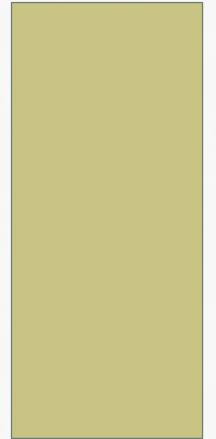


# POLITICISATION OF ENERGY SECURITY

Dr Jarosław Wiśniewski, LSEE Visiting Fellow  
@jarwisniewski



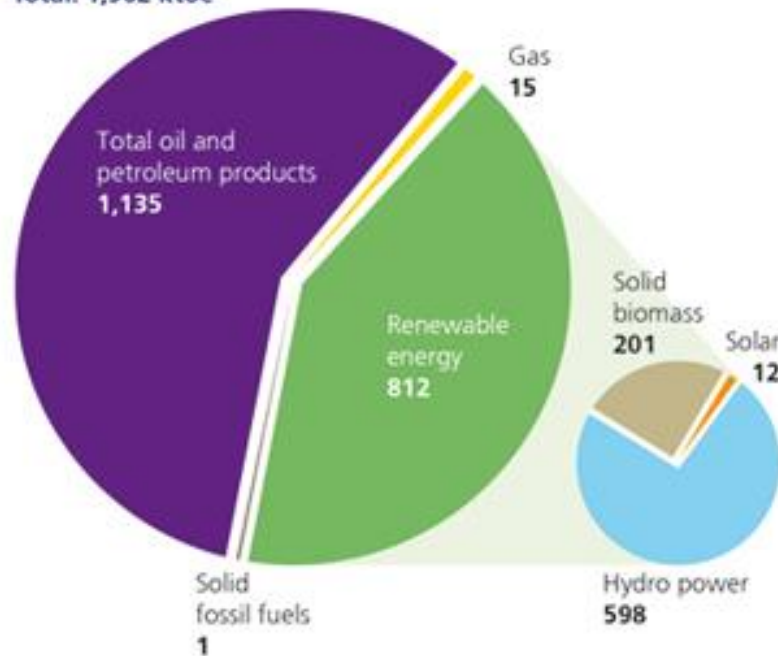
# OUTLINE

1. Energy mix
2. Energy security in South East Europe
3. Energy security (definitions)
4. Pipelines
  - Great pipeline rivalry – South Stream vs Nabucco
  - Turkish Stream & Trans-Adriatic Pipeline (TAP)
  - Virtual pipelines - pipelines as tools of domestic and foreign policy
5. South East Europe – challenges
6. Opportunities

# ENERGY MIX - ALBANIA

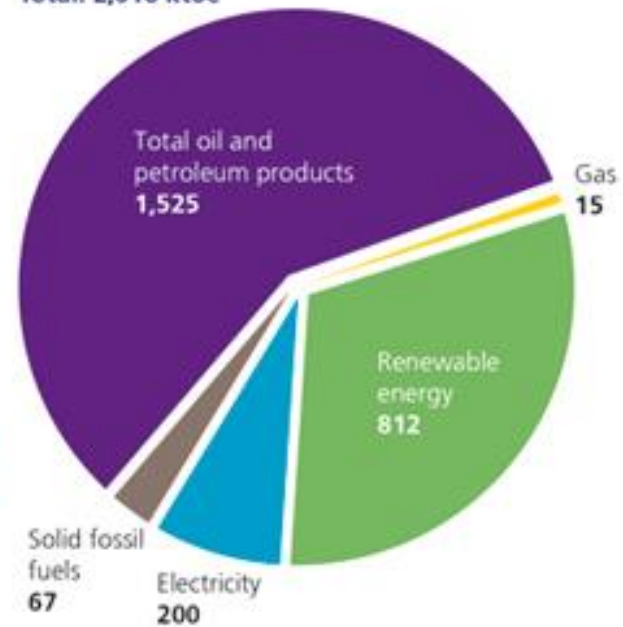
Energy mix in primary production 2013 in ktce

