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ΙΚΑΙΟ ΤΗΣ ΕΝΕΡΓΕΙΑΣ

# European Neighbourhood Policy; Energy Cooperation

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«Both the European Neighbourhood Policy and the European Energy Policy constitute key priorities of the Union at the time being, since the only feasible way for the world's second largest energy consumer to ensure the flow of gas and oil in its internal market is by bilateral agreements with neighboring states».

### **The European Neighbourhood Policy**

The European Neighbourhood Policy (ENP) reflects the policy of the European Union with regards to sixteen closest Eastern and Southern countries having been marked as "Neighbours" under the ENP legal framework. Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine constitute the EU's Neighbours to the East and Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine<sup>1</sup>, Syria, and Tunisia constitute EU's Neighbours to the South. Russia remains a key partner of the EU, although it does not take part in the ENP as such. The ENP was formulated so as to prevent possible conflicts between the enlarged Member States and their neighboring countries, as well as for the reinforcement of security and stability in the region.<sup>2</sup>

While successfully enlarging to include Eastern European and Mediterranean states in spring 2004, the Union developed a new strategy concerning its neighbors, incorporating them in specific policy programmes, such as the programme TACIS<sup>3</sup> for the

Community of Independent States and the programme MEDA<sup>4</sup> for the Mediterranean countries. In 2004, the Commission of the European Communities launched a Strategy Paper for the formation of the European Neighbourhood Policy<sup>5</sup> focusing on the need for genuine cross-border cooperation activities between the EU and its Neighbours. The latter would actually take part in "everything but institutions".<sup>6</sup> Consequently, the ENP was estab-

and Georgia": an initiative aiming to provide the partner states formed after the collapse of the Soviet Union with financial assistance for their transition to a market economy, Available on: http://eur-lex.europa.eu/legal-content/EN/ TXT/?uri=LEGISSUM%3Ar17003

- <sup>4</sup> European Commission, "MEsures D' Accompagnement": an initiative aiming to provide the Mediterranean non-EU partner states with financial and technical support for their economic and social reforms, Available on: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM%3Ar15006
- <sup>5</sup> Communication from the Commission, European Neighbourhood Policy Strategy Paper, Available on: https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/2004\_communication\_from\_the\_commission\_-\_european\_neighbourhood\_policy\_-\_strategy\_paper.pdf
- <sup>6</sup> Romano Prodi, President of the European Commission, "A Wider Europe A Proximity Policy as the key to stability", Speech for the "Peace, Security and Stability International Dialogue and the Role

<sup>&</sup>lt;sup>1</sup> The inclusion of Palestine in the ENP shall not be construed as legal recognition of a State of Palestine and lies without prejudice to the individual positions of the Member States as to its status.

<sup>&</sup>lt;sup>2</sup> European Commission, European Neighbourhood Policy and Enlargement Negotiations, Available on: https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/overview\_en

<sup>&</sup>lt;sup>3</sup> European Commission, "Technical Assistance to the Commonwealth of Independent States

lished as an alternative of enlargement<sup>7</sup> and as the vehicle for the realization of new kinds of relations with third neighboring countries<sup>8</sup> which could not make use of the possibilities enshrined in Article 49 of the Treaty of the European Union.

According to the ENP Strategy Paper, the policy is designated to provide Neighbours with all necessary means to prepare their countries to reach the standards of the European Union as much as possible. In view of this purpose, the EU will proceed to Action Plans, jointly agreed with each of the Neighbours, setting the main objectives and priority areas that the partner countries need to fulfill; "political dialogue and reform; trade and measures preparing partners for gradually obtaining a stake in the EU's Internal Market; justice and home affairs; energy, transport, information society, environment and research and innovation; and social policy and people-to-people contacts".9 Taking full advantage of the international relations theory,10 the Union established its role as a political actor and committed to elaborate on the spread of common values, such as the promotion of human rights and sustainable development, to third partners. Apart from the incorporation of a common set of European principles, the jointly agreed Action Plans will be adapted to the special needs of each third country and respond to its specific circumstances, giving rise to the effective integration of the shared values and interests on behalf of each different Neighbour state. The ENP constitutes a considerably ambitious strategy, aiming to result in legal, political social and finan-

of the EU" Sixth ECSA - World Conference, Available on: http://europa.eu/rapid/press-release\_SPEECH-02-619 en.htm

