

## **5. EUROPEAN UNION ENERGY DIPLOMACY**

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### **5.1 Formation of the institutional and legal field of the European Union Energy Diplomacy**

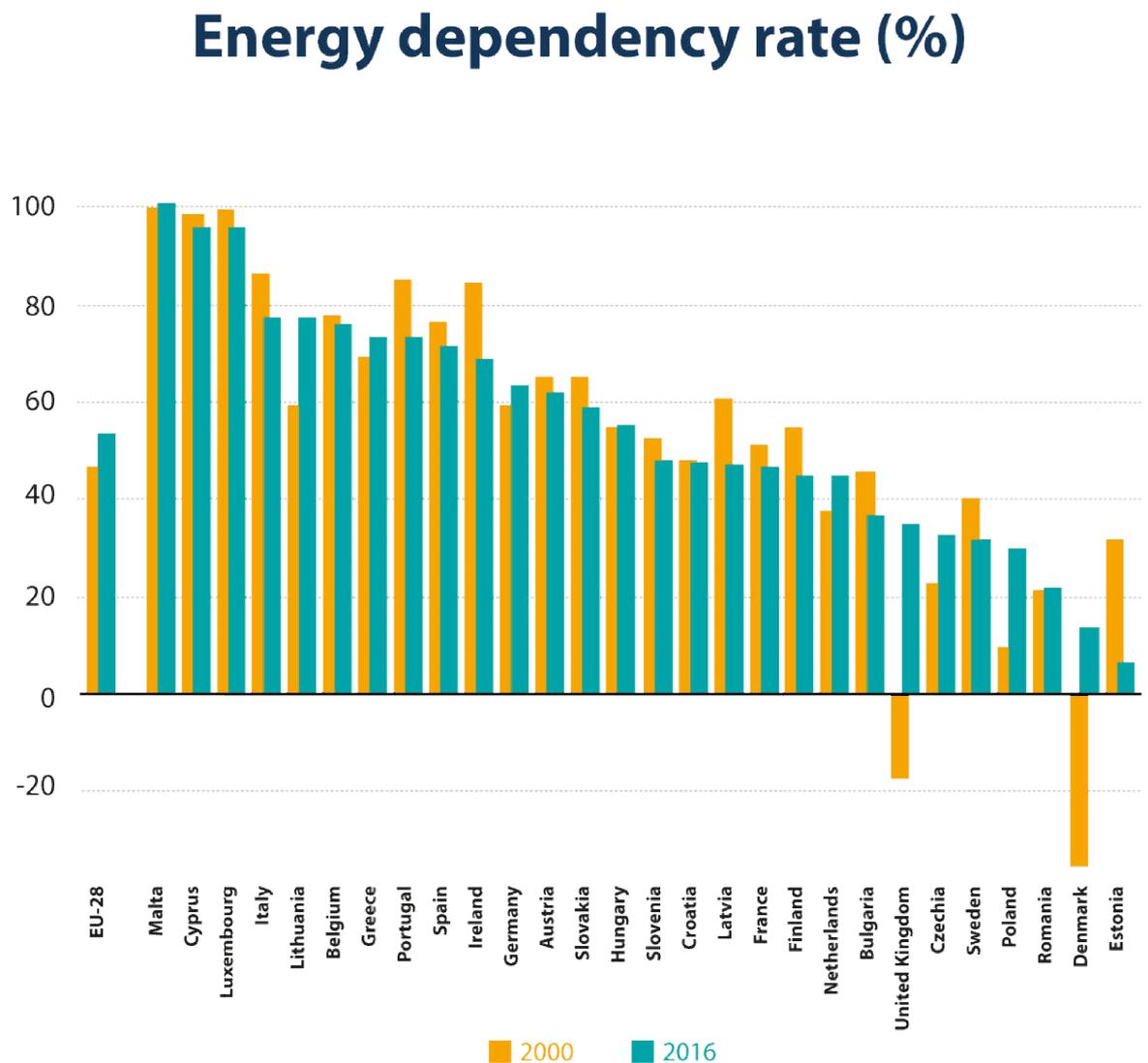
In the era of globalization, the traditional state-centrist system of international relations, based on the principle of state sovereignty and the concept of balance of power, gives way to a multi-level system of interaction, one example of which is the EU's activities. The influence of globalization, which has increased competition and raised the issue of ensuring energy security, can also be considered the emergence of new types of diplomacy, including energy diplomacy. Energy diplomacy has become an important direction of the foreign policy of the European Union, contributing not only to creating conditions for favorable intergovernmental relations in the energy sector, but also to ensuring the energy security of the EU Member states.

Special attention to cooperation in the energy field is due to the extremely important role that energy plays today in ensuring the effective functioning of all sectors of the economy of EU countries. The state of the energy sector is associated with the problem of the stability of society and the state. The EU is the largest energy importer in the world. In the EU, the level of dependence in 2016 was 54%, which means that more than half of the energy needs of the member countries were covered by imports. This figure varies from more than 90% in Malta, Luxembourg and Cyprus to 20% in Estonia and Denmark. The level of dependence on energy imports has increased markedly since 2000, when it was only 47%. The EU is largely dependent on imports of crude oil and natural gas from Russia, followed by Norway (see figure 1).

Meanwhile, the importance of energy problems and energy security necessitated not only the development of a unified approach of the member countries of the Union, but also the creation of such a mechanism that would take into account the global aspect of the energy dimension. This factor enhances the role of EU energy diplomacy at the supranational level, but also contributes to the increasing importance of energy cooperation in the foreign policy of each country participating in an integration association. In this regard, over the course of more than two decades, the development of the institutional framework and mechanisms for the implementation of EU energy diplomacy has been going on at the multilateral and at the bilateral level.

In general, the countries of the Union consider it necessary to implement their foreign policy interests in the energy sector on the basis of the developed “rules”, among which the most important are liberalization of the energy market and free competition.

*Figure 1*



Source: Eurostat

In conditions when traditional sources of energy resources are close to exhaustion, and production demands require new resources, the economically most developed countries try to provide themselves with guarantees for access to resources. In addition, the growing competition in the field of energy causes an increase in the conflict nature of international relations, creates new challenges to global security. The main aspects of energy security that retain signs of securitization are restrictions on access to world markets, economic livelihoods

associated with income from supplies and the military security of the countries involved. The issues of violation of unimpeded transportation of energy resources through transit territories and the resolution of controversial issues on transboundary fields can also be attributed to the main aspects of securitization. In particular, representatives of the so-called Copenhagen school (B. Buzan, O. Waver, D. De Wilde), considering the need for conceptualizing security in a broad framework, define security as a result of a political interpretation of a possible threat.

As an example, the energy relations of the EU and Russia before and after the gas conflict between Russian Federation and Ukraine, as well as before and after the well-known events of 2014, can be cited. The incidents that took place and their presentation sharply securitized the issue of energy relations between countries in the eyes of society, transferring to a large extent the economic problem to the political sphere. The issue of energy security and diversification of energy supplies was identified as one of the main problems of the European Union. The EU thus considers dependence on Russia a security challenge.

In such a situation, energy issues become more than just important, they become a factor in the formation of a new geopolitical and geo-economic structure of the world. It is important to emphasize that at the initial stage of European integration (50s of the XX century) the countries of the European Coal and Steel Community (ECSC) united to use the opportunities of the common coal and steel market. Thus, France, Germany, Italy and the Benelux states tried to use the potential of the common energy market and its supranational regulation for the revival of national economies.

The creation by the founding states of European integration of another union, the European Atomic Energy Community (Euratom) in 1957, is also an example of close attention to energy issues and an attempt to consider them at a community level. Although the energy crisis of the 70s pushed the countries of the EEC to a certain coordination of energy policies, however, for several more decades the energy problems in the European Union were under the control of national governments.

