

INTERNATIONAL ENERGY CHARTER ANNUAL REPORT 2017

*2017 - Year of Turkmenistan's Chairmanship
of the Energy Charter Conference*



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Secretary General's Foreword

Dear colleagues and friends,

As another eventful year has ended, I am honoured to present the Annual Report for 2017. This publication is a way to communicate and involve our "Shareholders" (Members of the Conference) by keeping them up to date with the International Energy Charter related activities, and it is also a way to connect with our Observers and generate interest into the array of events involving the Energy Charter Secretariat. 2017 was a period of transition and involved a complex but successful relocation of the Secretariat headquarters. It took a substantial amount of extra effort in order to accomplish this while at the same time serving our Members to the highest capacity. Overall, 2017 was an exciting year filled with challenges and highlights and I wish to share some developments that unfolded throughout the year as we aimed to complete the Programme of Work for 2017.



Secretary General, Dr Urban Rusnák

Firstly, I would like to thank the Chairmanship of Turkmenistan for its active engagement and immense support throughout 2017. The Energy Charter Conference on 27-28 November was an overwhelming success due to the hard work and effort of Turkmenistan throughout the year. I would like to express gratitude to the Government of Turkmenistan and personally to the Chairman of the Energy Charter Conference H.E. Maksat Babayev, Deputy Chairman of the Cabinet of Ministers, for his valued contribution.

During the year, the Energy Charter Secretariat remained focused on and committed to its core functions. The Energy Investment Risk Assessment (EIRA) project continued to move forward with an increasing number of Member and Observer countries showing interest in this initiative. The Secretariat presented the first non-public version of the EIRA project, which is an important stepping stone towards a worldwide flagship publication. The primary aim of the EIRA project is to assist governments in developing policies, laws, and regulations beneficial to their investment climate.

The efforts to modernise the Energy Charter Treaty (ECT) continued to gain momentum in 2017. The first phase of the modernisation process was successfully completed with the adoption of the International Energy Charter in May 2015. The second phase is about to come to an end as the Members and the Energy Charter Secretariat implemented several procedural changes to improve the efficiency of the work of the Conference such as merging the subsidiary working groups, increasing transparency and adding a rotating chairmanship. There were also relevant substantial changes such as adding the Early Warning Mechanism in order to effectively and preemptively respond to disruptions or crises in the energy sector.

For the third phase of the modernisation process, this year I started a comprehensive political consultation, in parallel with technical discussions held within the Strategy and Implementation Group meetings. The topics were discussed at the ministerial panel on modernisation of the ECT at the 28th Meeting of the Conference in Ashgabat. The Conference decided that in 2018-2019 there will be important discussions on modernisation of the ECT (as a whole and not limited to investment protection standards) that could result in a proposed list of topics to be considered by Members and whether or not to start negotiations on the modernisation of the ECT in 2020 and, if so, on the framework of such negotiations.

In conclusion, I would like to underline the dedication of many delegations and Chairs of the subsidiary bodies, together with the immense professional commitment and work of each member of the Secretariat, without whom none of the tasks of 2017 could have been completed. I thank each and everyone of those who has worked with the International Energy Charter in 2017.

As always, I encourage your input and look forward to hearing from you.

Thank you,

Dr. Urban Rusnák

Secretary General,
Energy Charter Secretariat

Assistant Secretary General

Dr. Masami Nakata is Assistant Secretary General of the Energy Charter Secretariat (ECS) since January 2017. Prior to ECS, she was Professor of Kumamoto University and Associate Professor of Doshisha University in Japan. From 2004 to 2014 she worked for UNESCO's Science Sector as Programme Specialist in the fields of engineering, energy, science, higher education, and STI policy in Asia and Africa. Before joining UNESCO, she worked as a Project Manager of Energy Security programs at the Nautilus Institute for Security and Sustainability in the United States. She studied energy policy and economics at the Energy and Resources Group at the University of California at Berkeley.



Dr Masami Nakata

As an engineer, she has a B.E. and an M.E. in Materials Science and Engineering, and received her doctorate degree in Engineering from the Tokyo Institute of Technology in Japan, where she researched photovoltaic technology. After completing her dissertation, she spent three years in the Department of Electrical Engineering at Princeton University as a researcher to research silicon solar cells. She also worked at the Hitachi Research Laboratory at Hitachi Ltd. Japan as a Semiconductor Device Research Scientist.

Energy Charter Process Background

European Energy Charter

The 1991 Energy Charter, also known as the European Energy Charter, provides the political foundation for the Energy Charter Process. The European Energy Charter is a declaration of the principles that underpin international energy cooperation, based on a shared interest in secure energy supply and sustainable economic development.

Energy Charter Treaty (ECT)

The ECT and the Energy Charter Protocol on Energy Efficiency and Related Environmental Aspects were signed in December 1994 and entered into force in April 1998. The ECT was developed on the basis of the European Energy Charter of 1991, but whereas the European Energy Charter was a declaration of political intent to promote East-West energy cooperation, the ECT is a legally-binding multilateral instrument, the only one of its kind dealing specifically with inter-governmental cooperation in the energy sector. The fundamental aim of the ECT is to strengthen the rule of law on energy issues, by creating a level playing field of multilateral rules to be observed by all participating governments.