Total: 1,962 ktce



Gross inland consumption 2013 in ktce

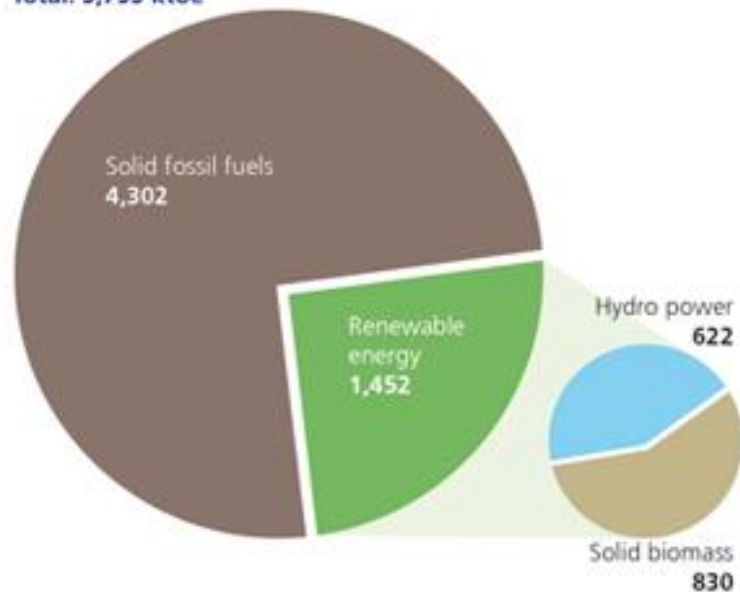
Total: 2,618 ktce



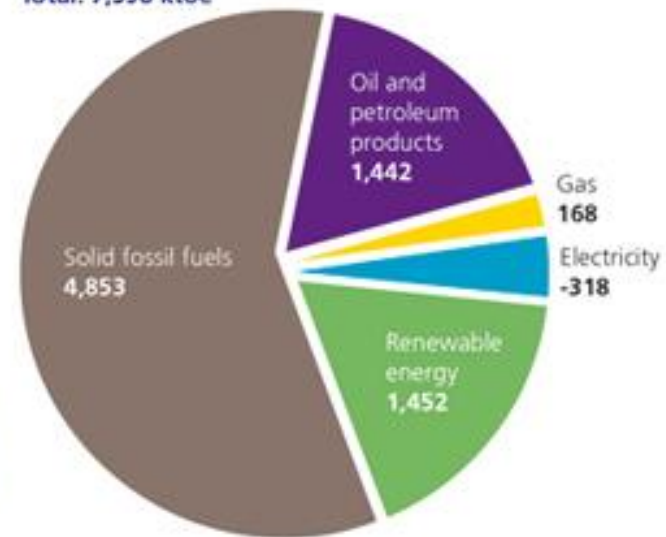
Source: EUROSTAT

# ENERGY MIX – BOSNIA AND HERZEGOVINA

Energy mix in primary production 2013 in ktoe  
Total: 5,755 ktoe



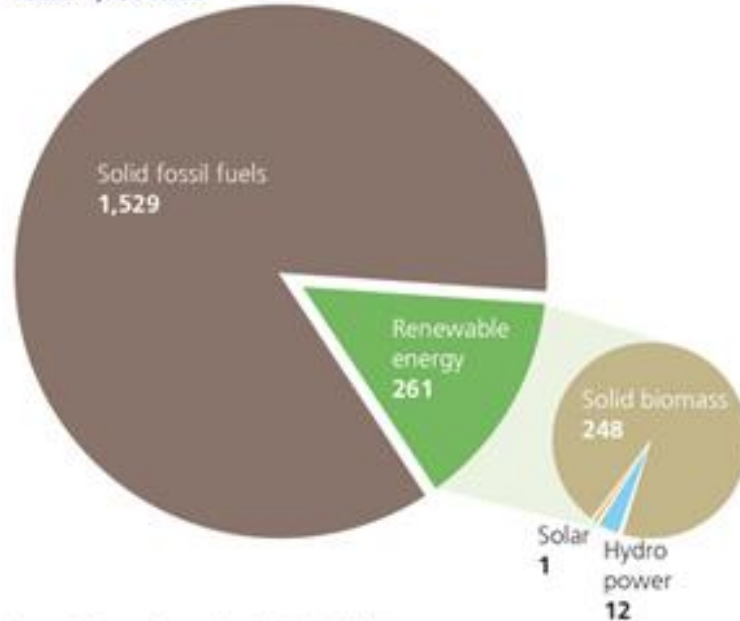
Gross inland consumption 2013 in ktoe  
Total: 7,598 ktoe



