

1 **Communiqué adopted at the Baltic Sea Region Energy Co-operation (BASREC)**
2 **Meeting of Energy Ministers in Berlin**
3 **14-15 May 2012**
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5 The Ministers responsible for energy of Denmark, Estonia, Finland, Germany, Iceland, Latvia,
6 Lithuania, Norway, Poland, the Russian Federation and Sweden, and the European Commissioner
7 for Energy convened in Berlin on 14 and 15 May 2012. These countries and the European
8 Commission (hereafter referred to as the Parties) are the members of BASREC.

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10 Delegations of the Council of the Baltic Sea States (CBSS), the Energy Charter, the Federal
11 Network Agency of Germany, the International Energy Agency (IEA), the Nordic Environment
12 Finance Corporation (NEFCO), the Nordic Council of Ministers, the Nordic Investment Bank and
13 the World Bank attended the meeting.

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15 BASREC is a part of the Intergovernmental Networks of the CBSS, and energy co-operation
16 therefore also takes place within the Northern Dimension Policy Framework. In this context,
17 BASREC may serve as a complement to the EU-Russia energy dialogue. The Ministers
18 acknowledge the work of the Expert Group on Sustainable Development (Baltic 21) on energy
19 issues as input to BASREC.

20
21 The Parties took note of the information on their co-operation in the period 2009-2011 and adopted
22 this communiqué, which defines the framework for the next co-operation period 2012-2015.
23 Reference is made to previous BASREC Ministerial Conferences in Stavanger 1998, in Helsinki
24 1999, in Vilnius 2002, in Reykjavik 2005 and in Copenhagen 2009.

25
26 The Parties addressed the low-carbon energy policy issues and emphasised that continuation of their
27 close co-operation is essential for efficient and sustainable growth in the Baltic Sea Region. Stable
28 and secure energy supply and predictable demand, with respect for the interests of all members of
29 BASREC and combined with efficient use of energy resources and low-carbon technologies are
30 important for economic growth and welfare in the region. The Parties actively support the
31 development of effective energy systems including reliable energy infrastructure, the promotion of
32 energy efficiency (EE), the use of renewable energy (RE) and other sustainable supply sources,
33 which are essential in meeting the challenges of both low-carbon energy policy strategies and
34 energy security.

35
36 The Parties expressed their commitment to further develop and strengthen the energy co-operation
37 in the next co-operation period 2012-2015, in order to sustain integration of the energy markets and
38 the development of energy infrastructure as well as to ensure competitive, stable and secure energy
39 supply and predictable demand in the Baltic Sea Region.

40
41 The Parties welcomed the accomplishment of the following BASREC project activities undertaken
42 in the preceding co-operation period 2009-2011:

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44
- 45 • Analysis of conditions for wind power in the Baltic Sea Region
 - 46 • Energy policy strategies for the post-Kyoto period
 - 47 • Baltic Rotating Energy Planning Academy
 - Transportation and storage solution for CO₂ in the Baltic Sea Region

- 48 • Study on Energy Efficiency investments for Street and other Public outside Lighting
- 49 • Partnership of the BASREC countries on clean energy.

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51 The corresponding budget framework was agreed upon at the preceding ministerial meeting 2009 in
52 Copenhagen. The findings of these project activities were acknowledged and endorsed. It was
53 agreed that future work of BASREC will inter alia be based on the findings and insights of the
54 accomplished project activities.

55
56 BASREC represents a unique and important regional forum for dialogue on energy policy and
57 global climate change issues with important producers of fossil fuels alongside countries with
58 limited domestic energy resources being members of BASREC. In this respect, BASREC is a
59 natural facilitator of strengthened partnership.

60
61 The Parties acknowledged the statements from BASREC to the United Nations Framework
62 Convention on Climate Change conferences held in Copenhagen in December 2009 (COP 15) and
63 in Durban in December 2011 (COP 17) as well as the BASREC Side Event held at COP 17. The
64 Parties confirmed their commitment to the negotiations on a future global climate agreement. The
65 Parties look forward to a successful outcome of the Rio+20 United Nations Conference on
66 Sustainable Development.

67
68 For well-functioning energy markets a common understanding of all aspects of efficient and secure
69 energy supply is of high importance. Stable and secure supplies of energy as well as competitive
70 energy markets require efficient transport routes for electricity and natural gas, which can be
71 ensured by regional co-operation. The Parties recognized the progress in implementing the Baltic
72 Energy Market and Interconnection Plan (BEMIP). The parties confirmed the need for continued
73 work on identification of solutions for and removal of barriers of market integration and
74 development of energy infrastructures in the Baltic Sea Region.

