US experts: Southern Gas Corridor critically important, crucial for Europe

Written by Natalie Zajicova
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As the military clash in Ukraine and the conflict between Russia and the West escalates, U.S. government top energy officials and leading experts on the South Caucasus energy and politics assembled at a Washington DC conference on “Security and Energy Implications for the South Caucasus after Ukraine.” The January 28th event was cosponsored by the Kennan Institute of the Wilson Center and the newly formed Center for Energy, Natural Resources, and Geopolitics (CENRG) at the Institute for the Analysis of Global Security. The Center is led by Dr. Ariel Cohen, a well-known expert on energy policy and Eurasia.

Jonathan Elkind, the Acting Assistant Secretary for International Affairs at the U.S. Department of Energy provided the opening address that framed the conference.

The speakers agreed that the South Caucasus is particularly sensitive to the continuing conflict in Ukraine, including the East-West competition for political and economic influence in the region.

Audrey Altstadt, Fellow at the Woodrow Wilson Center and Professor at University of Massachusetts-Amherst pointed out that Azerbaijan has to be aware of the geopolitical pressures it is vulnerable to, due to its location, as well as of the destabilizing danger of domestic discontent.

Dr. Stephen Blank, Senior Fellow for Russia at the American Foreign Policy Council stressed that Russia will impose itself on neighboring states, undermining their sovereignty and autonomy in a systematic effort to bring Caucasus into Russian fold. Blank emphasized the inability or at least unwillingness of the West to stand up against Russian aggression. The panelists did touch on the Nagorno-Karabakh conflict, pointing out that it is in Moscow’s interest to preserve the current situation without open hostilities, while encouraging tensions.

In the context of U.S. foreign policy in the South Caucasus, many of the speakers agreed that a more robust, structured and long-term engagement is needed. Michael Rubin, Resident Scholar at AEI called the phenomenon of always being focused on the last crisis, “the diplomatic short-term attention deficit disorder.”
The energy and diplomatic consequences of the crisis in Ukraine create a unique opportunity for the countries of the Southern Gas Corridor to increase their influence in the European gas supply game. Dr. Cohen stressed the key role of Azerbaijan in supplying gas to Turkey and Europe through TANAP/TAP, but added that Turkmenistan, Northern Iraq, and Israel and Cyprus could all join to be important supplier of gas to Europe in the future.

In an ongoing effort to diminish dependence on Russian imports and unreliable transit countries, the EU seeks to create a single, integrated energy market and diversify its supply sources. By 2030, Europe will be importing approximately 70% of its gas demand, making the Southern Gas Corridor and Caspian gas crucial.

Jan Kalicki, Public Policy Scholar at the Woodrow Wilson Center indicated that the relationship between countries along the Southern Gas Corridor is of critical importance while Greg Saunders, Senior Director of International Affairs at BP stressed that the 4,000 km chain of pipelines, will be only as strong as its weakest link.

The correlation between security and political developments and Caspian energy development, on both the regional and global scale is clear. Azerbaijan has played a historic role in the development of world oil industry and has the potential to play a crucial role in today’s global energy market. The evolution of markets is an important and strategic opportunity for Azerbaijan.

Ambassador Mary Bruce Warlick, Principal Deputy Assistant Secretary of State for the Bureau of Energy Resources at the U.S. Department of State gave a keynote address. She reiterated U.S. Government’s dedication and responsibility to supporting energy security globally and especially for the EU.

Ambassador Warlick said that the crisis in Ukraine further highlights the critical nature of multiplying supply routes. She emphasized that the Southern Gas Corridor could help to greatly improve European energy security.

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