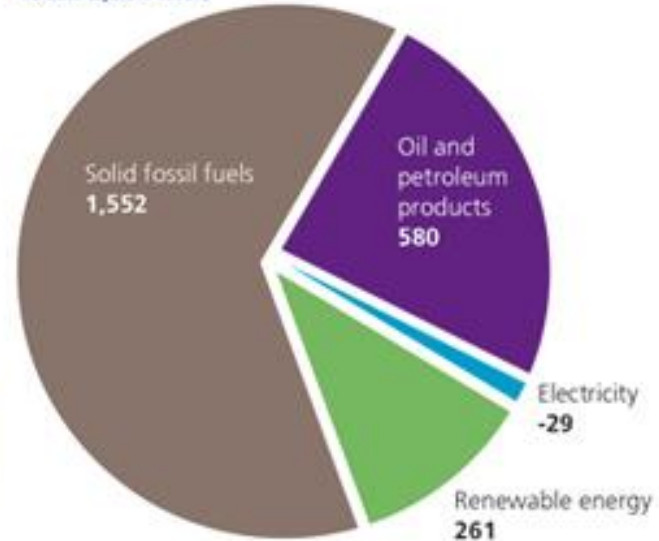
Source: Agency for Statistics of Bosnia and Herzegovina (BHAS) and estimates of the Energy Community Secretariat

# ENERGY MIX - KOSOVO

Energy mix in primary production 2013 in ktoe  
Total: 1,790 ktoe



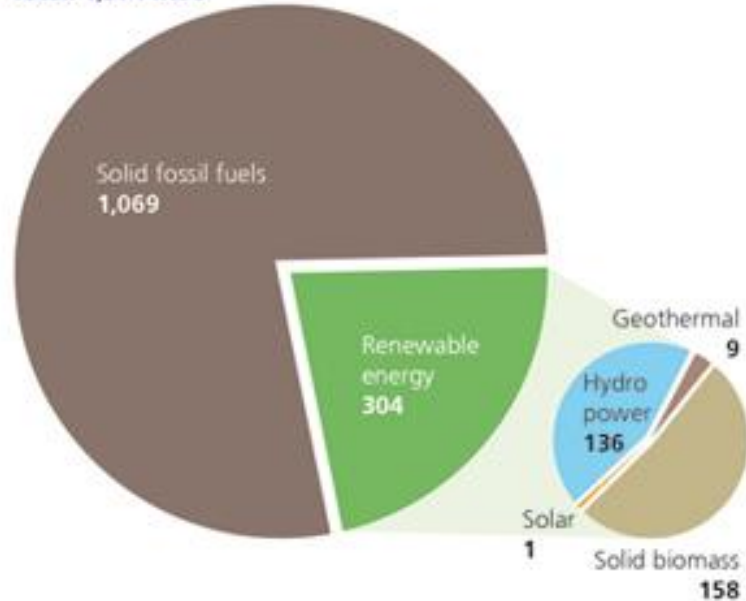
Gross inland consumption 2013 in ktoe  
Total: 2,364 ktoe



Source: Kosovo Agency for Statistics (KAS)

