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EU-GRASP Policy Brief

Europe's Southern Gas Corridor: Central Asia and the EU's Drive Towards Energy Diversification

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Changing Multilateralism: the EU as a Global-Regional Actor in Security and Peace, or EU-GRASP, is a European Union (EU) funded project under the 7th Framework Programme (FP7).

EU-GRASP aims to contribute to the articulation of the present and future role of the EU as a global and regional actor in security and peace.

Therefore, EU-GRASP is aimed at studying the processes, means and opportunities for the EU to achieve effective multilateralism despite myriad challenges.

Executive Summary

On 7 September 2011, the European Commission issued its Communication on security of supply and international cooperation. Included were a set of proposals with the aim of improving Brussels' oversight on international energy deals between EU Member States and energy-rich third countries. The rationale for the new proposals lies in the difficulties the EU has in diversifying its gas suppliers and transit routes.

Europe's increasing anxiety over its dependence on Russian natural gas imports led to the idea for the creation of a 'Southern gas Corridor' to tap into Central Asia's vast reserves back in late 2008. Now, 3 years later there are no clear indications however that Central Asian gas will flow to Europe anytime soon, resulting in growing criticism over the way in which the EU has tried to secure alternative supplies. Some claim the myriad of individual Member State actions on external energy policy blurs the view of third countries on what the Union really wants and hampers its diversification efforts.[1] Renowned human Rights NGOs also criticised the Union's 'courting' of Central Asian leaders and for not standing up against their notorious regimes. Democratisation and human rights promotion were seen to be at odds with the Union's energy policy in the region.[2]

This Policy Brief argues that the solution to some of these issues potentially lie in the making of strategic choices in ongoing supply contract negotiations, and a change in the way in which human rights promotion is seen to be related to the Union's diversification efforts given the fierce competition over energy resources in the region.

Diversification of Suppliers and Routes

In November 2010, the EU released a €200 billion plan laying out the Union's infrastructure priorities for the next decade.[3] The flagship project is the Nabucco pipeline which aims to bring Caspian gas to Central and Western European gas markets. The EU has openly expressed its support for Nabucco and shown diplomatic engagement vis-à-vis Central Asian leaders on several occasions.[4]

In its current form, Nabucco intends to source initial gas supplies from Azerbaijan. What is at stake is a 10 billion cubic metre (bcm) gas contract to be awarded in March 2012. Competition for the gas is fierce however, notably also from within the Southern Corridor itself, as other projects such as TAP and, until recently ITGI, are bidding for the same contract. A further contender appeared last November in the form of the South East Europe Pipeline.[5] Moreover, Energy Commissioner Oettinger admits that at a time of financial austerity measures it will be difficult for an expensive pipeline such as Nabucco to convince wary investors.[6] However, this is not Nabucco's only concern. Socar – Azerbaijan's national oil company – claimed it awards the contract only when it simultaneously acquires the right to sell its gas to the nearest markets. Moreover, it is only pays for gas transport costs as if Nabucco were running at full capacity.[7] At 31bcm capacity however, the pipe would only be 2/3rds empty. Moreover, at a fixed transit tariff and when running at only 1/3rd of its potential, Nabucco carries a higher per unit transit cost compared to a full pipe; a cost ultimately borne by the final consumer. This means that unless the consortium is able to find a second source of gas, Socar is not willing to bear the commercial risks.

Turkmenistan or North Iraq?

Alternatives include Turkmenistan and North Iraq. A 2008 EU-Turkmen Memorandum of Understanding (MoU), and a 2009 deal between Nabucco shareholder RWE and Turkmenistan were much heralded. Indeed, since then contacts with Ashgabat have intensified within the framework of the Union's energy policy dialogue with Turkmenistan which was established under the MoU.[8] However, getting access to Turkmen gas proved to be very difficult. Shipping the gas across the Caspian by tanker, either as Liquefied Natural Gas (LNG), Gas to Liquids (GTL) or Compressed Natural Gas (CNG) is more expensive compared to constructing a pipeline. Yet, the construction of a TransCaspian pipeline will likely be opposed by Russia and Iran on grounds of sovereignty, environmental concern and fears over potential loss of export revenues.[9] Nevertheless, important progress has been achieved in the form of a Council mandate to negotiate a legally-binding agreement with Azerbaijan and Turkmenistan on the construction of a TransCaspian pipeline.[10] Turkmenistan subsequently announced it would start work on the contractual and legal basis for supplying gas to Nabucco.[11]