The change in the EU's approach to energy issues was associated with the entry of the Community into a qualitatively new stage of integration: the formation of an economic and political union based on the Maastricht Treaty, which came into force in 1993. However, in the text of the Treaty establishing the European Community, their content was not disclosed. On the basis of these provisions, on June 22, 1998 the Directive 98/30/CE of the European Parliament and of the Council "On the General Principles of the Internal Market for Natural Gas" was adopted. The main achievement of the Directive was the provision of equal and open access to transport systems.

It is also important to emphasize that programs such as TRACECA, initiated in May 1993, and INOGATE (1995) appeared due to the fact that, within the European Union, it was during this period that the development of the conceptual and institutional framework for the EU energy policy began.

It is possible to specify that in the mid-90s the doctrinal foundations of united energy strategy of the Union are laid, fixed in a number of documents of the European Commission, in the so-called “white” and “green” books, which formulate as the main goals: sustainable development with an emphasis on renewable energy and energy efficiency; competitiveness and improving the efficiency of the European network through the implementation of the internal energy market; and security of energy supply.

It is important that the future of the EU energy sector is associated with the achievement of a harmonious balance between different energy sources. The European Union began to deal with the settlement of relations with suppliers, the basis for which was the Energy Charter Treaty (ECT) signed in 1994, which, unlike the 1991 Charter itself, which has a declarative character, is a legally binding international act. The Energy Charter Treaty has become the legal foundation for a broad cooperation of countries in the energy sector. The main objective of the Energy Charter Treaty is to strengthen the legal aspects of energy issues by creating a single field of rules that all parties involved must abide by, thus minimizing the risks associated with investment and trade in this area. These rules apply to all structural elements of the energy market, be it investments in industry, energy production, trade or transportation of energy resources. The provisions of the Energy Charter Treaty on energy trade are aligned with the rules and practices of the WTO, which are based on the fundamental principles of non-discrimination, transparency and commitment to the consistent liberalization of international trade.

It is necessary to point out, despite the fact that about 70 participants signed the ECT, because of disagreement with the mechanism for resolving disputes between investors and the state provided for it, it was not ratified by such major EU energy partners as Russia, Norway and the United States. It is noteworthy that dropped out of the process and Italy (one of the EU founding countries). In 1999, with the entry into force of the Amsterdam Treaty, the energy factor becomes an indicator of EU sustainable development. The need to consider energy issues at the supranational level is reflected in the decisions of the main EU bodies, including the European Commission, the Council of the EU, the European Parliament, thereby reinforcing the intention to pursue a common energy policy.

However, the EU’s power policy in the field of energy policy is more clearly defined in the legal context in the Lisbon Agreement, which entered into force in 2009. The Lisbon Treaty thus gave rise to the EU’s common energy policy, which is part of the “collective responsibility” of the Member States.

The Lisbon Agreement states (Article 176a) noticed that the energy policy of the Union, in a spirit of solidarity between member states, aims to:

- ensuring the functioning of a single energy market;
- ensuring security of power supply in the Union;
- promoting energy efficiency and energy saving and the development of renewable energy sources;
- facilitating the interconnection of energy networks.

It emphasizes the right of a member state to determine the operating conditions of its energy resources, its choice between various energy sources and the general structure of its energy supply.

For example, the EU Directive 2003/55 of 2003 enshrined the right of national states to choose gas suppliers. But the application of this legal instrument was minimal, due to the fact that the EU countries were afraid to open national markets because of the fear of competition from more powerful enterprises, in particular, from Germany, protecting their operators.

The third energy package (TEP), adopted by the EU in 2009, a key aspect of which was to limit the monopoly of gas and electricity suppliers, established a new regime for regulating international and interregional trade, as well as the gas distribution system. However, according to Westphal, “the degree of implementation of the Third Energy Package differs significantly in different EU countries. While in the West, markets tend to be more liberalized, in the East, they strive for de-privatization and a centralized energy policy”.

The European Union's strategy, adopted in November 2010, “Energy 2020. The strategy of competitive, sustainable and safe energy”, focuses on the following priority areas:

- achieving energy efficient Europe;
- creation of an integrated energy market in the EU;
- consumer empowerment and high security;
- expanding European leadership in energy technology and innovation;
- strengthening the external dimension of the EU energy market [9].

On March 27, 2013, the most comprehensive to date Green Book of the European Commission was signed, defining the current situation in the energy sector of the European Union and the future strategy for the development of the energy vector until 2030. The document discusses the specifics of the EU's energy diplomacy mechanisms, instruments of direct and indirect impact on the EU's common energy policy, and also underlines the role of the EU governing bodies in preventing the consequences of the conflicting energy policies of individual EU member states adverse to common interests and goals.

Key points of the EU energy policy, presented in the Green Paper 2013:

- creating a space of high and equal competitive opportunities for the production, sale and consumption of energy products for each participant;
- Simplification of conditions for entry into the market of new producers;
- de-monopolization of the markets for the production, transportation and distribution of energy carriers;
- increase profits for participating manufacturers;
- cost reduction for energy consumers due to the realization of the consumer's right to choose a supplier: consumers, freely choosing energy suppliers, including from producers from other EU member states, force them to reduce tariffs;
- the alignment of energy tariffs in various Member States;
- growing solidarity between European energy consumers;
- alignment and redistribution of energy flows in the event of crises;
- increasing the level of collective security of the participating countries,

- technologization of the market and the growing importance of high technologies;
- ultimately, exemption from the conditions put forward by exporting countries (primarily Russia) in the supply of energy resources.

Of course, the importance of a new area of collective responsibility is evidenced by the adoption in May 2014 in the EU of an Energy Security Strategy aimed, in particular, at reducing dependence on “certain types of fuel, suppliers and routes”.

The main tasks to be accomplished in order to achieve the goal set in the Energy Security Strategy are to increase domestic production capacities, enhance energy efficiency, develop renewable energy sources and diversify suppliers and infrastructure. In the context of the tasks identified, it was assumed, for example, the implementation of such projects as new technologies for smart grids and electricity savings, the development of second-generation biofuels and the partnership of “smart cities” in order to promote energy savings in urban areas. Also, in order to solve the last of these tasks to diversify suppliers, it was stated that in order to ensure the diversification of gas supplies, in particular, it is necessary to step up work on the Southern Gas Corridor so that Central Asian countries can export their gas to Europe.

