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2 May 2006 3.00-4.30 p.m.

CSD 14 REGIONAL DISCUSSIONS

Intervention by Husniyya Mammadova, Member of Delegation of the Republic of Azerbaijan

Mr. Chairman,

At the outset, let me stress how pleased we are to participate in discussion of regional perspectives in implementation of international agreements pertaining to the theme of current CSD cycle.

In general, regional initiatives are central to achieving sustainable development and benefit sharing among the countries of the region and this centrality becomes even more relevant in the context of energy efficiency, industrial development and climate change due to their transboundary impacts.

Benefits and consequences of cooperation vs. non-cooperation in these areas become common heritage for generations to come. Regional cooperation and stability are prerequisites for efficient energy supply and meeting growing energy needs. The importance of cooperation at regional and subregional levels cannot be overemphasized; concurrently sovereign right of each State over exploitation of its own resources cannot be jeopardized.

Mr. Chairman, we also would like to express our support to the UN regional commissions, namely the UNECE and UNESCAP, for strengthening environmental pillar and its regional dimension in their works. Efforts to promote intergovernmental dialogue on energy security and related risks are commendable; however the dialogue should be developed through wider and more inclusive participation of all constituencies.

Mr. Chairman, the countries of the Caspian Sea region, including Azerbaijan are rich with oil and gas resources, great economic and production capacity; they can also play an important role in the development of world economy in XXI century and constitute an alternative energy source for world market.

Due to its geographic location, scale of natural resources and overall economic potential, Azerbaijan is actively engaged in regional initiatives and currently participates in more than 120 national and transregional projects, including *inter alia*, projects on development of hydrocarbon resources of the Caspian basin and its transportation to world market, development of Europe-the Caucasus-Asia (TRACECA) transport corridor and on restoration of Great Silk Route.

In particular Azerbaijan values the cooperation in the framework of BSEC and looks forward to advancing the outcomes of February 2006 Baku meeting of its WG on Energy. We also strongly support the work of UN regional commissions in particular UNECE and UN ESCAP in the framework of UNSPECA. As a host country, we look forward to the next meeting of the SPECA Governing Council and first Business Forum of SPECA to be held in June 2006, in Baku.

Mr. Chairman,

Launched in 1994 a new oil strategy, followed by the "contract of the century", not only contributed to the development of Azerbaijan, but also to energy security and regional development. The projects on construction of Baku-Tbilisi-Ceyhan (BTC) oil and Baku-Tbilisi-Erzurum (BTE) gas main export pipelines, carrying oil and gas resources of the Caspian Sea to world markets, have qualitatively upgraded the level of economic cooperation among the States of the region.

Projects also contributed to economic growth, development of infrastructure, industrial development and exploration of new investment opportunities. Currently four significant projects are underway in Azerbaijan' oil and gas sectors offering growth perspectives for the region and are to be continued through 2005-2008:

- Full-scale development of the deep levels of the Azeri, Chiraq and Guneshly (ACG) fields;
- ➢ First stage of development of the Shakh-deniz gas condensate field;
- Completion of construction and operationalisation of BTC as well as BTE main export pipelines.

Implementation of these projects opens new opportunities for neighboring countries, inter alia, Kazakhstan and Turkmenistan. Implementation of "NABUCCO" project on creation of a new pipe for transporting methane from the area of the Caspian Sea and Central Asia to countries in Central and Eastern Europe, is also of regional importance. Activities undertaken in this regard are viewed as important steps towards creation of common Eurasian power-energy system. In this regard, we consider that transportation of energy resources from the Caspian Sea and creation of environmentally friendly, secure and reliable corridor to be of vital importance.

Mr. Chairman,

We believe that environmental safety constitute an important dimension in development of energy and fuel sectors of any State and combating climate change and other forms of environmental degradation. Private sector has an important role to play through underpinning mutual compatibility of business development and biodiversity. We would like to refer to BP Azerbaijan HSE policy goal which is **"no damage to the environment**", which we warmly welcome. The Government together with BP established constructive relationships with NGOs; they are widely involved in the process of EIA development through Project Workshops.

We also welcome the role of BP in development of the Azerbaijan National and Regional Caspian Oil Spill Response Plan on development of Environmental standards for BP projects and operations. The approved Caspian Specific Ecotoxicological procedures (CSEP) is another example of productive co-operation. BP has established a cuttings storage site at Serenja in the Karadagh district, which is the first step to development of a waste management infrastructure of Azerbaijan. We look forward to BP meeting is next objective and new commitment, which is to reverse global forest loss through participation in properly defined programmes and combating climate change.

To conclude let me stress that business sector should remain an important partner though striving to improve its environmental performance, but in a manner sustainable over the long term. It should set and disclose its long term environmental aspirations or commitments.