A factor to take into account however is that Europe faces stiff competition from

Russia and China. Russia pushes for the realisation of its own 'alternative' pipeline – South Stream – which intends to ship Russian gas directly to Europe, bypassing Ukraine. Several EU Member States have signed up to the project.[12] Furthermore, recently China opened a direct pipeline to Turkmenistan. In under three years time, Beijing managed to not only secure a gas contract, but also sort out transit issues with Kazakhstan and Uzbekistan, construct the entire pipeline and have it up and running. Needless to say, the EU is not able to replicate China's speed given that such explicit state-backing is not possible by the EU institutions.

The second alternative is Iraq, the majority of whose known gas reserves are located in the North. Because of the region's vast resources and its strategic location along the Southern Corridor, several of the Nabucco consortium members have signed MoU's with Kurdish Iraq.[13] Austrian OMV and Hungarian MOL agreed in May 2010 to invest $8 billion in Kurdish Iraq's gas fields and both companies claimed they could pump as much as 30 bcm annually[14], 15 of which could fill half of Nabucco.[15] Similarly, German RWE signed a cooperation deal with Kurdish Iraq in August 2010. In a statement issued by RWE in Germany, quoting Iraqi Kurdistan's natural resources minister, it claimed that up to 20 billion cubic metres a year could be fed into Nabucco.[16]

Promising as this may sound; Iraqi gas faces numerous difficulties however. First, Baghdad and the Kurdish north have a long-standing dispute over the distribution of hydrocarbon revenues. Second, disagreements exist between Iraqi political parties over the role of international energy companies in the restoration and further development of Iraq's oil and gas sector.[17] Third, Baghdad was quick to label the aforementioned deals as 'illegal', claiming all gas export agreements need approval by the central authorities.[18] Any attempt to ignore this is likely to be met with reluctance on part of Turkey to transit the gas over fears that such a move may spark its own Kurdish region towards greater autonomy.[19] A potential solution is ratification of Iraq's long-awaited hydrocarbon law. The law outlines a regulatory and policy development framework for future oil and gas exploration and production in Iraq. However, Due to the above problems, agreement is still forthcoming.[20]

Coherence in External Energy Relations

One of the most important questions for the EU is how to rationalise its energy policy, enabling the Union to be the central actor, as opposed to a set of disparate Member States.[21] The former is preferred by the European Commission and various Member States, whereas some of the larger Member States tend to prefer the latter.[22] Pursuing individual barter deals, however, inadvertently creates possibilities for elites in supplier countries to pursue their own 'reciprocity rules', *i.e.* not limiting demands to capital, arguing more substantial trade-offs are necessary in order to get things done, such as asset swaps. The monopolistic and quasi-statist character of such energy markets thus remains unchanged.[23] The Council mandate for the TransCaspian pipeline may be promising, however concrete gas contracts are as of yet forthcoming.

Intra-EU divergences have led to several Member States forging deals with Russia for the South Stream project, in spite of the fact that the Union's overall goal is diversification in both routes and suppliers. In fact, **the signing of bilateral energy contracts with suppliers such as Gazprom is repeatedly mentioned as the single biggest undermining factor of a coherent external energy policy.**[24] **Asked about whether the European Commission could play a larger role in terms of coordination, some Member States are swift to point to the lack of competences over energy at EU level, claiming energy policy is a Member State responsibility.**[25] **Others merely refer to the split in competences between the Commission and Member State level and the extent to which Member States are (un)willing to confer theirs – leaving the Commission sometimes unable to deliver on its promises.**[26]

