

Address by the Deputy Minister for Foreign Affairs  
the Hon. Ugo Intini  
at the close of the proceedings of the

«SECOND SEMINAR OF ENERGY REGULATORS OF THE MEDITERRANEAN BASIN»

(International Conference Hall, Monday 20 November 2006)

Representatives of the Regulatory Authorities,  
Representatives of the European Commission,  
Delegates,

I am delighted to have this opportunity to speak to you at the close of this seminar organised by the Italian Authority for Electricity and Gas in collaboration with the Ministry for Foreign Affairs. The seminar has given us a chance to reflect proactively on the prospects for enhanced collaboration by and between the energy regulators of the countries of the Mediterranean basin.

I would like to thank all of you for attending, and in particular to thank the President of the Italian Energy Authority, Alessandro Ortis, for enabling the Ministry for Foreign Affairs take such an active part in organising an initiative focusing on such a highly topical issue.

Your presence in this International Conference Hall testifies to the central role played by energy issues within Italy's foreign policy framework.

At the same time, energy is a particularly significant sector for Euro-Mediterranean cooperation. This is even more true in a situation where energy consumption, and therefore demand, are growing steadily. In implementing the Italian Government's policy programme, the Ministry of Foreign Affairs recognises the importance of this cooperation and intends to do everything it can to promote it and drive it forward.

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I would like to remind you of a few points in this regard.

The Euromed Ministerial Energy Conferences in Athens and Rome in 2003 identified a number of priorities in the light of the ultimate goal of achieving an integrated and interconnected energy market in the Euro-Mediterranean area. These include: convergence of the energy policies of the EU and its Mediterranean partners; a reform of the legislative and regulatory frameworks governing the energy sector; the development of infrastructure interconnections to complete the Mediterranean electricity and gas networks; and the promotion of renewable energy sources within a framework of sustainable development.

In the Five-Year Programme adopted at the Barcelona Summit in November 2005, the member states of the Euro-Mediterranean Process called for the creation of a true Euro-Mediterranean energy market as a key contribution to the economic and social development of the region.

In this Programme, the implementation of sub-regional projects in the energy sector depends on the creation of such a market. This includes the progressive integration of the Middle-Eastern natural gas networks and cooperation between Israel and the Palestinian Authority in the energy sector. And, most important, it envisages the development and up-grading of the energy transportation networks between the northern and southern shores of the Mediterranean.

I would like in this regard to mention the GALSI project which will link Algeria with Italy, passing through Sardinia and Tuscany. The GALSI project envisages the construction of a gas pipeline crossing the Mediterranean Sea at depths never attempted thus far, and presents an unprecedented and stimulating challenge.

The Euro-Mediterranean Parliamentary Assembly (EMPA), which met in Brussels on 27 March 2006 in plenary session, underscored the importance of establishing cooperation between member states in the field of energy supply. In view of most member states' growing dependence on foreign resources, the Assembly called for the development of new sources of supply, which would have a positive effect on energy availability and prices.

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We are all aware of the economic, political and social implications that a strategic issue such as energy holds for each country. I would like in particular to mention here that alongside energy itself the debate is focusing increasingly on energy efficiency also, and therefore on investment on infrastructure and on research and development. For this reason, energy must be considered to all intents and purposes a strategic instrument, which means that strategies need to be agreed at the international level. In this context, we need to devote special attention to regulation, an issue which is crucial to investment. The establishment of MEDREG (*Mediterranean Working Group on Electricity and Natural Gas Regulation*), made up of representatives of the Mediterranean countries' energy regulation Authorities, is an important step in this direction.

Still on the subject of energy efficiency and investment incentives, as the 12<sup>th</sup> session of the Conference of the Parties to the United Nations Framework Convention on Climate Change of 1992 and the second meeting of the parties to its Protocol, signed in Kyoto in 1997, have just drawn to a close, I would like to draw your attention to the Italian Government's renewed commitment in this area.

I would also like to remind you that eliminating and limiting climate change is a duty for each and every one of us. This is a global problem that cannot be tackled by taking a local approach. The Italian Government is engaged in a reflection on the situation "Post-Kyoto" (i.e., post-2012) and on amendments to the Framework Convention to make it more inclusive and effective.

Achieving the objective of integration by the Euro-Mediterranean countries in the energy field and true harmonisation of the rules of the market is of great significance in this respect also.

I would like to conclude by reiterating our intention to achieve an effective, fruitful partnership with all the countries of the Mediterranean basin, based on shared and agreed values. Italy works constantly to promote this goal in the European Union, by raising and driving forward the initiative with like-minded member states and highlighting the contributions made by our country and its economic and production systems. The challenges that face us all equally, especially those concerning the security, competitiveness and sustainability of the energy sector, mean that we simply have no choice in this matter.