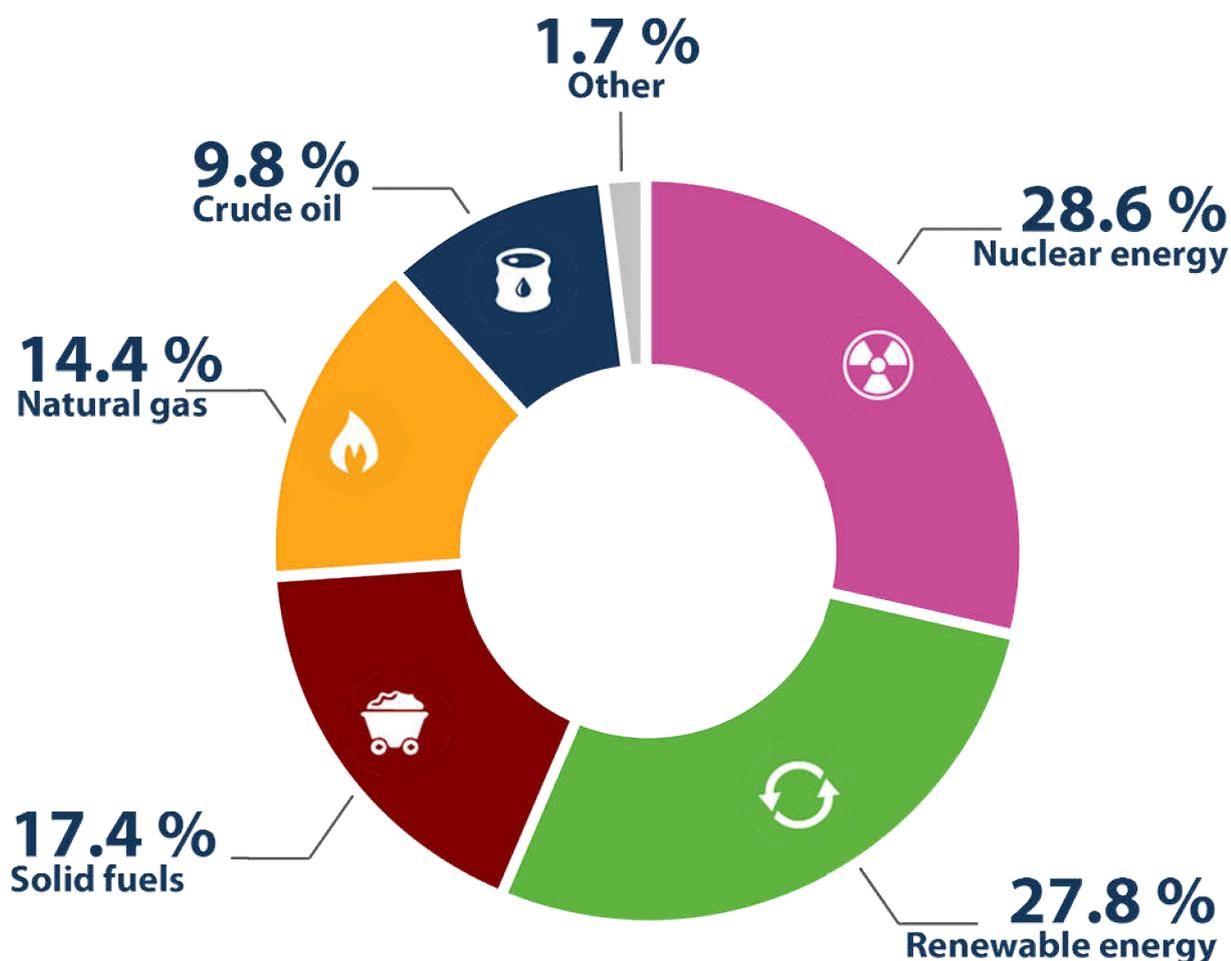
The Strategy focuses on the implementation of a common energy policy, including informing the European Commission member states about proposed or concluded agreements with third parties that could affect the EU's energy security.

On February 25, 2015, the European Commission published the Framework Strategy for a Sustainable Energy Union, which provides for the development of a consolidated position of all EU countries on energy issues, including relations with other countries. The goal of the energy union is to provide safe, sustainable, competitive and affordable energy to EU consumers. The European Commission proposes to consider options for collective gas purchases in crisis situations, which is especially important for countries dependent on a single supplier (the Baltic States and Eastern Europe). An integrated management and control process is provided so that actions at European, regional, national and local levels contribute to the achievement of the goals of the Energy Union.

As part of the creation of the Energy Union, in February 2016, the European Commission presented a package designed to ensure the inclusion of the European Union in the transition of world energy to low-carbon development. The “Clean Energy for All Europeans” package (November 30, 2016) provides for the goals of implementing national energy and climate plans and investing in this sector. Two goals for 2030 are indicated: an increase in the share of renewable energy sources in the EU's energy balance to 32% and the achievement of energy efficiency of at least 32.5%. These ambitious goals will stimulate Europe's industrial competitiveness, stimulate growth and jobs, reduce electricity bills, help fight energy poverty and improve air quality. The package includes actions aimed at accelerating innovation in the field of clean energy, the reconstruction of European buildings to make them more energy efficient, as well as improving the energy efficiency of products and providing better information to consumers.

Figure 2

## Share of EU energy production by source, 2016



Source: Eurostat

Another important innovation: the principle of solidarity was introduced for the first time, according to which, as a last resort, neighboring member states would help to ensure gas supply to households and basic social services in the event of a serious crisis. The EU intends to update its vision of the European economy, fully decarbonized by 2050 and aimed at achieving energy efficiency. Energy Road Map to 2050 goal: reducing greenhouse gas emissions by 80-95% compared to 1990 levels by 2050. One may recall that in 2010 the EU set itself the task of reducing greenhouse gas emissions by at least 20% 2020, increasing the share of renewable energy sources to at least 20% of consumption and achieving energy savings of 20% or more.

As we know, the EU played a key role in mediating the global agreement on combating climate change in December 2015. At the Paris climate conference, governments of 195 countries around the world agreed to limit global warming to below 2°C this century. In October 2016, the EU officially endorsed the Paris Agreement on Climate Change, and it entered into force in November. This means that the EU (and the rest of the world) must take the action necessary to reduce emissions.

In July 2016, the Commission proposed linking annual greenhouse gas emission targets for Member States for 2021–2030 for transport, buildings, agriculture, waste, land use and forestry, as well as a low-emission transportation strategy. And speaking of results, in 2015, greenhouse gas emissions in the EU decreased by 22% compared to 1990 levels, which represents an absolute reduction of 1,265 million tons of CO<sub>2</sub> equivalents, which allows the EU to exceed its goal for 2020.

It is very important to emphasize that EU companies own 40% of all patents for renewable technologies. Member States intend to pursue a policy of transition to “clean energy” in order to maximize the use of technological innovations, while maintaining the stability of energy supply and ensuring the social significance of the reforms. Examination of the institutional aspects of EU energy diplomacy suggests that at the union level there is a lot of experience in developing various documents in the field of energy diplomacy.

## **5.2 Difficulties in the formation of the EU energy market. Is a single EU energy policy possible?**

Evaluating the activities of the EU in the energy sector as quite productive, it should be noted, however, that in the European Union a number of difficulties remain in the way of forming the energy market.

Among the problems:

- increased dependence on imports;
- diversification issues;
- volatility in energy prices;
- growing global demand for energy;
- security risks affecting producing and transit countries;
- growing threats of climate change;
- slow progress in energy efficiency;
- problems associated with an increase in the share of renewable energy sources;
- the need to increase transparency, further integration and integration in the energy markets.

Linking these difficulties with the problem of further integration and unification of the efforts of the member states in the energy sector, it must be pointed out that, to date, the planned coordination of the energy courses of the EU member states is not conducted at the proper level. The issue of unified regulation at the level of the European Commission's energy policy of the countries remains open.

Article 194 of the DFES makes certain areas of energy policy a general competence. However, each Member State reserves the right to “determine the conditions for the exploitation of its energy resources, the choice between different energy sources and the general structure of its energy supply” (Article 194 (2)).

The “Clean Energy” proposal package submitted by the European Commission on November 30, 2016, aimed at deep restructuring of the energy sector in Europe, and especially the electricity sector, also encountered difficulties in implementing, in particular, discrepancies in solving technical issues, as well as in legal matters property. At the same time, there is a social risk associated with the consequences of the “Clean Energy” package, which can lead to the closure of about 25% of the ordinary electric power park and cause a serious blow to the mining regions.

The task was to expand the domestic energy market. As intended, energy should circulate freely in the EU, without any technical or regulatory barriers. Only then can energy suppliers compete freely and provide the best prices for energy for households and enterprises. The free flow of energy is expected to facilitate the production of renewable energy. Thus, in 2016, 800 million euro was allocated to the cross-border energy infrastructure under the “Connecting Europe” mechanism. For the period 2014-2020 5.35 billion euro was allocated.

This money is invested in projects such as Balticconnector, the first gas pipeline connecting Finland and Estonia. In November 2014, Estonia and Finland agreed to unite the gas markets of the two countries by 2019 and build the necessary infrastructure. Balticconnector will include 81 km of offshore gas pipeline, 22 km of gas pipeline on land in Finland and 47 km on land in Estonia, as well as compressor stations on both sides of the Gulf of Finland. The pipeline will allow the transfer between the distribution networks of Estonia and Finland to 7.2 million cubic meters. m of gas per day. The pipeline should be operational by 2020. This project will combine the eastern part of the Baltic Sea region with the rest of the EU energy market and put an end to Finland’s dependence on a single gas supplier. The money was also allocated to the construction of the Midcat gas pipeline, which, when built, will help integrate the gas markets of Spain and Portugal with the rest of Europe.