The fact that EU Member States sign individual cooperation agreements with Gazprom puts pressure on Nabucco and undermines the Union's diversification efforts. In an attempt to harmonise Member State efforts and increase Nabucco's chances, the European Commission recently proposed to set up an information exchange mechanism on international energy agreements between Member States and third countries – including those which are still under negotiation. Furthermore, it suggests that such agreements can also be negotiated at EU level if they have a large bearing on the Union's energy policy objectives, and where there is a clear common EU added-value.[27] The Council mandate for a TransCaspian pipeline is a good example. In a recent speech, European Commissioner for Energy, Günther Öttinger went even further by calling for "full competence, including of the enery mix and the decisions about how energy is processed".[28]

Initial reactions to the package of proposals were however rather mixed. Known supporters of a common EU external energy policy, such as European Parliament President Jerzy Buzek and Polish MEP Jacek Saryusz-Wolski greatly welcomed the proposals.[29] Others however, were not so enthusiastic. Giles Chichester, the Conservative spokesman on energy within the European Parliament, condemned the proposal as "the worst kind of meddling", adding that energy arrangements are "Britain's own business, not the Commission's". Kjetil Tungland, the managing director of TAP, added that Brussels' first step should rather have been to "develop a cost-effective pipeline that will be ready to bring the [gas] volumes currently under discussion to the Union as soon as they become available".[30] Sources within the renewable energy industry rather emphasised Europe's need to make faster progress towards a single market in electricity and for the Commission to focus instead on realistic ways to speed this up.[31]

Earlier suggestions consisted of examining the feasibility of a block purchasing mechanism that would buy gas from Turkmenistan.[32] Dubbed the 'Caspian

Development Corporation' (CDC or 'Corporation'), it would aim to ensure that all players along the value chain respect the rules that maintain the value of the resource to the producer State.[33]

Before the results of the draft legal study were known, Eurogas[34] emphasised the non-exclusive, case-specific and temporary character of the CDC must be a necessary prerequisite. Moreover, it stated a coordinated approach should always ensure the companies involved have full capacity and responsibility for the development of the commercial processes – including supply contracts – they engage in.[35]

The draft legal study seems to have incorporated these demands. It proposes a model whereby the CDC would be a single, financially strong company owned by European companies in proportion to their interest in the long-term purchase of Turkmen gas. There are some serious challenges to its realisation however, such as for the CDC to comply with EU competition rules, risks associated with gas development and delivery from a new supplier, the construction of new pipeline sections including a TransCaspian link, the risk of participation of companies of weak credit and of non-performance of either CDC members or external pipeline companies, and the challenge to establish an intergovernmental agreement between Azerbaijan, Georgia and Turkmenistan to guarantee the latter's future transit rights.[36]

Even if the CDC succeeds in mitigating most or all of the above risks, unless the consortium in the end manages to reach agreement with all Caspian littoral States, including and in particular Russia and Iran, to the construction a TransCaspian pipeline, the prospects for the purchasing block do not look bright.

Energy and Human Rights

Human rights dialogues with the Central Asian States were set up by the 2007 Central Asia Strategy. In parallel the Strategy established an 'EU Rule of Law Initiative'. The latter was coined to address the specific priorities indentified by each country and support the governments in the region in implementing core legal reforms, including reform of the judiciary, and in drawing up effective legislation.[37] However, upon its presentation, it was argued that EU presence should be decoupled from democracy and human rights conditions; that earlier policies were regarded as having produced little results; and that the Union should rather take a pragmatic stance and position itself better compared to Russia and China who managed to seize opportunities, which the EU had largely missed.[38] The European Parliament however disagreed, claiming the Strategy was insufficiently ambitious with respect to bilateral cooperation on human rights, the rule of law, good governance and democratisation.[39]

Others claimed that European efforts in the region were hitherto rather aimless, unplanned and uncoordinated and that US' experience with its heavy- handed insistence on democracy and human rights had instead simply allowed Russia and China to revitalise their ties to the autocratic regimes.[40] One could argue that if the EU manages to conclude reliable and substantial agreements with Central Asian hydrocarbon producers on energy infrastructure, exploration, supply, and pipelines which bypass Russia, even though this means tolerating the detrimental human rights record of these countries in the short to medium term, the Union is more likely to succeed in reducing Russian clout in the region, and thus improve its own energy security and long term prospects for political change in the region.[41]

