Joint Declaration on the Southern Gas Corridor

We, the President of the Republic of Azerbaijan, Ilham Aliyev and the President of the European Commission, José Manuel Durão Barroso, emphasize the importance of energy security and the security of energy transportation;

We note that the diversification of the routes of gas supply from the Caspian region to Europe is one of the factors determining that energy security is ensured;

We recall the special significance of the Baku-Tbilisi-Ceyhan and Baku-Tbilisi-Erzurum oil and gas pipelines in transporting the energy resources of Azerbaijan and other countries of the Caspian region;

We reaffirm the importance of the EU - Azerbaijan energy relationships enshrined notably in the Memorandum of Understanding on strategic partnership between the European Union and the Republic of Azerbaijan in the field of energy signed by President Ilham Aliyev and President José Manuel Durão Barroso in Brussels in November 2006, the relevant provisions of the Baku Declaration signed in November 2008, relevant Energy Declaration of the Prague summit in May 2009;

We hereby:

1. Declare that our common objective is to see the Southern Corridor established and operational as soon as possible and to establish the Republic of Azerbaijan as a substantial contributor to – and enabler of – the Southern Gas Corridor;

2. Urge a swift allocation process for the available gas resources at the Shah Deniz 2 Project and other fields in Azerbaijan and we encourage investors to take all possible measures for the joint allocation of that gas in a timely manner;

3. State that by enabling the transport of natural gas from fields in Azerbaijan and beyond, this strategic corridor complements the existing gas corridors of the European Union, with the creation of this route from the Caspian region to the European market also corresponding to the shared strategic objective of the European Union and the Republic of Azerbaijan to diversify gas delivery routes and establish direct energy and transport links;

4. Consider that the Southern Gas Corridor is therefore a stepping stone in increasing European Energy security and a guarantee that the resources upon the territory of Azerbaijan can be developed in the expectation that sufficient infrastructure and markets as well as commercial conditions exist to absorb these gas quantities, with a reliable and growing market being to the long
term benefit of all, and the Caspian region gas suppliers being able to build on that confidence;

5. Note that this strategic corridor will entail the creation of a sufficient dedicated infrastructure to allow for all contracts to be settled physically with Azerbaijan produced gas, thus enabling the transportation and marketing/distribution of natural gas from Azerbaijan in the European Union and South Eastern European Countries with the Commission standing ready to assist in the creation of the necessary none discriminatory legal, regulatory and commercial conditions thereto.

The Presidents praise the progress made so far and invite other interested parties, whether as suppliers of gas or as consumers to avail themselves of the opportunity of participating in further phases of development of the Southern Gas Corridor.

Signed on the 13th of January 2011 in Baku, the Republic of Azerbaijan.

President of the Republic of Azerbaijan     President of the European Commission
Ilham Aliyev                                 José Manuel Durão Barroso