- <sup>7</sup> Roland Dannreuther, "Developing the Alternative to Enlargement: the European Neighbourhood Policy", European Foreign Affairs Review 11: 183-201, 2006.
- <sup>8</sup> Elsa Tulmets, "Policy Adaptation from the Enlargement to the Neighbourhood Policy: a way to improve the EU's external capabilities?", Available on: https://www.cairn.info/revue-politique-europeenne-2007-2-page-55.htm
- <sup>9</sup> Communication from the Commission, European Neighbourhood Policy Strategy Paper, p. 3.
- <sup>10</sup> Nariné Ghazaryan, "The European Neighbourhood Policy and the Democratic Values of the EU, A Legal Analysis", Hart Publishing, Modern Studies in European Law, 1st Edition, 2014.

cial reforms in the interested parties.<sup>11</sup>

After the "Arab Spring" incidents, the EU decided to review the ENP so as to respond to the recent developments in the region. The Policy was initially reviewed in 2011 whereas the European Commission launched a new Joint Communication for the Review of the ENP on 18 November 2015,12 after extensive consultations with all relevant stakeholders. The new approach adopted by the European Union focuses on respecting the different aspirations of neighboring countries and essentially meeting both the EU's and the Neighbours' needs and interests while at the same time it identifies different levels of involvement in their bilateral negotiations and relations. Other than the promotion of human rights and European values, the ENP is now also focusing on the strengthening of cooperation and coordination on security issues. At the heart of the ENP Review one can find: i) good governance, democratic values and respect of law, ii) financial development, iii) security, iv) legal migration.<sup>13</sup>

In order to achieve the objectives of the ENP, the European Commission bilaterally cooperates with each of the sixteen Neighbours and identifies specific priorities and areas of interest. The assistance provided has the form of bilateral annual Country Programs specifically focused on the demands of each of the partners. To this direction, with regards to the EU's Neighbours to the East, the key-areas include *inter alia* development of public and private sectors and judiciary system for Armenia, 14 development.

<sup>&</sup>lt;sup>11</sup> European Neighbourhood Policy, EU-Lebanon Action Plan, Available on: http://edz.bib.uni-mannheim.de/daten/edz-ma/gdex/06/lebanon\_enp ap final en.pdf

<sup>&</sup>lt;sup>12</sup> European Commission, Joint Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Review of the European Neighbourhood Policy, Available on: https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/neighbourhood/pdf/keydocuments/151118\_joint-communication\_review-of-the-enp\_en.pdf

<sup>&</sup>lt;sup>13</sup> European External Action Service, European Neighbourhood Policy, Available on: https://eeas.europa.eu/headquarters/headquarters-homepage/330/european-neighbourhood-policy-enp\_en

<sup>&</sup>lt;sup>14</sup> European Commission, European Neighbourhood Policy and Enlargement Negotiations, Arme-

opment of rural and regional sectors, judiciary and education system for Azerbaijan,<sup>15</sup> achievement of social inclusion and respect of environment for Belarus,<sup>16</sup> reforms in public administration and judiciary system, as well as agriculture development for Georgia,<sup>17</sup> development of energy infrastructure, improvement of governance in the energy domain, promotion of human rights and assistance on the Moldova-Ukraine border mission for Moldova,<sup>18</sup> and development in energy and transport sectors, as well as assistance regarding migration for Ukraine.<sup>19</sup> It is noteworthy that towards each of those Neighbours, the development in energy and environment sector constitutes one of the main elements of the Programs.

In terms of EU's Neighbours to the South, the assistance provided by the EU takes either the form of jointly agreed Action Plans or annual Country Programs. It is also important to notice that with regards to Syria, the EU has already suspended their bilateral cooperation since May 2011, thus there is no current situation as to which development priorities the Union promotes with

nia, Available on: https://ec.europa.eu/neighbour-hood-enlargement/neighbourhood/countries/armenia\_en