Energy Charter Conference

The Energy Charter Process is directed by the Energy Charter Conference, the governing and decision-making body which brings together representatives of all Member States. The Conference meets at least once per year to discuss policy issues affecting international energy cooperation, to review the implementation of the provisions of the ECT and to consider possible new instruments and projects on energy issues. Regular meetings of the Conference's subsidiary groups includes the Implementation Group, the Strategy Group, the Budget Committee and the Legal Advisory Committee.

International Energy Charter Declaration

The International Energy Charter declaration is a non binding political declaration aimed at updating the European Energy Charter of 1991. It maps out common principles aimed at strengthening energy cooperation between the signatory States and does not bear any legally binding obligation or financial commitments. The International Energy Charter declaration was adopted and signed at the Ministerial Conference in The Hague in 2015.

Energy Charter Secretariat

The Conference is served by a permanent Secretariat that aims to implement the will of the Conference by assisting in the duties and functions assigned to it under the ECT. The Secretariat is staffed by experts from various countries and is headed by a Secretary General who is elected by the Conference.



ENERGY CHARTER PROCE

INTERNATIONAL ENERGY CH

MEMBERS (54)

Sig	Rat	EEC	IEC	Country
2007	2013	2006	2015	Afghanistan
1994	1997	1991	2015	Albania
1994	1997	1991	2015	Armenia
1994		1991		Australia
1994	1997	1991	2015	Austria
1994	1997	1991		Azerbaijan
1994		1991	2015	Belarus
1994	1998	1991	2015	Belgium
1995	2001	1995	2016	Bosnia and Herzegovina
1994	1996	1991	2015	Bulgaria
1994	1997	1993	2015	Croatia
1994	1998	1991	2015	Cyprus
1995	1996	1993	2015	Czech Republic
1994	1997	1991	2015	Denmark
1994	1998	1992	2015	Estonia
1994	1998	1991	2015	European Union
1994	1998	1991	2015	EURATOM
1994	1997	1991	2015	Finland
1994	1999	1991	2015	France
1994	1995	1991	2015	Georgia
1994	1997	1991	2015	Germany
1994	1997	1991	2015	Greece
1995	1998	1991	2015	Hungary
1994	2015	1991		Iceland
1994	1999	1991	2015	Ireland
1995	2002	1991	2015	Japan
1994	1995	1991	2015	Kazakhstan
1994	1997	1992	2015	Kyrgyzstan
1994	1995	1991	2015	Latvia
1994	1997	1991	2015	Liechtenstein
1995	1998	1992	2015	Lithuania
1994	1997	1991	2015	Luxemburg
1994	2001	1991	2015	Malta
1994	1996	1992	2015	Moldova
1998	1999	1997	2015	Mongolia
2013	2015	2012	2015	Montenegro
1994	1997	1991	2015	Netherlands
1995		1991	2015	Norway
1994	2000	1991	2015	Poland
1994	1997	1991	2015	Portugal
1994	1996	1991	2015	Romania
1994		1991		Russian Federation
1994	1995	1993	2015	Slovakia
1994	1997	1992	2015	Slovenia
1994	1997	1991	2015	Spain
1994	1997	1991	2015	Sweden
1994	1996	1991	2015	Switzerland
1994	1997	1991		Tajikistan
1997	1998	1996	2015	The FYR Macedonia
1994	2001	1991	2015	Turkey
1994	1997	1994	2015	Turkmenistan
1994	1998	1991	2015	Ukraine
1994	1996	1991	2015	United Kingdom
1995	1995	1991	2015	Uzbekistan



MEMBERSHIP CHART

as of December 2017

MEMBER (2015)

MEMBER ENERGY CHARTER (1991)

MEMBER ENERGY CHARTER TREATY (1994)



ECT SIGNATORIES



OBSERVERS (41)

Country	EEC	IEC
Bangladesh		2015
Benin		2015
Burkina Faso		2017
Burundi	2015	2015
Cambodia		2015
Canada	1991	
Chad	2015	2015
Chile		2015
China		2015
Colombia		2015
EAC		2016
ECCAS		2016
ECOWAS		2015
G5 Sahel		2016
Gambia		2017
Guatemala		2016
Indonesia	2009	
Iran		2016
Iraq		2016
Italy	1991	2015
Jordan	2007	2015
Kenya		2017
Mali		2017
Mauritania	2014	2015
Morocco	2012	2015
Niger	2015	2015
Nigeria		2017
Pakistan	2005	2015
Palestine	2014	2015
Panama		2017
Rwanda		2016
Senegal		2016
Serbia	2001	2015
South Korea		2015
Swaziland		2015
Syria	2010	
Tanzania		2015
UAE		2017
Uganda		2015
USA	1991	2015
Yemen	2014	2015

INTERNATIONAL ORGANISATIONS WITH OBSERVER STATUS (by decision of the Energy Charter Conference):



Structure of the Organisation in 2017

Energy Charter Conference

The Energy Charter Conference is the governing and decision-making body for the Energy Charter Process. States and intergovernmental organisations that have signed or acceded to the Energy Charter Treaty are Members of the Conference, which meets on a regular basis to discuss issues affecting energy cooperation among the Treaty's Signatories, to review the implementation of the provisions of the Energy Charter Treaty and the Protocol on Energy Efficiency and Related Environmental Aspects and to consider possible new instruments and joint activities within the Energy Charter framework.

