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Conference Report

Priorities of Polish Presidency: Czech Perspective

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Prague, 1-2 December 2010

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Introduction

The international seminar Priorities of Polish Presidency – Czech Perspective took place in the Černín Palace on 1st and 2nd December 2010. It was organized by the Association for International Affairs in cooperation with the Polish Institute of International Affairs and with the kind support of the Czech-Polish Forum, Open Society Fund Prague and the Embassy of the Republic of Poland in Prague.

This seminar focused on two main issues. Firstly, the proximity of Czech and Polish views and quality of cooperation vis-à-vis the next EU Financial Framework, Common Security and Defence Policy, Eastern Partnership and External Dimension of the EU Energy Policy. Secondly, this meeting dealt with the Polish EU Council Presidency. Although the Presidency commences on the 1st of July 2011, we wanted to stimulate the debate about its priorities, which were stipulated by the Polish government. This event was an opportunity to discuss them in the circle of ministerial and think-tank experts. The goal of the seminar was also to pin-point areas of possible deeper cooperation and to identify specific ways of their mutually beneficial advancement during the Presidency. The event was also supposed to help find and describe the backgrounds of possible areas of contention in order to eliminate misunderstandings during the Polish Presidency.

The presented report from the seminar is divided into four parts, each for one policy area. It consists of the summaries of speakers' contributions and recommendations, which stem from the debate.

Session I – Financial Perspective 2014-2020

Introduction

The first panel of the conference was devoted to the Financial Perspective 2014-2020, and hosted three speakers from the Polish Ministry of Foreign Affairs, the Czech Ministry of Finance and the Polish Institute of International Affairs. Alena Falathová, Project Manager of the Konrad Adenauer Stiftung in Prague chaired the panel.

Conclusions

The panel was opened by the speech of Mr. Ignacy Niemczycki, Senior Expert in the EU Budget Unit, Department of Economic Policy, Polish Ministry of Foreign Affairs.



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Mr. Niemczycki started his presentation illustrating the process of preparation of the EU Budget which is pretty much different from working on national budgets. Though the drawing up of the EU budget will be on the agenda of the Polish Presidency, Poland will have to put aside its own interests in distribution of the EU money, as the country holding the Presidency should fulfill the impartiality requirement. Moreover, working on the Financial Perspective is a long and complex process which cannot be finalized during the time framework of only six months. The preparation of the Financial Perspective 2014-2020 will be on the agenda of the whole Poland-Denmark-Cyprus trio.

For Poland, the goals of the starting period are defined as follows: to achieve the full understanding of the proposals, to gather all member states' positions towards them and to identify the issues that need to be negotiated. At the end of its Presidency Poland intends to present a report on the progress of the negotiations to the EU Council. At this stage Denmark will take over the further development of the Financial Perspective.

The Presidency will not put Polish budgetary interests into the preferred position. Poland will have to promote its vital interests on the usual basis. Among the most important issues Poland sees the Cohesion and the Common Agricultural policies. The Czech Republic, similarly, has strong national interests in those areas, as both countries are net beneficiaries. Logically, the Cohesion policy and the CAP are possible fields of cooperation despite slight differences in the positions of both countries. Moreover, Mr. Niemczycki pointed out that the Cohesion Policy and CAP are issues all new EU member states can defend together, because the old 15 do not show much interest in this regard.

The second speaker, Mr. Částek, from the Financial Perspective and EU Budgetary Relations Unit, National Fund Department, Czech Ministry of Finance presented the Czech position towards the new Financial Perspective. At the beginning of his presentation, he emphasized that the EU Budget reform is a very sensitive issue for all member states.

Further, he in detail presented the Czech vision of the Financial Perspective which included several positions. Firstly, the period of validity should span over seven, but not five years. From the Czech point of view, the longer period ensures certainty for beneficiaries and stable environment for the implementation of multiannual programs.

As for the EU expenditures, the Czech Republic is in favor of a more extensive funding for education, research and mobility of students. From the Czech point of view, the current state of affairs in the Cohesion policy with the focus on the less developed countries and regions should be preserved in the next Financial Perspective. Instead, Czech Republic agrees on the comprehensive reform of the CAP and the gradual reduction of its total expenditures. At the same time, Czechs do not support an option of the CAP's co-finance from the national budgets. The Common Agricultural Policy should be preserved as an exclusively European policy.