However, the attitude towards the single energy market of the EU countries is expressed with a certain degree of skepticism. In practice, decisions regarding long-term purchases of oil and gas, development and improvement of the energy infrastructure, decisions on the use of specific fuels, are still implemented at the national level. The lack of integration of the internal energy market, associated with the preferences of states to implement infrastructure projects at the bilateral level, led to the rejection of proposals to create a common strategic repository of energy resources, which should be managed by the EU agency. In particular, the Agency for Cooperation of Energy Regulatory Authorities was established in accordance with the Regulation of the European Parliament and of the Council No. 713/2009 of July 13, 2009.

The EU does not have a pan-European infrastructure. Many electrical networks and gas pipelines are built for national purposes and are poorly

interconnected. Therefore, the lack of access to the pan-European market does not allow investors to invest in energy infrastructure. Much, in our opinion, depends on the position of Germany as a key player for the EU, which believes that the full introduction of a common energy market is necessary, but when it comes to the energy structure of a single country, it should have the right to free choice, based on its real possibilities.

In addition, one of the problems remains the lack of agreements between European states on the issue of integrating the EU gas market. In general, the creation of a pan-European integrated energy market with unified infrastructure systems, which should have been completed by 2015, is not yet implemented by the European Commission.

As noted, one of the objectives noted in the strategy was to achieve a 20% level of renewable energy sources (RES) in the EU's fuel balance by 2020, with a further increase to 27% in 2030. In 2015, the share of renewable energy sources in the final consumption of the European Union reached 16.7%, with 11 of the 28 countries (Sweden, Finland, Latvia, Austria, Denmark, Bulgaria, the Czech Republic, Estonia, Croatia, Italy and Latvia) fulfilled and exceeded the requirements for renewable energy.

However, to achieve such results, governments have to provide significant government support for green energy. Today, the EU uses a large number of different programs, subsidies, grants, tax incentives, loans and other ways to stimulate alternative energy.

The share of renewable energy sources is indeed growing and the success of the European Union is indisputable in this, but they still cannot completely replace traditional energy resources, which is the main problem of non-traditional energy.

RES is usually completely dependent on weather conditions. In particular, the winter of 2016–2017 showed that the German transition in the field of energy was not sufficiently substantiated when electricity from wind and solar generation was catastrophically low for several weeks even in the face of increasing capacity. For reliable supply of electricity based on renewable energy, additional reserves of electricity generation based on hydrocarbon fuels are needed.

In the practice of EU energy diplomacy, the problems of transit of energy resources are increasingly exacerbated. A significant share of energy supplied to the European market crosses several state borders. It was not by chance that in July 2015, the EU Council, as key priorities for the implementation of the Action Plan to diversify sources, suppliers and routes, indicated that diplomatic support should be focused on the Southern Gas Corridor, the South Caucasus and Central Asia. The strategic potential of the Eastern Mediterranean region, the Middle East, North and South America, Africa and Australia was emphasized.

In this regard, the issue related to the transit of energy resources from Russia became problematic. There is also no unity on relations with Russia. Such states as Germany and Italy, which are the largest importers of Russian gas, are interested in continuing cooperation with Russia, which is currently reflected in their position on new gas transmission projects (Nord Stream 2, South / Turkish Stream). In the case of the implementation of the Nord Stream 2, Germany will receive gas from

Russia directly, bypassing third countries, and further distribute it throughout the EU, becoming a European gas hub. The same applies to Italy in the case of the construction and launch of one of the planned gas pipelines in the southern part of the EU, when a large amount of gas will be distributed to other EU countries through its territory. In addition, Germany and Italy have different gas delivery conditions and prices from Central and Eastern European countries.

The opposite position is held by the Baltic countries and Poland, which receive Russian gas at higher prices. They would like to reduce their dependence on Russia by diversifying their import sources. Therefore, Poland today intends to buy LNG from the United States and is trying to obtain from Gazprom the same conditions for the purchase and delivery of gas as for Germany. In addition, the country actively opposes the implementation of Nord Stream II, arguing that the project will weaken the EU's energy security and also deprive Ukraine of a source of income from transit. At the same time, the existing gas pipelines pass through the territory of Poland, which gives it additional advantages.

Obviously, such differences of partners hinder the formation of a unified energy policy.

The main interests of the EU in cooperation with Russia are focused on providing access to the resource base, participating in its development, as well as on the transportation of energy resources to the EU energy market. It is worth noting, although relations between the EU and Russia have deteriorated after the crisis with Ukraine, the import of Russian gas to the European market was not affected. Thus, in Europe, the tendency is to focus on Russia as a major supplier of resources (34% of gas imports from Russia in the middle of 2018).

It is worth recalling that the issue of energy security in Europe was securitized after the first gas crises of 2006 and 2009 in relations between Russia and Ukraine in 2006, which affected consumers in Bulgaria, Slovakia and other EU countries. The crisis was caused by disputes over prices and transit conditions, and it is difficult to hold any one party responsible for the escalation of tensions. It is possible to assume the possible use by the leadership of both Russia and Ukraine of transit issues in solving their own problems in the future.

The EU has identified the problem of dependence on Russia as a challenge, seeking to diversify energy sources and liberalize the gas market. For example, the Third Energy Package, adopted by the EU in 2009, extends its provisions to relations with third countries, including Russia.

The transfer of the issue from the economic to the political sphere usually gives grounds for the implementation of economically disadvantageous actions, justifying them with political intentions, which begins to be partially manifested in the EU energy policy.

The European Union has focused on Turkey as a hub for oil and gas pipelines from Russia, the Caspian region, and countries of the Middle East. The plans of the European Union to create a gas pipeline system of the Persian Gulf - Europe.

The increased coordination of the energy policies of the countries of the European Union has had a negative impact on Russia's plans to diversify energy transportation systems. In 2010, construction began on the South Stream gas

transmission system from Russia along the Black Sea, the territories of Bulgaria, Serbia, Hungary, Slovenia to the north of Italy with the construction of branch pipelines from Serbia to Croatia and the Republic of Serbia.

In December 2014, Russian President Vladimir Putin, during a meeting with E. Erdogan, announced the termination of this project in connection with the “non-constructive position of the European Union” and suggested not only expanding the Blue Stream, but also building another pipeline system and if it is deemed appropriate, create an additional gas hub for consumers in southern Europe on Turkish territory, on the border with Greece. On the same day, a memorandum of understanding was signed between Gazprom and the Turkish corporation Botas Petroleum Pipeline Corporation on the construction of an offshore gas pipeline through the Black Sea in the direction of Turkey.

In March 2015, the European Commission and Turkey launched a new High Level Energy Dialogue initiative, which includes discussions on such areas of mutual cooperation as gas, electricity, nuclear, renewable energy. A special line highlighted cooperation in the construction of the Southern Gas Corridor and the Trans-Anatolian gas pipeline.

Until recently, Iran, which has the largest gas reserves, was another actor with the ability to influence the reduction of European energy dependence on Russia. However, the level of uncertainty surrounding the export prospects of its oil and gas industry, which is already substantially underfunded, due to the recent decision of US President Donald Trump to impose economic sanctions against Tehran, has become critically low.

The main problem of energy security of European countries, as emphasized by the European Commission (EC), is the EU's dependence on energy imports. More specifically, the European Union's dependence on energy imports from Russia, despite the fact that the EC views Russia as a country that tends to use its energy resources as a political tool.

The factors worsening the position of Europe can also include a steady drop in gas production within the EU countries. There is a depletion of gas deposits in the North Sea. Due to earthquakes, the authorities in the Netherlands have reduced gas production in the Groningen field. And, despite the fact that Norway is now at the peak of production, its reserves are only 1900 billion cubic meters. Obviously, with the level of today's production, which is about 120 billion cubic meters, the Norwegian resources are quickly depleted, or production will start to decline and, consequently, exports.

In addition, it is not necessary to ignore the influence of the United States, interested in political and economic domination in the world, on the EU energy policy. Certainly, diplomacy of energy resources becomes a means of pressure of states on world politics, a mechanism of influence on international relations.

