



PROMOTING A FUTURE OF
PEACE AND SECURITY IN THE MIDDLE EAST

Energy Security Working Group
Poland | October 24

Working Group Summary Statement

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On October 24, 2019, Poland hosted a meeting of the Warsaw Process Working Group on Energy Security, which was co-chaired by Poland and the United States.

In furtherance of the discussions initiated at the Ministerial to Promote a Future of Peace and Security in the Middle East in February 2019, the Working Group noted that threats to energy infrastructure throughout the world are diverse and include natural, physical, and technological ones, which hamper energy production, transport, and distribution. There are also risks that emerge when international terrorist organizations, criminal networks, or states gain control over and exploit energy resources to fund illicit activities that directly threaten regional and international stability and security.

The Working Group considered three issues vital for the security, reliability, and resilience of the energy sector in the Middle East and explored practical steps that states in that region and around the world can take to address these issues.

The first issue is critical energy infrastructure protection (CEIP). Strengthening energy infrastructure against today's threats and hazards through effective risk-management and closer collaboration is essential to stability in global energy markets. CEIP directly supports political stability, economic prosperity, and commercial opportunities. Building collaborative efforts to increase energy sector security should include integrated approaches – coordination within governments, cooperation among governments, and collaboration between governments and the private sector, as well as with relevant international organizations or institutions. Collaborative and coordinated CEIP efforts can effectively deter threats posed by destabilizing state and non-state actors, boost investment, and positively affect the global economy by minimizing the crude oil price fluctuations and enhancing security of supply. Presentation of several countries' experiences in CEIP served as a background for the Working Group discussion on best practices and exploration of ways that states can work together to promote effective regional and international implementation of such practices. The discussion also highlighted the value of promoting regional and international confidence building measures in the energy sector, such as sharing information about potential threats to energy infrastructure, building security and resilience across multi-country energy infrastructure projects, exchanging CEIP best practices, and developing effective tools for crisis management and recovery. All delegations may benefit from closer cooperation on CEIP.

The second issue is the supply chain integrity of petroleum products, with a view to thwarting smuggling and reducing the ability of those who seek to profit from illicit petroleum sales. Such

oil sales provide a lifeline for violent militia groups and are a lucrative source of income for transnational organized criminal organizations. Improving the transparency of the supply chains will limit the ability of these actors to gain access to markets and revenue streams. The Working Group examined ways to increase transparency in global commodity trading markets. Participant countries will consider working with the financial sector, private international oil companies, national oil companies, and commodity traders to develop a set of best practices that ensure supply chain integrity by transparently identifying the origin and destination of energy resources. These best practices can become the industry standard, which has the potential to decrease smuggling of energy products and increase transparency throughout the energy supply chain. An important point of reference for best practices, not only in the Middle East, but also on a global scale, could be the EU's 3rd liberalization package. Moreover, it is worth mentioning that the recent significant offshore gas discoveries in the Eastern Mediterranean and the establishment of the East Mediterranean Gas Forum (EMGF) will have profound impact on the region's energy and economic development, and are of vital importance to the region's energy security.

The third issue is energy security through diversity of energy sources. The participants noted past abuses of energy infrastructure to serve political objectives, and the importance of having a diverse supply of energy that is less vulnerable to attack or exploitation. The Working Group also discussed the diversification of energy sources, including increasing the share of renewables within a country or region's energy portfolio, and enhancing energy efficiency. The Middle East is particularly well positioned geographically to benefit from solar energy. Wider application of renewables and energy efficiency would allow countries to earmark more energy resources for exports, thus contributing to national budgets and boosting spare capacity within the global hydrocarbon market. The Working Group discussed also best practices for renewables and energy efficiency investment by forging closer cooperation between the key stakeholders: governments, technology providers, and financial institutions.

The following countries contributed to the working group summary statement:

1. Afghanistan
2. Australia
3. Austria
4. Bahrain
5. Belgium
6. Brazil
7. Bulgaria
8. Cyprus
9. Czech Republic
10. Egypt
11. Finland
12. Georgia
13. Germany
14. Greece
15. Hungary
16. Israel
17. Italy
18. Japan
19. Jordan

20. Lithuania
21. Montenegro
22. Morocco
23. Netherlands
24. Norway
25. Poland
26. Portugal
27. Republic of Korea
28. Romania
29. Saudi Arabia
30. Slovakia
31. Slovenia
32. Spain
33. United Arab Emirates
34. United Kingdom
35. United States