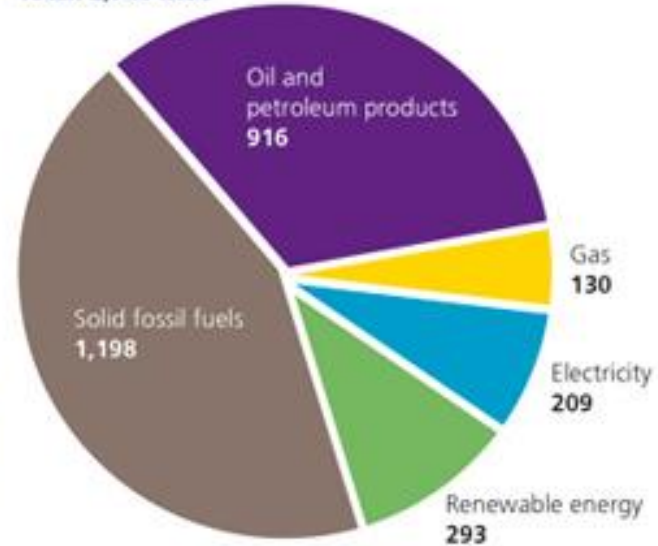
# ENERGY MIX - MACEDONIA

Energy mix in primary production 2013 in ktoe  
Total: 1,374 ktoe



Source: EUROSTAT

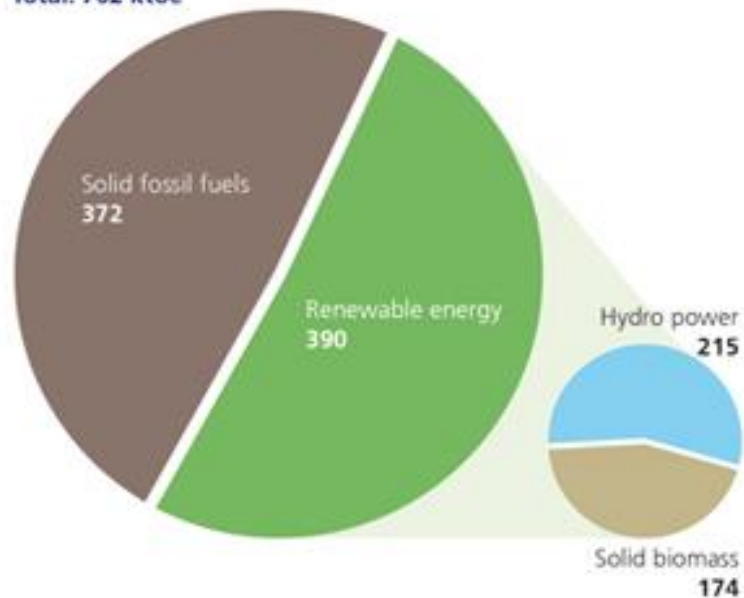
Gross inland consumption 2013 in ktoe  
Total: 2,746 ktoe



# ENERGY MIX - MONTENEGRO

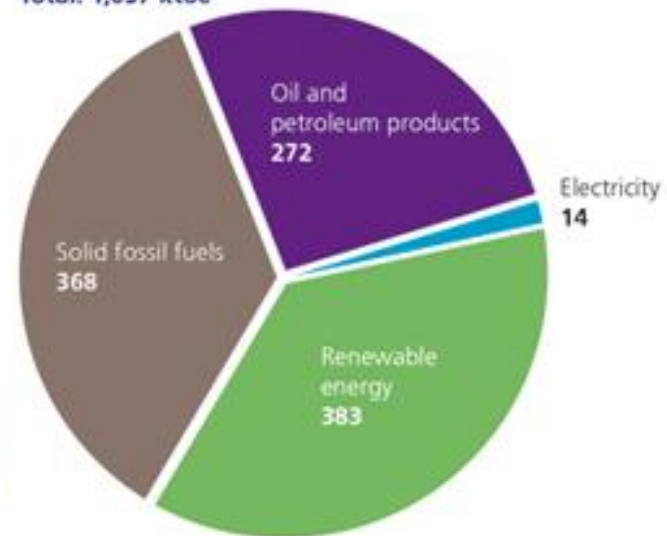
Energy mix in primary production 2013 in ktoe