For the EU, one of the ways to reduce dependence on Russia was the import of liquefied natural gas (LNG) from the United States. The EU actually received the first LNG supplies in 2016, but gas volumes are still insignificant. In addition, to date, Russian gas is much cheaper than American LNG. Thus, in the case of real growth in production capacity in the United States, it is unlikely that Europe will

be able to purchase increasing volumes of US gas in the face of large price differences. Moreover, at the national level, not all countries are interested in a new exporter: there are no LNG terminals in Germany, France is trying to ban the import of LNG from the USA, which mainly consists of shale gas. This decision is justified by the fact that shale gas is produced by the method of hydraulic fracturing, which is prohibited in France itself. Thus, the decision to import LNG from the United States was more of a political option to solve the problem of dependence on Russia.

In the practice of European energy diplomacy, in addition to the traditional diplomatic arsenal, specific methods and tools are also involved. Embargoes and sanctions should be noted in the set of specific instruments of energy diplomacy. In May 2014, in response to the annexation of the Crimea, European leaders decided to include energy in the sanctions package against Russia.

In addition, integration processes in various regions of the world, as well as the erosion of borders, economic and ideological barriers after the end of the Cold War contribute to enhancing the role of large TNCs in the energy sector of the world economy in general and the EU in particular. Further development of the competitive environment in the global energy markets contributes to increased competition between them. Since, in essence, these corporations ensure the functioning of the fuel and energy industries at the global and regional levels, the problems of the energy security of many countries depend on the fact that this competition is not destructive and chaotic. In this regard, maintaining interaction between TNCs is of some importance, which can be accomplished with the help of diplomacy at the level of corporations, as well as with the participation of official diplomacy.

Currently, all leading Western TNCs have developed long-term international strategies for the period up to 2020 and various scenarios of activities depending on the development of the economic and political situation in the global and regional plan, as well as in the host countries. Special attention is paid to the study of the impact on the world energy sector and the situation in the world energy markets of macroeconomic, political, environmental, resource and raw materials and other factors. An important place in the international activities of TNCs is occupied by the work on maintaining a positive image of the company in foreign countries, including through the local media. Among the implementation mechanisms, methods and means of corporate strategy that have a "diplomatic" meaning, we can distinguish intracorporate restructuring and reduction of production costs in various business segments, depending on the situation. For example, after a sharp fall in oil prices, many companies began to revise their production plans, reducing the level of investment in the development of new fields and increasing the level of financing for the accumulation of oil stocks. In addition, corporate mergers and the formation of strategic alliances or international consortia for the development of large international projects are widely used. In the arsenal of "diplomacy" of modern transnational corporations, methods of lobbying their interests in foreign countries are widely used.

So, summarizing the above, we can point out the insufficient flexibility of the energy market of the European Union. The European energy policy is not always effective in solving the problems arising in the global energy market.

Meanwhile, the EU countries are interested in common approaches to energy diplomacy in order to be represented as a single force on the Eurasian continent, where the regulatory and contractual framework for energy cooperation between the countries participating in the Eurasian Economic Union and the Shanghai Cooperation Organization, as well as the growing ties between Russia and China in the global energy markets.

### **5.3 EU Energy diplomacy: what is a balance between national and union priorities?**

The common factors for all EU member states that influence the development of national energy strategies are: growing energy demand, the challenge of improving competitiveness, protecting the environment, the need to develop clean energy technologies. As emphasized in the conclusions of the EU Council on Energy Diplomacy, the goals of an energy union can be achieved only if the external and internal aspects of energy policy, in particular the fully functioning internal energy market, mutually reinforce each other.

Nevertheless, national peculiarities exert some influence on the practice of energy diplomacy. The reason of it is difference between energy production technologies in EU-member countries. The value of nuclear energy is particularly large in France (80% of the total energy production in the country), Belgium (75%) and Slovakia (62%). Renewable energy is the main source of energy produced in a number of Member States, with more than 90% (energy produced in the country) in Malta, Latvia, Portugal, Cyprus and Lithuania. Solid fuel is most important in Poland (78%), Estonia (67%), Greece and the Czech Republic (59%), while natural gas is the main source of energy produced in the Netherlands (83%). Crude oil is the main source of energy produced in Denmark (47%) and the UK (41%).

This moment is connected with another problem of the EU energy security - the divergence of the national energy interests of the EU member states in the process of forming a common European energy strategy at the supranational level.

A number of EU member states, in particular, France, Germany, Spain, have developed an independent foreign energy policy with accompanying energy doctrines, developed foreign economic and foreign policy measures, energy cooperation programs with many states interested in cooperation.

In particular, the long-term energy plan of the French Republic aims to complete the transition to an energy system that is more efficient, less wasteful, more diverse and therefore more sustainable. This energy plan, approved by the French Law on Transition to Energy for Green Growth, sets out the government's strategic priorities in terms of energy policy. For the first time, France has implemented a comprehensive strategy that covers all aspects of energy policy and all types of energy. Citizens, local governments, consumers and companies operating in the transport and energy sectors were closely involved in the development of this plan.

To achieve the ambitious goals set out in the Law on the Transition of Energy for Green Growth, two main priorities are set: reducing energy consumption, especially fossil fuel consumption, and developing renewable energy sources. The transition should also ensure the security of energy supply and business competitiveness, as a more flexible and less centralized energy system is being developed.

The long-term energy plan of the French Republic pays considerable attention to the transport sector. Given the uncertainty that currently surrounds the energy sector, and at the same time, remaining on the path to achieving our goals for 2030, the energy plan is divided into two periods (2016–2018 and 2019–2023).

It is noteworthy that in France the proportion of nuclear energy is significant - up to 70% of the country's energy complex. There are 19 nuclear power plants in France. The leading French energy companies are Total, EDF, GDF Suez (from April 24, 2015 Engie), Areva. Since 1997, within the framework of the EU energy markets liberalization program, attempts have been made to reform the French energy market in two main areas: creating a competitive market for suppliers and de-monopolizing traditional suppliers of electricity and gas. However, even now EDF, the largest electricity producer in France, accounts for more than 90% of the national electricity market, and about 90% of gas consumers choose GDF. Thus, the French energy market remains largely monopolized.

It is worth noting that it was Germany that was the first among European countries to consider energy security as a priority. Among the main tasks of the German government in this area are: diversification of energy carriers, their sources and delivery routes to ensure the greatest energy security and independence. Germany is one of the largest consumers of electricity, ranking fifth in the world in terms of this indicator. In addition, this country is the third consumer of natural gas in the world and the fourth coal fuel. More than half of the total volume in the structure of all energy sectors in Germany is oil products (34.6%) and gas (21.7%). In terms of oil, of its own proven reserves, Germany can cover only 4% of the volume necessary for the normal functioning of the country's economy.

On September 28, 2010, the Bundestag adopted a national energy concept - the Energy Concept 2050, which consolidated the main directions for the development of the German energy sector until 2050. It reinforced the idea of a gradual transition from traditional to alternative energy sources. The energy concept of the Federal Government of Germany assumes that by 2030 the share of renewable energy sources in the final energy consumption (electricity, heat, fuel) will be 30%. The task was set to produce 80% of electricity from renewable energy sources at 2050 with the current figure of 17%.

Germany is a country almost completely dependent on oil imports, which it receives mainly from Russia and Norway. Germany's gas needs are covered by domestic production by 15%, Germany is also forced to import the rest of this type of fuel: 37% of gas consumed in the country is supplied from Russia, 26% comes from Norway, the rest is bought in Holland (18%), Denmark and the UK (4%).

