

Interview Gerhard Schröder

'Solidarity is not a one-way street'

The former German chancellor and current Chairman of the shareholders' committee of Nord Stream, Gerhard Schröder, is convinced that the EU needs a 'common energy policy', but, he says, 'it has to be one that all members can live with.'

| by Karel Beckman

The story of Gerhard Schröder and Nord Stream is well known by now. The former German Chancellor was criticised widely when he decided to join the shareholders' committee of Nord Stream. As chancellor, he strongly supported the Baltic Sea gas pipeline. By joining the company soon after he stepped down as chancellor, his earlier decision came to be seen as harbouring a conflict of interest.

Schröder has been accused of being much too conciliatory towards the government of Putin. But he is adamant that he is doing the right thing for Germany and Europe. On a visit to a conference of the Dutch gas industry association (KVGN) in the town of Zoetermeer on September 30, Schröder explained that he took on the job of representing Nord Stream because he is genuinely convinced that the pipeline is indispensable for the EU's security of energy supply. 'I can live without this job,' he says, 'but Europe cannot live without this gas.'

Schröder points out that by 2025, the EU will have to import about 200 billion m³ more gas per year than today. 'Research has shown that 15% of this amount can be covered by additional gas from Algeria and Libya, 10% by Norway, 10% by the Middle East via Nabucco and 25% via Nord Stream. The remaining 40% will have to be covered by LNG,' says Schröder. 'All these projects, which will require roughly 19 billion euros in investments, are regarded by the EU as essential for Europe's security of energy supply.'

Few people dispute these facts. But the controversial point about Nord Stream is that the pipeline skirts the traditional transit countries that lie between Russia and western Europe: Poland, the Ukraine and the Baltic states. Schröder does not

criticise these countries outright, but he does imply that a direct connection between Russia and Germany is more reliable for western Europe. 'Nord Stream will become a further mainstay of energy relations between Russia and Europe, as Europe's supply security will become less dependent on the stability of transit countries,' Schröder said in Zoetermeer.

Schröder's main argument in favour of Nord Stream is that the project has been recognised by the EU and its member states as crucial to Europe's gas needs. For this reason, all members of the EU are obliged to support it, he argues. 'All member states should promote the implementation of this project. Nord Stream will help to supply not only Germany, but also Denmark, the UK, France and the Netherlands. These countries are certainly entitled to European solidarity when it comes to the implementation of this project.'

About Nord Stream, Schröder remains optimistic. He says the credit crisis will not have an effect on the project's financing, and he expects the gas to start flowing in October 2011. After his presentation in Zoetermeer, European Energy Review spoke with the former chancellor.

Aren't you expecting opposition to Nord Stream from Sweden or the Baltic states?

Well, we keep to all the rules under the national legislations as well as the Espoo Convention, which governs activities in the Baltic Sea, and we expect others to do the same. This project has been confirmed by the EU as essential for Europe. We expect everybody to take this into account and we expect to be treated fairly.



Gerhard Schröder in Zoetermeer. Photo: Roger Dohmen

Are you seeing any change in the position of the EU towards Russia, in view of the increasing tensions in EU-Russia relations?

No. We have never had any reason to complain about lack of support from the EU. The European Commission has always supported us. There have been some discussions in the European Parliament, but that's to be expected.

Is the current German government committed strongly enough to the project?

Yes. We cannot complain about the efforts of the German government. They are doing a good job, both the Minister of Foreign Affairs, Frank-Walter Steinmeier, and the Bundeskanzlerin, Miss Merkel.

There are worries in the west about possible underinvestment in Russian oil and gas production. Do you share these?

I don't know. It is one of the misunderstandings in the western press that I have knowledge of decisions made by Gazprom in Russia. I don't. I only lead the shareholders' committee of Nord Stream. I am not involved in Gazprom any further. But let me note that the Russians are cooperating with western companies successfully. Wintershall collaborates with Gazprom in exploiting the Yuzhno Russkoye field, which will be a key source for Nord Stream in the early phase.

Is Nord Stream a competitor to Nabucco?

I don't think so. The two are complementary. Both are required to meet the additional demand for gas in Europe in the coming years. But Nord Stream is more certain to deliver. It will not be supplied from one specific field, but from the entire Russian

gas system. Nabucco will have to source Iranian gas if it is to become successful.

In your presentation you mentioned the Energy Charter. Isn't the Charter a dead issue in Russia?

The fact that it is dead in Russia doesn't mean it has to be dead for me! I am convinced that we do need a multilateral approach to energy policy as provided for in the Energy Charter. A multilateral approach is preferable to a bilateral approach; that is clear. We are Europeans, so we want a common European energy policy. But when you have a common energy policy, then it shouldn't be the case that when there is a gas contract for western Europe, some members can say they are against it. Solidarity is not a one-way street. Western Europe needs this gas through the Nord Stream pipeline. And of course the others need gas as well, they also are entitled to solidarity. We have offered Poland to get gas from Nord Stream through Germany. So we do need a common European energy policy, but it has to be designed in such a way that all members can live with it.

You are sometimes portrayed as an apologist for the Russian regime. What is your response to that?

President Putin faced the formidable task of rebuilding the Russian state as a guarantor of security after the near-collapse of the state apparatus under Yeltsin. He did that admirably. It is clear that things are still far from perfect in Russia. For example, there is corruption. The Russians also do not have a democratic tradition. The Russian government knows this and is trying to improve things. I have always felt this way about Putin's government and have always clearly said so. I don't think I have to apologise for that. ■