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Mr. Částek expressed his support for the preservation of the same allocation criteria within the Social Fund as well as within the European Regional Development Fund. Further, he illustrated the accuracy of the Czech position on the bases of some figures which show that the Czech Republic is among the key beneficiaries from the current distribution of the EU structural funds.

As regards the revenue side, the Czech Republic is for its simplification and increase of transparency. This position is reflected in the claim for abandonment of the VAT resource and support for the traditional GNI-based resource.

The third part of the panel was devoted to the European Perspective on the priorities of the Polish Presidency with regards to the new Financial Perspective. It was presented by Mr. Paweł Tokarski, Analyst from the Polish Institute of International Affairs.

At the beginning of his speech, Mr. Tokarski concentrated on several problems regarding the EU Budget. In his opinion, the main problem is located in the income side of the Budget which is not fair and transparent enough. Finding a compromise in budgetary matters constitutes another difficulty as every country takes sides in negotiations according to its net position. In this way there is a danger that poorer member states could find themselves in the situation of financing of the rich members' initiatives. In this connection, the presenter refers to the Cohesion policy which contributes not only to the growth in the net beneficiaries countries, but has an indirect positive impact on the net contributors, e.g. through the increasing trade with the beneficiaries. In Mr. Tokarski's eyes, this assessment of the Cohesion Policy is being ignored or underestimated.

As for the agenda of the Polish Presidency, the financial framing will belong to its highest priorities. Despite of this, Mr. Tokarski does not expect a serious progress. From his point of view, it is not in the interest of Poland to advance in the negotiations because Denmark which will hold the Presidency after Poland has a different position on many issues. In general, the presenter spoke about the cooperation possibility within the trio Poland-Denmark-Cyprus with skepticism. He does not see any common ground for the effective cooperation between those three countries.

During the panel discussion, questions regarding the particular EU Budget position, especially the Cohesion and Common Agricultural policies and the possibility of introduction of a European tax were raised.

Recommendations

The member states holding the conservative stance towards the future of the EU budget, including the Czech Republic and Poland, are in complicated position. The EU problem-solving capacities are focused on the eurozone and it is hard to draw an attention to poor



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regions of the EU. Therefore, enhanced cooperation among the EU-12 countries and utilization of all emerging opportunities is the only way leading to the success.

- Whereas Poland will be fulfilling the Council Presidency duties in the second half of the 2011, the Czech Visegrád Group presidency should focus on assessing the possibilities of the joint approach in the V4 or V4+ format in as many areas as possible.
- The Czech Republic should reassess its position to the Multiannual Financial Framework. Mainly the clause, which sets the ceiling of the annual EU budget on 1 % of the EU GNI should be redefined according to latest development.
- There should be more intense collaboration among EU-12 countries which all support robust Cohesion Policy, as the strong opposition against this important EU policy is visible in most of the EU-15 countries and most importantly among the net contributors to the EU budget.
- Common EU-12 strategy should include special provisions for NUTS 2 regions which will newly meet the objective 2 parameters, as this might bring southern European countries on the same board.

Session II – Common Security and Defence Policy

Introduction

The panel focusing on the Polish priorities in the field of the Common Security and Defence Policy hosted two representatives of the Polish and Czech ministries of foreign affairs and an expert from the Polish Institute of International Affairs. It was chaired by Tomáš Karásek, director of the AMO Research Centre.

Conclusions

The first point of view was presented by Joanna Jurewicz, First Secretary of the Common Security and Defence Policy Unit, Security Policy Department, Polish Ministry of Foreign Affairs. In her speech she highlighted three main goals of the Polish presidency in the area of CSDP: capabilities, civil-military relations and the EU-NATO partnership.



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Concerning capabilities, Ms. Jurewicz emphasized the need to revitalize the battlegroups, a “spearhead” rapid reaction force of the EU which, however, has not yet been deployed due to a lack of political will, high financial costs and procedural limits imposed on the use of this instrument. Apparently, the Polish Presidency wants to build on the previous initiative of the Swedish presidency which aimed at increasing the usability and flexibility of the battlegroups. Poland will propose several measures in this regard: first, embedding modules for strengthening civil-military relations into the battlegroup concept; second, lowering the level of their readiness (while maintaining it for their core components); third, establishing a brigade-sized air and naval component for battlegroup operations. Potentially, these measures could be used during the readiness period of the so called “Weimar battlegroup” composed of Polish, German and French soldiers, proposed for 2013.