With respect to Turkmenistan, it took – for good reasons – over a decade to ratify the Interim Trade Agreement.[42] Since first proposed, the importance of Turkmenistan's hydrocarbon reserves have greatly risen. This has been equally noticed in Moscow and Beijing. If the EU is serious about its attempts to secure Turkmen gas – or other sources for that matter – an approach whereby priority in the short to medium term is given to engagement through hydrocarbon cooperation gains increased legitimacy through the argument that Russia and China do not play by the same rules.[43] Moreover, it is safe to say that after acquiring a gas contract, Moscow and Beijing are unlikely to care much about democratic reform in the region.

Recommendations

It is clear that the EU's aim of **diversification** is faced with significant obstacles. Great difficulties exist in acquiring gas from either Turkmenistan or Northern Iraq. Therefore, currently Azerbaijan represents the only readily available source of gas for Nabucco. Given that the decision on the allocation of the 10bcm per year contract will not be taken before March 2012, and neither Northern Iraq, nor Turkmenistan can be realistically expected to guarantee supply contracts before that date, **it is unlikely that Nabucco succeeds in sourcing an alternative to Azeri supplies anytime soon**. Taking into account Azerbaijan's concerns with regard to Nabucco running at less than half its capacity, it is more likely that the final decision will be in favour of either the South East Europe-, or the TAP Pipeline which at a smaller capacity can be easily filled with the contract.

Yet, such a scenario does not need to be to put an end to Nabucco, nor Europe's aims for diversification in the long term. What is important for the EU however is **to be ready for such an outcome** and that it puts it weight behind the best alternative project. The TAP and South East Europe projects can both serve as a first step for the eventual construction of Nabucco. However, if diversification is the ultimate goal, what should matter first is a pipeline's capacity, followed by the costs of its construction. On both points TAP has a leading edge over the South East Europe Pipeline. Specifically, as the TAP project can be expanded over time to transport 20bcm per year, this means that – when constructed – Nabucco could transport an additional 10bcm annually onwards to Italy. With South East Europe running at only 10bcm per year, this leaves no surplus capacity. Therefore, although it is unlikely for Nabucco to be granted the Shah Deniz II contract in the short term, it does not mean it cannot profit from the construction of other pipelines along its route over the longer term. As Nabucco's capacity exceeds that of TAP and South East Europe, Nabucco would benefit most from a pipeline along its route through which it could ship larger quantities of gas, should more sources come available over time. **It would therefore be in the Union's best interest to push for the realisation of the TAP project, rather than the South East Europe Pipeline.**

With respect to coherence in external relations, the CDC – in spite of the difficulties concerning EU competition rules and the construction of a TransCaspian link – has a certain value. As said above, it is important that the Union anticipates the greater likelihood for either TAP or the South East Europe Pipeline to get built before Nabucco. Under such a scenario, one of these pipelines could serve as the first step for Nabucco's construction and the CDC could thus be used as a tool to convince Turkmenistan to act as a second source for the Southern Corridor. To this effect, it is important that the CDC consists of a representative share of Europe's larger energy corporations as this may provide the necessary boost to persuade Turkmenistan to commit and initiate serious talks about a TransCaspian link. **In the short to medium term, as a confidence-building measure towards Turkmenistan and Azerbaijan, and in anticipation of a final decision on a TransCaspian pipeline, the CDC could opt to ship gas from Turkmenistan across the Caspian by tanker either as Liquefied Natural Gas (LNG), Gas to Liquids (GTL) or Compressed Natural Gas (CNG).**

