

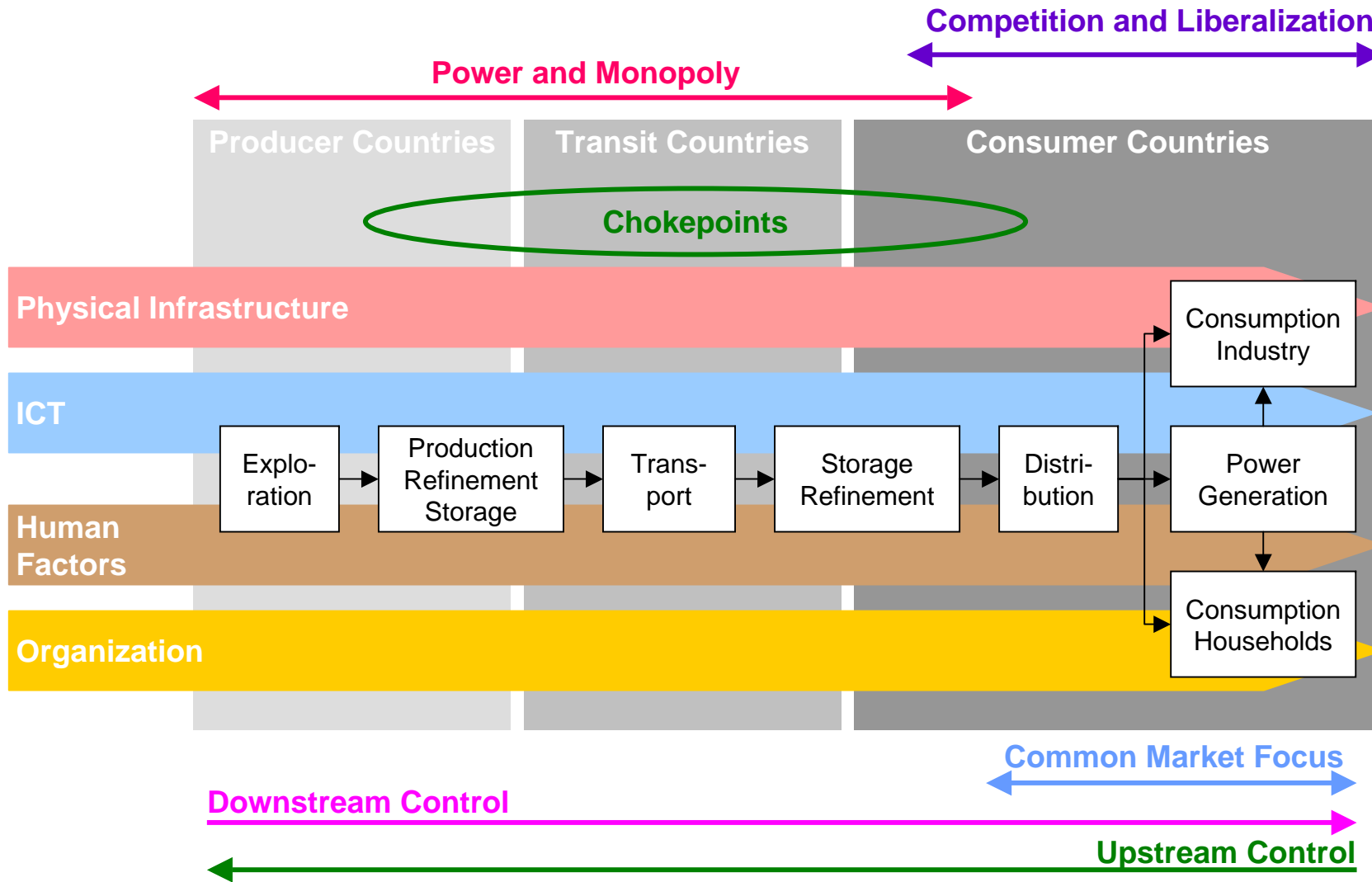
Heiko Borchert

**A Comprehensive Approach
for Interagency Cooperation on
Energy Infrastructure Security**

Protecting Critical Energy Infrastructure
from Terrorist Attack

OCEEA-ATU Expert Meeting
Vienna, 17 July 2008

EIS: A Complex Framework



5 Key Problems

Asymmetric Supply Chain

- **Government control** of resources: 85-90 %
- Government control of production: 74 % (Gas), 78 % (Oil)