Ms. Jurewicz also commented on the need to revise the standing “Athena” mechanism of the financing of CSDP operations, e.g. by establishing a common funding scheme for strategic lifts.

Civil-military cooperation has lately become one of the key components of crisis management operations. According to Ms. Jurewicz, EU’s capability of action has been hampered by the fact that no permanent structure for civil-military planning exists on an operational level. EU has three main options of operational direction for its missions: NATO headquarters, a framework nation approach, or the EU Operations Centre (which, however, only exists in an embryonic form and would reach full strength after 20 days). The framework nation arrangement (i.e. the use of national headquarters) is the most likely choice for CSDP operations – and at the same time one of its apparent deficiencies, for several reasons: The choice itself may be politically sensitive and complicated; the nation tasked with the leadership might wield too much influence in the course of the operation; knowledge of EU procedures at the headquarters’ level is poor; and, last but not least, no operational planning is under way until the framework nation and the mission commander have been selected.

To improve the situation, Poland suggest a streamlining of the existing bodies of strategic planning - the Civilian Planning and Conduct Capability (CPCC), the Crisis Management Planning Directorate (CMPD), the EU Military Staff and the EU Operations Centre – to include a standing civil-military planning capacity and ensure a comprehensive approach to crisis management.

Thirdly, if CSDP is to function better, a deeper and more advanced cooperation between the EU and NATO is required. Both organizations should cooperate at a political level, in theatre and by harmonizing their capabilities development procedures (including civilian capabilities).

Finally, Ms. Jurewicz underlined the need to open CSDP projects to the European Union’s Eastern Partners, mainly through expert talks and seminars, training activities and joint exercises.



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In the following presentation, Jiří Kyrián, Deputy Director of the Security Policy Department, Ministry of Foreign Affairs, Czech Republic, expressed general support for the goals of the Polish presidency, but emphasized several stumbling blocks on the road ahead. He reminded the audience that CSDP was also a priority of the Czech Presidency in 2009, with the objective of making its instruments, bodies and capabilities more effective, coherent and competent.

He pointed that before any additional steps concerning CSDP are suggested, it would make sense to implement the objectives of the Reform Treaty which established a new “playground” for foreign and security activities of the EU. The vision of “EU as a global actor in crisis management”, explicitly proclaimed already in the 2003 European Security Strategy, is still valid but needs to be buttressed by concrete arrangements. These should carefully proceed in the direction of a comprehensive approach to crisis management, given the complex nature of possible operational environments.

Finally, Mr. Kyrián discussed the need to cooperate more closely with EU partners, including not only NATO, but also other organizations (OSCE, UN) and individual states (Russia, Eastern Partners).

Marcin Terlikowski, an analyst with the Polish Institute of International Affairs, asserted at the beginning of his presentation that the main problems of CSDP are widely known: the lack of a cohesive strategy, the haphazard process of force generation, insufficient civilian capabilities, financing and poor cooperation between the EU and NATO.

According to Mr. Terlikowski, any analysis of current CSDP problems needs to take into account its general context which consists of four major elements: First, the financial crisis and resulting budgetary austerity which results in the cuts in capabilities and acquisitions. Second, the recent proclamation of intensified defence cooperation between France and the United Kingdom which, being bereft of a meaningful European dimension, shows a lack of trust in EU solutions. Third, the current problems and uncertain future of the Eurozone which draws attention away from security and defence issues. Finally, the post-Lisbon EU architecture which should result in a more pronounced EU “ownership” of CSDP. As a result of these factors, it will be increasingly difficult to invest more in defence while both France and Britain approach have become more sceptical towards CSDP.

What, then, could be a possible way forward? First of all, Mr. Terlikowski pointed to the smaller EU members who may be more interested in joining forces and raising their efficiency. Secondly, there is a need for cost-effective solutions which include an emphasis on civilian CSDP experts and better organization of capabilities in general. Thirdly, the EU should more firmly link CSDP with internal security issues (such as counter-terrorism) to stimulate the sense of ownership among the member states. Fourthly, the EU battlegroups should become more usable and flexible. Fifthly, CSDP planning capabilities should be strengthened and streamlined. Sixthly, the EU (including the European Defence Agency) and NATO must cooperate more closely in capabilities development and in theatre – however, it is clear that the political problem of Cyprus-



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Turkey relations will not be easy to overcome. Finally, EU member states should proceed in the direction of a more harmonized development of military capabilities through joint planning and pooling of capabilities (e.g. helicopters). On the other hand, Mr. Terlikowski expressed doubts over an institutionalized permanent structured cooperation.