Chairing State in 2017: Turkmenistan

Chairman: H.E. Maksat BABAYEV, Deputy Chairman of the Cabinet of Ministers of Turkmenistan (April-December 2017)

Chairman: H.E. Yagshigeldy KAKAYEV, Deputy Chairman of the Cabinet of Ministers (January – April 2017)

Conference Vice-Chairman: H.E. Charymyrat PURCHEKOV, Minister of Energy of Turkmenistan

Conference Vice-Chairman: H.E. Kazuo KODAMA Ambassador of Japan to the European Union

Conference Vice-Chairman: H.E. Mihnea CONSTANTINESCU, Ambassador at large for Energy Security, Romania

Strategy Group

Subsidiary body

Chair: Ms Elzbieta PISKORZ (Poland)

Vice-Chair: Ms. Carmen Sofia SANZ ESTÉBANEZ (Spain)

Implementation Group

Subsidiary body

Chair: Mr Sergey KATYSHEV (Kazakhstan)

Vice-Chair: Ms Klara RAKHMETOVA (Kazakhstan)

Vice-Chair: Mr Parviz GARIBZADE (Azerbaijan)

Vice-Chair: Mr Johan VETLESEN (Norway)

Budget Committee

Subsidiary body

Interim Chair: Ms Klara RAKHMETOVA (Kazakhstan)

Vice-Chair: Vacant position

Legal Advisory Body

Subsidiary body

Chair: Mr Alejandro CARBALLO LEYDA (ECS)

Vice-Chair: Vacant position

Industry Advisory Panel

Consultative body to the Conference

Chair: Mr Howard CHASE (Dow Chemical GmbH)

Turkmenistan Chairmanship of the Energy Charter Conference

The Chairmanship of the Energy Charter Conference works on an annual rotating basis. Each year a new country assumes the Chairmanship to lead the highest decision-making body of the Energy Charter Process. This responsibility includes guiding the Conference throughout the year regarding specific topics and activities such as regular meetings of the subsidiary bodies. At the end of the year, the Chairmanship hosts the annual session of the Energy Charter Conference, which usually takes place in November or December in the capital of the respective country.



H.E. President of Turkmenistan Gurbanguly Berdimukhamedov and Secretary General Urban Rusnák, January 2017 - Ashgabat, Turkmenistan

The rotating chairmanship is an instrument for greater involvement of the Member states and their governments in the work of the International Energy Charter. The Secretary General and the Energy Charter Secretariat ensure regular consultations with the presiding country on political dialogue and negotiations, preparation of meetings, coordination of the work of the subsidiary bodies, representation of the organisation and other activities of the International Energy Charter. The Chairmanship allows the host country to influence the political agenda for the year by introducing issues that affect international energy cooperation or contribute to the achievement of national priorities.

Turkmenistan assumed the Chairmanship of the Energy Charter Conference on 1 January 2017. In preparation for the Chairmanship, Turkmenistan developed and adopted the Concept of Chairmanship. One of the main objectives of the Concept was the development of new models designed to transform the multilateral energy dialogue into a driving force of global development based on the balance of interests of all participants, responsible and protective approaches to natural resources & the environment, and the accounting for broad public requests aimed at the equitable distribution of benefits borne by energy sources and their consumption.

The Government of Turkmenistan also approved the schedule of events for 2017, which was carried out jointly with the Energy Charter Secretariat. Turkmen officials actively contributed to these events, which were held in Ashgabat and Brussels as well as other places such as Hong Kong, Paris, and Beijing. As the Chair of the Conference, Turkmenistan was engaged in the geographic expansion of the Energy Charter Process. Expansion and outreach were core messages communicated in official bilateral meetings and through Turkmenistan embassy channels abroad. As a result, seven additional countries signed the International Energy Charter in 2017. The highlight of 2017, was the 28th Meeting of the Energy Charter Conference hosted on 27-28 November in the capital of Turkmenistan. During the Conference, the Ashgabat Energy Charter Declaration was adopted, which was then distributed as an official UN document on 5 December, at the seventy-second session of the United Nations General Assembly.