Network Management

- Insufficient **trans-border capacities**
- Current network capacities vs. increasing use of renewables

Complex Vulnerabilities

- **Interdependencies** between energy infrastructure and other critical infrastructure sectors (in particular ICT)
- Deregulation vs. security
- Deliberate attacks on energy infrastructures

Underinvestment

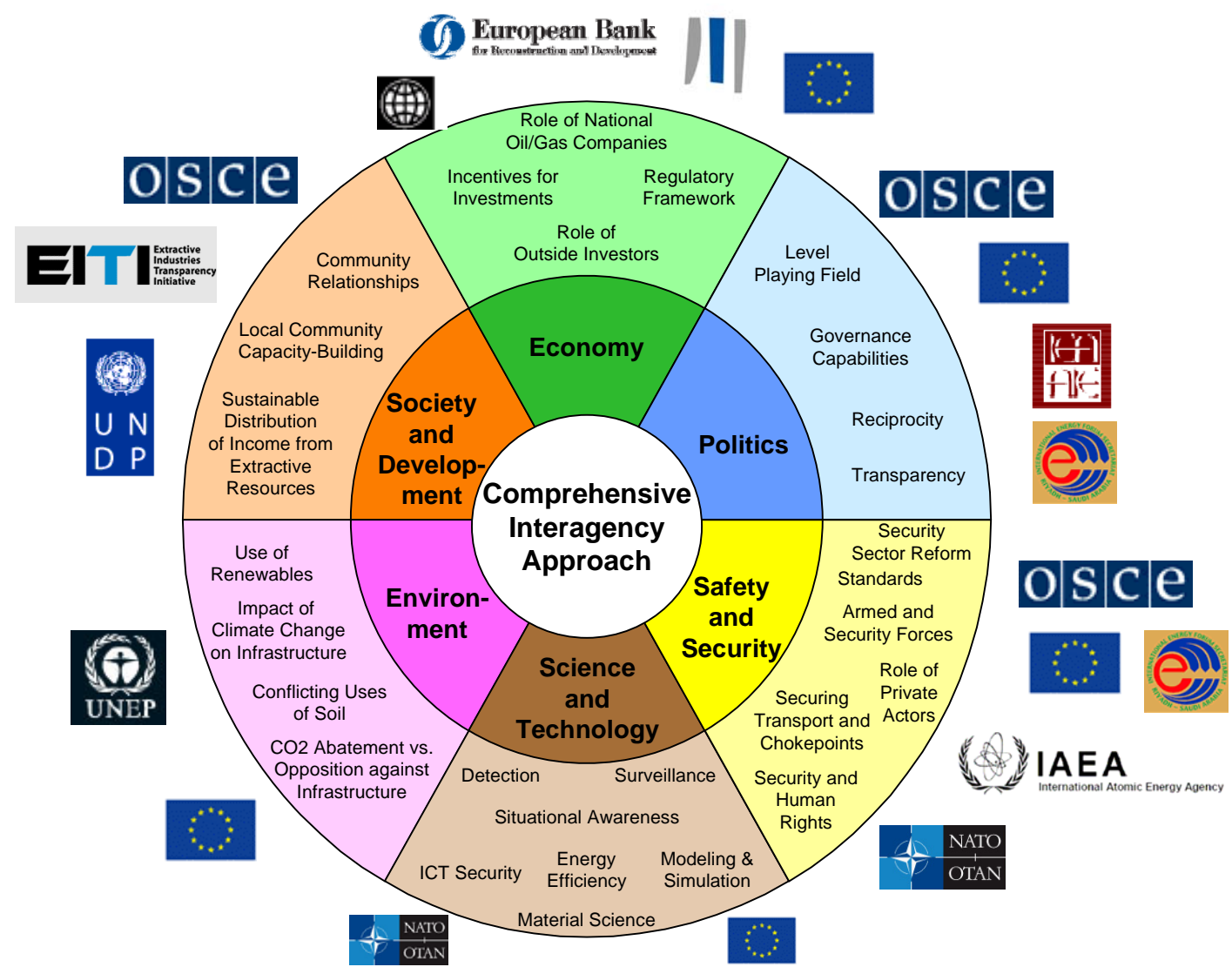
- Energy infrastructure investments **needs** are much bigger than disposable **funds** (EU-27: €1.79 trillion until 2030)
- **Crowding-out** effect between different energy infrastructure investment categories (LNG)