In the panel discussion, questions concerning the funding of CSDP, the specific aspects of the inclusion of Eastern Partners and the Cyprus-Turkey issue were asked and answered by the panelists.

Recommendations

As the panel made apparent, in the current context (budget cuts, growing scepticism towards CSDP among major players, shifting institutional basis due to the adoption of the Reform Treaty) no major initiatives at overhauling the policy can be expected – and certainly cannot be expected to succeed. Nevertheless, there is still place for improvement and innovative approaches to increase CSDP efficiency:

- The much touted comprehensive approach to crisis management should become more than just a nice phrase. Measures towards a closer cooperation among military and civilian component of CSDP are needed, as their lack clearly hurts EU capacity of action as well as its international credibility.
- In relation to the comprehensive approach, a top-down approach appears as necessary, starting with the reform of EU strategic and operational planning institutions and including closer cooperation among its military and civilian components. The European Union simply cannot afford to waste energy which is then found lacking in actual operations.
- Thirdly, the battlegroup concept is in dire need of a partial overhaul. The fact that the EU and member states spend a lot of capital on maintaining this mechanism which is then not used in actual deployments, defies simple logic of costs and benefits. Almost none of the past and present CSDP military operations included more than a few hundred of soldiers, well within the battlegroups remit, so opening the possibility of using the battlegroups for at least some of these operations should become a priority.
- Next, the budget cuts should not be regarded as an impediment, but rather a stimulus for closer cooperation and harmonization among the member states. Joint training and pooling of capacities are one part of this process, but member states should also think hard about joint development and procurement of military capabilities. Past experiences have not been particularly encouraging, but more realistic approach and better oversight of the projects should bring an additional value which can hardly to be ignored.



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- As for the financing of CSDP, a clear preference is for the funding through EU budget as opposed to contributions by participating member states. If the EU is serious about becoming a truly global crisis management actor, this is the only way forward.
- Finally, as far as the EU-NATO relations are concerned, more and better cooperation is apparently needed. However, the festering Cyprus-Turkey issue is hard to overcome. The member states have two basic options: Either to carry on with the practice of incremental improvements which, however, risks being thrown back due to political disagreements. Or confront the situation head-on, and try to push the two opponents towards a strategic compromise (while knowing that efforts to solve the Cyprus conflict have been numerous and all have failed so far).

Session III – Eastern Partnership

Introduction

In the panel on Eastern Partnership (EaP) two representatives of the Polish and Czech ministries of foreign affairs and an expert from the Masaryk University in Brno, Czech Republic expressed their views on the main goals of the EaP project during the Polish and Hungarian EU Council Presidency. The panel was chaired by Maria Staszkiwicz, Director of the Association for International Affairs.

Conclusions

The panel was opened by the presentation of Mr. Jarosław Dziędzic, Head of the Eastern Partnership Unit, Eastern Department of Polish Ministry of Foreign Affairs.

First, he outlined the one and a half years long history of the EaP's implementation carried out so far. In his speech, he emphasized the progress made in the framework of the project since its onset at the Summit in Prague. He listed several already working important initiatives such as launching the negotiations on the association agreements with Ukraine, Moldova, Azerbaijan, Georgia and Armenia, adopting the memorandum of understanding with Moldova, Georgia and Ukraine, signing Visa Facilitation Agreement with Georgia, granting Ukraine an Action Plan for visa liberalization and preparation of the similar document for Moldova, negotiations on the Free Trade Zone Agreements. Important areas of cooperation also include the Comprehensive Institutional Building Program, Anti-corruption, Culture and Youth programs.

Despite all running programs and initiatives, the Eastern Partnership could find itself off the top of the EU agenda in the recent time. For that reason, one of the priorities of the



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Polish Presidency is to bring it back there, to make it more visible and to speed up its realization. During the Polish EU Council Presidency a renewed offer to the EU's neighbors should be made and further instruments and mechanisms for its effective implementation should be launched.

Further, the speaker made clear that during and before its presidency, Poland would work closely with Hungary whose positions vis-à-vis the Eastern Partnership are similar to the Polish ones. For that reason, Mr. Dziędzic expects the whole 2011 to be a very eventful year for the Eastern Partnership. He centered his hopes on the milestones of the coming year: the Eastern Partnership Summit in Budapest in May 2011 where the new EaP Declaration should be adopted, the beginning of the activities of European External Action Service and the third meeting of Eastern Partnership foreign minister in Warsaw. All these events should give the project additional impetus.