Mr Maksat Babayev, Deputy Chairman of the Cabinet of Ministers of Turkmenistan; Mr Urban Rusnák, Secretary General of the Energy Charter Secretariat; Mr Charymyrat Purchekov, Minister of Energy of Turkmenistan

Strategy Group - Conference subsidiary body

The Strategy Group is a subsidiary body of the Conference that carries out work and discussions throughout the year. Since 2009, the Members of the Energy Charter Conference have used the Strategy Group to discuss new challenges in the energy sector and possible responses within the Energy Charter Process. One of the key subjects of discussion is the role of the Energy Charter Process in the global context, its added value for addressing common challenges, and the possible enlargement of its constituency. At its last meeting of 2017, the Strategy Group established a subgroup to conduct discussions on the potential modernisation of the ECT.



Ms Elzbieta Piskorz, Strategy Group Chair; Mr Urban Rusnák, Secretary General (ECS); Alejandro Carballo, General Counsel (ECS)

Consolidation, Expansion and Outreach (CONEXO)

The CONEXO policy was addressed in the Strategy Group meetings of 2017. The Energy Charter Conference adopted in 2015 the policy on CONEXO (consolidation, expansion and outreach) for the period 2015-2018. **Consolidation** refers to countries who have signed, but have yet to ratify the ECT: Australia, Belarus (which applies the ECT provisionally), Norway and Russia. **Expansion** refers to countries that have signed the European Energy Charter or the International Energy Charter but have yet to accede to the ECT. Currently there are five countries in the Energy

Charter Treaty accession process: Burundi, Jordan, Mauritania, Pakistan and Yemen. **Outreach** refers to all other countries that are currently not involved with the International Energy Charter.



*Signing of the International Energy Charter by the Republic of Mali, Ambassador Sekou Goussou CISSE
May 2017 - Brussels, Belgium*

This year seven additional countries signed the International Energy Charter: Burkina Faso, the Gambia, Kenya, Mali, Nigeria, Panama, and the United Arab Emirates. This brings the total number of signatories of the International Energy Charter to 87. The final step of acceding to the ECT is a lengthy and politically challenging process where strong commitment from the capital of acceding countries is essential to complete this step. While the Secretariat provides technical assistance throughout the entire accession process, the political implications inherent in the decision to accede to the ECT require political and diplomatic support from the entire constituency.



Signing of the International Energy Charter by Mr Charles Keter, Cabinet Secretary for Energy and Petroleum of Kenya, March 2017 - Brussels, Belgium

Beijing Research Centre

Under the CONEXO Policy and with the support of the Knowledge Centre, International Energy Charter and China Electricity Council (CEC) have established a Joint Research Centre in Beijing to deepen and share the knowledge of the International Energy Charter through research and public activities. The Centre will promote the Energy Charter Treaty and its principles in China.

More information about Beijing Research Centre can be found here: <https://energycharter.org/what-we-do/knowledge-centre/beijing-research-centre/>



*Mr Yang Kun, Executive President CEC and
Dr Masami Nakata, Assistant Secretary General ECS*

Modernisation

The Implementation Group's initial discussions on whether or not the investment protection standards under the ECT are clear and applied in a consistent manner by international arbitral tribunals were important topics of consideration. Existing provisions under the ECT differ from mainstream methods contained in international investment agreements. For example, the investment protection standards were adopted as a package with the present provisions of the ECT during the prudent negotiation of the Treaty as a whole, rather than as separate sections. Therefore, any changes to one section would require an agreement on a change to the Treaty in its entirety.

The Strategy Group supported the initiative to start discussions on the modernisation of the ECT (as a whole and not limited to the investment protection standards) during 2018-2019. In order to address modernisation in the most effective way, it was agreed to

establish a subgroup of the Strategy Group to conduct discussions on the modernisation process and to have consultations with industry and Observer countries. Based on the initial discussions and consultations, a proposed list of topics that could be part of the modernisation process will be considered by the Member states during the 2019 five-year review under Art. 34(7) of the ECT. At the end of such review in 2019, the Conference will decide whether or not to start negotiations on the modernisation of the ECT in 2020 and, if so, on the limits of such negotiations.

The start of the modernisation discussion was further supported at the annual meeting of the Conference in Ashgabat on 28-29 November 2017, receiving strong political support from the Member states. The Conference also supported the nomination of Ms. Carmen Sofia Sanz Estébanez as Chair of the Subgroup on modernisation.



Strategy Group meeting, family photo, May 2017 - Brussels, Belgium

Implementation Group - Conference subsidiary body

The Implementation Group is a subsidiary body of the Conference and was created in 2016 by merging the previous working groups of the Investment Group, the Trade and Transit Group and the Energy Efficiency Group into a single working group. In 2017 the Implementation Group convened five times and continued to address topical energy issues relating to investment, energy efficiency, and the transit of energy.



