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NATO's Future Role in Energy Security¹

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With the NATO summit in Riga in November 2006 behind us there is no question as to whether energy security is a relevant topic for NATO. The Heads of State and Governments of the Alliance, decided in Riga that this was an issue that NATO should deal with. Without loosing myself into judicial investigations allow me however to remind you that NATO's Strategic Concept from 1999, has a mentioning of "*...disruption of the flow of vital resources*".

Hence, the question of energy security is not entirely new to NATO and it should be said that the Alliance has dealt regularly with the issue in a more or less direct manner: Intelligence and information on energy security has been exchanged on regular basis especially in the Economic Committee and within the International Military Staff; Military petroleum supplies have been included in the Alliance defence planning activities; a number of activities have been organised within NATO's Partnership framework, including with Russia i.e. on surveillance and protection of energy infrastructures. Finally activities related to energy security are taking place within fields like industrial planning, work on defence against terrorism and civil emergency planning.

Let's be clear! These activities have neither been part of a consistent policy, nor have they constituted a coherent approach to the issue of energy security. It is in the Riga Communiqué that the Alliance for the first time in its history is so explicit about energy security. An internal debate among the members of the Alliance paved the way for this development. Some nations argued that the Alliance had no role to play within this field as it would undermine NATO's core business. Others wished an active role for NATO ensuring the security of supply for the allies. We ended with

what I would describe as a limited but significant mandate, which I will get back to in more detailed manner in a short while.

Let me first try to answer the question why the Alliance is now so explicitly dealing with energy security.

I am sure, most are aware of the main facts and figures and changing trends on the international energy market. NATO member states are facing many challenges and many vulnerabilities will have to be faced and overcome. Forty percent of global oil supplies now transit through the Strait of Hormuz and the Persian Gulf, and experts evaluate this percentage to increase to 60 percent in 20 years. Certain countries have a 'disproportionate' role in supplying oil and gas to the global market. For instance 60 percent of world gas resources are located in two countries, Russia and Iran. Russia and Iran are also experiencing difficulties in increasing production due to under-investment and ageing infrastructure as are many other producers. In contrast to many other areas of the economy, world oil and gas production and reserves are to a very large extent state owned.

At the same time both North America and Europe are becoming more dependent on imported energy. The EU for instance currently imports 44 percent of its natural gas and 50 percent of this figure comes from Russia alone. The shift in consumption from oil to natural gas will increase the dependency of certain countries. As a general trend the current members of the Alliance, with a few exceptions, will find themselves increasingly dependent on producing countries, as production is falling in the West and as demand is increasing dramatically the next decades particularly in India and China.

Not surprisingly the current tightness in the market has re-ignited the debate over alternative energy sources such as bio-fuels wind- and solar power, but also clean coal not to mention a renewed interest in nuclear power. But experts agree, that these alternative approaches can only attenuate the consequences of changing fossil fuel markets.

¹ This presentation reflects personal views and does not constitute an official NATO position.

Meanwhile, the explicit interest for energy security cannot only be explained by a critical energy situation and changed market trends. Thus, energy crises have occurred before e.g. in 1973 and in 1979 where the disruption of oil did not provoke any reaction from NATO.

Three fundamental reasons for NATO's increased interest in- and relevance to energy security can be identified:

Firstly, NATO has enlarged with a number of new Central and Eastern European members that do not necessarily have the same type of security concerns as the "old members" of the Alliance. The newer members may have different perceptions because of their history, infrastructures and geopolitical neighbourhoods and economic structures. These countries' dependency on imports of i.e. Russian gas is often higher than many "Western" members of the alliance. Hence, energy security becomes a substantial component in their security policy and some nations with Poland in the lead have made the proposal of an energy solidarity clause among Allies. Personally I do not believe in such approaches and their added value, but the concerns raised by these nations are both real and legitimate and should be addressed in a serious way within the Alliance.

Secondly, NATO has developed various partnerships with Russia, Ukraine, South Caucasus, Central Asia, North Africa, Middle East and the Gulf. Additionally NATO is developing closer links with distant countries like South Korea, Japan, Australia and New Zealand (these latter countries are named Contact Countries). This means that with a few exceptions in Africa and Latin America NATO has relations with most of the global energy providers, transit countries or critical costumers.

Thirdly, NATO has gradually become a security provider in a broader sense. Since the Cold War the Organisation has moved towards a broad and comprehensive Strategic Concept where threats are diverse and multidimensional. NATO is constantly in a transformation process, always striving to adapt to a changing environment. In a tight market an with so much reliance on oil and gas, disruptions of energy supply could come from several sources and has to be a

concern for the Alliance. Either technical (accidents, imminent need to repair installations), natural (disasters), terrorist, political or disruption as the result of regional conflicts and tensions. Another characteristic of the concern with energy security is that more countries are relying on enormously long transport routes, such as pipelines criss-crossing entire continents or supertankers carrying oil or liquefied gas. We are thus facing an increasingly complicated and vulnerable infrastructure in order to cope with increasing demand. This underscores the interdependence between consumers and suppliers in a complex chain necessitating end-to-end security on both land and at sea.

The conjunction of these three elements, a strategic environment which puts energy at the core of international and national security, the new geography of the Alliance and partnership with the key energy actors, explains why energy security has become a relevant issue for NATO. This brings us back to what NATO's role in energy security could be more specifically and it brings us back to the Riga Summit communiqué as promised earlier, as the latter contains the tasking for the work ahead of the next summit.