Total: 762 ktoe



Gross inland consumption 2013 in ktoe

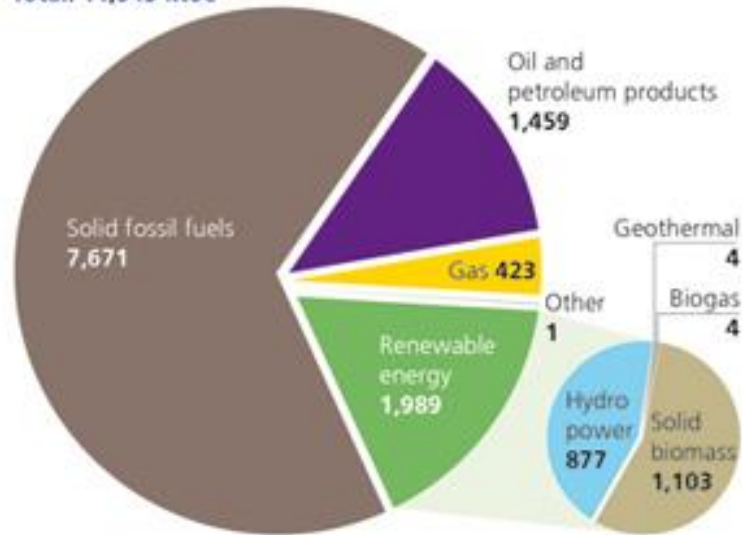
Total: 1,037 ktoe



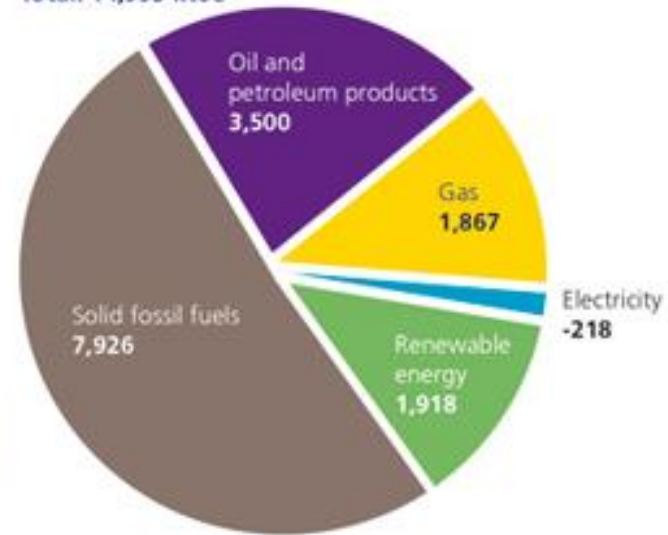
Source: EUROSTAT

# ENERGY MIX - SERBIA

Energy mix in primary production 2013 in ktce  
Total: 11,543 ktce



Gross inland consumption 2013 in ktce  
Total: 14,993 ktce



Source: EUROSTAT



# ENERGY SECURITY IN SEE

- Complex issue
- Not only about energy or resources
- Result of interplay between domestic factors and external influences (e.g. EU integration; willingness to accommodate relations with Russia)
- Subject to short-term political dynamics (while energy policy usually requires a long-term approach)

# ENERGY SECURITY IN SEE

- Main case study: pipelines
- Cutting carbon emissions, renewables & energy efficiency are more important, but (unfortunately) largely ignored by politicians and the media

# ENERGY SECURITY – CHALLENGES WITH DEFINITIONS

- ‘energy security is security of everything, everywhere and against everything’ (Ciuta 2010)
- World Economic Forum (WEC) and Cambridge Energy Associates (CERA): energy security is an umbrella concept covering aspects related to energy, economic growth and political power (WEF/CERA 2011)
- Something that may be a security issue for some, may for others be an issue of economic relations
- Kratochvil and Tichy (2013): perceptions can be asymmetric; some countries can feel more dependent on different sources of energy than others, thus developing different perceptions

