

The Analysis of the Influence of Energy Security on Foreign and Security Policy of the Republic of Poland

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In the context of the growing importance of energy issues in international relations the author analyses the influence of the redefined concept of energy security on foreign and national security policy of the Republic of Poland. The article deals with a new paradigm of energy security, in the framework of the creation of European Energy Policy. Basic features of the Polish energy sector are also presented, and foreign and national security initiatives on bilateral, regional and multilateral level, oriented to diversification of energy sources, suppliers and transport routes, aimed to guarantee a long-term economic, political and security stability are analysed.

A comparison with the current energy situation in the Republic of Croatia is given fast approval of strategic energy documents is recommended in the conclusion of the article.

Key words: energy security, diversification, foreign and security policy, Republic of Poland

1. Introduction

Without doubt, energy issues have an increasingly important role in public debate all over the world. The complexity and the catholicity of economic and environmental challenges we are facing combined with serious implications for the sensitive balance in international relations and its growing impact on everyday life of almost each individual expanded the importance and the intensity of the debate outside the focus of interest reserved exclusively to experts or political elite. All of this is happening in the period when energy resource prices, especially oil, seem to follow completely unpredictable patterns and when the words "energy security" are repeated like a salvation *mantra*

in search of some kind of geopolitical and geo-strategic equilibrium. Also, in the circumstances of growing asymmetrical dependence of consuming states on producing states, some delicate issues tend to distort the established negotiating positions and relations. These are the issues of transport, more precisely of defining future pipeline directions and routes, as well as trends of economic development and geopolitical tensions (mainly the increase of energy demand in India and the PR of China and the strengthening of the international position of Russia by exploiting the advantage of "energy" pressures).

In such a context, we decided to explore how those global energy changes have influenced the process of redefining foreign and national security policy priorities of the Republic of Poland. We have also tried to explore the reshaping of modalities of the realiza-

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tion of those priorities, analyzing, on one hand, fundamental characteristics of the country's energy sector while bearing in mind both the actual status of Poland in the international community and global foreign policy trends on the other.

At the beginning, just a few conceptual and methodological remarks are made to explain and clarify our research approach. The article is divided in three parts. In the first part we elaborate the redefined paradigm of "energy security" in the context of creating conditions for the constitution and shaping of the common „European Energy Policy (EEP)", its external dimension, in particular. The EEP is perceived as a set of instruments and measures for the realization of policy priorities within the framework of what has recently been defined as "energy security diplomacy".

The relationship between the main features of Poland's energetic sector and its repercussions for strategic decisions in that field for actual economic, security and foreign policy status of the Republic of Poland as well as its possible influence on future developments and trends are examined in the second part of the article.

The third, most extensive chapter is dedicated to the presentation and the evaluation of concrete Polish initiatives and projects, aiming to foster interstate cooperation in the energy sector. Those issues are analyzed on three levels: bilateral, regional and multilateral. The bilateral analysis consists mostly in presenting the state of play in relations with the key neighbours, the Russian Federation and Germany. The regional level of analysis deals with Polish attempts to impose its leadership role in the wider region, not only concerning the energy issues, but also in a broader dimension of "Eastern Perspective", by assuming a role of link for the EU partnership, neighbourhood and enlargement policies. Within a multilateral context, we have noticed the increased Polish activism in "Euro-Atlantic" fora, mainly with the objective to raise the sensitivity of partners to accept energy issues as priority.

The research findings are summarised in the conclusion, arguing that, from the Polish perspective, the changed, multidimensional energy security pattern has a growing impact on strategic foreign and security policy decisions. In addition, the conclusion provides a comparison with the actual situation in Croatia, where "energy" debate in recent weeks has intensified.

2. The Concept of "Energy Security" in the Light of the Creation of "European Energy Policy (EEP)"

In today's world characterized by increasing interdependency among economic and political sys-

tems and multipolarity, in which, in an extremely dynamic, unstable and even uncertain environment a "newer world order" is (re)shaping, energy is not only an economic and strategic good but is becoming a political tool¹.

Awareness of such far reaching transformation has imposed the need to redefine the notion of "energy security" which is usually defined in terms of reliable supplies at a reasonable price containing, from the EU perspective, three interrelated and interdependent elements of policy priority: security of supply, environmental sustainability and price competitiveness.²

Today, in the new circumstances, such a definition is insufficient³. Complex and diverse aspects of security policy must be taken into consideration in order to explain the concept of security. It is not the matter only of its energy aspect, but also a much wider context of global threats and a spectrum of new types of risk⁴ (e.g. terrorism, proliferation of WMDs, strengthening of autocracies of dubious or limited democratic legitimacy, danger of "spill-over" effect for latent conflicts). Consequently, a new multidimensional concept of "energy security" which recognizes at least four different, but often interrelated dimensions (internal policy, economic, geopolitical and security policy) has developed.⁵

A more detailed presentation of relevant features of each dimension seems important in order to define essential elements that influence the shaping of "European" as well as "national" energy policies.

In that respect, components of internal policy dimension might be e.g. investments in R&D and in maintenance of infrastructure, advance planning for crisis management response (e.g. *Early Warning Mechanism-EWM*), improving energy efficiency and "energy mix" issues.