*Implementation Group Meeting,
May 2017 - Brussels, Belgium*

Investment

Energy Investment Risk Assessment (EIRA)

As requested by the Energy Charter Conference in Tokyo, the Implementation Group continued its work on the Energy Investment Risk Assessment (EIRA) project and extensively discussed the project's purpose, scope, and methodology. The project aims to create a climate favourable to the operations of enterprises and to the flow of investments in the energy sector. The primary objective of the EIRA project is to assist governments in developing policies, laws and regulations beneficial to their investment climate. Moreover, the publication provides insight to industry and investors in order to facilitate investments in the energy sector of the participating countries.

Regarding the scope, it was agreed that the project should primarily focus on areas close to the core strengths of the ECT, namely an



*Implementation Group Chair
Mr Sergey Katyshev*

assessment of risks in the policy, legal and regulatory environment. On this basis, the Secretariat prepared a non-public document, the EIRA 2017 pilot project, with the support of the Implementation Group and the voluntary participation of Afghanistan, Armenia, Belarus, Iran, Kazakhstan, Mauritania, Mongolia, Nigeria, Pakistan, Romania and Ukraine. The Energy Charter Conference requested the Secretariat to develop and publish the first public edition of the EIRA project in 2018.

Handbook on General Provisions Applicable to Investment Agreements in the Energy Sector

With the help of the Legal Advisory Task Force, the Secretariat finalised the Handbook on General Provisions Applicable to Investment Agreements in the Energy Sector (including explanatory notes, policy options and model clauses on specific topics). This is designed to help empower governments in their negotiations of complex investment agreements in the energy sector and follows the successful experience of the cross-border pipeline model agreements. The draft Handbook was discussed at the Implementation Group in September and October 2017. Delegations appreciated the work done and supported the publication of the Handbook. Any potential capacity building or trainings based on the Handbook would be subject to availability of resources.

The Energy Charter Investment Facilitation Toolbox

Based on the discussion that took place at the meetings of the Implementation Group and expert consultations in 2017, the Secretariat prepared The Energy Charter Investment Facilitation Toolbox. The first edition identifies a variety of *de facto* barriers that impede investment in the energy sector. It also illustrates a set of actions and best practices, which countries can choose and incorporate into their own regulations and investment promotion efforts. Efficient policy-making coupled with the right investment policies are essential to improve the openness of the country and its attractiveness in doing energy business. Therefore, the key purpose of the Toolbox is to provide guidance to the Member and Observer countries on how to simplify and improve their administrative and institutional capability to ensure that investors have favourable investment conditions.

China Investment Report

The International Energy Charter and China have a long-standing history of cooperation, which has recently been under-pinned by the publication of the China Investment Report. The Report aims to provide detailed information on the country's energy investment climate. It also illustrates investment-related aspects of the complex transformation of China's energy sector. Starting with a general overview of the country's economic, political and social situation, the Report gives insights into China's general energy policy, market structure of the energy sector, investment policy and flows and domestic investment legislation. Linking China's investment policies with energy policies, this Report aims to facilitate Foreign Direct Investment (FDI) and promote sustainable development in China.

Transit

Multilateral Framework Agreement on Energy Transit

Following the decision of the Energy Charter Conference in 2016, the Secretariat facilitated further consultation processes on a Multilateral Framework Agreement on Energy Transit. Consultations on the specific needs of the constituency and challenges related to transit were substantially discussed within the Implementation Group and at the Ashgabat International Energy Charter Forum on the topic of *"Towards a Multilateral Framework Agreement on Transit of Energy Resources"* under the Chairmanship of Turkmenistan. However, there was no strong support to reset negotiations on a Multilateral Framework Agreement on Energy Transit.

Based on the alternative solutions proposed by the Secretariat, the Implementation Group made a decision in favour of developing a set of soft law instruments to address the specific transit needs of the constituency. The work of the Secretariat in 2018-2019 will focus on one or more of these instruments, including a declaration on access to transit infrastructure, guiding principles for transit tariffs and an update of the Energy Charter Model Agreements. Furthermore, the Conference also decided to create a technical sub-group to assist the Implementation Group on transit issues.

Report on potential Standardisation of LNG contracts

Following up on point 3.1 of the Tokyo Declaration (*"...we believe that a well functioning, transparent and competitive global gas market including LNG trading hubs should be further developed and destination clauses should be abolished"*), the Secretariat prepared

a Report to identify current problems and gaps in LNG contracts.

The Report was discussed at the October meeting of the Implementation Group, which welcomed the work done and agreed to the publication of the Report. Based on the findings of the Report, the Secretariat will work in 2018 on a set of standardised provisions for some of the clauses in LNG contracts to assist market operators.

Energy Efficiency

In-depth Energy Efficiency Review of the Kyrgyz Republic



*Implementation Group Meeting,
May 2017 - Brussels, Belgium*

An in-depth energy efficiency review of the Kyrgyz Republic was completed in 2017. The review was conducted by a team of experts from Kazakhstan (Chair of the review team), Albania and Estonia, supported by the Secretariat.

The final report of the in-depth energy efficiency review of the Kyrgyz Republic will be published in early 2018.