# ENERGY SECURITY – CHALLENGES WITH DEFINITIONS

- Energy security means something different to an energy exporter than an energy importer or a transit country
- SEE countries – primarily energy importers; also transit countries

# GREAT PIPELINE RIVALRY – SOUTH STREAM VS NABUCCO

- Nabucco: 2005 – 2013; main theme: ‘diversification’
- South Stream: 2007 – 2014; main theme: ‘reliability of supplies’
- Even though they were never built, both had an impact on political dynamics in Central, Eastern and South Eastern Europe

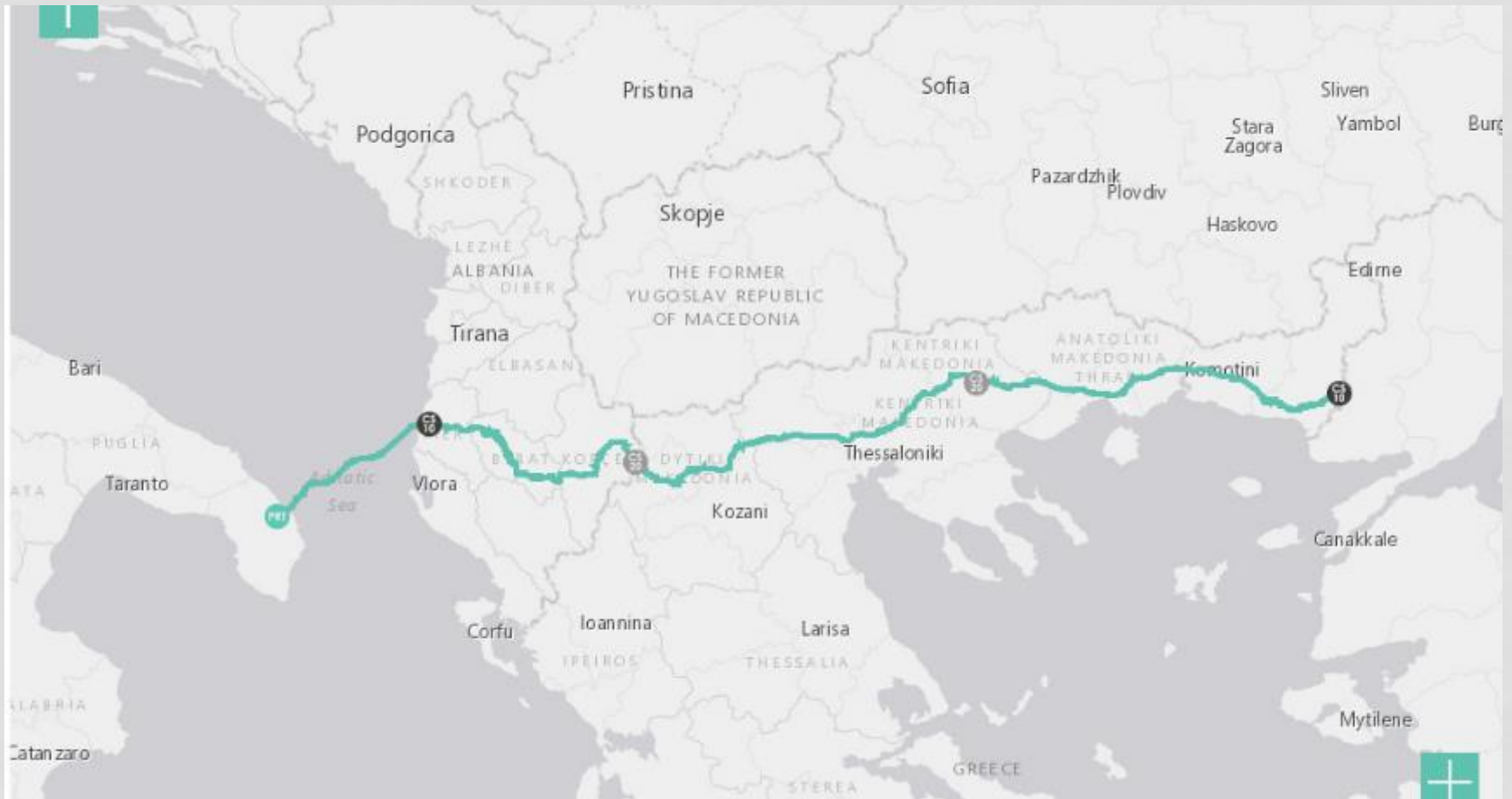
# TURKISH STREAM & TAP

- Turkish Stream: where does it start? Where does it end? How much will it cost? Will it be ever built?
- Trans-Adriatic Pipeline: a single pipeline or a network (Adriatic-Ionian Pipeline)?

# TURKISH STREAM



# TRANS-ADRIATIC PIPELINE





# TURKISH STREAM & TAP

- Lavrov in Athens; Putin in Ankara – Turkish Stream a side-topic
- Russian economy in recession – shrinking GDP, tapping into rainy-day fund; welfare fund next?
- TAP: construction officially begun in spring 2016; first gas expected to arrive in 2020
- Serbia and Macedonia eager to join TAP

# AUGMENTED REALITY – 'VIRTUAL PIPELINES'

- Superimposition of a computer-generated image on a user's view of the world, thus providing a composite view (e.g. Pokémon);
- Superimposition of non-existent pipelines on maps – images influencing our thinking



**Video:** See an animated version at: [Economist.com/videographics](http://Economist.com/videographics)

# VIRTUAL PIPELINE

- Exists only in the discourse
- Appears in memoranda, agreements, official statements, press releases but...
- It never materialises
- Used as a tool of domestic or foreign policy, a motivator and a reward; also a tool of blackmail and extortion

# PIPELINES AS TOOLS

- Result (pipeline) less important than the process (politicisation of the project)
- Potential recipients can only watch and react. Decisions are made elsewhere