The economic dimension includes regulatory issues related to energy markets, mainly, creation and implementation of common and agreed rules for resource trading (possibly under auspices of an international body) and issues regarding the maintenance of competitive advantage in technology innovations in energy domain (e.g. renewable sources, bio-fuels, efficiency).

The geopolitical aspect of energy security comprises, on the one hand, creation of (pre)conditions for undisturbed functioning of transnational networks and corridors in a wider regional context (e.g. internal market for EU countries, Energy Charter⁶); and, on the other, finding efficient answers (e.g. through strengthening soft power approach) to the new challenges offered by visible trends of "energy sovereignty" or, even "energy nationalism" in different parts of the world (i.e., disputable process of

“statalization” of Yukos in Russia, or questionable moves of Presidents Morales of Bolivia and Chavez of Venezuela, in reference to nationalization of some of the energy sector enterprises).

Finally, security policy dimension, which dominates the “energy” debate, includes, as we have mentioned, new forms of threats, which cannot be eliminated relying exclusively on softer instruments, regardless of how much such approach may appear desirable due to elusive political correctness or diplomatic acceptability. We do not refer here only to military or, moreover, war option. However, the Iraqi example shows, chances for new armed conflicts with the aim to get control over natural resources are certainly not completely unrealistic⁷. Rather, we refer to the development of adequate security strategies, both long-term ones and those intended for *ad hoc* crisis management (e.g. in the framework of CFSP/ESDP EU instruments or under the NATO umbrella). Those strategies should preferably keep complementary character in relation to proposed modalities of action in the framework of multidimensional approach to the improvement of energy security.⁸

In such a complex, fluid and instable foreign policy, economic and security environment, elements of common EEP, especially in relation to definition of parameters of its external dimension, have slowly started to emerge⁹.

Despite the fact that the process of European integration, in a way, started on “energy” foundations with the constitution of ECSC and EUROATOM, the issues regarding the reduction of energy dependency, recognition of modified forms of security and geopolitical threats as well as the search for modalities of coordinated and effective answer to those challenges, have until recently been outside the focus of interest of EU policy makers and broader public.

It seems that only the first Russian-Ukrainian “gas crisis” in January 2006¹⁰, which escalated with a short-term interruption of gas supply and had dramatic consequences for energy situation in a number of the EU countries, marked the signal for serious alarm, when key stakeholders suddenly became aware not only of the fragility and vulnerability of the existing system but, also, of the necessity of finding efficient mechanisms for response to crisis situations.

A detailed analysis of all relevant aspects of the EEP by far exceeds the objective of this article; therefore, we have decided to focus our attention mainly on its external dimension¹¹, which includes instruments at the disposal of EU member states (MS) and EU institutions for the realization of energy pri-

orities¹². However, it is necessary at the beginning to describe the context of the analysis, i.e. the stratification and the complexity of various aspects of the problem, mostly a high level of conditionality in the interplay between MS and EU institutions.

First, distribution of competencies and relevant action measures at disposal to each player should be described. On the one hand, regarding the energy issues, MS retain exclusive competencies in the domain of “energy mix” and CFSP, while the EU, on supranational level, maintains competencies related to internal market and competition policy, on the other. It is highly important to find a right balance in those complex and delicate relations.

In addition, the uneven negotiation power and various, sometimes contrasted interests between, both individual MS as well as between MS and EU institutions should be remembered, because those factors have dominant influence on the dynamics and the intensity of integration process, depending, *ultima ratio*, on the political will of each and every MS.

In the light of completely modified global geopolitical and security circumstances we are witnessing since the turn to a new Millennium, the EU, as a project with the accent on economic aspects of integration (e.g. single market and common currency), especially in the described multi-faceted context of “energy policy”, has to cope with new challenges that have so far included slightly neglected, political and strategic dimensions of the problem that requests both a fresh approach and new modalities of action¹³.

In conclusion, we have to bear in mind that a real shift of power in global energy markets occurred. As mentioned already, the continuous strengthening of the producing countries, the exporters of energy resources, as compared to consumers, the importing countries, combined with extreme price volatility, shattered the common assumption that market logics alone will be efficient enough mechanism to find a proper balance between demand and supply of energy. Furthermore, it has to be added that energy sector was always affected by a heavy state influence, partly due to its strategic sensitiveness, and partly due to financial implications, mainly because of important budgetary incomes of annuity character, which gave to state institutions, on sovereignty prerogatives, monopolistic or, at least, privileged position they are reluctant to recede.

In the next chapter we highlight that all those elements in different ways influence both the formulation of the EEP (which, yet, is neither common nor unified), as well as national energy strategies.

3. Main Features of Energy Sector and Implications for Actual Foreign Policy Position of the Republic of Poland

We continue our research by highlighting basic characteristics of Polish energy sector. The assumption is that its weaknesses and constraints have an important effect not only on actual economic and political situation in Poland, but that they will continue to have a huge impact on future developments, especially in the circumstances when a precondition for such an evaluation is the capacity of a country to obtain the necessary quantities of energy needed for its development¹⁴.

