citizens, especially the detention of four minors at the administrative boundary line to South Ossetia, Georgia, on 4 November and urges for a rapid release of all detained persons.

The European Union underlines the need to take into account the specific rights of underage detainees in accordance with international standards, in particular the UN Convention on the Rights of the Child.

The European Union urges all sides to address incidents of this kind within existing mechanisms, in particular to make full use of the good offices offered by the European Union Monitoring Mission and of the Incident Prevention and Response Mechanism. In this context the European Union underlines its support of the Geneva talks and calls for constructive and sustained engagement from all sides.

The European Union calls on all parties to use their influence to prevent incidents of this kind from taking place and reiterates its full respect for Georgia's sovereignty and territorial integrity within its internationally recognized borders.

EU Presidency declaration on Azerbaijan

EU press release

Brussels, 12 November 2009. [Link](#)

The Presidency of the European Union expresses its concern with respect to the verdict against the two bloggers, Emin Milli and Adnan Hajizade, which was pronounced on 11 November by the Sabail District court in Baku. The Presidency regrets that the trial proceedings did not reflect due process and believes that the court decision may further undermine the freedom of expression in Azerbaijan.

The Presidency recalls that Azerbaijan has committed itself to the principles of democracy, good governance and the respect for the rule of law and human rights, when joining the OSCE and the Council of Europe, as well as in the context of its relationship with the European Union.

The Presidency reiterates that the European Union is willing and ready to assist Azerbaijan in developing its democratic

institutions, while offering the prospects of a deeper bilateral relationship within the framework of the Eastern Partnership.

EU Presidency statement on settlement expansion in Jerusalem

EU press release

Brussels, 18 November 2009. [Link](#)

The Presidency of the European Union is dismayed by the recent decision on the expansion of the settlement of Gilo.

The Presidency recalls that settlement activities, house demolitions and evictions in East Jerusalem are illegal under international law. Such activities also prejudice the outcome of final status negotiations and threaten the viability of a two-state solution. The Presidency recalls that the European Union has never recognised the annexation of East Jerusalem in 1967 nor the subsequent 1980 basic law.

The actions taken by the Israeli Government contravene repeated calls by the international community, including the Quartet, and run counter to the creation of an atmosphere conducive to achieving a viable and credible solution to the conflict between Israelis and Palestinians. If there is to be genuine peace, a way must be found to resolve the status of Jerusalem as the future capital of two states.

PM Netanyahu to Propose Ten-Month Suspension of New Construction Permits & Construction Starts in Judea and Samaria

Israeli Prime Minister's Office press release

Tel Aviv, 25 November 2009. [Link](#)

As part of the efforts to give momentum to the peace talks with the Palestinian Authority and advance Israel's comprehensive national interests, Prime Minister Benjamin Netanyahu will today (Wednesday), 25.11.09, ask the Security Cabinet to approve a ten-month suspension of new residential construction permits and new residential construction starts in Judea and Samaria.

Prime Minister Netanyahu told Security Cabinet members at the start of today's meeting that, "In the international circumstances that have been created, this step will promote Israel's broad national interests. This is neither simple nor easy but it has many more advantages than disadvantages. It allows us to place a simple fact before the world: The Government of Israel wants to enter into negotiations with the Palestinians, is taking practical steps in order to do so and is very serious in its intentions to promote peace."

EU Presidency declaration on the humanitarian situation in Gaza

EU press release

Brussels, 17 November 2009. [Link](#)

The European Union remains gravely concerned by the humanitarian situation in Gaza. Calls for urgent measures have not been sufficiently answered.

The European Union continues to urge that prompt and concrete measures be taken to solve the humanitarian crisis in Gaza and to allow for reconstruction and economic recovery.

The European Union notes with concern that the situation on the ground has not improved since January 2009. The continued policy of closure, which has been in place since 2007, has devastated the private sector economy and further damaged the natural environment. The poor water quality is particularly worrying. The essential reconstruction of homes, schools and health facilities to which the international community, including the European Union committed itself at the Donors Conference in Sharm el Sheikh, is still prevented. While extremists stand to gain from the current situation, the plight becomes worse for the civilian population, half of which are children.

The European Union reiterates its calls for an immediate and unconditional opening of crossings for the flow of humanitarian aid, commercial goods and persons to and from Gaza. The Agreement of Movement and Access of 2005 should be implemented. The EU urges Israel to facilitate the transfer of material and financial resources into Gaza for the implementation of the UN Pilot Projects. The EU calls for the full implementation of UNSCR 1860.

