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'I/A' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	The Fifth Ministerial Meeting of the Southern Gas Corridor Advisory Council, Baku 20 February 2019 - Joint Declaration - Authorisation to sign on behalf of the European Union

1. On 8 January 2019, the Commission informed the Energy Working Party of the fifth Ministerial Meeting of the Southern Gas Corridor Advisory Council taking place on 20 February 2019 in Baku, and the preparations for the signature of a Joint Declaration at the Ministerial Meeting.
2. It is envisaged that the Joint Declaration will be endorsed by representatives of the Republic of Azerbaijan, the Republic of Albania, Bosnia and Herzegovina, the Republic of Bulgaria, Georgia, the Hellenic Republic, the Italian Republic, the Republic of Turkey, the Republic of Croatia, Montenegro, Romania, San-Marino, the United Kingdom, the United States of America, and the European Union.
3. On 22 January 2019, the Working Party on Energy examined the draft Joint Declaration. The draft declaration was amended to take into account the comments of delegations.
4. Subject to the confirmation by the Permanent Representatives Committee, the Council is invited to authorise the signature, on behalf of the European Union, of the Joint Declaration set out in the Annex.

The Fifth Ministerial Meeting of the Southern Gas Corridor Advisory Council

**JOINT DECLARATION
BAKU, 20 FEBRUARY 2019**

We, the participants of the Fifth Ministerial Meeting of the Southern Gas Corridor Advisory Council, held in Baku on the 20th February 2019:

Reaffirming our strategic partnership based on the shared goals of improving the security and prosperity of our citizens and the protection of the environment;

Recognising the EU's approach under the Energy Union Strategy and emphasizing the importance of establishing an integrated European energy system advancing towards a clean energy future and a secure and competitive economy;

Noting the relevance of natural gas as a transition fuel and being one amongst other back-up solutions for power generation from renewable energy sources;

Recognizing the importance of the diversification of energy supplies by country of origin, path of delivery, and fuel type and of undistorted trade to a country's economic security;

Building on the recognition that the Southern Gas Corridor, which brings diversification of natural gas supply, is of strategic importance for the Republic of Turkey and the European Union;

Welcoming the arrival of first gas into the Southern Gas Corridor which was marked by the ceremony on 29 May 2018 in Sangachal Terminal in Azerbaijan;

Welcoming that the deliveries of gas to Turkey were achieved on schedule and marked at the ceremony in Eskisehir, Turkey on 12 June 2018;

Noting that all remaining segments of the Southern Gas Corridor are nearing completion, with the first gas to Italy expected to be supplied by 2020;

Reaffirming the importance of continued political support to the implementation of the Southern Gas Corridor including new infrastructure development which will ensure the cross-border interconnectivity between transmission systems;

Recognizing the need for the effective operations of the Southern Gas Corridor through the timely completion of the Trans Adriatic Pipeline;

Recognizing the strategic role of the Republic of Azerbaijan as a key enabler of the Southern Gas Corridor in the efforts to deliver secure, sustainable, competitive and affordable energy to consumers in Georgia, the Republic of Turkey and Europe and in appreciation of the investments of the Republic of Azerbaijan and International Energy Companies in the components of the Southern Gas Corridor, including in Europe itself;

Recognizing that significant untapped gas resources in the Republic of Azerbaijan can provide additional gas supplies to Europe and recognizing the decision of the Republic of Azerbaijan and investing companies to facilitate development of Absheron, Umid, Babek, Karabakh, Dan Ulduzu, Ashrafi, Shah Deniz III and other fields to continue to supply and possibly expand the Southern Gas Corridor;

Appreciating the Republic of Azerbaijan's observance of sanctity of contracts in its energy sector, which encourages long term foreign investment and cooperation;

Emphasizing the crucial role of the Republic of Turkey, Georgia, the Hellenic Republic, the Republic of Albania, the Republic of Bulgaria and the Italian Republic in assuring the successful operation of the energy projects and transportation corridors as well as gas supplies from the Caspian Region to Europe on their territories;

Appreciating the key role of the Republic of Turkey in the successful implementation of the Trans-Anatolian Natural Gas Pipeline Project, which is the backbone of the Southern Gas Corridor;

Appreciating the fundamental role of the Hellenic Republic, the Republic of Albania and the Italian Republic in the progress on the implementation of the Trans-Adriatic Pipeline;

Highlighting the ongoing efforts and successive and focused steps towards construction of the Gas Interconnector Greece-Bulgaria to start this year and recognising the considerable progress achieved and the efforts.