Regulatory Deficits

- **Lack** of common safety and security **standards along global energy supply chain**
- No international regulation authority
- Power shift to the benefit of producing countries



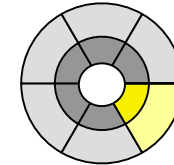
Comprehensive Approach: Dimensions



Safety and Security Standards

Challenges

- **Lack** of common EI safety and security **standards along** the **supply chain**
- **Diverging** regulatory approaches
- **Deregulation** can further **security** risks



Suggestions for Best Practice Workshops

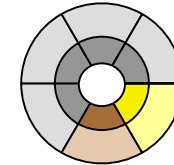
- **EI safety and security standards** for the global energy supply chain (OSCE, IEF, G8 PPP Forum, Companies)
- Methods to **identify and assess critical EI** and **interdependencies** between CI sectors (OSCE, EU, NATO, G8 PPP Forum, Companies)
- **Identifying, classifying, and assessing EI risks** (OSCE, IEF, NATO, EU, G8 PPP Forum, Companies)
- **EI resilience** (OSCE, IEF, EU, G8 PPP Forum, Companies, Associations)
- **SCADA safety and security** (OSCE, IEF, NATO, EU, G8 PPP Forum, Companies, Associations)

Security Sector Reform

Challenges

There is a need to adapt the SSR paradigm with regard to the

- Rationale for limited defense and security **spending**
- **Separation** of security and defense forces
- Scope of existing **capacity-building** programs



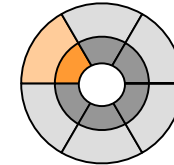
Suggestions

- Build awareness for the **need to invest in security and defense capabilities** to advance energy infrastructure security (OSCE, NATO, EU, AU, GCC)
- **Transparency-building** on **dual-use spending** and **capabilities** for EIS and other security/defense tasks (OSCE, NATO, EU, AU, GCC)
- **Focus SSR more strongly** on dual-use capabilities and interagency interaction (OSCE, NATO, EU, UN, NGOs)
- Take account of **specific demands of hydrocarbon sector** when setting up judicial/administrative reforms (OSCE, EU, CoE, UN, EITI, NGOs)

Community Relationship Management

Challenges

- If people **benefit** from infrastructure projects they will take **care** of them
- Understand local ownership as the **“first line of defense”**



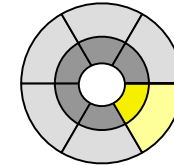
Suggestions

- Workshop on the role of community-building and EI promotion in national/international **development policies** (OSCE, UN, EU, IFI)
- Workshop on how to **create off-springs** from (energy) infrastructure projects for local communities (OSCE, EU, IFI, UN, Companies, NGOs)
- Workshop on risks and opportunities of **infrastructure collocation** (OSCE, EU, IFI, UN, Companies, NGOs)
- Advance the idea of **integrated community-based security** based on shared responsibilities between local communities, energy companies, private security forces, government agencies and security/defense forces (OSCE, EU, NATO, NGOs, AU, GCC, Companies)

Role of Private Security Contractors

Challenges

- PSC are a **matter of fact** in the energy sector
- “Image problems” **obstruct** a sober analysis of their role



Suggestions

- **Awareness-building** workshop on the role of PSC in the energy sector (OSCE, NATO, EU, PSC, Companies, NGO)
- Sharing best practice with regard to setting-up **security agreements** (OSCE, NATO, EU, PSC, Companies, NGO)
- Integrate **private security training** for local security forces into international **SSR programs** (OSCE, NATO, EU, PSC, Companies, NGO)
- Create **level-playing field** between local security forces and private security contractors (OSCE, NATO, EU, PSC, Companies, NGO)

Conclusions

1. Worldwide dependence on energy infrastructures is growing, thus making the safety and security a key policy challenge
→ **OSCE countries** are among the key actors **affected** by this trend
2. In today's international environment there is a serious need for **transparency and confidence-building** with regard to energy infrastructure security
→ This plays into the hands of the **OSCE**
3. A successful **comprehensive** approach to energy infrastructure security very much depends on **coordination** between national and international levels and public and private actors
→ Could the **OSCE** serve as a **coordination platform?**
4. The logic of global energy supply chains should lead to more joint **regional security initiatives along key infrastructure corridors**
→ Could the **OSCE** serve as a **facilitator** in Central Asia, the Caucasus, the Black Sea region, and in the Mediterranean region?