75
76 For many years to come fossil fuels are expected to continue to be part of the member countries'
77 electricity and heating sectors. Therefore, in parallel to sustained efforts to ensure optimal
78 management of conventional resources in the member countries, it is also an option to continue
79 efforts to invest into R&D on how to secure a sustainable exploitation of unconventional fossil
80 fuels, such as shale gas and oil shale, which may contribute to increased energy security by
81 diversifying the energy mix in some member countries. However, increasing use of RE, EE and
82 common efforts on research and development of new energy technologies will contribute to
83 reducing greenhouse gas (GHG) emissions from energy use. In addition, Carbon Capture and
84 Storage (CCS) technology can play an important role in reducing GHG emissions. The meeting
85 welcomes the initiative and efforts taken by member countries and industry to promote the
86 demonstration of CCS technology projects.

87
88 The Parties acknowledge that rehabilitation and development of existing district heating systems in
89 combination with increased use of combined heat and power (CHP) are essential for widespread
90 and efficient use of RE. There is great potential for increasing the effectiveness of the district
91 heating and cooling systems and promoting CHP in the region. Countries and cities that already
92 have efficient district heating and cooling systems and extensive experience in the use of RE in
93 CHP plants could contribute to harnessing this potential through sharing of experience and
94 knowledge.

96 The Parties confirmed that their co-operation in the upcoming co-operation period 2012-2015 will
 97 concentrate on the following energy topics in order to meet global energy policy challenges:

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- 99 • Security of energy supply and predictability of energy demand
 - 100 • Analysis of options for the development and integration of energy infrastructure in the
 101 region, in particular regional electricity and gas markets, including legal frameworks
 - 102 • Increased energy efficiency and savings
 - 103 • Increased use of renewable resources available in the region, including integration of
 104 fluctuating wind power into the electricity system
 - 105 • Rehabilitation and development of district heating and cooling systems and CHP
 - 106 • Demonstration of transportation and storage of CO₂
 - 107 • Low-carbon energy policies up to 2050
 - 108 • Capacity building in the energy sector of the region.

109

110 The Parties are committed to engaging in reviews, (feasibility) studies, workshops, joint pilot
 111 projects and other activities carried out inter alia within these fields and recognised the need for
 112 financial contributions from each member country in order to carry out the work.

113

114 The Parties agreed to renew the BASREC budget framework for carrying out activities of EUR 1
 115 million for the co-operation period 2012-2015.¹ Member countries are encouraged to participate in
 116 raising the funds and to pay their contribution in cash in accordance with the CBSS key. Decisions
 117 on the use of the budget are taken by contributing countries. The settlements can be paid by one or
 118 two instalments between 2012 and 2014 in order to ensure a smooth realisation of the activities.
 119 Funds not spent in the co-operation period 2012-2015 should be refunded to contributing countries
 120 in accordance with the CBSS key if not decided otherwise. The Parties welcomed the willingness to
 121 contribute to the new budget framework expressed by all member countries.

122

123 The funds will be directed to the specific BASREC account, which is to be administered by the
 124 Danish Energy Agency in the co-operation period 2012-2015. The BASREC budget framework can
 125 only be used after decision and approval by the Group of Senior Energy Officials (GSEO).

126

127 Each presidency must finance and undertake the secretarial function during its presidency. The
 128 Executive Committee is to assist the presidency in its work and ensure continuation of the work
 129 during the yearly rotating presidencies of BASREC. The Executive Committee consists of the
 130 previous, the current and the following chairmanship as of July after the ministerial meeting (its
 131 composition alternating each year accordingly). The holder of the BASREC account (in the co-
 132 operation period 2012-2015: Denmark) in its function is a permanent member of the Executive
 133 Committee. The account holder is aimed to change every co-operation period and be appointed by
 134 the GSEO no later than one year in advance of the next ministerial meeting.

135

136 GSEO is appointed to organise the work of implementing the recommendations and decisions
 137 agreed upon, to seek financing for task fulfilment and to secure proper and adequate reporting, as
 138 well as sound co-ordination of the work, also with other international energy or financial
 139 organisations, where appropriate.

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141 BASREC members at ministerial level will meet when necessary, but no later than in 2015.

¹ Icelandic reservation due to the economic situation in Iceland.