Highlighting the progress in establishing the Ionian Adriatic Pipeline Project Company within the framework of the Energy Community;

Or:

Welcoming the establishment of Ionian Adriatic Pipeline Project Company which is an important milestone towards the implementation of this project, within the framework of the Energy Community, destined to securing new gas source for South-Eastern Europe and the gasification of some Western Balkan countries and facilitating the further progress for the integration of this region into the regional energy market (*if this company is established before or during the meeting, this alternative paragraph could be used*);

Recognizing the importance of the continuing support of the United States of America in developing the Southern Gas Corridor;

Welcoming the participation of delegations of the [as the case may be - Republic of Croatia, Montenegro, Romania ;Bosnia and Herzegovina, Republic of Serbia, Hungary, Republic of San-Marino and Turkmenistan] in the Fifth Ministerial Meeting of the Southern Gas Corridor Advisory Council;

Appreciating the continuous support expressed by South Eastern European countries for the implementation of the Southern Gas Corridor and their contribution to connecting Southern and Central Europe and the Southern Gas Corridor;

Recognizing the valuable and active support of the European Union and welcoming the inclusion of the SCP, TANAP and TAP projects in the 3rd list of EU Projects of Common Interest, which is a prerequisite for applications for funding under the Connecting Europe Facility (CEF) programme;

Noting the significant role of the International, European and national Financial Institutions in contributing to the provision of loan capital to realise the Southern Gas Corridor;

Noting the renewed commitment to the long-term presence of the international oil and gas companies in the energy sector of the Republic of Azerbaijan;

Recognizing that the Southern Gas Corridor is designed and eager to welcome additional volumes of natural gas from countries that have not hitherto supplied gas to the European Union, and in this context confirming that the Southern Gas Corridor Infrastructure can be available for use by multiple suppliers;

Hereby declare the following:

1. We remain determined to continue deepening the long term strategic relationship among the stakeholder countries of the Southern Gas Corridor and between transporters, suppliers, and consumers of the energy resources, to secure reliable and sustainable supply and transit of gas from the Republic of Azerbaijan to Georgia, the Republic of Turkey, the Hellenic Republic, the Republic of Albania, the Republic of Bulgaria and the Italian Republic and further to European countries;
2. We welcome the substantial progress achieved in the implementation of the Southern Gas Corridor since the previous Ministerial meetings held in Baku on 12 February 2015, 29 February 2016, 23 February 2017 and 15 February 2018;
3. We appreciate the successful efforts regarding the completion by relevant authorities and entities of the remaining regulatory and legal prerequisites and procedures related to permitting and authorizations, as well as supporting other measures necessary for the unimpeded construction of the Southern Gas Corridor to be completed without undue delays.
4. We intend to continue to promote the expansion of the Southern Gas Corridor to further markets, including outside the borders of the European Union, such as the Energy Community countries in the Balkans, through assessing technical and commercial opportunities to cooperate with existing and planned infrastructure owners including within the framework of the Central and South Eastern Europe Gas Connectivity (CESEC). We welcome the imminent start of the constructions of the Interconnector Greece – Bulgaria and express support to the implementation of the Ionian Adriatic Pipeline project; the already constructed Interconnector between Bulgaria and Romania and progress on the bi-directional connection between the gas systems of Bulgaria and Romania and Bulgaria and Serbia;

5. We welcome the confidence of international financial institutions, which have provided access to affordable financing for projects within the framework of the Southern Gas Corridor and we support further efforts to engage national, European and regional financial institutions, notably by maintaining and developing further the transparent, predictable and stable regulatory environment with its appropriate monitoring mechanisms;
6. We continue to promote strategic energy partnership in the region and beyond in order to address the remaining implementation issues of the Southern Gas Corridor and adjoined new and expanded interconnecting infrastructure with the continuous support of the European Union, in particular through the implementation of the Energy Union Strategy;
7. We maintain our firm intention to continue developing bilateral and multilateral cooperation to open the Southern Gas Corridor to possible future participants in their capacities as suppliers and/or transit countries, and to continue working level consultations to address, in the most practical and timely way, relevant legal, regulatory, safety and security matters, which may emerge during the realization of any future expansion of the Southern Gas Corridor;
8. We welcome the interest of potential additional new suppliers of natural gas to use the Southern Gas Corridor to further diversify natural gas supplies to Europe and to other countries; and encourage discussions to ship additional gas supplies to Europe;
9. We assert that the Southern Gas Corridor will play a reliable role in enhancing the security of supply of natural gas to Europe;
10. We declare that the Southern Gas Corridor has achieved significant progress and we maintain our effort to ensure its timely completion enabling delivery of natural gas to Europe by 2020;

This Joint Declaration was endorsed by representatives of the Republic of Azerbaijan, the Republic of Albania, the Republic of Bulgaria, Georgia, the Hellenic Republic, the Italian Republic, the Republic of Turkey, and the Republic of Croatia, Montenegro, Romania, Bosnia and Herzegovina, San-Marino, the United Kingdom, the United States of America, and the European Union.

The Republic of Azerbaijan

The Republic of Turkey

Georgia

The Hellenic Republic

The Republic of Albania

The Italian Republic

The Republic of Bulgaria

The Republic of Croatia

The United States of America

Montenegro

The European Union

The United Kingdom

Bosnia and Herzegovina

Romania

San-Marino