Large Scale Energy Efficiency Investment, Finance and Trade

In May 2017, the Secretariat proposed to develop a notification mechanism for 'Charter efficiency projects' as well as a high-level guide on the role of the International Energy Charter in enabling large-scale energy efficiency investment, finance and trade.

The Implementation Group agreed that, for practical reasons, work should not proceed with the notification mechanism. In relation to the guide, further research will be conducted to identify whether energy efficiency FDI is currently occurring and the extent to which it may occur in the future. This research will assist the Implementation Group in deciding whether technical updates to the "Annexes EM - Energy Materials and Products" of the ECT will be necessary. The Implementation Group will also consider whether modernisation of the Protocol on Energy Efficiency and Related Environmental Aspects should be undertaken in parallel with the modernisation of the ECT. On completion of these processes, the guide can be finalised and published.



Implementation Group Family photo

Budget Committee - Conference subsidiary body



Interim Chair of the Budget Committee, Ms Klara Rakhmetova

Three meetings of the Budget Committee were held in 2017. Despite the calls for nomination launched by the Secretary General both positions of Chair and Vice-Chair of the Budget Committee remained

vacant. As a result, Ms. Klara Rakhmetova (Kazakhstan) accepted to act as Chair for all three meetings on an *ad-hoc* basis.

According to the Financial Rules of the Energy Charter Secretariat and its implementing instructions, an independent financial audit of the accounts of the Secretariat was performed to report on the implementation of the Budget for the year 2016. The audit was completed successfully, thus the Budget Committee discharged the Secretary General from his management and administrative responsibility in respect to the Budget for the Financial Year 2016.

During the meetings of the Budget Committee throughout the year, the Secretariat requested Member countries to consider operating under a two-year budget instead of a one year budget. It was pointed out that a two-year budget would facilitate more efficient and stable operations and at the same time reduce the overall administrative burden. This proposal was put forward to the Energy Charter Conference which approved a transitional two-year budget for 2018 and 2019, keeping in mind the next review of the functions of the Secretariat will happen in 2019 during which the principle of a multi-annual budget will be discussed.

In the spring of 2017, the Secretariat was tasked with the relocation of its headquarters to new offices in Brussels. A substantial amount of logistical work was needed to ensure a smooth transition and special attention had to be paid to budgetary and time constraints. In June, the Secretariat reported to the Budget Committee on a successfully completed relocation for which the Budget Committee expressed appreciation.

Legal Advisory Committee - Conference subsidiary body



General Counsel (ECS) and Chair of the Legal Advisory Committee, Dr Alejandro Carballo

The Legal Advisory Committee (LAC) is a subgroup that meets at the request of the Chairman of the Conference or the Chair of a subsidiary group to:

- review the text of provisions and articles already agreed by the Energy Charter Conference or a Working Group;
- provide legal advice on matters put to the Legal Advisory Committee by the Chair of the Conference or of a subsidiary group.

The LAC comprises of a group of legal experts from Member states. Experts are appointed by the Conference on an *ad hoc* basis and aim to represent the major forms of legal systems. Since November 2016, it is chaired (*ex officio*) by the General Counsel of the Energy Charter Secretariat.

28th Meeting of the Energy Charter Conference



Energy Charter Conference, Family photo, November 2017 - Ashgabat, Turkmenistan

Every year the Energy Charter Conference hosts a high level event to discuss energy issues relevant to Contracting Parties to the Energy Charter Treaty (Members of the Conference). The highlight of the year came together on 28-29 November in Ashgabat, Turkmenistan for the 28th Meeting of the Energy Charter Conference. Representatives from 52 countries and 10 international organisations, including a number of high-level participants, attended the one and a half day event that brought together over 300 participants, including government officials, businesses, academic institutions and the diplomatic community. The event was highlighted by the adoption of the Ashgabat Energy Charter Declaration.

Chairman H.E. Maksat Babayev, Deputy Chairman of the Cabinet of Ministers of Turkmenistan, presided over the Conference. The 28th meeting of the ECC began in the afternoon of 28 November with the Ministerial opening to welcome new Observers, namely Burkina Faso, The Gambia, Kenya, Mali, Nigeria, Panama and United Arab Emirates, which joined the Energy Charter Process in 2017 under the Chairmanship of Turkmenistan. The Statutory Session, which was open only to Members and partially to Observers of the Energy Charter Conference, focused on internal issues and assessed the outcomes

of the year. The Members held a separate discussion on the opportunities and challenges of the modernisation process in the coming years.



Mr Maksat Babayev, Deputy Chairman of the Cabinet of Ministers of Turkmenistan, Energy Charter Conference Chairman:

"It is my great honour and pleasure to welcome you all to Turkmenistan for the 28th Meeting of the Energy Charter Conference on behalf of my country's Chairmanship of this organisation. Turkmenistan has held the Chairmanship of the Conference during 2017, following on from Japan last year, when the Conference was held in Tokyo, and leading into the Romanian Chairmanship next year, when it will be the turn of Bucharest to host the Conference"

The second day of the Conference continued with the Ministerial Session on the theme of *“Mobilising investment for a sustainable energy future and diversified transportation routes”*, and was open to non-observer international organisations, business sector and media representatives. High-level representatives from more than 60 country delegations and international organisations discussed topics relevant to the Energy Charter Process. The speakers acknowledged the importance of the Energy Charter Treaty in overcoming the “investment gap”, building investor confidence and diversifying transportation routes for energy products and materials.