When it comes to the debate on **energy interests versus human rights and democracy promotion**, it seems almost as if these issues are irreconcilable. However, this need not be the case in the long term. The Central Asian states are keen to diversify their export routes. China is pushing hard to become one of Central Asia's major clients and has had success in securing energy supplies from Turkmenistan. Meanwhile, Russia – aware of the consequences for its own dominant position – tries equally hard to bind East European and Central Asian countries to its own pipeline networks in an attempt to remain the dominant market player in the region. This is a game the EU can play too however. In other words, if (part of) a Southern Corridor gets built and the Union succeeds in becoming a substantial consumer of Central Asian hydrocarbons over time, Brussels' 'weight' in these countries' foreign relations will subsequently increase. Alternative export routes and the right to sell gas onwards within the European gas market, compared to shipping supplies either to Russia and/or China is something which these countries might well regard as positive in the long term.[44] With this increased weight, comes additional leverage on part of the Union in its dealings with its Central Asian counterparts. A different kind of conditionality could thus take shape whereby **the EU utilises its market weight and offers increased downstream access, in exchange for concessions** on part of the Central Asian States concerning human rights, legal and democratic reforms, rather than the other way around.

[1] Interview with official from Embassy of Azerbaijan in Brussels, 13 September 2010. See also S. Peyrouse, (2009a), 'Business and Trade Relationships between the EU and Central Asia'. EUCAM Working Paper 1, p. 11.

[2] Human Rights Watch, (2011), *World Report 2011: Events of* 2010, (New York: Human Rights Watch), pp. 478 and 501.

[3] See COM(2010) 677 final of17 November 2010.

[4] Examples include a visit by Barroso to Azerbaijan and Turkmenistan in January 2011 and the hosting of the Kazakh and Uzbekistan leaders in Brussels in October 2010 and January 2011 respectively.

[5] The 'Italy-Turkey-Greece Interconnector' (ITGI) aimed to expand the Turkish national grid for transmitting natural gas to Italy and Turkey, build a pipeline between Turkey and Greece, and build a further pipeline between Greece and Italy. The pipeline between Turkey and Greece has by now been built and became operational in 2007. Recent reports however indicated that concerns over Greek solvability as a result of the ongoing economic crisis have caused Azerbaijan's national oil company to favour other contenders. The 'TransAdriatic Pipeline' (TAP) runs from Greece onshore all the way to the Adriatic Sea coast, crossing Albania, under the Adriatic Sea to Italy. The upstream part will connect with an existing pipeline between Turkey and Greece and onwards to the Baku-Tblisi-Erzurum (BTE) gas pipeline. The South East Europe Pipeline plans to ship Central Asian gas from Turkey to Baumgarten in Austria, via Bulgaria, Romania and Hungary. The pipeline uses mainly existing infrastructure to link to Azerbaijan and Austria but will also need around 1300 km of newly constructed pipeline. This however is only about a third of Nabucco's total length.

[6] Reuters, 'Nabucco not cheap, needs to convince-EU's Oettinger', 4 November 2011. Available at: http://af.reuters.com/article/energyOilNews/idAFL6E7M41SN20111104. Accessed on 21 December 2011.

[7] See R. ten Hoedt, (2010), 'We do not Want to Depend on Only One Pipeline', 15 November 2010, p. 2. Available at: http://www.europeanenergyreview.eu/index.php?id=2528. Accessed on 24 May 2011.

[8] M. Emerson et al. (2010), *Into Eurasia Monitoring the EU's Central Asia Strategy,* (Brussels/Madrid: CEPS/FRIDE), pp. 78-79.

[9] N. Comfort, (2010), 'RWE Says Nabucco Won't Need Turkmen Gas If Azeri, Iraq Supplies Secured', 18 October 2010. Available at: http://www.bloomberg.com/news/2010-10-18/rwe-says-nabucco-won-t-need-turkmenistan-gas-if-supplies-materialize-.html. Accessed on 23 May 2011; A. Cohen, (2009a), 'Energy Security in the Caspian Basin' in G. Luft and A. Korin (eds.), *Energy Security Challenges for the 21st Century*, (Santa Barbara CA: ABC-CLIO, LLC), pp. 113-114 and 119-120; P.K. Baev and I. Øverland, (2010), 'The South Stream versus Nabucco pipeline race: geopolitical and political stakes in mega-projects', *International Affairs 86*(5), p. 1082.

[10] European Commission Press Release, 'EU starts negotiations on Caspian pipeline to bring gas to Europe', 12 September 2011. Available at: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/1023&format=HTML&aged=0&language=EN&guiLanguage=en. Accessed on 21 December 2011.