Fully recognising Israel's legitimate security needs, the European Union continues to call for a complete stop to all violence, including a sustained halt of rocket attacks at Israel and an effective mechanism to prevent arms and ammunition smuggling into the Gaza strip. The European Union also continues to call on those holding the abducted Israeli soldier Gilad Shalit to release him without delay.

Croatia and Slovenia sign arbitration agreement

Croatian Government press release

Stockholm, 4 November 2009. [Link](#)

Croatian Prime Minister Jadranka Kosor and her Slovenian counterpart Borut Pahor signed an agreement in Stockholm on Wednesday referring a border dispute between their countries to an international arbitration tribunal.

The Swedish Prime Minister and president of the European Council, Fredrik Reinfeldt, signed the agreement as a witness.

The agreement provides for the establishment of an international arbitration tribunal to determine the course of the border at sea and on land, Slovenia's contact with the high seas and the use of relevant maritime areas.

In determining the boundary, the tribunal will apply international law, while in deciding on Slovenia's junction to the high seas, it will apply international law, the principle of equity and the principle of good neighbourly relations in order to achieve a fair and just settlement.

The arbitration tribunal will have five members. Slovenia and Croatia will each appoint one member, while the president and two more members (recognised experts in international law) will be appointed by common agreement between the two countries from a list of candidates drawn up by the European Commission and the Enlargement Commissioner. In case the two countries cannot agree, the president and the two members of the tribunal will be appointed by the President of the International Court of Justice from the list.

All procedural timelines will start to apply from the date on which Croatia signs the European Union Accession Treaty.

The two countries need to ratify the arbitration agreement and commit themselves in advance to accepting the award of the arbitration tribunal.

Related Document:

Croatia-Slovenia "Arbitration Agreement"

[Download here.](#)

Gazprom's Changing Fortunes

Roderick Kefferpütz

CEPS Commentary, 30 November 2009.

[Download for free](#)

[Abstract]

This commentary details the woes facing the natural gas market in Europe of reduced consumption and oversupply and the consequent low prices on the spot market. Gazprom faces excess capacity and the loss in exports, which are significantly affecting its balance sheet. In the first half of 2009, its profit was 48% lower compared to the same timeframe in 2008, while its debt grew by 31%. In light of these unfavourable conditions, the author concludes that the gas major can count itself lucky that it did not heed the calls of numerous commentators – including himself – for greater investment in its gas fields. Had it done so, its current situation would have looked even worse.

Two new leaders in search of a job description

Piotr Maciej Kaczynski and Peadar ó Broin

CEPS Policy Brief, No. 200, 25 November 2009.

[Download for free](#)

[Abstract]

After weeks of intense speculation, the question of who will fill the new EU positions of European Council President and High Representative for EU foreign policy has now been answered: Herman Van Rompuy will take office as European Council President on 1 January 2010; and Catherine Ashton will be appointed the EU's foreign affairs chief on 1 December 2009. The question of precisely what powers these two individuals will exercise under the new Treaty of Lisbon, however, remains largely unanswered, as it is not yet clear how they will perform as individuals and in tandem. In this Policy Brief drafted in the days immediately following the selection of these two leaders, CEPS researchers Piotr Maciej Kaczynski & Peadar ó Broin, attempt to give at least a general indication of the two leaders' powers, based on the provisions in the Treaties.

Re-setting the Eastern Partnership in Moldova

Roderick Kefferpütz

CEPS Policy Brief, No. 199, 13 November 2009.

[Download for free](#)

[Abstract]

If EU leaders are looking for ways to make the Eastern Partnership successful, there are worse places to start than Moldova. Recent elections brought to power a four-party Alliance for European Integration, making the country the only post-Soviet state (aside from the Baltics) in the last ten years where the transfer of power took place via elections. Moreover, in terms of trade, its dependence on the EU is also greater than that of any other post-Soviet state and its support for European integration is the highest in the region. It also shares

a language and a history with Romania (an EU member state), and due to migration flows and geography, it has the highest intensity of people-to-people interaction with the EU compared to the other former Soviet states. The country could serve as a laboratory for a different sort of European neighbourhood policy – a partnership that is more effective, more attuned to local needs and that gives palpable benefits for both the EU and its partners. Certainly, a successful EU policy on Moldova will not on its own transform the entire neighbourhood, but it could be a template for a more effective EU policy towards other post-Soviet states like Georgia, Armenia or Ukraine.