- Kremlin keen to use pipelines – Nord Stream 2; Turkish Stream; Eastern Ring; keeping Yamal, GTS. But in reality not enough demand & gas to fill all pipelines

# PIPELINES AS TOOLS

- USA lobbying for TAP (Vucic's interview)
- Shock at cancellation of South Stream shows that despite signed agreements & initial investment, nothing can be certain

# LIMITATIONS

- Various examples of virtual pipelines show that they are usually short-term and politically driven projects
- Although European Commission prioritises energy diversification, Energy Union is more inward looking
- Europe in general and South East Europe in particular do not need so much gas (EC 2050 Energy Roadmap)

# SOUTH EAST EUROPE - CHALLENGES

- IEA: global energy investment down 8% in 2015, increased investment in energy efficiency
- EU energy agenda (Framework for Climate and Energy Policy until 2030). SEE seriously lagging behind
- Limited investment in renewable energy: regulatory barriers, infrastructure constraints, complex legal environments
- Slow push towards integration of regional markets



# SOUTH EAST EUROPE - CHALLENGES

- Politicisation of projects: hydropower plants on Drina discussed only in election campaigns
- Questionable policy of international financing institutions, e.g. EBRD invested 48% in fossil fuels, 23% in hydropower, 2% in other forms of renewable energy (years 2006-12)
- World Bank supporting a new lignite plant in Kosovo
- Never-ending election campaigns
- Politics dominate over energy needs

# SOUTH EAST EUROPE - OPPORTUNITIES

- South East Europe is more than just a gas corridor
- Potential for renewable energy
- Potential for energy efficiency
- Good interconnectors, but more infrastructure needed (especially for electricity) & a common Master Plan
- Energy Union Package: brings together security of supply + sustainability + competitiveness in all member states and regions

**THANK YOU  
FOR YOUR ATTENTION**

Dr Jarosław Wiśniewski, LSEE Visiting Fellow  
@jarwisniewski