Firstly, we have to emphasize that Poland has a peculiar structure of energy consumption where roughly a 95% of electric energy is acquired from coal, which is logical, considering that Poland disposes of important coal reserves, the biggest among all EU countries¹⁵. Such a high level of coal dependence has relevant environmental implications and Poland, in the following years, may expect serious difficulties in the adjustment to CO₂ emission targets set by international regulations. However, it is worth noting that important efforts to reduce the level of emissions in line with the Kyoto Protocol, has been made (reduction of 30% in comparison to values from 2005). The adjustment to the so called "EU climate-energy package" can cause even bigger problems, mainly in the part of "auction emission trading scheme", due to the fact that the Polish side is not completely satisfied with the approved annual quotas of 208.5 million tons (which is a diminution of 26.7% in reference to Polish requests in negotiations with the EC).

Secondly, as consequence of Soviet domination in the region and inherited pipeline infrastructure lay down in east-west direction, Poland is highly dependent on energy import from Russia. Regarding oil, Poland, whose yearly consumption is roughly 23 MTA, imports from Russia around 96% of the necessary quantities¹⁶. They are transported through *Druzba* pipeline, which seems to be losing importance in Russian strategic energy combinations, causing additional dangers for Poland¹⁷. In reference to natural gas, Polish consumption amounts to 14.4 BCM p/a with around two thirds of the quantities from import¹⁸, again from Russia¹⁹. In such a context, diversification of energy sources and development of alternative transport routes, especially on the north-south axis, are of paramount importance for Poland. Oil transport can be realized through the *Naftoport* terminal in Gdansk, while, now gas is transported from the east exclusively through Yamal-Europe pipeline. For those reasons, it is Polish priority development project with the aim to

reduce the level of dependence on the import of Russian energy, on the Baltic pipeline (in cooperation with Norway and Denmark) and the LNG terminal in Swinoujscie on the Baltic Sea for gas transport, also on the Odessa-Brody-Plock (OBP) pipeline (more about it) for oil transport.

Thirdly, another relevant feature of the Polish energy sector is a strong state presence in ownership and, consequently, in management structure of the key companies²⁰. On political level, they may have strong impact on the dynamism of necessary reforms including unavoidable processes of privatization and continuation of market liberalization, while, on the operational level, they may affect efficiency and transparency of business decision making.

Fourthly, regarding the perspectives of the Polish energy sector development, the demand for energy will undoubtedly continue to increase. In such a situation, Poland will have to cope with a number of challenges, not only of economic nature, but also with serious foreign policy and security implications²¹. The right balance between hardly conceivable aspects of sustainability is needed in the process of strategic energy decision-making, i.e. ecological, perceived as sustainability of natural environment (in reference to coal exploitation the solution might be adoption of new, clean coal technologies-CCT); economic, perceived as financial cost effectiveness (e.g. reliance on EU funding or PPP projects); and political, perceived as acceptability of proposed options for the ideal majority (regarding a predictable debate on the controversial issue of exploitation of nuclear energy).

In conclusion, this short analysis highlights that key priorities and strategies for successful adjustment of Polish energy system are, in the short term, diversification of sources and pipeline routes for supply of gas and oil²², and in the long term, adoption of clean technologies of coal exploitation and, to some degree, reliance on nuclear energy.

4. Foreign Policy Initiatives of the Republic of Poland for Strengthening Cooperation in Energy Domain

The new Polish government, just like the previous one, declared a set of energy security issues as priorities of its foreign policy, as precondition to keep the pace of economic growth of the last few years²³. In such a scenario, energy security has to be viewed, among other things, through the prism of a long-term stability and reliability of supply, to be achieved by diversification of suppliers and by participation in the development of alternative pipeline projects.

We decided to dedicate this part of the article to Poland's foreign policy activities steered to intensify energy cooperation and to reach the following objectives: dynamic economic growth, strengthening of national security²⁴ and reinforcing of international reputation.

For the sake of clarity, our analysis is divided into three levels: bilateral level, mainly through the assessment of relations with Russia and Germany; regional level, where Poland is trying to impose its leadership role; and, finally, multilateral level, through Polish activism and pragmatism in search for fresh solutions inside its "Euro-Atlantic dimension"²⁵.

4.1. Bilateral dimension

Within the scope of our research, we will focus our attention to energy implications of interstate relations between Poland and Russia and, to a lesser extent, between Poland and Germany. Our objective is to try to evaluate the level of conditionality of those relations by their "energy dimension", based on the assumption that, as regards security and stability of this part of Europe, from Polish perspective, relations with the two key neighbours are and will remain of crucial importance.

In that respect we will leave apart the legacy of historic burdens that, to some degree, shape current and/or future relations, fuelling, more or less justified fears related to the danger of new and subtle forms of expressing domination or hegemony aspirations.

In addition, we will estimate if and to which extent recent changes in Poland's foreign policy, which had its first glance external manifestation in neighbourhood policy through redefining relations with Russia and Germany, will affect the economic cooperation, mainly its energy component.

Low level of cooperation characterized Polish-Russian relations in the last few years. They have been burdened by numerous open issues, with a tendency to rely more on retorsion than on initiatives for diminishing tensions and offer solutions. Blatant examples are Poland's bold opposition to resuming the EU-Russia talks or to Russia WTO accession, and the Russian ban on meat and vegetable products import from Poland).

With the raise to power of the coalition led by Civic Platform (PO) the chapter of Polish foreign policy marked by pronounced isolationism and diplomatic autarchy of ideologically extremely conservative oriented Law and Justice (PiS) *nomenklatura* was finally closed. Albeit that approach seriously threatened to marginalize Polish influence in international community it has to be

admitted that this, rather severe and insufficiently nuanced, diplomatic style of the Kaczynski twins, produced some results.