At the same time, Mr. Dziędzic pointed out that the Eastern Partnership project is a long process. Though hopes for the Polish Presidency are high and Poland intends to mark its Presidency with concrete actions such as the starting of visa-free regimes or signing of association agreements, it should not be expected that all those programs and initiatives of the EaP can be finished within the time period of six months. Moreover, along with the EU support, the success of the Eastern Partnership project will depend to a large extent on the active participation in it of the countries concerned and the progress of internal reforms there.

The second speaker, Mr. Petr Mareš, Ambassador and Special Envoy for the Eastern Partnership from the Czech Ministry of Foreign Affairs agreed that 2011 will be the year of great opportunities for the Eastern Partnership and stressed the proximity of Czech and Polish positions in this regard.

In his speech, Mr. Mareš concentrated on the current state of affairs within the Eastern Partnership. In his words, it is regrettably marked by the "feeling of frustration" in both the EU and the neighboring countries. The reason for this is that the EaP did not live up to the expectation of both sides. This way he underlined the necessity for adjustment of the EaP to the changes taken place in the European Union and its Eastern neighborhood.

In his presentation, the Czech representative raised an important issue of involvement of other until now less enthusiastic EU member states into the Eastern Partnership. The understanding of significance of the Eastern Partnership by the Western partners would bring additional support and opportunities to the project. In this connection he underlined the importance of the Weimar triangle - Polish, German and French cooperation on this field. The speaker also approved his support for further cooperation on the EaP's issues within the Visegrád Group and raised a question of possible navigating of the International Visegrád Fund towards the Eastern Partnership initiatives.

Among the most significant issues on the EaP agenda, Mr. Mareš highlighted the funding of the project, the ENPI adjustment and visa liberalization. From his point of view, a more transparent and effective distribution of finances is needed based on the



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ability of the particular countries to use the funds for economic and political transformation. The visa liberalization constitutes the most painful question for the EU. The abolishment of visas refers not only to the political will, but leads to the conflict between the foreign policy and internal interests. To achieve the progress concerning this matter, a compromise should be found between the security issues and introducing the visa-free regimes. Mr. Mareš pointed out, that the visa question is one of those few issues where Prague and Warsaw have slightly different views. The Czech position in this regard is more skeptical. But despite those small dissimilarities, he sees the possibility of mutually beneficial cooperation during the Polish Presidency.

In the following presentation, Ms. Petra Kuchyňková, Assistant Professor at the Faculty of Social Studies of the Masaryk University in Brno, concentrated on the problems and challenges for the future of Eastern Partnership which Poland will have to deal with during its Presidency. Among those, she sees a lack of flexibility within the EaP. From her point of view, the EU's approach should be more differentiated according to the progress made by particular countries in particular projects. Ms. Kuchyňková illustrated her view with an example of two EaP countries. Whereas Ukraine has achieved visible progress and moved closer to the establishment of visa free regime and free trade zone with the EU, the case of Belarus cannot be evaluated as positively. The hope for change in this country regrettably did not come true.

The presenter also emphasized high costs the Eastern European countries have to bear for establishing the free trade zone with the EU. In this regard, the EaP will face the problem of its funding. Ms. Kuchyňková raised the question of how the EaP financing will be in line with the EU Commission's new Financial Perspective 2014-2020.

Another challenge of the Eastern Partnership could arise from the relations between Eastern European countries and Russia. From the beginning of the project, Russia's attitude towards it was marked by a high degree of skepticism. Russia clearly disliked the increase of EU's influence in the area. But in the background of recent developments between Russia and the European Union, this attitude may change. With President Medvedev launching the initiative "Partnership for Modernization" it became clear that Russia is willing to cooperate with the European Union and has the same goal of modernization as the EaP countries. Logically, it also wants the same results including the visa-free regime and free trade areas. In this constellation, the EU will have to develop a balanced position towards Russia and towards the Eastern European countries.

During the panel discussion, questions concerning the attractiveness of the Eastern Partnership for EU's neighborhood, different attitudes towards the EaP in the context of the political change in Ukraine and more active engagement of the Western EU members as well as third countries into the project were raised.



