

# Shared Interests or Competing Actions: What drives energy security cooperation between Asia and Europe?

*Susanne Wallenoeffler*

The European Union's external policies are based on the firm belief that multilateralism is the only way to solve the future challenges and that it needs to speak with one voice in order to level its strength. This attitude is also increasingly reflected in the EU's external energy policy as will become obvious from the following paragraphs.

With Asia arguably sharing the same values and ideas of multilateralism, this region provides an interesting case for analysing how cooperation in the energy sector, that is still considered a highly strategic policy area for national governments, is working and what progress has been made to date.

As early as 1995 the EU issued a communication on a strategy for energy cooperation with Asia and has since then embarked on various initiatives to enhance partnerships. In the year 1988, a joint ASEAN - EC Energy Management Training and Research Centre was established in Jakarta. Its purpose was – among other things – to “strengthen cooperation among the ASEAN countries and between ASEAN and the European Community (EC) in the field of energy through proper energy management to secure energy supply for economic and social development”<sup>1</sup>. This led to the EC-ASEAN Energy Facility Programme (EAEF), an 18 million EUR programme that ran from 2002 to 2007 and supported a total of 77 projects.

In the early 1990s, the partnership between the EU and China was extended and a number of sectoral dialogues were established. Since 1994 a sectoral dialogue on energy between the EU and China, which aims to identify areas for enhanced cooperation in the field of energy.

In 1996, the first EU-China Energy Conference was organised. Initially it was part of the SYNERGY programme run by DG Environment in the 1990s until 2002. This was in line with the new energy strategy set out by the Commission in its 1995 White Paper. SYNERGY was aimed to promote external cooperation with third coun-

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<sup>1</sup> Agreement on the Establishment of the ASEAN - EC Energy Management Training and Research Centre (1988), Art. 2.

tries in the area of energy policy formulation and implementation. In 2003 the EU announced a strategic partnership with China in its European Security Strategy, reflecting the growing significance of EU-China relations in a globalised world and presenting a possibility for intensified dialogue on key areas such as energy. The partnership is further defined in the European Commission's 2006 Communication. With regards to energy, the Commission emphasises the common interest in secure and sustainable energy and lists energy efficiency and environmentally-friendly energy sources as main areas for cooperation. The focus of this communication is on partnership and shared responsibilities, with the clear aim of engaging China in multilateral frameworks, also with respect to energy.

In 2005, the summit resulted in a partnership agreement on climate change, in which both sides agreed on enhanced cooperation and dialogue on energy and climate change, particularly in the areas of improving energy efficiency, promotion of clean energy sources, and renewable energies. In the partnership agreement, both parties confirm their commitment to the Kyoto Protocol and the UNFCCC principles.

A number of projects have been launched successfully in the past years and are currently being implemented. In the area of technology cooperation the development of advanced near-zero emission coal is focusing on carbon capture and storage (CCS). The project is implemented by the European Commission, the UK and China, and aims to have CCS technology demonstrated and thus ready for implementation by 2020. It can be described as a joint R&D project as it is not purely based on technology transfer, but on the joint research and development of new technologies.

With regards to China, the EU's external energy policy is focusing on security of access and development of a low-carbon economy. In terms of energy security this reflects a broader, non-traditional approach since the strategy is not only concentrating on security of supply but does include the issue of sustainability, climate change and development. All of these needs will have to be addressed to secure energy in the medium-to-long term and avoid fierce competition over scarce resources in the near future.

In recent years, India has become an important actor on the international stage due to its impressive economic growth rates and the enormous market potential. Since 2004, the EU has engaged in a strategic partnership with India, with energy cooperation being a key element. Once established, EU-India energy cooperation swiftly gained momentum. Under the EU-India joint action plan that was concluded in 2005, energy security is mentioned as one of the chal-

lenges that can be best addressed under an effective multilateral framework.