As has already been mentioned, the first visible outcomes of the new approach, in the light of redefined foreign policy strategic priorities of the new government, both in the content and on formal level, were the "return of Poland to the EU family" and the redesign of neighbourhood relations. Regarding Russia, almost immediately, a sharp change in rhetoric, with accent on new proposals for normalization of relations was noticed (even, "unfreeze" instead of "warming" seems a more appropriate word to describe the situation). In this respect, concrete results followed, mostly Russian lift of the meat and vegetables import embargo and Polish mitigation of position regarding the Russian WTO accession and EU-Russia resuming talks on the Partnership and Cooperation Agreement (in which energy issues should have a substantive and important part, as Poland's foreign minister Radoslaw Sikorski stressed in numerous occasions).

The official visit of the Polish Prime Minister, Donald Tusk to Moscow, realized in February 2008, marked another important step, on public perception level at least, in improving Polish-Russian relations. The fact that it was the first visit on such a level since December 2001 when Leszek Miller was in Russia (while former President Aleksander Kwasniewski visited Moscow in 2004) says a lot about the status and intensity of cooperation.

The visit should be seen as an attempt to revitalize bilateral relations by renewing dialog and cooperation. If we stick to the economic agenda, Tusk's visit was focused on energy issues, mainly on the two, from Polish perspective, basic elements of energy security, supply of resources and pipeline routes. This is not surprising if we keep in mind not only Poland's high dependency on Russian import and the desire to keep some advantages stemming from a transport country status, but also the fact that, at least until now, Polish attempts to diversify supplies or find alternative transport routes have not reached satisfactory results. In this respect, considering that import from Russia is financially the most acceptable option, maintaining fair relations with Russian suppliers, remains Polish utmost priority.

In addition, since the resources are already transported from Russia through Polish territory (pipelines *Druzba* and Yamal-Europe, partly owned by Gazprom), Tusk's visit was another opportunity to try to convince the Russian side that a highly controversial NordStream project (more about it later) was too expensive and unnecessary and, at the same time, to propose cooperation in alternative projects (e.g. revi-

talizing Amber or the construction of the second branch of Yamal pipeline). After the talks with Russian officials, Tusk expressed moderate satisfaction mostly because of the Russian declaration that the NordStream project would not negatively affect Polish supplies and that the Amber project might be of some future interest for Russia. Of course, expectations that Russia might withdraw from NordStream were not founded, so divergent opinions on that issue persist. Moreover, former Russian Prime Minister, currently Gazprom²⁶ chairperson, Viktor Zubkov, emphasized that it was a project of strategic importance, essential for global energy security not oriented against any country and that "we all have to wait for its realization."²⁷

There are several reasons why this joint Russian-German project²⁸, "masterminded" by Vladimir Putin and Gerhard Schroeder, and controversy²⁹ behind it, deserve our full attention. Before a detailed elaboration of its "energy" implications, it is useful to show its broader context. On the abstract level of the EU-MS relations, the project is a paradigmatic example of difficulties and constraints in defining, shaping and implementing the EEP. Namely, the basic principle every "common policy" relies on is reaching a consensus among MS ("to speak with one voice")³⁰ regarding a particular issue, and historic experience teaches us that the Union has serious difficulties when it comes to conciliation of internal differences, divergent or, even conflicted interests in matters of less importance than energy security.

In such a context, the question is how to find the acceptable balance between safeguard of each national interest and bilateral agreements and, at the same time, not endanger the fulfilment of integration objectives defined on supranational level. Of course, it is an issue not characteristic to energy but inherent to almost each aspect of the EU integration

Furthermore, from the Polish perspective, fears regarding the NordStream project have multi-faceted manifestations both on foreign policy and on economic levels. First, Poland is afraid of the possibility of building a strong axis in the Russian-German cooperation, which, in the long run tends to weaken Polish security situation and its international position. In addition, through economic lenses, Poland seems concerned with the negative repercussions subsequent to the exclusion from the project of the route, which does not include Polish territory. The consequence would be weakening of the negotiation power stemming from the "transport country" circumstance, also, allowing the Russian side to unilaterally cut-off energy delivery to Poland, whilst continuing to provide it to other European countries.

Besides those explicit risks and threats, the Polish side assumes that there is a hidden one as well,

i.e. in the financial part of the project. Recent information regarding new correction of estimated costs for the realization of the project which now amount to 7.4 billion euro (this is the evaluation of the members of the consortium, while a more pessimistic scenario presumes a 10 billion euro cost), once again, caused a heated Polish opposition to the project. In addition, the financial architecture of the project should be observed through at least two temporal dimensions. It is certainly a very expensive project in the short run, whose costs are continuously increasing and Poland, on numerous occasions raised questions about financial feasibility and project financing modalities. It is presumed that NordStream will be financed by 30% from members of the Consortium and by the remaining 70% by capital raised on international financial market. However, the deputy Prime Minister and Minister of Economy of Poland, Waldemar Pawlak, boldly objected that, being a "project of pan-European interest" it might be partly financed by the EIB loan within the framework of the Trans-European Energy Networks (TEN-E), NordStream. It seems that those fears are not completely unfounded, because the text of the Lisbon Treaty envisages a modification in the EIB Statute with regards to the changed modality of deliberation in a way that "strategic decisions", a consensus is not necessary, but a specific qualified majority formula is applied (18 votes of MS which control 68% of capital)³¹.

