

# COMMISSION OF THE EUROPEAN COMMUNITIES

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## PRINCIPLES OF INTERNATIONAL COOPERATION RELATING TO THE DEVELOPMENT OF ENERGY RESOURCES

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(Communication from the Commission to the Council)

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## Introduction

Now that the dialogue between oil producer and consumer countries is about to be clinched, the Commission must make its position clear in the field of the development of alternative energy resources, which is vital for its future. It is only on this condition that it will be able to usefully promote its interests during the negotiations which are on the point of starting.

These initial choices must be clearly expressed, whilst the form under which they would be adopted, must take into account the nature of the procedure undertaken, and consequently must comply with the flexibility required of this negotiation. For this reason, the Commission asked the Council to give its accord on principle on the contents of this communication as a basis for the attitudes which the Member States and the Commission will adopt. As the negotiation progresses, the Commission will submit proposals to the Council to adapt this position to the circumstances as well as to specify and thoroughly study the contents.

The need to reduce the energy supply dependence on imported oil is acknowledged by all the industrialized consumer countries. The Community has assigned itself specific objectives in this field (see Council Resolution of 17 December 1974 on the Community's energy policy targets for 1985 (R/3649/74 (ENER 79))).

This determination will only be effective if it is expressed in the terms of an effort made to develop alternative resources based on coherent guidelines and on solidarity in the apportionment of benefits and costs.

In this communication, the Commission lays down the principles on which this effort should be based, in the light of the forthcoming dialogue with the producer countries.

### 1. Principles of cooperation between the producer countries

1. A great number of technical information must still be gathered before deciding upon the content and cooperation methods for the accelerated development of resources:

- (a) estimated cost of energy sources capable of substituting imported oil;
- (b) identification of obstacles to the development of energy sources;
- (c) examination of the various types of measures which could be used to surmount these obstacles.

A number of studies on these problems are undertaken which will enable the consumer countries to have at their disposal, before the opening of the Conference as such, a complete picture of the situation and of the various hypotheses to be considered when establishing their negotiating stance.

However, it is not necessary to wait for the conclusion of these activities before defining, by common accord, by all consumers, the principles on which their cooperation should be based.

In the preparatory phase of the dialogue, currently in progress, the solidarity of the industrialized consumer countries, which is a fundamental factor in the establishment of a common negotiating stance, cannot consequently be expressed otherwise than as a political commitment.

2. This commitment should cover the acceptance of the following principles:

- (a) The consumer countries mutually recognize each country's right of access to energy resources to be developed;
- (b) they forbid any discrimination vis-à-vis the consumers of the participating countries, on prices and conditions of access to energy resources;
- (c) they will set up, by common accord, all the objectives for the exploitation and production of energy, destined to guide their national policies;
- (d) a process by which progress towards these objectives as well as the obstacles met are regularly reviewed, shall be adopted;
- (e) the effort required shall be shared, where these development actions directly or indirectly benefit all the countries concerned, in the light of the benefits obtained from this effort.

The adoption of these principles would create the necessary solidarity between the consumers and would enable the opening of a useful dialogue with the producers.

It would not be possible to make more concrete choices at present on the substance of these problems without creating the risk of these choices being interpreted as means of bringing pressure upon the producers with a view to a confrontation.

3. As the dialogue progresses, a series of decisions will have to be taken in application of these principles:
- (a) adoption of calculated energy production objectives, in the light of the degree of supply security desired;
  - (b) adoption of common reference levels for long-term energy development costs, which could help in attaining these objectives;
  - (c) adoption of mechanisms guaranteeing the achievement of necessary investments for the supply of energy, by the fair apportionment of costs and benefits.

Certain choices made within these decisions will depend upon the progress of the negotiations with the producers, whilst others will be necessary in order to pursue these negotiations. Thus it will be necessary to establish a regular decision-making procedure, the outcome of which shall depend upon the results of the dialogue with the producers.