[11] Moscow Times, 'Turkmenistan gets serious about Nabucco', 17 October 2011. Available at: http://www.themoscowtimes.com/mobile/article/turkmenistan-gets-serious-about-nabucco/445559.html. Accessed on 21 December 2011.

[12] By late 2010 Italy, Austria, Bulgaria, Hungary, Greece, and Slovenia had all signed up to the project. France signed a MoU in late 2009 regarding its possible participation in

[13] August 2010. The EU itself signed a MoU with Baghdad in January 2010 concerning energy cooperation. See Memorandum of Understanding Between the Government of Iraq and the European Union on Strategic Partnership in Energy, 18 January 2010. Available at: http://ec.europa.eu/energy/international/bilateral_cooperation/doc/iraq/2010_01_18_iraq_mou_en.pdf. Accessed on 24 May 2011.

[14] Author's own calculations.

[15] See C. Hoyos, (2009), 'Nabucco hopes grow after $8bn Iraqi gas deal', 18 May 2009. Available at: http://www.ft.com/cms/s/0/f19c0f76-4341-11de-b793-00144feabdc0.html#axzz18YuNmij1; Energia.gr, 'OMV Gas Plan Is Risky But Promising, Analysts Say', 21 July 2009. Available at: http://www.energia.gr/article_en.asp?art_id=20562. Both accessed on 24 May 2011.

[16] Reuters, 'RWE signs Nabucco cooperation deal with Iraq Kurds', 27 August 2010. Available at: http://uk.reuters.com/article/idUKLDE67Q12H20100827. Accessed on 25 May 2011.

[17] The Quaker Council for European Affairs, (2009), *The Nabucco Gas Pipeline: A chance for the EU to push for change in Turkmenistan*, (Quaker Council for European Affairs: Brussels), p. 8; K. Barysch, (2010), 'Should the Nabucco pipeline project be shelved?'. Centre for European Reform Policy Brief, p. 8.

[18] EUobserver, 'EU banks throw their weight behind Nabucco pipeline', 6 September 2010. Available at: http://euobserver.com/880/30739. Accessed on 25 May 2011.

[19] K. Barysch, (2010), *supra* note 15; R. Rapier, (2010), 'How The Kurdistan Problem Could Torpedo The Iraq Energy Comeback', 15 January 2010. Available at: http://www.businessinsider.com/how-the-kurdistan-problem-could-torpedo-the-iraq-energy-comeback-2010-1. Accessed on 25 May 2011.

[20] C.M. Blanchard, (2009), *Iraq: Oil and Gas Legislation, Revenue Sharing, and U.S. Policy,* (Washington D.C: Congressional Research Service), p.5.

[21] Interview with official from European Commission DG Energy, 11 March 2010; interview with official from European Commission DG External Relations, 30 September 2010.

[22] S. de Jong, J. Wouters, and S. Sterkx, (2010), 'The 2009 Russian-Ukrainian Gas Dispute: Lessons for European Energy Crisis Management after Lisbon', *European Foreign Affairs Review 15*(4), p. 518.

[23] See K. Hóber, (2009), 'Law and Policy in the Russian Oil and Gas Sector', *Journal of Energy & Natural Resources Law 27*(3), p. 423; and R. Youngs, (2009), *Energy Security: Europe's New Foreign Policy Challenge*. (Abingdon: Routledge), pp. 82-84, 86-87, 91 and 96; Interviews with officials from EU Member State Permanent Representations, 19 April and 23 April 2010; and interview with official from cabinet of Jacek Saryusz-Wolski, MEP, 26 April 2010.

[24] Interviews with officials from EU Member State Permanent Representations, 12 May, 5 May, 13 May, 19 April, 23 April, 20 May, and 19 April 2010; interview with official from cabinet of Jacek Saryusz-Wolski, MEP, 26 April 2010; interview with several officials from European Parliament Directorate-General External Policies, 5 March 2010.

[25] Interviews with officials from EU Member State Permanent Representations, 10 and 24 June 2010.

[26] Interviews with officials from EU Member State Permanent Representations, 23 and 19 April 2010; interview with official from European Commission DG Energy, 26 March 2010.