Poland is not alone in its opposition to the NordStream project. Several other countries expressed their disapproval or, at least, reserves towards the project for different reasons (Baltic countries raised questions regarding environmental aspects, Ukraine and Belarus in respect to weakening of negotiation positions against Gazprom (or Russia); Scandinavian countries, are not explicitly against the project, but have objections regarding some ecological, security and/or financial issues³²).

However, in such a context Polish position is somewhat peculiar because it is hit by almost each and every category of threat, albeit with different intensity and magnitude, with considerable impact on economic, security, environmental, foreign policy and financial aspects on its development. Probably, the motivation for such intensive and firm Polish opposition to the NordStream project lies in those complex circumstances.

We can draw a conclusion that, no matter which the developments of NordStream will be, a fact remains that gas demand in Europe will continue to increase (in 2005 gas import in the EU was 336 BCM, the estimation for 2015 are that expected demand will be around 536 BCM on yearly basis). In that respect it

will be interesting to monitor how the Union and individual MS will be able to maintain the delicate balance between, satisfying energy needs through certainty and stability of supply on the one hand, and reducing dependence on import of commodities³³ mainly from Russia, transported by infrastructure partly owned by Russian companies³⁴, and, above all, attempt to limit growing Russian economic and political weight and importance by preventing the use of energy as a political tool, on the other³⁵.

4.2. Regional dimension

Polish activism in foreign policy reflects on proposals to foster energy security cooperation and coordination that can be defined on regional scale.

In such a context it is interesting to draw the attention to the fact that in matters of energy security perceived as fundamental national interest, there is no substantial divergence of positions between the President of Poland Lech Kaczynski and the PM Donald Tusk, which is not the case in some other strategic foreign policy issues (e.g. Poland-USA relations or role of Poland inside the EU).

We refer to a delicate situation of "cohabitation" which had its complex and unhappy manifestation in numerous cases of shaping and execution of foreign policy prerogatives (i.e. recent conflicts regarding Poland's representation at the EU Summit in Brussels, differences in interpretation of competencies in nomination of ambassadors and, on practical level, the postponement of the French President Sarkozy visit to Poland).

The initial impetus to enhance regional energy cooperation was given at the Energy summit in Krakow (May 2007) which, upon initiative of the President of Poland, Kaczynski, and the President of Lithuania, Adamkus, gathered also Presidents of Azerbaijan, Georgia and Ukraine. An international working group for solving technological and logistic aspects of the mentioned OBP project was established and it was agreed that membership to the Polish-Ukrainian joint-venture *Sarmatia*, in charge for its realization, will be open to other countries present at the meeting.

A similar meeting took place in Vilnius in October 2007 at the conference "Responsible Energy for Responsible Partners" where discussions regarding modalities of enhancing energy cooperation in the region were continued.

The Ukrainian president Yushchenko hosted the following meeting at the *Kyiv Energy Forum* (May 2008). The continuation of activities for the establishment of a "common energy area", which is supposed to join Baltic, Black Sea and Caspian coun-

tries in developing projects of strengthening energy independence (especially with regards to Russia which by applying "energy" pressures wants to keep its dominant influence in the post-Soviet area) was signed at the meeting. The participation of Andris Piebalgs, EC energy commissioner confirmed the EU interest in stronger involvement in the initiative. The practical implementation of the pipeline Odessa-Brody-Plock-Gdansk (OBP) was on the agenda, which, as alternative route independent from Russian influence is of primary importance for Poland. Its main objective is to transport Caspian oil from Azerbaijan to the Georgian port of Sopsa, then by tankers to Odessa. The constructed part ends at Brody in Ukraine (674 km), while an extension through the realization of "Polish" branch to Plock and Gdansk is planned (in the frame of INOGATE program, being of "Pan-European interest", the project received 2 million euro of EU funds).

From the Polish perspective, it is not just about energy issues. Within a broader framework, through the prism of a recent Polish-Swedish initiative Eastern Partnership Program, similar to the European Neighbourhood Policy, the realization of the OBP pipeline could be an important factor of strengthening Ukraine's (and to some extent Georgia's) pro-European perspectives and ambitions, which is the process. Poland wants to have a key role in that process, in the footsteps of its "redefined" link in the (re)shaping of the EU Eastern borders, as new component of its "reformed and renewed" foreign policy as recently presented by minister Sikorski³⁶.

4.3. Multilateral dimension

Regarding multilateral initiatives, we will present the key elements of Polish attitude towards the shaping of the EEP, especially its external dimension as well as an older, but interesting, proposal to constitute a European Energy Security Treaty, a kind of "Energy solidarity pact", similar to NATO. These are vivid examples of the active approach of Polish diplomacy towards possible answers to global energy challenges.

a) European Energy Policy (EEP) – official Warsaw took an active and pragmatic attitude towards the EEP external dimension, considering it as potential instrument to achieve its national interest objectives, and being aware of the fact that priorities of "old" and "new" EU states are not always the same. In the attempt of reducing energy dependence and resources import from Russia, Poland observes a potential space for common action and a chance for taking a more important role inside the EU. In addition, trying to reach a consensus in negotiation with

Russia is of vital interest for Poland because its voice has more weight inside the EU than in individual direct talks with the Russian counterpart. Another important reason for Poland to support a stronger EEP is the continuation of effective opposition to the NordStream project. According to Polish views, when the time for crucial decisions comes, bearing in mind reserves of some other EU countries, chances for consideration of Polish arguments are much bigger if presented within a tighter "EU framework".

