



EU-Balkans Discussion Group – 4th Luncheon - Embassy of Hungary, London, 21 March 2011

Energy Security and Energy Infrastructure in the Western Balkans

(Key Note: Mr. Ricardo Puliti, Managing Director, Head of Energy and Natural Resources, EBRD)

A brief update of the project: Rudi Guraziu, Chief Executive, IBDE

**Your Excellencies,
Ladies and Gentlemen,**

Let me start by expressing my sincere thanks to Ms Breuer, for hosting our fourth luncheon and for inviting Mr. Ricardo Puliti, to share with us EBRD's views on energy security in Europe and the bank's energy infrastructure involvement in the Western Balkans.

I also want to thank Mr János Huszár, for attending this meeting today underlining the emphasis that Hungary and the EU Presidency have placed on the development of the Western Balkans as well as on political and economic cooperation in the region.

The region clearly faces many challenges in its path towards European integration, not least its need for stronger economic development and energy security. In this context, we have already circulated a note with some background details and discussion topics on energy policy/infrastructure development in the Western Balkans with a focus on EBRD's involvement in the region.

As we have new participants today, I would like to focus on the progress and objectives of the EU-Balkans DG project. It is encouraging to see that the message for pragmatic cooperation at a regional level has been embraced by the countries represented here.

The IBDE is absolutely committed to facilitating the process at every level, and I am happy to say that our last meetings have been very productive. Of course, this would have not been possible without the strong moral and in-kind support from the FCO, the Embassies involved and the EBRD. We are grateful for this.

It goes without saying that financial support is paramount to strengthen our research base and operational activities. In the course of our previous discussions, it emerged that strengthening the IBDE's research base will be crucial to ensuring the relevance of the organization's offerings to its members as well as achieving our objectives from a financially viable base.

We have already produced good research and promotional reports on all the Western Balkans countries and will dedicate regular sections in our Exchange magazine to South East Europe.

In this year's business plan, IBDE has included some rich and varied activities which we believe will make our engagement with Embassies and the private sector even more result-oriented. In addition to our forthcoming investment conference and the business/ambassadorial round table discussions, we will engage university research scholars with an interest in the region, and strengthen their cooperation with the London diplomats.

In all our activities we have emphasised the importance of inclusiveness and I am delighted that at this meeting we have most EU and Western Balkans' representatives including Turkey.

Based on the belief that Foreign Direct Investment (FDI) – when carefully managed – is a powerful driver of economic development, we are convinced that facilitating the dialogue and resource-sharing between the private sector and the diplomatic community would make a substantial contribution in this direction.

Our discussions leading to the upcoming Balkans Investment Promotion Conference, including today, will be focused on the issue that has already been identified as a priority: **infrastructure**. Today's focus on energy will be complemented by further research and dialogue on other related policy areas, including water infrastructure, transportation and tourism.

We will also undertake research on the issue of absorption capacity – an issue raised at our two previous meetings – and on the removal of the potential stumbling blocks in the way of setting the region on a growth path that is economically, politically and socially sustainable. To this end, enabling the region to secure an affordable and environmentally sustainable energy supply is crucial for the empowerment of all sectors in the region's economies.

As regards our forthcoming Balkans Investment Promotion Conference, I am pleased that EBRD has offered their venues and expertise for organising such an event to the benefit of everyone in the region. We have started to put together the preparatory work for the upcoming Conference and will collaborate closely with EBRD and interested Embassies to identify other prospective partners, including the media and the business community in both the EU and the Balkans.

We believe the agenda of the Conference should reflect energy security as a key regional development concern. Indeed, I hope that this meeting will go some way to identifying investment priorities in the energy sector that are of common interest to all Balkan countries.

With these short remarks, allow me to thank the staff of the Hungarian Embassy once again for their excellent work in organising this meeting and look forward to collaborating closely with all stakeholders to achieve our joint objectives of encouraging more FDI in the Western Balkans and assist the region towards European integration.

Thank you for your attention