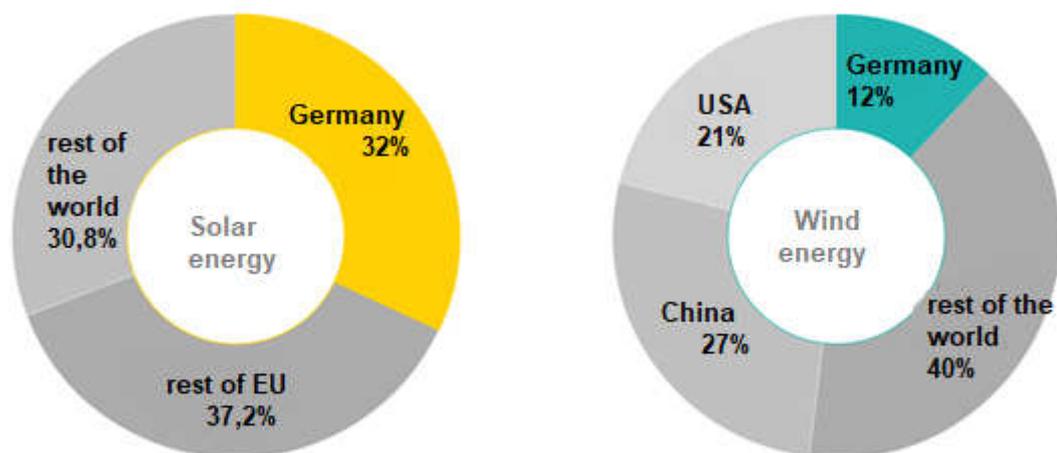
Germany began to promote the idea of "Energy Turn", refusing to develop nuclear energy. Due to the high dependence of Germany on energy imports, the growing global energy demand, and the implementation of the "Energy Turning", the German government has concluded a number of energy agreements with countries - producers, transit countries and energy consumers.

Group of measures planned to reduce carbon emissions to at least 80% by 2050. This is the so-called minimum reduction planned for industrialized countries in order to achieve the goal of the European Union - to limit global warming to a maximum of two degrees Celsius. As the transition to renewable energy sources, and the growth of energy efficiency leads to the emergence of new products, the development of new technologies and new export opportunities. German companies are already in a good position in this area. The chances of growth for them are high. Already today, about 370,000 people are employed in the field of alternative energy. By 2030, this figure may increase by more than half a million. This will depend primarily on the movement of energy prices, as well as on the development of exports of the German alternative energy sector.

*Figure 3*

### Germany is a world leader in solar and wind energy

Working solar and wind facilities, Germany and rest of the world, 2012



The German energy strategy is aimed at a high degree of diversification of the production and use of electricity, rational use of energy, the formation of the innovative potential in the field of the use of traditional energy.

The main installations of the energy strategy of Germany are:

- Energy liberalization - creating conditions for competition. Separation of competitive businesses

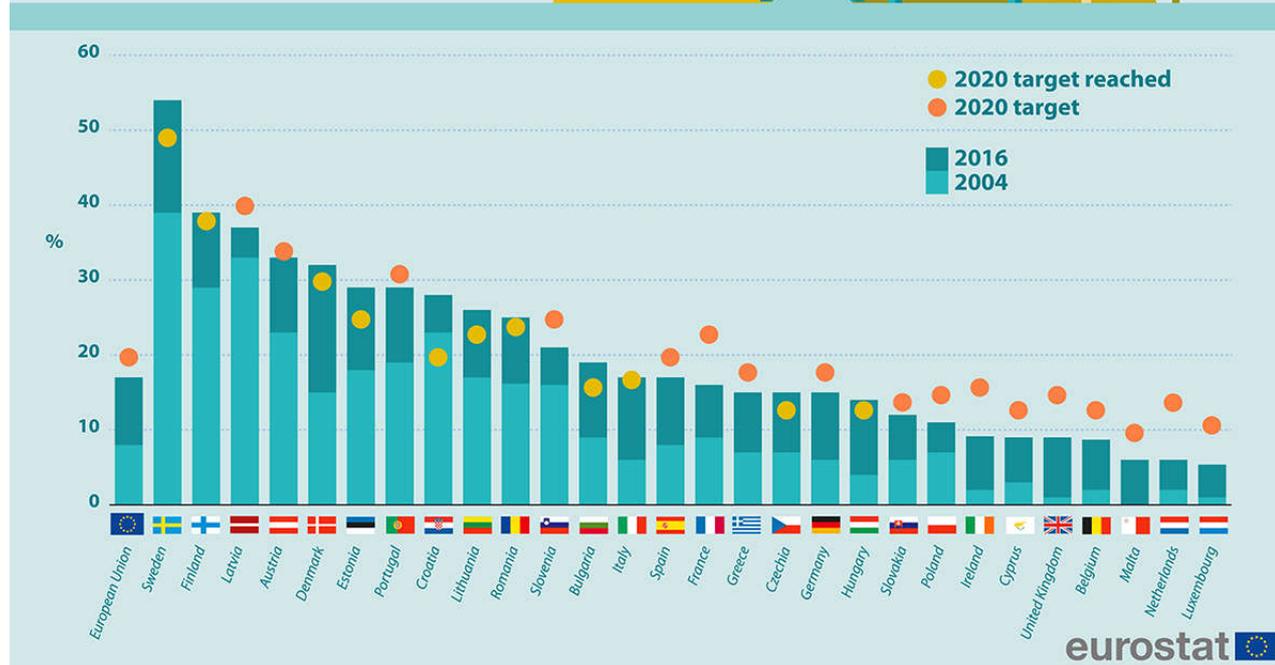
- The use of renewable energy sources with the goal by 2050 most of the energy (80%) to receive from renewable sources
- Termination of the use of hazardous industries in the first place nuclear reactors, reduction of CO emissions into the atmosphere, as well as the gradual reduction of emissions of other substances into the atmosphere such as Freon and SF6 gas
- Transition to electric cars: until 2020, it is necessary to bring 1 million to the streets of Germany, and to 2030, 6 million electric vehicles
- Modernization of the energy sector.

According to the German Institute Fraunhofer ISE (Energy Charts website) at the time of 2018, renewable energy sources in Germany generated 41.5% of electricity (113 terawatt hours). This is a record amount of renewable energy generation for the half year. It is noteworthy that variable RES (wind and solar energy) accounted for 28.4% of the volume of electricity produced. Solar energy produced 8.2% of electricity, while only 7.2% was generated from natural gas. According to the data of the German Union of Solar Energy (BSW-Solar), more than 3.5 million solar generation facilities were installed in Germany, and they produced record volumes of electricity for the period under consideration - 8% more than in the first half of 2017. The share of wind power was 20.2%. In general, Germany should follow the all-European policy, as it tries to maintain the status of an active member of the EU and its locomotive, trying to take an active part in all significant European projects, including the development of alternative energy sources, as well as the diversification of energy supplies.

*Figure 4*

## Share of energy from renewable sources in the EU Member States

(in % of gross final energy consumption)



If we compare the share of renewable energy in the energy sector of other EU countries with Germany, we can emphasize that in the EU as a whole, the share of renewable energy increased from 8.5% to 17.0% between 2004 and 2016. The share of renewable energy sources in the Member States was highest in Sweden (53.8% of energy consumption), followed by Finland (38.7%) and Latvia (37.2%). This share was the lowest in Luxembourg (5.4%), in Malta and in the Netherlands (6.0%) and in Belgium (8.7%). In general, all Member States increased their share of renewable energy from 2004 to 2016 while fifteen of them at least doubled their share. (fig.3)

It should be noted that the economic structure of a country plays an important role in determining energy intensity, since service-based economies will a priori show relatively low energy intensity, while economies with heavy industry (for example, iron and steel production) can have a significant part of their economic activities in the industrial sectors, leading to increased energy intensity.

The least intensive economies in the EU in 2016, that is, those that use the least amount of energy relative to their total economic size (based on GDP), were Ireland, Denmark, Malta, Luxembourg and the United Kingdom. The most energy consuming EU member states were Bulgaria and Estonia.

The governments of some European countries, including France, Italy, continue to adjust prices in the interests of selected energy market participants or take measures that directly prevent the entry of new companies into the national markets. The governments of these countries have taken a number of steps to protect national energy companies from being taken over by competitors from Italy

and Germany. As for Germany, it seeks to become one of the most important distribution points for energy carriers in Europe and thereby strengthen its leadership and expand its influence in the countries of Eastern Europe.