In the afternoon, the Conference focused on the modernisation of the Energy Charter Treaty. Ministerial-level speakers representing Members and Observers exchanged their views and opinions on the future of the ECT and its provisions, which could require updating or clarification. Furthermore, the speakers addressed the topic of diversifying energy resources and transit routes in the international energy markets. It was noted that a favourable investment climate in the energy sector within the framework of the ECT contributes to the implementation of infrastructure projects, including the extension of the Southern Gas Corridor to Central Asia.

The 28th Meeting of the Energy Charter Conference concluded with a presentation of the Ashgabat Energy Charter Declaration and

closing remarks by H.E. Maksat Babayev and Energy Charter Secretary General Dr. Urban Rusnák.



Mr Mikheil Janelidze, Vice Prime Minister, Minister of Foreign Affairs of Georgia:

“Today, we have an opportunity to once again draw attention and discuss the important role of Energy Charter as a guidance framework for transit and trade development on an international scale. The Energy Charter has an essential role in assisting the process of regional cooperation by providing framework rules for major cross-border energy infrastructure projects.”

Ashgabat Energy Charter Declaration

The Energy Charter Conference adopted the Ashgabat Energy Charter Declaration that will serve as a strategic mid-term document leading up to the next review, which will be undertaken in 2019.



Energy Charter Conference, November 2017 - Ashgabat, Turkmenistan

The Declaration acknowledges the importance of the modernisation of the Energy Charter Process in order to strengthen long-term co-operation in the energy field and contribute to enhancing energy security. The Energy Charter Process should reflect new developments and challenges in international energy markets by addressing the following five strategic areas:

- Facilitating investment, preventing and managing investment related disputes;
- Continuing to broaden and deepen membership of the Energy Charter Treaty;
- Improving energy security through strengthened international cooperation to guarantee energy transit and facilitate trade;
- Modernising the Energy Charter Process;
- Promoting regional energy cooperation on the basis of the principles of the International Energy Charter and the Energy Charter Treaty

Energy Charter Award



*Mr Can Ögutcu (ECS), Secretary General Dr Urban Rusnák; Deputy Chairman of the Cabinet of Ministers of Turkmenistan, Mr Maksat Babayev, Ambassador of Japan to the EU, Mr Kazuo Kodama;
November 2017 - Ashgabat, Turkmenistan*

Mr. Kazuo Kodama, Ambassador of Japan to the European Union, received the annual Energy Charter Award, which was presented during the Conference. It was presented by the Chairman of the Conference, H.E. Maksat Babayev together with Energy Charter Secretary General Dr. Urban Rusnák.

Ambassador Kodama was the Vice-Chair of the Energy Charter Conference in 2017. Due to his experience and expertise, Ambassador Kodama played a vital role during the Chairmanship of Japan at the Energy Charter Conference in 2016.

Background:

The Energy Charter Award was introduced in 2013 in order to recognise the outstanding role of individuals and entities in the development of the Energy Charter Process. The first recipient was the former Prime Minister of The Netherlands, Mr. Ruud Lubbers, whom many consider as one of the founding fathers of the Energy Charter Process. That award was given at the Conference in Nicosia, Cyprus in 2013. In 2014, at the Conference in Astana, Kazakhstan, the Award was issued to Mr. Günther Oettinger, the European Commissioner for Energy since 2010 and the formal head of the European Union delegation to the Energy Charter. In 2015, the recipient of the Award was Mr. Henk Kamp, the Minister of Economic Affairs of the Kingdom of the Netherlands for taking political ownership and putting together an *ad-hoc* Conference of the Energy Charter in The Hague in May 2015 to adopt and sign an updated political declaration – the International Energy Charter. In 2016, the Award was received by Klara Rakhmetova of Kazakhstan for displaying exceptional efforts in promoting the Energy Charter Process throughout her many years of service.

Industry Advisory Panel - Consultative body to the Conference

The Energy Charter Industry Advisory Panel (IAP) is the expert consultative body to the Energy Charter Conference, providing policy advice from energy companies, international business associations and financial institutions. The IAP encourages policy makers to promote investment in the energy sector through a sound legal framework, regulatory stability, market confidence and the availability of investment risk guarantees.



Secretary General Dr Urbak Rusnák and IAP Chairman Mr Howard Chase (Director of Government Affairs at Dow Europe)

Membership

Currently the IAP has members from energy companies, international associations, intergovernmental institutions and individuals that operate in fields such as exploration, production, generation, transmission, distribution, finance, equipment, services, technology and consultancy. In 2017, the IAP received and accepted membership applications from three new members. These were from WindEurope, Eustream and Vychodoslovenska Energetika Holding (VSE Holding).