- <sup>15</sup> European Commission, European Neighbourhood Policy and Enlargement Negotiations, Azerbaijan, Available on: https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/countries/azerbaijan\_en
- <sup>16</sup> European Commission, European Neighbourhood Policy and Enlargement Negotiations, Belarus, Available on: https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/countries/belarus\_en
- <sup>17</sup> European Commission, European Neighbourhood Policy and Enlargement Negotiations, Georgia, Available on: https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/countries/georgia\_en
- <sup>18</sup> European Commission, European Neighbourhood Policy and Enlargement Negotiations, Moldova, Available on: https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/countries/moldova\_en
- <sup>19</sup> European Commission, European Neighbourhood Policy and Enlargement Negotiations, Ukraine, Available on: https://ec.europa.eu/neighbourhood/countries/moldova\_en

its partner. Among others, the key-areas include economic development, judiciary system reforms and development of the labor market and employment for Algeria, 20 sustainable development and energy reforms, as well as improvement of social protection and stability for Egypt,<sup>21</sup> political stability, financial development and respect for human rights for Israel,22 strengthening of the rule of law, employment creation and investments in renewable energy for Jordan,<sup>23</sup> development of judiciary system, reinforcement of social inclusion and assistance for the sustainable management of resources for Lebanon,<sup>24</sup> promotion of democratic governance and respect for human rights, health system reforms and assistance to civil society for Libya, 25 strengthening of the rule of law, employment creation and reinforcement of accessibility to social services for Morocco,26 development of private sector and sustainable management of re-

- <sup>20</sup> European Commission, European Neighbourhood Policy and Enlargement Negotiations, Algeria, Available on: https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/countries/algeria en
- <sup>21</sup> European Commission, European Neighbourhood Policy and Enlargement Negotiations, Egypt, Available on: https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/countries/egypt\_en
- <sup>22</sup> European Commission, European Neighbourhood Policy and Enlargement Negotiations, Israel, Available on: https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/countries/israel en
- <sup>23</sup> European Commission, European Neighbourhood Policy and Enlargement Negotiations, Jordan, Available on: https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/countries/israel\_en
- <sup>24</sup> European Commission, European Neighbourhood Policy and Enlargement Negotiations, Lebanon, Available on: https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/countries/lebanon en
- <sup>25</sup> European Commission, European Neighbourhood Policy and Enlargement Negotiations, Libya, Available on: https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/countries/libya\_en
- <sup>26</sup> European Commission, European Neighbourhood Policy and Enlargement Negotiations,

sources for Palestine,<sup>27</sup> education system reforms, sustainable development and inclusive growth for Tunisia.<sup>28</sup> Again -and except for Libya, Morocco and Palestine where the development of the energy sector is not mentioned- the promotion of sustainable development and energy infrastructures constitutes one of the main elements of the Actions and Programs.

It is noteworthy that the Union provides its Neighbours with grants of over EUR 15 billion and additional funding through the European Neighbourhood Instrument<sup>29</sup> and the cooperation with International Financial Institutions, respectively. The EU also offers technical assistance and equipment.

### **The European Energy Policy**

The European Energy Union<sup>30</sup> aims to ensure the secure and affordable supply of energy across Europe while launching an environmentally-friendly strategy towards the decarbonization of the economy. The main pillars of this strategy concern the further exploration and exploitation of renewable energy sources, the fight against climate change, as well as Research and Development in the sector of new technologies which can guarantee the production of clean energy.

According to the 2030 Framework for Climate

Morocco, Available on: https://ec.europa.eu/ neighbourhood-enlargement/neighbourhood/ countries/morocco\_en

- <sup>27</sup> European Commission, European Neighbourhood Policy and Enlargement Negotiations, Palestine, Available on: https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/countries/palestine\_en
- <sup>28</sup> European Commission, European Neighbourhood Policy and Enlargement Negotiations, Tunisia, Available on: https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/countries/tunisia\_en
- <sup>29</sup> Official Journal of the European Union, Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument, Available on: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2014:077:0027:0043:EN:PDF
- <sup>30</sup> European Commission, Priorities, Energy Union and Climate, Available on: https://ec.europa.eu/commission/priorities/energy-union-and-climate en

and Energy<sup>31</sup> and the European Energy Security Strategy,<sup>32</sup> the EU is pursuing five main objectives, which are to be fulfilled by the year 2030. The objectives consist of the diversification of energy supplies in order to achieve energy security, the development of a fully integrated internal market in the energy sector, the improvement of energy efficiency, the decarbonization of the European economy so as to rapidly reach the goals set by the Paris Agreement,<sup>33</sup> as well as the attracting of investments<sup>34</sup> in research, innovation and competitiveness.<sup>35</sup>

In order to promote the targets of the Energy Union and ensure their implementation on behalf of the Member States, the European Commission has already published specific packages of necessary measures. To this direction, a package regarding the achievement of clean energy for all European citizens has already been proposed constituting one of the cornerstones towards the fulfillment of the 2030 goals.<sup>36</sup>