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Recommendations

As it was also mentioned during the panel debate, the year 2011 will be crucial for the fate of the Eastern Partnership. The Hungarian and Polish EU Council Presidencies have chance gain for it new momentum. Still, the support from other pro-EaP member states is needed and the Czech-Polish synergy in that respect is essential.

- Effective tools of cooperation between the Czech Visegrád Group presidency and the Polish EU Council Presidency should be found in order to enhance the visibility of the Eastern Partnership in the second half of the 2011.
- Visegrád Fund should focus on the Eastern Partnership countries and supplement specific EaP projects.
- Significant political will should be invested into the persuasion of the more reluctant EU members about the importance of the Eastern Partnership.
- Both, the Czech Republic and Poland, should pay attentions the shape and size of the ENPI in the next Multiannual Financial Framework of the EU. They should concentrate not only on the total amount of the money in the instrument, but also on the distribution of the between the southern and eastern EU neighbors.
- Prague and Warsaw should lead the coalition for Visa free regime for the Eastern Partnership countries and the EU should use its capacities in order to facilitate the meeting of the regime criteria.

Session IV - External Dimension of the EU Energy Policy

Introduction

In recent years, calls for a single European voice towards major energy importers have gained their significance among policymakers in the EU institutions as well as the EU member states. Supporters of such a single voice claim that this is the only effective way to deal with partners such as Russia, and, furthermore, that it is the only way how the European Union can deal with major energy security challenges of the 21st century.

Critics and skeptics of such an approach allege that there are too many challenges to state sovereignty and the national interest that the concept of a “single European voice” is nothing more than a chimera. According to this claim, the member states will never cede sovereignty in decision-making to a supranational body in such a crucial policy.



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And there is also still an assertion of inexperienced and unclear formulation process of external energy policy.

Considering the formulation problem of a single stance towards energy importers, there is a whole set of obstacles to a common EU energy policy. Apart from the objection of national sovereignty, there are twenty seven member states which differ in their economic, foreign and energy policies not to mention different patterns of energy consumption and resulting focus on various importers. Therefore, one importer country does not have the same significance for all member states.

Regarding this fact, we can recognize interest groups of states within the European Union with similar energy security problems given by alike energy mix, legal framework, historical experience and geographic proximity. In case of the new member states, the Czech Republic and Poland are good examples.

During the Czech EU Council Presidency, the energy and climate policies belonged to the top priorities and defined the agenda. Even though the Czech Presidency is lately perceived as an embarrassment, yet the progress in external energy relations is considered as a success story. This lesson might be applicable to Poland, which can find itself in a similar position this year.

The energy security will emerge as one of the strategic priorities of the Polish EU Council Presidency in the second half of this year. Given the fact that it will directly follow the Hungarian Presidency, 2011 can be crucial in articulating Central European countries perspectives on the EU energy security and in shaping the external dimension of the EU energy policy. Poland is thus given a chance to exploit the Czech 2009 experience with respect not only to the gas crisis, but also to attempts to improve legal framework and boost diversification efforts.

Conclusions

In the first presentation of the panel discussion, Mr. Lukáš Hlavatý from the Unit of International Energy Relations, Czech Ministry of Industry and Trade, presented the position of the Ministry of Industry and Trade of the Czech Republic on energy policy priorities. Firstly, he briefly summarized EU position after two enlargements at the beginning of the 21st century and familiarized the audience with challenges the EU would have to face. Concerning external dimension of the energy policy, he stressed the importance of good relations with energy importing countries.

To facilitate these needs EU produced the new strategy harmonizing energy priorities of the EU with individual member states and new vectors in energy policy, such as climate targets agenda. Strategy for competitive, sustainable and secure energy is to design and harmonize EU energy priorities with climate and energy targets until 2020. According to Mr. Hlavatý, the Czech Republic had five priorities within this strategy. The first was to



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achieve energy efficient Europe; then to build a truly tight integrated European energy market, to manage the highest level of safety and security, and lastly to extend European leadership in energy technology and innovation.

Mr. Hlavatý also gave a brief presentation on Czech energy policy. He pointed out that the Czech Republic had its own energy concept, which was approved already in 2004. According to his words, the Czech Republic was working on an update, which had been released in October 2009 for further discussion. This energy concept / strategy should have responded to the situation after the Czech EU presidency and gas crises in 2009. He explained that this concept predicted Czech energy regime till 2050. As it was said, this concept was undoubtedly complied of three EU energy policy pillars: security of supplies, competitiveness, and sustainability.