A former CEPS Research Fellow, Nicu Popescu is currently a Policy Fellow at the European Council on Foreign Relations in London.

Transforming Turkish Foreign Policy: The Quest for Regional Leadership and Europeanisation

Senem Aydin Düzgit & Nathalie Tocci

CEPS Commentary, 13 November 2009.

[Download for free](#)

[Abstract]

Turkish foreign policy today is far more proactive and multi-dimensional than at any time in the history of the republic. Turkey presents itself as a mediating power in the European neighbourhood, intent on developing relations with all actors in order to promote peace and regional integration. This foreign policy line could be considered as an asset for Turkey's prospects of EU membership. The current EU discourse of constructing Europe as a 'global actor' necessitates a strong EU presence in the wider neighbourhood. A Turkey that can effectively use its soft power resources could significantly help to remedy the weakness of the EU presence in these regions. Furthermore, it could help prevent the region's sources of instability from spilling over into the EU. In many respects, Turkey may be viewed as 'doing the European Neighbourhood Policy' for the EU. Nevertheless, this contribution is dependent on certain conditions.

In this new Commentary, Senem Aydin Düzgit (Lecturer at the Istanbul Bilgi University and Associate Research Fellow at CEPS and Nathalie Tocci (Senior Research Fellow at the Istituto Affari Internazionali, Rome and Associate Research Fellow at CEPS) argue for a 'rational' debate on Turkey, in the interests of both Turkey's democratic future and of the EU's chances of becoming an effective global power in the 21st century.

Democracy's Plight in the European Neighbourhood: Struggling transitions and proliferating dynasties

Michael Emerson and Richard Youngs (eds.)

CEPS Paperback, 30 October 2009.

[Download for free](#)

[Abstract]

Is international democracy promotion in the European neighbourhood running out of steam, after the disappointing results from the 'colour revolutions' in Georgia and Ukraine

of 2004-2005? What is the changing impact of factors such as corrupt state capture, energy resources, rent-seeking behaviour, the financial crisis and the perceived threat of radical Islam on democratisation in the region? Research into these questions, among others, and what certain analysts describe as a 'democracy backlash' was conducted in three groups of states: countries in or near the EU; former Soviet Union states and three Arab states of the Southern Mediterranean. The results show a parting of the ways between on the one hand the EU's European neighbours (other than Russia), which are seen to be 'struggling transitions' aiming at the European model of democracy, but with serious failings still to be overcome; and on the other hand Russia and the states of Central Asia and North Africa where there is no tendency towards democracy but rather a contrary trend of 'proliferating dynasties'. This new paperback: *Democracy's Plight* is the result of that research, edited by Michael Emerson of CEPS and Richard Youngs of FRIDE, Madrid.

during 2009-10, some of which is seeking markets in Europe. This has caused a substantial short term supply surplus which is increasing the pressure for change in the price-setting mechanism of European long term gas contracts. This paper does not repeat the majority of the material in the 2007 study, but focuses instead on developments over the past two years and the outlook in September 2009.

*Future Gas Production in Russia:
is the concern about lack of investment justified?*

Jonathan Stern

Oxford Institute for Energy Studies, NG 35, October 2009.

[Download for free](#)

[Abstract]

The period since the start of economic recession and financial crisis in the autumn of 2008 has – or should have – completely changed, at least short term, perspectives on Russian gas production and Gazprom's ability to supply gas to its customers, European and non-European. The announcement that Gazprom's 2009 investment programme would be substantially reduced, and that the Bovanenkov development would be delayed by one year – to start in the 3rd quarter of 2012, has again raised the issue of adequacy of future Russian gas supplies and investments. This paper highlights the changes which have taken place since late 2008, drawing attention to the substantial uncertainties which lie ahead for the Russian gas balance.

*Continental European Long-Term Gas Contracts:
is a transition away from oil product-linked pricing
inevitable and imminent?*

Jonathan Stern

Oxford Institute for Energy Studies, NG 34, September 2009.

[Download for free](#)

[Abstract]

A paper published in April 2007 questioned the continued rationale of the linkage of Continental European long term contract gas prices to oil product prices.¹ It concluded that the logic of linking gas prices to those of (mainly) oil products had largely disappeared in the major European gas markets. In the following two years, energy and non-energy events have begun to exert substantial pressure on the oil linkage mechanism. The global economic and financial crisis, which began in late 2008, has significantly depressed European energy and gas demand. Substantial new LNG supply is coming on stream

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