- <sup>31</sup> European Commission, 2030 Energy Strategy, Available on: https://ec.europa.eu/energy/en/top-ics/energy-strategy-and-energy-union/2030-energy-strategy
- <sup>32</sup> European Commission, Energy Security Strategy, Available on: https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/energy-security-strategy
- <sup>33</sup> United Nations Framework Convention on Climate Change, COP 21, Paris Agreement, Available on: http://unfccc.int/files/essential\_background/convention/application/pdf/english\_paris\_agreement.pdf
- <sup>34</sup> Niels Anger and Leonardo Zannier, "A new era of EU Energy Policy? Delivering on the Energy Union by National Plans", Thinking Ahead for Europe, CEPS Commentaries, 2017, Available on: https://www.ceps.eu/publications/new-era-eu-energy-policy-delivering-energy-union-national-plans
- <sup>35</sup> European Commission, Building the Energy Union, Available on: https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/building-energy-union
- <sup>36</sup> European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, Clean Energy for All Europeans, Available on: http://eur-lex.europa.eu/legal-content/EN/TXT/DOC/?uri=CELEX:52016DC

The main problem of the European Union with regards to its energy policy is related to the high percentage of imports. Indeed, when it comes to fossil fuels, the Union imports more than half of the energy it demands, thus imports and costs are considerably high.<sup>37</sup> Furthermore, most of the European countries rely basically -if not solely- on Russia as their main energy supplier, thus developing a unilaterally dependent relationship which the latter could utilize as leverage in its foreign relations. However, apart from that, serious concerns are raised as to whether the lack of investment in the upstream sector of Russia allows it to continue meeting the constant growing of energy demand in Europe.<sup>38</sup>

For all the above reasons, the European Energy Security Strategy aims to ensure that the European Union stays harmless in case of an energy crisis coming out of a sole supplier's power plays in the region or in case of shortage of sources. Therefore, the EU focuses *inter alia* on two main objectives, firstly the completion of the internal energy market in view of building the missing infrastructure and connecting the European networks, and secondly the increase of energy security by virtue of diversifying supplier countries and energy sources.<sup>39</sup>

## The completion of the internal energy market: Trans-European Networks for Energy

In order to link the energy infrastructure of the European Union, ensure the interoperability of networks and achieve the total completion of the internal energy market, the EU has implemented a Regulation<sup>40</sup> concerning the identification of nine

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- <sup>37</sup> M. Kanellakis, G. Martinopoulos, T. Zachariadis, "European Energy Policy A Review", Elsevier, Energy Policy, Volume 62, 2013, p. 1020-1030.
- <sup>38</sup> Andreas Goldthau, "Rhetoric versus reality: Russian threats to European Energy Supply", Elsevier, Energy Policy, Volume 36, Issue 2, 2008, p. 686-692
- <sup>39</sup> European Commission, Energy Security Strategy, Available on: https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/energy-security-strategy
- <sup>40</sup> Official Journal of the European Union, Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure, Available on: http://eur-lex.europa.eu/legal-

priority energy corridors and three priority thematic areas. The corridors include at least two Member States and highlight the urgency of infrastructure development in the region. The purpose of connecting the currently isolated from energy markets Member States, reinforcing the existing networks and integrating energy extracted by renewable sources have led the EU to provide investors with more incentives and better treatment in case they wish to invest in the construction and operation of trans-European energy networks.<sup>41</sup>

The priority electricity corridors include the following: i) the North Seas Offshore Grid (NSOG)<sup>42</sup> involving Belgium, Denmark, France, Germany, Ireland, Luxembourg, the Netherlands, Sweden and the United Kingdom so as to transport electricity from renewable offshore installations to the energy market, ii) the North-South Electricity Interconnections in Western Europe (NSI West Electricity)<sup>43</sup> for Austria, Belgium, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Malta, Spain and the United Kingdom, which is expected to integrate renewable energy, iii) the North-South Electricity Interconnections in Central Eastern and South Eastern Europe (NSI East Electricity) involving Austria, Bulgaria, Croatia, Czech Republic, Cyprus, Germany, Greece, Hungary, Italy, Poland, Romania, Slovakia and Slovenia which seeks for the North-South and East-West interconnections, iv) the Baltic Energy Market Interconnections Plan in Electricity (BEMIP Electricity)<sup>44</sup> concerning the dealing with the energy isolation of the Baltic States.