The policy pursued by the German authorities in the period of gas conflicts between Russia and Belarus and Russia and Ukraine shows that Germany sought to extract the maximum benefit from the current situation, to become a mediator in the conflict, a defender of common European interests and at the same time expand its influence in Ukraine, as well as demonstrate to Eastern European countries their willingness to support and assist them. Thus, Germany is trying to use its position as a nodal point for the distribution of Russian energy resources to strengthen its position in Eastern Europe. However, Germany is ready to support the same Poland only to the extent that it does not pose problems for its interests, which once again speaks of the pragmatism of German politicians.

In general, the main policy directions in the energy sector of EU countries are reducing dependence on imported energy resources in the country, as well as increasing electricity production due to renewable energy sources. We believe that despite the presence of national energy strategies and the pragmatism of national governments, the policies of the EU member states are based on the common energy policy of the European Union and are largely determined by the decisions of the main EU bodies.

#### **5.4 Central Asian place in European Union's energy landscape: European Energy Diplomacy features in terms of relationships with Kazakhstan**

According to French researcher B.Lo, the states of Central Asia, especially Kazakhstan, have ceased to be passive objects of great-power diplomacy and act as more and more decisive participants in international processes. The countries of the region have also found their niche in the EU's energy diplomacy. It must be emphasized that the focus of the regional strategy of Brussels in Central Asia is mainly aimed at Kazakhstan, which accounts for two thirds of the Union's interregional trade. In turn, Kazakhstan's relations with the countries of the European Union are a solid part of the republic's economic diplomacy, since the EU's share, in general, is 40% of total trade, 50% of total foreign direct investment in Kazakhstan as of 2016.

The growing role of Kazakhstan in the EU energy landscape is supported by a well-developed legal and institutional framework for bilateral energy cooperation. It should be noted that diplomatic relations were established between the Republic of Kazakhstan and the European Union on February 2, 1993. The Partnership and Cooperation Agreement (signed on January 23, 1995 in Brussels, entered into force on July 1, 1999) became the institutional foundation for relations between Kazakhstan and the EU. The Expanded Partnership and Cooperation Agreement between the European Union and Kazakhstan, concluded in 2015, recognizes the need to expand, sustained and effective cooperation in the field of energy to ensure energy security based on the principles of mutual interest, reciprocity, transparency and predictability.

There are specific provisions on mutual investments, scientific and technical cooperation and the exchange of information on energy efficient and environmentally friendly technologies, joint training programs in the energy sector, etc. As for the hydrocarbon sector, the Agreement is aimed at creating conditions for the development of energy infrastructure and energy markets, as well as strengthening energy trade and promoting a high level of environmental protection, including in relation to exploration of hydrocarbons on the shelf.

There are also several agreements on cooperation in the field of nuclear energy concerning general aspects related to the use of this type of energy for peaceful purposes, but also concerning specific areas such as nuclear safety and nuclear fusion. Periodic meetings are organized between EU and Kazakhstan officials to discuss the implementation of relevant agreements. Kazakhstan's participation in EU-sponsored energy programs and initiatives The EU has provided high-level political and substantial financial support for the creation of Low Enriched Uranium Bank (LEUB) in Kazakhstan, which is owned and controlled by the International Atomic Energy Agency, but is governed by in accordance with IAEA safety standards and safety guidelines. The bank is designed to provide countries with peaceful nuclear programs with a ready-made supply of LEU in case they cannot access it in the commercial market or otherwise.

It should be noted that, interacting with the European Union, it is impossible to focus only on cooperation through the Brussels-Astana line, since the policy of the European Union is formed and implemented by the member states. The comment of S. Meister, the head of the German Council on International Affairs, that in Central Asia "we are witnessing the EU movement in two directions, seems to be fair. EU institutions are responsible for political relations and difficult questions about the rule of law, democratic standards and human rights, while member countries prefer to do business".

The main interests of the EU in cooperation with Kazakhstan are focused on providing access to energy resources, participation in the development of reliable transportation of energy resources from Kazakhstan to the EU energy market. It is not only about the supply of Kazakhstani raw materials, Kazakhstan is important for the EU and as a transit state for the transportation of gas from Uzbekistan and Turkmenistan. We assume that the EU and Central Asian countries have a great potential for cooperation, the use of which greatly increases the competitiveness of countries in the context of globalization risks.

Actualizing the problem of EU energy diplomacy in Central Asia is the security challenges associated with the situation in Afghanistan and Middle East region countries. In addition, global economic competition, for example, the policy of China in Eurasia on Belt and Road initiative, has increased attention to Central Asia and to Kazakhstan in particular. Recall that a significant part of the routes, both in quantity and length, are laid by the PRC to Europe pass through Kazakhstan. It can be noted that in the competition between global actors in the region, the EU is a rather weak actor in comparison to the USA, Russian Federation or PRC.

Kazakhstan's interests based on the process of attracting European capital to modernize the economy, expand trade and economic ties, and solve social and environmental problems. Kazakhstan, having significant hydrocarbon reserves, is one of the major players in the global energy market; it seems obvious that effective energy diplomacy contributes to the realization of the country's national interests, strengthening Kazakhstan's competitiveness and positions in the global arena.

Cooperation with EU countries in the field of energy means the acquisition of a stable and reliable sales market. In addition, Kazakhstan receives advantages in terms of diversification of export flows of hydrocarbons. In addition, for Kazakhstan, the prospect of partnership in the supply of energy equipment and technology is significant.

In the first half of the 1990s, the EU practically did not deal with the region of Central Asia. According to the remark of the Russian researcher S.M. Yuna, since 1999, the activity of the European Union in the CARs has increased dramatically. At the same time, the multilateral component of European diplomacy supplemented the autonomous foreign policy of the leading countries (Germany, Great Britain and France), which identified their interests in Central Asia immediately after the collapse of the Soviet Union. In terms of intensity, the policy of European grandes in Central Asia, until today, is noticeably ahead of the actions of other EU countries.

The main role in the interests of the EU in the Central Asian region, particularly in Kazakhstan, is played by the presence in countries of large reserves of energy resources.

*Table 2*

**Production volume by branches of the energy sector of the Republic of Kazakhstan**

<b>Field of energy sector</b>	<b>Production in 2017</b>	<b>Growth in comparison with 2016 (%)</b>
Oil industry	86,2 million tons	10,5%
Gas industry	52,9 billion cubic meters	14%
Coal industry	106,7 million tons	2,9 %
Nuclear power	24 586 tons of uranium	5,1 %
Power industry	102,3 billion kW/h	8,8 %
Renewable Energy	1,1 billion kW/h	-19% (decrease in comparison with 2016)

The interest in hydrocarbons in Central Asia is due to the possibility of creating an alternative to dependence on the Middle East fields controlled by the United States. In addition, the EU would like to reduce its dependence on Russian oil and gas supplies; therefore, the capabilities of the Central Asian region are important for it. It is not a secret that control over resources and their transportation routes makes it possible to control the situation in the region, participating in multilateral cooperation, but also preventing competitors from dominating. The

transport component of the Union's energy diplomacy is no less significant, since the region provides access to new transport flows.

However, the geographical remoteness of countries in the region from European markets, from sea routes and large international railway junctions, as well as the underdevelopment of the existing infrastructure, create obstacles to cooperation. The solution of this problem was connected with the launch of two programs: TRACECA - the multimodal corridor Europe - the Caucasus - Asia" (1993), and INOGATE, the Interstate transportation of oil and gas to Europe (1995). Both programs are the result of the development of the conceptual foundations of the energy strategy of the European Union, which are reflected in the so-called "white" and "green" books of the European Commission.

Although, on the whole, the energy policy of the European Union has received its conceptual and institutional form relatively recently. As is known, energy security has entered the sphere of "common competence" of the EU bodies and member states, having been enshrined in the Lisbon Treaty, which entered into force in 2009.