Therefore, we can conclude that there are three main reasons of Polish interest in fostering EEP: the need for a permanent dialogue with Russia; processes of energy diversification, and, finally, continuation of effective opposition to the NordStream project.

b) European Energy Security Treaty – at the beginning of 2006 Polish PM, Marcinkiewicz, presented an initiative for institutionalized cooperation among EU MS and NATO countries, based on principles of solidarity and reciprocity, envisaging mechanisms of efficient response to crisis situations. Relying on Article 5 of the Atlantic Charter regarding mutual security, the proposal aimed at constitution of common resource reserves, mechanisms for joint management of infrastructure and forms of response to incidents (e.g. terrorism threats, sabotage to energy plants), starting from the assumption that energy security disruption represents a threat for the entire "Euro-Atlantic" community.

The proposal was supported by the *Visegrad* group states, while Germany, France and Great Britain were sceptical. The main points of disagreement were the intended isolation of Russia, the role of the USA in the arrangement and the nuclear issue. Therefore, due to the lack of political consensus, the initiative was rejected.

However, the future EU energy related documents recognized and accepted the principle of solidarity³⁷, the necessity of enhanced cooperation of energy and gas operators and the need for more transparency in managing resource reserves. Therefore, the project may be considered as partial success.

5. Conclusion

The main aim of this article was to analyze in how and to what extent energy security influences

aspects of the foreign and security policy of the Republic of Poland.

In our opinion, through presentation of relevant aspects of energy security in the context of constitution and development of "European Energy Policy"; through presentation of salient features of Polish energy sector and its implications both on decision-shaping and decision-making processes; and, consequently, presentation of different forms and modalities of fostering interstate energy cooperation, the analysis supports the argument that energy issues have growing impact on defining priorities and managing the foreign and security policy thus increasing influence on the international position and reputation of the Republic of Poland.

The intensification of energy debate, motivated by almost dramatic events on international financial and commodity markets has recently manifested in Croatia too. Although there are essential differences between Croatia and Poland, especially regarding "energy mix", market dimension and geopolitical circumstances, when analyzing the "energy" impact on foreign policy we notice numerous similarities. On internal level, both countries have to make further steps in privatization of energy sector and liberalization of energy market; there is a necessity for diversification of sources, suppliers and routes, and finally, both adjustments in environmental protection regulation and heavier reliance on alternative, complementary energy resources are needed.

If we try to translate those circumstances in the context of actual energy debate in Croatia, we can see the increased interest in delicate issues as the renewed initiative for the "revitalization" of the Družba-Adria³⁸ pipeline project (which to some extent may be compared with Polish attempts in keeping advantages from the "transport position"). Debates regarding nuclear energy (a real "taboo", as Croatian PM Ivo Sanader recently said), accelerated process of gasification of the country, privatization process of INA, which are all encouraging signals of the raising of awareness on energy issues that, in our opinion, in a short time, will reflect on broader, foreign policy context.

In this respect, we strongly recommend fast approval of strategic energy documents, in order to be able to better define the context for the future development of Croatia.³⁹ ■

NOTES

1 See: van der Linde, C. (2008) : "Turning a Weakness into a Strength: A smart external policy for Europe", IFRI, available at: www.clingendael.nl/publications/2008/20080400_ciep_art_linde_ifri.pdf

2 Regarding Poland legal definition of "energy security" the notion contains similar elements: "Energy security is defined in the Energy Law of 10 April, 1997 (Journal of the Laws No 54, item 348 with subsequent amendments) as "the state of the economy

enabling meeting the current and prospective demand of customers for fuels and energy in a way which is justified from the technical and economical point of view and, at the same time, satisfies the environmental requirements". This definition was assumed in "The guidelines for Poland's energy policy until 2020". However, from the Polish perspective, security of resources supply remains the key aspect of security.

3 For a brief chronology of development of the "energy security" concept and for methodological attempt of "geographical" classification based on measurable criteria see the analysis of Tatyana A. Mitrova "Global Energy Security", prepared as background material for energy security discussion at the G8 Summit in Sankt Petersburg (July 2006), available at: www.en.g8russia.ru/agenda/nrgsafety

4 In the words of Yergin: "...The definition of energy security needs to be expanded to cope with the challenges of the globalized world...", see: Yergin, D. (2006): "Ensuring Energy Security", Foreign Affairs, March/April, available at: www.foreignaffairs.org/20060301faessay85206/daniel-yergin/ensuring-energy-security.html

5 See: Baumann, F. (2008): "Energy security as multidimensional concept", CAP, Nr. 1, March, available at: www.cap.lmu.de/download/2008/CAP-Policy-Analysis-2008-01.pdf

6 In the context of our analysis, regarding Energy Charter, it is important to draw attention to the attempt of EU countries to "convince" Russia on the necessity of ratifying both the Charter and the so called Transit protocol. More about the Charter on: www.encharter.org