Mr. Hlavatý also stressed the fact that the Czech energy strategy was based on the strengthening the external dimensions of the EU energy market. The reason was, as he defined it, that the European energy market became the largest regional market and Europe became logically the largest energy importer. Hence, the need for the member states to speak in one voice towards states was inevitable.

According to his words, Czech priorities were based upon multiple sources, respectively upon the tendency to have access to all available energy sources and power balance of electricity supplies, to focus on increasing energy efficiency and energy savings, to develop network infrastructure within central European region, and last, but not least to strengthen the international cooperation and regional integration of electricity and gas markets including support in creating common EU energy policy.

Mr. Hlavatý expressed how important it was to build the energy network and diversification of transport routes in a technical and legislative sense. He added that the Czech contribution to external dimension of energy policy of the EU could be seen in a support of energy infrastructure projects in regional and in pan-European scope, especially in Visegrad countries. It concerns interconnection north-south, pipelines Nabucco, Druzhba, Adria, and Gazelle and also building electricity infrastructure projects in Visegrad countries.

In the second presentation of the panel, representative of the Polish Ministry of Foreign Affairs, Mr. Szymon Polak who is the Head of Energy Policy Unit at the Department of Economic Policy, introduced the priorities of the Polish EU Presidency. According to Mr. Polak, Poland would like to focus mainly on two issues, whereas these should be Polish priorities even after the end of the Presidency.

First priority is internal market and functioning of the internal market. First pillar of internal market is regulation – nevertheless it is important to implement regulation that is going to be force in March 2011 and find out based on this regulation: what are the phenomena that are making this market being still dysfunctional. Mr. Polak pointed out, that regulation shows and gives some instruments to make internal market work properly, such as destination clauses and delivery points inside the Union, but some



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phenomenon dangerous for the market still persist. Especially the situation that within internal market there are still borders, since the ownership of the gas does not belong to the country where the gas is flowing. Second issue in internal market is the infrastructure. Polish Presidency would like to keep the balance between all the pillars of the energy policy while developing the infrastructure.

Second priority presented was the external dimension of EU energy policy. External dimension of the energy policy is understood by Poland as the EU commitment to spread *acquis communautaire* in energy sector to the third countries. Mr. Polak pointed out this issue as a crucial while thinking about making the policy to the third countries.

Poland is preparing the report that will recapitulate the instruments that are already developed at the Union level and have the ambition to offer some summaries and propositions how to determine the policy and the instruments to be more coherent or efficient in the future. Aim of the Polish Presidency is to launch the discussion at lower and higher level at European Union. First of all, make comprehensive analyses of the internal market and external energy policy and give the political impetus for next years to act at the Union level. What Polish Presidency would like to have in a result of such a discussion is to agree on the Transport, Telecommunications and Energy Council (TTE), conclusions that would streamline action plans and improvements in an external dimension of energy policy.

At the end of his presentation Mr. Polak pointed out intergovernmental agreement between Poland and Russia and the assistance of European Commission. According to Mr. Polak, this interesting case could serve as a blueprint of how Union can support the country/member state to develop its own external policy and to make sure that the interest of the each member state as well as the whole Union is kept safe.

In her contribution, Ms. Veronika Zapletalová an energy security analyst from the International Institute of Political Science, stressed the importance of the European Union speaking one voice to the rest of the world, but she also expressed her skepticism about this to happen in the near future. She also added that there is no possible way how to further develop the external area of the European Union energy policy without really finishing liberalization within EU energy market at first place.

Ms. Zapletalová pointed out the importance of cooperation between Poland and Czech Republic, especially at V4 level. Key topic supposes to be the flow from Druzhba oil pipeline, which could be restricted dead and closed in the near future. For these reasons it seems there is a concrete space for cooperation between Poland and Czech Republic, especially in analyzing of future development and in creations of alternative future solutions for oil imports.

In Central Europe energy security means security of energy supplies at the first place. And as far as the region is continental in its character; the key factor in regional energy security is pipeline policy and relations with external suppliers. This fact could be illustrated on an energy security concerns and threats Central European countries had to



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face in the past and will have to deal with in the future. How these issues and concerns are reflected in EU external energy policy and what contribution could Poland and Czech Republic offer, these were the key issues during the panel discussion.

Second, very important, issue for both countries is a legal framework within the European Union and with their external partners as well. Properly functioning internal energy market and high interconnectivity in gas and electricity transmission are the key preconditions for common EU energy policy and more secure Europe.



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