

Germany slowly warming to Nord Stream

| by Stefan Nicola in Berlin

You'd think that if any country should be happy about Nord Stream, it is Germany. Once operating, the pipeline will transport as much as 55 billion cubic meters of gas per year directly from Siberia's vast fields into the German market. In times of dwindling resources and growing energy hunger in India and China, such direct links may become more important than ever.

Yet Nord Stream has never found much favour with German public opinion. The press lashed out at the project from the start. According to Alexander Rahr, one of the leading Russian experts in Germany, and the author of a first-rate recent book on Russia's development into an energy superpower, this is due to Putin's autocratic government style that has many enemies in Europe, a general suspicion of Russia in general, and Russia's failure to steer a more conciliatory course when introducing such large projects. The controversial appointment in December 2005 of then just-retired Gerhard Schroeder to Nord Stream's board of directors, barely three months after Schroeder as prime minister had signed the Nord Stream deal with then-Russian president Vladimir Putin, did not contribute to the project's popularity in Germany.

Jens Hobohm, an energy expert at the German Institute for International and Security Affairs in Berlin, notes that Gazprom's energetic expansion course – although economically understandable – has observers in Europe concerned. Looking at Gazprom's latest moves, including investments in the Black Sea area and North Africa, 'it may feel to some people

almost as if Gazprom is encircling Europe,' Hobohm says. And no question it can hurt energy security if the dwindling domestic resources are replaced by one supplier only, Hobohm says. 'Less diversity means less security.'

Over the past few months, however, criticism seems to have subsided. While Germany's Social Democrats have always supported the pipeline project, most conservatives now do so as well. 'The large majority of the political elites in Germany back Nord Stream,' Rahr says.

Even Merkel, who has been less friendly with the Kremlin since her ascent to the chancellery, recently spoke out in favour

of the pipeline project as having a 'positive strategic significance.'

She vowed to help make Nord Stream a reality by trying to appease states that have opposed the project in the past. 'We should try to politically overcome reservations that certain countries are to be excluded, or not taken into participation, or that the project is directed against these countries.' This is a nod to Poland and the Baltics, countries that have benefited from Merkel's approach of including the smaller EU states in decision-making. Yet Merkel issued a warning too. 'The permitting processes can be delayed indefinitely if one has political reservations,' she added. 'That shouldn't happen in this case.'

Of course all this was before the armed conflict in Georgia broke out. The war in Georgia has undoubtedly had a negative effect on EU-Russia relations. Whether this will translate into an erosion of political support in Europe for Nord Stream is too early to tell, says Maartje van Putten, who was appointed as the EU Affairs Representative for Nord Stream in April. 'We are all concerned about what effect this will have, for example on the Swedes and the Finns. Or on the Commission. But it's not clear yet.'

Van Putten, who served on the World Bank's Independent Inspection Panel for five years, in which role she was responsible for investigating complaints of private citizens affected by largescale energy projects in all parts of the world, believes that 'we have to find ways to improve our relations with Russia. We have to leave old emotions behind and look at Russia with new eyes.' ■



Gerhard Schroeder, and Matthias Warnig,
Managing Director of Nord Stream.
Photo: Andreas Rentz/Getty Images

of Nord Stream. In a joint press conference with newly elected Russian President Dmitry Medvedev, who chose Berlin as his first official visit to the West, Merkel