7 See e.g.: Klare, M. (2001): *Resource Wars: The New Landscape of Global Conflict*, Metropolitan Books, New York

8 About possible forms of cooperation in the field of energy security between the EU and NATO, see: Borchert, H., Forster, K. (2007): "EU and NATO must work together to guarantee energy infrastructure security and to define the role of soft vs. hard power", Security Europe, March, available at: www.securer.info

9 For a detailed elaboration of those issues see: van der Linde, C. (2007): "External Energy Policy: Old Fears and New Dilemma's in a Larger Union" in: *Fragmented Power: Europe and the World Economy* (Andre Sapir ed.), Bruegel, Brussels, available at: www.clingendael.nl/ciep/publications/energy-papers

10 For an excellent analysis of the case, which includes an application of Messmer's conflict model on international relations, see: Heinrich, A.: "Gazprom's Pipeline Policies: The Russian-Ukrainian gas crisis of January 2006", International Conference: "International Relations in Eastern Europe", Humboldt University (Berlin, 16-18 March 2006), available at: www2.politik.unihalle.de/vog/tagung2006/Panel%206%20Heinrich%20Paper.pdf

11 All relevant documents available at: www.ec.europa.eu/energy/energy_policy/index_en.htm

12 For a detailed analysis see: Geden, O., Marcelis, C., Maurer, A. (2006): "Perspectives for the European Union's External Energy Policy: Discourse, Ideas and Interests in Germany, the UK, Poland and France", Working Paper FG1, 2006/17, December, SWP Berlin, available at: www.swp-berlin.org/common/get_document.php?asset_id=3521

13 For an overview of EEP instruments see: van der Linde (2008), p. 30, fig. 2.

14 See: Naimski, P.: "Energy diversification strategy for Poland", lecture hold on Columbia University (17/09/2007), available at: www.sipa.columbia.edu/ece/academics/regional/poland.html

15 According to the data of the Ministry of Economy, which the former state secretary Naimski, refer to, operative resources of hard coal are over 4.5 billion tons and annual production amounts between 97 and 100 million tons. Poland exports around 20 million tons p/a (mainly in EU countries) and imports roughly 3 million tons.

16 REBCO (Russian Export Blended Crude Oil).

17 If we remain on operational level, it seems that difficulties in oil deliveries to the Mazeikiu refinery (Lithuania), which has been acquired by the Polish PKN Orlen, were not of mere technical nature, but may be attribute to obstructive Russian scenario.

18 According to 2006 data, total gas import in Poland was around 10 billion m³, with Russian share being around 61%.

19 Gas import is regulated by a long-term contract with Russia the content of which is secret (signed in September 1996) and allows Poland on take or pay basis and respecting the destination clause (which prevents the importer from further (re)selling) to obtain the quantity of 250 BCM of gas during the next 25 years. The gas is transported by the Yamal-Europe pipeline and the realization of the second branch (Yamal II) was planned.

20 Ministry of Finance holds a majority stake in all energy sector strategic companies. It possess directly 84.75% and the golden share in PGNiG, the most important gas company; 10.20% and the golden share in PKN Orlen, the most important oil company; 6.93% and a golden share in Lotos Group (second most important oil enterprise); 100% of the gas distributor Gaz-System and 100% of the oil distributor Pern "Przyjazn". Also, indirectly, owning 100% of Nafta Polska, controls 51.91% of Lotos Group, 17.32% of PKN Orlen and 100% of oil logistics operator OLPP.

21 See the "National Security Strategy of the Republic of Poland for 2007", which recognizes the increasing influence of energy security on national security, in point 22 stating that: "The importance of the economic dimension of security, especially energy security has been growing. The use of energy resources as an instrument of political pressure by some states and the growing rivalry for energy carriers contribute to greater risks in this area. At the same time there is growing belief that the international community must act together to ensure energy security, to look for alternative sources of energy and to stop negative changes of the global climate", available at: www.bbn.gov.pl

22 Other diversification initiatives worth mentioning are the activities of gas monopolist PGNiG in establishing cooperation for gas exploitation in various parts of the globe (e.g. Denmark, Libya and Iran) and the so called "energy bridge", which aims to connect energy systems of Poland and Lithuania.

23 In recent years Poland's GDP growing rates are over 6%, which is well above EU average.

24 For relevant application of a new paradigm of energy security on aspects of national security of Poland, see: Godzimierski, J.: "National Energy Security Debates. Proposing a new explanatory model", Lund Energy Security Conference, September 2007, available at: www.cfe.lu.se/aktuell/konferenser.html

25 On Polish efforts how to incorporate energy security in the transatlantic cooperation, see: "Allies and Energy: Poland, the United States and Transatlantic Cooperation", minister Sikorski speech at the Hudson Institute (1st February 2008) available at: www.hudson.org

26 Gazprom is an extremely important and interesting subject. Regarding its dramatically increased influence in the last few years the Financial Times offered a definition that "Gazprom represents much more than an energy giant, now it is becoming a crucial element of Russian (foreign) policy" For deeper understanding of the Gazprom phenomenon see, e.g. Nicolazzi, M.: "Cucinare con Gazprom", Limes, 6/2006; Loskot-Strachota, A., Pelczynska-Nalecz, K.: "Gazprom's expansion in the EU-co-operation or domination?", Centre for Eastern Studies, April 2008, available at: www.osw.waw.pl; "Gazprom's Foreign Energy Policy", thematic issue of the Russian Analytical Digest 41/08, available at: www.res.ethz.ch

27 Although, the actual Russian PM, Putin, has recently reminded that "Europe has to decide whether it needs this pipeline (NordStream) or not", alluding to transport risks through Ukraine and Belarus, which will made gas more expensive for EU countries.