"As underscored in NATO's Strategic Concept, Alliance security interests can be affected by the disruption of the flow of vital resources". We support a coordinated, international effort to assess risks to energy infrastructures and promote energy infrastructure security. With this in mind, we direct the Council in Permanent Session to consult on the most immediate risks in the field of energy security, in order to define these areas where NATO may add value to safeguard the security interests of the Allies and, upon request, assist national and international efforts."

Paragraph 45, Riga Summit Declaration, Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Riga on 29 November 2006.

Two words are important here: *disruption* and *infrastructure*. It means that there is a recognition that Alliance security interests can be affected by the disruption of the flow of vital resources. This was already stipulated in the Strategic Concept. It also means that the Heads of State and Government support a co-ordinated, international effort to assess risks to energy infrastructures and to promote energy infrastructure

security. Additionally it is important to note the term of *add value* , which means that NATO should not duplicate actions from other actors.

More specifically the wording clearly indicates that the future work has to focus on energy infrastructures. There is no mandate, at present, to deal with an array of energy issues or energy security issues. This narrows the spectrum but, on the other hand, the scope remains very large. This is because, at the end of the day, all energy issues are physical entities related to extraction, production, transportation and consumption.

Personally I see four areas for NATO involvement in order to “add value”, that should be examined further:

Firstly **Monitoring and Assessing the Energy Security Situation**. NATO could establish a permanent monitoring and assessment mechanism. This could involve regional consultations with Allies and Partners, based on joint political, military and intelligence reports. I would assume that some of this work might be done soon in a newly mandated Internal Task Force on Energy Security. This task force could eventually prepare the reporting and the threat assessment for the North Atlantic Council as tasked in Riga. Furthermore it should be considered to include external experts such as IEA and the major energy companies. Closer co-ordination with other international organisations such as the United Nations and the European Union should also be established. The Riga tasking is pretty clear by referring to an international co-ordinated approach. Not only other international organisations should be involved but also partners to the Alliance. Many existing partner countries are either important suppliers of oil an gas or important transit countries. Energy Security is thus an obvious topic for enhanced Eur-Atlantic Partnership Council Consultations (involving all 26 members, and 20Partnership for Peace countries). As many of the partners within the Istanbul Co-operation initiative (ICI) and the Mediterranean Dialogue are among the worlds leading suppliers it would make sense to establish consultation mechanisms with these as well. NATO's partners should in general be integrated as much as possible in the work on energy security and besides consultations they should participate in training, exercises and civil emergency rescue. One thing that should be avoided is to give the impression of

building a fortress around Russia, Arab countries or transit countries. It might sound naive, but specifically regarding energy security I believe that the building of trust and confidence is key to success.

Secondly NATO should consider providing **security assistance** packages to one or more Allies, or even a military operation to secure vulnerable energy infrastructure in time of need. Such packages could be tailored specifically and could comprise reinforcement of maritime and aerial patrols, national communication and intelligence networks or even assistance to disaster response, including the protection, the relief and the management of the consequences. Various assistance missions can be seen as models such as NATO's support to the Olympic games in Athens in 2004, and the Summit in Riga last year. The command and control arrangements when NATO provided defensive contingency support to Turkey in connection with "Operation Display Deterrence" in February 2003 is another source of inspiration.

Thirdly NATO's involvement in **maritime surveillance** should be considered. Nations retain responsibility for protecting their own territorial waters, but maritime lanes of communication also needs to be dealt with. Regarding the success of the on-going "Operation Active Endeavour" –a counter-terrorist operation designed to increase maritime security in the Mediterranean post 9/11- this looks increasingly like an area where NATO could develop a capability. A multinational maritime Task Force involving partners where appropriate could be created in order to deter against attacks on oil- or LNG tankers. In practice it is impossible to protect large oceans, but NATO could focus its efforts on certain critical choke points.. Such operations could be launched when faced with an increased threat and would require an intelligence- and threat based approach as well as a quick response capability. .

Finally NATO could be engaged in **interdiction operations** as part of its energy security measures. These type of operations are designed to to secure supplies. A NATO role would necessitate an impressive amount of operational planning as the multinational and multi-service aspect taken into consideration. Thus interdiction operations would have to be carried out involving both air- maritime and ground elements. An example of such operations although not a NATO operation, is the "Operation Earnest Will" that was carried out during the Iran-Iraq war in 1987-1888 in

order to protect Kuwaiti oil tankers. A NATO maritime interdiction operation could involve short term escort operations, and protection of critical infrastructure such as rigs and terminals.

Conclusion:

Ladies and Gentlemen, today i have tried to flesh out some of the areas where I think NATO can add value within the field of energy security. There is no doubt in my mind that the Alliance through its military stance toward energy security can add value. But a coherent approach must also be a political approach. Such an approach must avoid duplication with other international organisations, as well as with national efforts. Thus NATO's role in energy security must involve a development of the relationship with other organisations and partners.

The mandate for the further work within the Alliance is crystal clear: *"to define these areas where NATO may add value to safeguarding the security interest of the Allies and, upon request, assist national and international efforts"*. Hence there is a need to tie the different strands of work together in an overarching political-military concept on energy security. There is no mandate to master map the world at this point and i believe the four described potential roles could form the core in such a political-military concept in order to promote energy infrastructure security as mandated in Riga last year

Thank you for your attention.