The priority gas corridors consist of the follow-

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- <sup>41</sup> European Commission, Trans-European Networks for Energy, Available on: https://ec.europa.eu/energy/en/topics/infrastructure/trans-european-networks-energy
- <sup>42</sup> European Commission, North Seas Energy Cooperation, Available on: https://ec.europa.eu/energy/en/topics/infrastructure/north-seas-energy-cooperation
- <sup>43</sup> European Commission, Interconnections for South-West Europe, Available on: https://ec.europa.eu/energy/en/topics/infrastructure/interconnections-south-west-europe
- <sup>44</sup> European Commission, Baltic Energy Market Interconnection Plan, Available on: https://ec.europa.eu/energy/en/topics/infrastructure/baltic-energy-market-interconnection-plan

ing: i) the North-South Gas Interconnections in Western Europe (NSI West Gas) which is related to Belgium, Denmark, France, Germany, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Spain and the United Kingdom, and concerns the North-South interconnections, ii) the North-South Gas Interconnections in Central Eastern and Soutth Eastern Europe (NSI East Gas) which involves Austria. Bulgaria, Croatia, Cyprus, Czech Republic, Germany, Greece, Hungary, Italy, Poland, Romania, Slovakia and Slovenia, and refers to gas interconnections between and within the Baltic Sea, the Adriatic and Aegean Seas, the Eastern Mediterranean Sea and the Black Sea, iii) the Southern Gas Corridor (SGC) for Austria, Bulgaria, Croatia, Czech Republic, Cyprus, France, Germany, Hungary, Greece, Italy, Poland, Romania, Slovakia and Slovenia, securing the gas flow from the Caspian Basin, Central Asia, Middle East and Eastern Mediterranean Basin to Europe, iv) the Baltic Energy Market Interconnection Plan in Gas (BEMIP Gas)<sup>45</sup> for the strengthening of gas infrastructures in the Baltic States and Finland and in order to ensure the diversification of their energy supplies.

Lastly, the Oil Supply Connections in Central Eastern Europe (OSC) constitutes the sole priority oil corridor which has been incorporated for the purpose of increasing security of sources and reducing the environmental risks.

## Energy security and diversification of sources; the European Neighbourhood Policy

As soon as the ENP was launched, it recognized the energy sector as key element of the EU policy towards its neighbors. More specifically, even in the 2004 Strategy Paper, the ENP identifies the interconnection of neighboring states as one of its major points, in view of Europe being the world's largest energy importer at the same time that most of its neighbors constitute the world's most important reserves of gas and oil. The policy proposed was twofold: the improvement of energy infrastructures would facilitate both supplier countries and transit countries to enter the European market and provide European citizens with natural gas and oil, whereas the more the countries involved the better for energy security, due to the diversification of energy sources.

After the 2015 Review of the ENP, it was clear that the Policy would play a principal role in the field of energy cooperation, aiming to ensure energy security in the EU-ENP region. The Joint Communication on the Review of the ENP clearly endeavours to achieve the diversification of suppliers and transit countries among the Neighbours so as to increase energy security and protect Europe from running out of gas or oil due to energy or political crises in one sole supplier. To this direction, the Joint Communication proposes the Action Plans signed between the EU and the Neighbours take the European energy policy into serious consideration when being drafted.

## Conclusions regarding the role of Greece in energy cooperation with the ENP countries

Greece is involved with three priority corridors, namely the North-South Electricity Interconnections in Central Eastern and South Eastern Europe (NSI East Electricity) Corridor, the North-South Gas Interconnections in Central Eastern and Soutth Eastern Europe (NSI East Gas) Corridor and the Southern Gas Corridor (SGC). Furthermore, Greece is a Member State lying in the south-east external borders of the European Union. Therefore, due to its geopolitical position, Greece can play a vital role in terms of energy cooperation with the world's most important reserves of gas and oil. Both the European Neighbourhood Policy and the European Energy Policy constitute key priorities of the Union at the time being, since the only feasible way for the world's second largest energy consumer to ensure the flow of gas and oil in its internal market is by bilateral agreements with neighboring states. The aforementioned in conjunction with the special status attributed to the Projects of Common Interest investing in the development of trans-European networks throughout the priority corridors can be perceived as a great opportunity for Greece to become a key player by functioning as the Member State where the gas and oil flow accesses the European market. The Trans Adriatic Pipeline (TAP), a Project of Common Interest of the Southern Gas Corridor which will transport 10 billion cubic meters of natural gas per year from the Caspian Basin and Azerbaijan to the European Union through Greece constitutes one first sample of the future potentials.