

Memorandum of Understanding and Co-operation in the field of Energy between the European Union and Turkmenistan

Recognising Turkmenistan's key role as a major hydrocarbon producer in the Caspian Sea region, and taking into account the mutual interest of both the European Union and Turkmenistan (hereinafter the **Parties**) for strengthening cooperation in the energy sector to increase security of energy supply and to forecast energy demand,

recognising the strategic importance of the energy sector for the economic and social development of Turkmenistan,

having regard to the conclusions of the Brussels European Council meeting of 8-9 March 2007, which underlined the importance of strengthening co-operation in the field of energy between the European Union and the countries of Central Asia and the Caspian region,

having regard to the strategy for a new European Union partnership with Central Asian countries adopted during the European Council of 21-22 June 2007, which refers to the common interest in diversifying export routes, demand and supply structure and of energy resources, as well as the intent of the European Union to comprehensively support Central Asian countries in developing a Caspian Sea – Black Sea –EU energy transport corridor.

recognising that strengthening co-operation between the European Union and Turkmenistan in the field of Energy will enable the discussion of issues not already covered by regional co-operation and would enable a focus on issues of mutual interest, and

taking into account the importance of bilateral relations in the energy field and the need for a comprehensive approach to these relations, the **Parties** express their willingness to co-operate in the following directions:

I. Strengthening co-operation on energy security

1. The **Parties** will, whenever necessary, regularly exchange information on data and policy developments in the field of energy that may have an impact on the production,

processing, transportation and use of all energy resources, with a focus on energy security.

2. The **Parties** will support taking joint actions aimed at attracting a wide range of investments to develop the energy sector, to increase energy security.
3. The Parties will regularly exchange views in the energy field aimed at making forecasts on possible future changes in energy demand and supply trends.
4. In view of mutual interest to diversify energy markets and supply routes, the **Parties** will co-operate in creating attractive, stable, equitable, and transparent conditions, including regulatory, legal, financial, and other conditions to facilitate and expand investments in the energy sector. The **Parties** will also co-operate on development of energy transport infrastructure of mutual interest. This co-operation may, as appropriate, include input from international financial organisations.

II. Co-operation in enhancing industrial development

Recognizing the common interest in attracting further investment into the energy sector in Turkmenistan, the **Parties** intend to:

- encourage co-operation between the Parties and their respective energy companies with a particular focus on investments in production, energy technology, the acquisition of technological skills, as well as appropriate training and exchange of expertise;
- support co-operation in performing related work in the Turkmen sector of the Caspian Sea and in the transport of energy resources;
- develop and bring into use renewable energy sources, including solar energy, as well as energy efficient and environment friendly technologies;
- encourage the creation and implementation of an energy efficiency policy as well as the exchange of the newest methods for manufacturing companies (including possibly companies in the construction sector and those active in the field of heat supply), in order to reduce unnecessary energy loss and the energy impact of high energy consumption.

III. Final Provisions

The present document is a document that records political intent alone and provides for no legal commitment.

Done at Ashgabat on the 26th day of May 2008, in 2 original exemplars in the English and Turkmen languages, both texts being equally authentic.

On behalf of the European Union

On behalf of Turkmenistan