The recent EU-India summit that took place in November 2009 focused also on energy and ended with an agreement on research in the field of fusion energy as well as financial commitments to invest in research in solar energy. In their Joint Statement, the leaders affirm their commitment to sustainable energy consumption and production and enhanced cooperation under the newly established International Partnership for Energy Efficiency Cooperation (IPEEC) and the International Renewable Energy Agency (IRENA). Overall, EU-India energy cooperation is not as developed as the EU cooperation with China but is set to advance further as India gains more economic power

As one of the major trading partners of the EU, economic and trade cooperation is the pillar of the relationship between Japan and the EU, with energy being an important element of the overall cooperation. As energy security is increasingly becoming an issue for all states worldwide, the EU-Japan partnership has also taken the issue into its agenda. At the recently concluded EU-Japan summit in 2009, the joint press statement emphasises the "importance of continued bilateral cooperation on energy security, sustainable energy policies and energy technologies"<sup>2</sup>. Obviously the EU and Japan have a shared interest in open and competitive markets as this helps to ensure energy security in terms of supply and aim to work together for this aim within the existing international frameworks.

The Asia-Europe Meeting was initiated in 1997 and since then the heads of state and government of today 45 countries have met on a bi-annual basis to discuss areas of further cooperation. Energy has been part of the agenda and the importance of energy security had been identified by the 7<sup>th</sup> ASEM Foreign Ministers' Meeting in 2005. At the last ASEM Summit in Beijing in 2008, the Beijing Declaration on Sustainable Development was agreed. It includes a section on climate change and energy security, in which leaders confirmed the multilateral approach to solving these issues and encourage countries to "make contribution to safeguarding global energy security"<sup>3</sup>.

In 2009, the 1<sup>st</sup> ASEM Ministerial on Energy Security took place under the EC's ASEM dialogue facility in Brussels in June. The significance of the topic was also underlined by the fact that two Commissioners gave keynote speeches at the meeting. Further, representatives of all ASEM members attended the high-level meeting. The

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<sup>2</sup> 18th EU-Japan Summit 4 May 2009 in Prague, Joint Press Statement.

<sup>3</sup> ASEM 7: Beijing Declaration on Sustainable Development, Art. 23, [http://www.asem7.cn/misc/2008-10/25/content\\_57456.htm](http://www.asem7.cn/misc/2008-10/25/content_57456.htm) [15.11.2009].

outcome of the meeting was a Joint Statement, in which leaders once again confirmed their commitment to a low-carbon economy and called for greater diversification as well as integration and transparency. The first follow-up action included the EC-ASEAN meeting on the work plan for energy.

With ASEM being an informal political process, any initiatives will remain largely unbinding for states. Nevertheless, this framework provides the opportunity to raise questions and discuss issues without the stakes being too high.

The energy cooperation between Asia and Europe is a field that is continuously expanding due to the growing importance of energy in international relations. The drivers for enhanced cooperation have been identified as resource scarcity, climate change, renewable energy and technology cooperation. All of these factors determine the overall trend of enhanced energy cooperation between Asia and Europe. Cooperation on the political level takes place within a number of frameworks and is covered by a variety of agreements and treaties. The strong commitment to multilateralism provides the background for partnership between Asia and Europe in the energy sector and also helps to facilitate cooperation. Whereas with China and India, energy cooperation is part of the strategic partnership with the EU, other frameworks for cooperation can be found in the EU-ASEAN cooperation as well as the ASEM process. This informal meeting, in particular, has played a role in opening up discussion about energy cooperation. As a result, valuable contributions have been made to the political agenda in the two regions as has been demonstrated in the relevant section. Strengthening this informal process through more and concrete follow-up actions within ASEM or any of the other existing frameworks could help to make the EU-Asia energy partnership even more dynamic. While there might be competition for energy sources between the regions, both Asia and Europe have a shared strategic and long-term interest in stable, secure and sustainable energy. This provides a sound basis for current and future cooperation in the energy sector.

IN: *Auslandsinformationen* 11/2009, ISSN 0177-7521, Konrad-Adenauer-Stiftung e.V., Berlin, p.113-117