28 Regarding importance and interest, the NordStream issue is identical to that of Gazprom. NordStream is a denomination both for the 1220 km long offshore natural gas pipeline, which will be laid across the Baltic Sea, from Vyborg, Russia, to Greifswald, and for the international consortium (composed of Gazprom 51%, E.ON Ruhrgas AG 20%, BASF/Wintershall AG 20 and N.V. Nederlandse Gasunie) in charge for its realization. For detailed information regarding the project see: www.nord-stream.com

29 The best illustration of the Polish position towards the NordStream project is the statement of R. Sikorski from 2006, the then minister of defense who compared the project to Ribbentrop-Molotov Pact from 1939.

30 For the application of the principle on EU energy policy priorities see president EC Barroso's speech: "Speaking with a Common Voice: Energy Policy in the 21st Century" (Georgetown University, 9 February 2006), available at: www.ec.europa.eu/commission_barroso/president/pdf/speech_20060209_en.pdf. This principle has been formalized in the EU document Green Paper "A European Strategy for Sustainable, Competitive and Secure Energy", COM (2006)105, 8 March 2006

31 We are referring to the fact that countries which are opposed to the project control only 2.4% of the EIB capital. Therefore, the situation that the country which has objections to a project (e.g. Poland) might be obliged to finance such initiative is predictable.

32 For a detailed analysis of those issues see, e.g., Larsson L. R.: "Security Implications of the NordStream Project" prepared by the Swedish Defense Research Agency for the EP and the bibliography mentioned in footnote 1, available at: www.foi.se. Also, see: Umbach, F.: "The NordStream Pipeline Project and Perspectives for Regional Cooperation and Diversification", presentation at the Vilnius Energy Security Conference, October 2007, available at: www.vilniusconference2007.lt

33 However, it is often neglected that is a situation of mutual dependence, because Russia exports roughly 80% of energy resources to EU countries.

34 In recent years, much stronger Russian "energy" presence is visible both in Central Asia and in the Balkan's region (e.g. Iran and Kazakhstan, acquisition of majority stake in NIS of Serbia, developments of new routes in the Southstream project...).

35 For a comprehensive overview of development of Russian energy sector and increased Russian influence in international relations see: Telegina, E.: "Russia as a key player on the world energy market", presentation at the Regional geo-economic conference "Energy security between market realities and geopolitics", Zagreb, October 2007, available at: www.geoeconomicforum.com/konferencija2007.asp

36 At the beginning of May 2008 in the Polish Parliament, minister Sikorski held a "programmatic" speech on foreign policy pri-

orities. Regarding growing energy challenge Sikorski said: "...Especially important for us is energy security. When energy becomes an instrument, or even weapon, of international politics, it stops being an economic issue and becomes a matter of national security. This is not a dilemma that can simply be solved by pressing several free-market buttons labeled "liberalization," "competition," etc. We consider the mandate for a unified energy security policy contained in the Lisbon Treaty, as a test of Union values. We consider the following to be especially important:

- Firstly: concrete Union regulations, resulting from the spirit of energy solidarity and translated into the language of practical standards, that no energy projects will be financed by the Union if they will be found by any member states to conflict with their needs for energy security. We support greater competition in the energy market, especially the Third Energy Packet, which foresees the differentiation of production and transportation licenses.

- Secondly: unified and decisive counteraction of the Union and other states, against any pressure or blackmail from non-Union energy providers. Contracts with providers should contain solutions for eliminating such practices.

- Thirdly: the diversification of sources and routes for the delivery of energy resources to EU countries as well as the creation of a network of connections and warehouses allowing for the transportation of raw materials between member countries, that—for outside reasons—are experiencing a shortage of energy resources...". Furthermore, regarding the "renewed" "Eastern" involvement of Poland, Sikorski emphasized: "...Poland should continue to specialize in shaping common foreign policy towards the East. Especially due to our geographical situation, historical experiences, cultural ties to the East, and our competency, we not only feel predestined to such an Eastern specialization, but are encouraged to take it up by our partners in the Union...". The integral version of the speech is available at: www.ms.gov.pl/The_Minister_of_Foreign_Affairs_of_the_Republic_of_Poland's_Foreign_Policy_for_2008_17325.html

37 Poland's solicitation for the acceptance of the solidarity principle got a colloquial denomination "Musketeer's principle", and was presented by former PM Marcinkiewicz at the World Economic Forum in Davos in 2006.

38 It should be noted, not without some concern, that main routes for most important European pipeline projects (with the exception for the Pan-European Oil Pipeline-PEOP) by-pass the Croatian territory, which may cause dangerous isolation with long term negative consequences for energy position of Croatia.

39 On 10 of November 2008, Damir Polančec, Vice Prime Minister and Minister of Economy, Labor and Entrepreneurship has introduced Energy Strategy Green Paper of the Republic of Croatia, launching a public consultation on this important document, which will last during a 30-day period.

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