As for relations with energy suppliers, the basis for them was the Energy Charter Treaty (ECT), signed in 1994. This agreement is a multilateral agreement whose goal is to create an efficient energy market in Europe. The States parties to the Charter pledge to ensure non-discriminatory access to energy resources and their development for national and foreign companies. Kazakhstan is a party to the Energy Charter Treaty, and also actively participates in the TRACECA and INOGATE programs.

It can be argued that energy cooperation is the main vector of the strategic partnership of Kazakhstan and the European Union, as well as the main direction of bilateral cooperation with leading EU countries, which, respectively, predetermines ensuring the implementation of both national and mutual interests of both parties in this area. It is important to note that over the years of independence, Kazakhstan has established itself as a responsible EU energy partner. Kazakhstan is the largest energy supplier to Europe from non-OPEC countries, ranking third after Russia and Norway. Add that in the field of energy in Kazakhstan there are a number of companies from the EU, including "Agip", "Eni", "Shell", "British Gas", "British Petroleum", French "Total".

A favorable investment climate has been created in the republic, attracting investment in the oil and gas sector from EU countries. Such a policy serves as a driver of economic growth. Kazakhstan is interested in the energy policy of the EU leaders, especially France, which initiated the need for energy regulation at the supranational level in the EU. France itself was one of the first in the EU to develop energy security policies at the national level. Of course, France is interested in diversifying the sources and channels of energy supply to ensure national security, as well as in maintaining stability and security throughout the Eurasian continent.

However, Kazakhstan does not intend to limit itself to the export of hydrocarbons to Europe. The Republic of Kazakhstan is focused on cooperation in the field of energy efficiency and energy saving, renewable energy sources, the use

of atomic energy for peaceful purposes, in the field of electric power industry and clean energy technologies.

The above goals of the Republic of Kazakhstan correspond to the tasks of the EU, voiced in the Strategic Program "Energy 2020", which primarily include diversification of energy supplies to reduce dependence on Russia - the main supplier of hydrocarbons in the EU, developing nuclear energy using modern construction technologies to ensure complete the safety of the operation of nuclear power plants, the development of the sector of alternative and renewable energy sources to reduce the consumption of oil and gas and in reducing atmosphere saving technologies carbon dioxide emissions.

In this context, the cooperation of Kazakhstan with France in the field of atomic energy can serve as an example. Kazatomprom Company implements a number of high-tech innovative projects on renewable energy, for example, the production of photovoltaic modules together with French companies.

Subsection 2 was amended in accordance with the Law of the Republic of Kazakhstan dated December 29, 2006 No. 209-III. It can be clarified that diplomatic relations between France and the Republic of Kazakhstan were established on January 25, 1992.

For Kazakhstan, the role of France as a solid investment and trading partner was important. Of course, the country expected a lot from receiving French technologies in the context of the modernization of the republic. The economic dialogue between Paris and Astana quickly intensified. A number of dialogue sites appeared between Kazakhstan and France. For example, the opening of representative offices of the French National Agency for Business Development in Almaty in 2012 contributed to the expansion of business ties, as evidenced by the creation of more than 140 companies with participation of French investment in the republic [46]. Energy sector of Kazakhstan attracts French companies, in particular, Areva established a joint venture with Kazatomprom to build new nuclear fuel assembly lines at the metallurgical plant in Ulba, Total participates in the development of Kazakhstan's largest oil fields.

An expert on the Central Asian region at the National Center for Scientific Research (CNRS) I. Oayon notes that the reason for this diplomatic activity is the economic interests of France in Kazakhstan. According to Isabel Oayon, "French interests and investments in Kazakhstan are significant. Areva, Total and other large French enterprises work there. Kazakhstan is one of the major uranium producers in the world. And France is one of its main consumers. These objective reasons explain the existence of close relationships".

In recent years, the economic dialogue between Berlin and Astana has been sharply intensified. According to the Deputy Federal Minister of Economy and Energy of Germany E. Franz: "Kazakhstan for Germany is the most important trading partner in Central Asia, and your country is the fifth largest supplier of oil for Germany."

In cooperation between Kazakhstan and Germany, the basic direction is the development of infrastructure, including energy (implementation of up to renewable energy projects with a total capacity of 189 MW) [49]. It should be

noted that Germany is the world leader in energy efficiency, energy saving and renewable energy. In this perspective, the experience of Germany in increasing energy efficiency, introducing energy saving technologies and using renewable energy sources is of great interest for Kazakhstan. A successful example of starting cooperation in this area was the signing in July 2015 of the Memorandum of Strategic Partnership in the field of energy conservation and energy efficiency between the Ministry for Investment and Development of the Republic of Kazakhstan and the German Energy Agency DENA to attract leading German energy service companies to the domestic market of the country.

It is also worth noting a number of factors hindering the effective cooperation of EU countries with Central Asian countries: geopolitical risks, poor infrastructure, lack of uniform standards in Central Asia and low intra-regional cooperation, limited market, weak state institutions, low competitiveness of economies, frequent declarative government programs.

Nevertheless, it can be summarized that the current transformation of the global geopolitical and geo-economic architecture is causing a growing interest of European countries in the region, confirmed by the example of relations between key EU countries and Kazakhstan. The EU relies on multi-level cooperation, on the synergy of initiatives, including the level of national states.

With the development of globalization and the inevitable increase in the requirements for the competitiveness of national economies, the energy factor will have an ever-increasing impact on international economic relations and foreign policy in general. The Republic of Kazakhstan under the influence of external factors is faced with the need to clarify the emphasis in foreign energy policy. Over the past two decades, Kazakhstan and the EU have developed strong and mutually beneficial relations in the field of energy.

Currently, there is a tendency to increase economic competition in the energy market, which will require countries to improve energy diplomacy. The EU countries make a significant contribution to enhancing the EU's energy security by forming Union-wide and national energy strategies, in which Kazakhstan plays a significant role.

Energy diplomacy has become a new functional area of European diplomacy. The European Union consumes 20% of global energy, but has relatively small reserves of its own. The EU is the largest energy importer in the world, importing 54% of its energy. Therefore, EU countries need the necessary energy at a price that they can afford, both now and in the future. This has a huge impact on the economy of the Union.

Currently, there is a tendency of increasing economic competition in the global energy market, which requires constant regulation of the political course of countries. EU countries are dependent on a limited number of countries supplying energy, which makes them vulnerable to supply disruptions. Given the current international situation, it is clear that the future prosperity of Europe depends on how successfully supranational institutions will solve two central energy problems: ensuring the availability of reliable and affordable energy and reducing the level of

dependence on exports. On this basis, the EU countries, guided by the need to ensure energy security, form the all-union and national energy policies.

The priorities of EU energy diplomacy include strengthening and developing energy cooperation and dialogue with energy-producing and transit countries, supporting efforts to strengthen the global energy architecture and multilateral initiatives within the EU, as well as strengthening the pan-European potential of energy diplomacy.

The EU's common energy policy, the priorities of which are to some extent correlated with national priorities in the designated area, focuses on a number of issues, including the search for reliable sources of energy supply, diversification of hydrocarbon raw materials transportation routes, energy efficiency and the development of renewable energy production, development of new technologies and energy security.

An analysis of the EU documents shows that institutional and legal norms demonstrate a trend towards the creation of a single EU energy market. But it is also important to emphasize that, in general, the EU at the present stage is actively involved in changing the "paradigm of energy development" associated with the departure from hydrocarbon energy. The EU is focused on finding new, renewable and clean sources of energy, such as electricity generated by wind, water and sunlight through wind turbines, dams and solar panels. Europe wants to remain competitive as global energy markets move towards cleaner energy. Thus, the energy diplomacy of the European Union is a response to the development of the global energy market and is aimed mainly at realizing the goals of the Union as a whole.

#### **Control questions and tasks for self-control:**

1. Which legal tools of state regulation of energy sector used by EU countries?
2. List the regulatory and legal acts and agreements in the energy sector, adopted within the EU.
3. What are the priorities of the EU energy policy?
4. Describe the difficulties in the formation of a single EU energy market.
5. Identify the factors influencing the development of national energy strategies.
6. What are the interests of EU cooperation with the countries of Central Asia in the energy sector?