[27] COM(2011) 539 final of 7 September 2011, pp. 4-5.

[28] http://www.euractiv.com/energy/oettinger-calls-europeanisation-energy-powers-news-510497

[29] Euractiv, 'EU attempts to speak with one voice on energy', 8 September 2011. Available at: http://www.euractiv.com/energy/eu-attempts-speak-voice-energy-news-507462#comments; J. Kanter, 'European Union Seeks Power to Block Bilateral Energy Deals', the New York Times 7 September 2011. Available at: http://www.nytimes.com/2011/09/08/business/global/eu-seeks-power-to-bloc-bilateral-energy-deals.html;France24, 'EU mounts power grab over state energy deals', France 24 7 September 2011. Available at: http://www.france24.com/en/20110907-eu-mounts-power-grab-over-state-energy-deals. All accessed on 21 December 2011.

[30] Euractiv, 'EU attempts to speak with one voice on energy', *supra* note 29.

[31] http://www.euractiv.com/energy/oettinger-calls-europeanisation-energy-powers-news-510497

[32] COM(2008) 781 final of 13 November 2008, p. 3.

[33] J. Van Aartsen, (2009). Activity Report September 2007-February 2009 Project of European Interest No NG3. Brussels, 4 February 2009, p. 8.

[34] Eurogas promotes, *inter alia,* the interests of its membership, companies, national federations and associations involved in the European gas trade.

[35] Eurogas, (2009). Caspian Development Corporation (CDC) Eurogas Preliminary Remarks. Brussels, 30 June 2009, p. 2. Availabe at: http://www.eurogas.org/uploaded/2009%20-June%20-%2009PP370%20-%20CDC%20-%20Eurogas%20Preliminary%20Remarks.pdf. Accessed on 25 May 2011.

[36] IHS CERA, (2010), 'Caspian Development Corporation – Final Implementation Report', pp. 4-6. Available at: http://ec.europa.eu/energy/infrastructure/studies/doc/2010_12_report_cdc_final_implementation.pdf. Accessed on 27 May 2011.

[37] European Union and Central Asia: Strategy for a New Partnership, p. 8. Available at: http://www.consilium.europa.eu/uedocs/cms_data/librairie/PDF/EU_CtrlAsia_EN-RU.pdf. Accessed on 27 May 2011.

[38] R. Youngs, (2009), *supra* note 21, p.112; Friedrich Ebert Stiftung, (2008). 'Partnership with Russia in Europe A Strategy for a Win-Win Situaton?'. 6th Roundtable Discussion. Morozovka, 3-5 February, 2008, p. 11; S. Wood, (2009a), 'Energy Security, Normative Dilemmas, and Institutional Camouflage: Europe's Pragmatism', *Politics and Policy 37*(3), pp. 612 and 620; BBC News, 'EU dreams of central asian gas', 27 March 2007. Available at: http://news.bbc.co.uk/2/hi/europe/6500943.stm. Accessed on 27 May 2011.

[39] European Parliament resolution of 20 February 2008 on an EU Strategy for Central Asia, P6_TA(2008)0059, point 19.

[40] H. Wegener, (2007), 'Central Asia: At last Europe may be getting its act together', *Europe's World Spring 2007*. Available at: http://www.europesworld.eu/NewEnglish/Home_old/Article/tabid/191/ArticleType/ArticleView/ArticleID/21108/language/en-US/Default.aspx. Accessed on 27 May 2011; S. Wood, (2009a), *supra* note 33, p. 615.

[41] S. Wood, (2009a), *supra* note 33, p. 617; Z. Baran, (2007), 'EU Energy Security: Time to End Russian Leverage', *Washington Quarterly 30*(4), pp. 133, 135 and 137.

[42] See European Parliament resolution of 22 April 2009 on the Interim Trade Agreement with Turkmenistan, P6_TA(2009)0252, OJ C 184 E/20 of 8 July 2010.

[43] S. Wood, (2009a), *supra* note 33, p. 622.

[44] Interview with official from EU Member State Permanent Representation, 2 July 2010; interview with official from European Commission DG Energy, 11 March 2010.

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