Meetings

The IAP held three meetings in 2017. In line with established practice, meetings were composed of case studies provided by IAP members, review of expert work presented by the Secretariat or other invited authorities, and invited guest speakers addressing specific topics of interest for the IAP and the International Energy Charter.

The first meeting of 2017 was held on 23 March in Warsaw and hosted by Gaz-System. It focused on LNG and natural gas infrastructure



Visit to the LNG Terminal in March 2017 - Świnoujście, Poland

development in Northern and Central Europe. It was followed the next day by a visit to the newly constructed Swinoujscie LNG terminal on the Polish Baltic Sea coast.

The second meeting was held jointly on 14 September in Brussels in collaboration with WindEurope, the wind energy industry association in Europe. The focus was on the promotion and de-risking of renewable energy investments, and the role of the Energy Charter Treaty in supporting a stable investment framework and addressing investor disputes in the renewables sector.

The third meeting was held on 28 September in Beijing, hosted by the Electrical Power Planning and Engineering Institute (EPPEI). The focus was on power generation and transmission and



Group Photo, IAP meeting, September 2017 - Beijing, China

international energy governance, including in the context of China's "Belt and Road" Initiative.

During 2017, IAP members contributed input to the draft Energy Charter Investment Facilitation Toolbox and the Energy Investment Risk Assessment project.

Dispute Settlement

Best Practices to Facilitate Effective Implementation of Investment Mediation Including Investment Mediator Accreditation Training

In November 2016, the Conference requested that in 2017 the Secretariat research the obstacles that may still hinder the effectiveness of investment mediation and help draft recommendations to assist governments to overcome them through suggested changes to their domestic frameworks. In order to better understand the main concerns and problems from the perspective of host states, in March, the Secretariat circulated a survey to Members of the Energy Charter Conference and in May hosted a seminar on investment mediation that gathered government officials from 15 countries (from Asia, Africa, Latin America and Europe). At the request of the Implementation Group, the Secretariat will work in 2018 on a Model of Dispute Management Protocol that could be used as a reference (tailored to the particular needs and circumstances of each Member).

In addition, on 12-14 June 2017, the Secretariat, together with International Centre for Settlement of Investment Disputes (ICSID), Centre for Effective Dispute Resolution (CEDR) and the International Mediation Institute (IMI), conducted the first mediator accreditation training for investment disputes at the ICSID's facilities in Washington, D.C. The training covered the context and framework of Investor-State dispute settlement, considerations specific to Investor-State mediation, intercultural competency, process design, conduct of an effective Investor-State mediation and ethical challenges among other topics. The training was followed by a well attended conference on investment mediation from the perspective of States, mediators and practitioners.



*Training for mediators in Investor-State disputes,
June 2017 - Washington D.C., United States of America*

Best Practices in Regulatory Reform to Minimise Potential Conflicts with Investors

In May, the Secretariat presented a draft report and recommendations on best practices in regulatory reform that can help minimise potential conflicts with foreign investors. The report analysed (i) all published arbitral awards under the ECT, discussing the balance between the right to regulate and the protection of the foreign investors, and (ii) several successful practices of some Members of the constituency in different geographical areas. In addition, on 12 May, a panel jointly organised with

the Florence School of Regulation, during the International Energy Charter Legal Forum, addressed 'The Right to Regulate: Best practices in regulatory reform to attract investment and minimise investment disputes'.

As a follow up, the Secretariat prepared a compilation of best practices providing concrete, sound and successful regulatory practices that could be used voluntarily as a reference to facilitate internal discussion about how to better introduce regulatory reforms in the energy sector while minimising potential conflicts with foreign investors. With the support of the Implementation Group, the Conference adopted the best practices on 11 October 2017 (CCDEC2017 04).

Compiled Summaries of Public Arbitral Awards Under the ECT

With the help of the Legal Advisory Task Force, the Secretariat prepared a compilation of summaries of available arbitral awards rendered under the ECT. It is expected that the summaries would facilitate a better understanding of the investment protection standards by both Contracting Parties and investors (in particular, how they are actually applied), and result in greater consistency/uniformity in the application of the ECT by arbitral tribunals. The compilation (which will be published on the public website) was welcomed by the Implementation Group at its September meeting.

Conflict Resolution Centre

In 2014, the Energy Charter Conference mandated the Secretariat to assist with good offices, mediation and conciliation, as well as to provide neutral, independent legal advice and assistance in dispute resolution and participate in pre-trial proceedings between Contracting Parties (before they revert to the mechanisms contained in Art. 27 ECT or Annex D).

As a result, the Secretariat established a Conflict Resolution Centre chaired by the General Counsel, Dr. Alejandro Carballo. The Centre provides assistance and support in connection with:

- Environmental disputes between Contracting Parties
- Trade disputes between Contracting Parties at least one of which is not a party to the GATT/WTO.

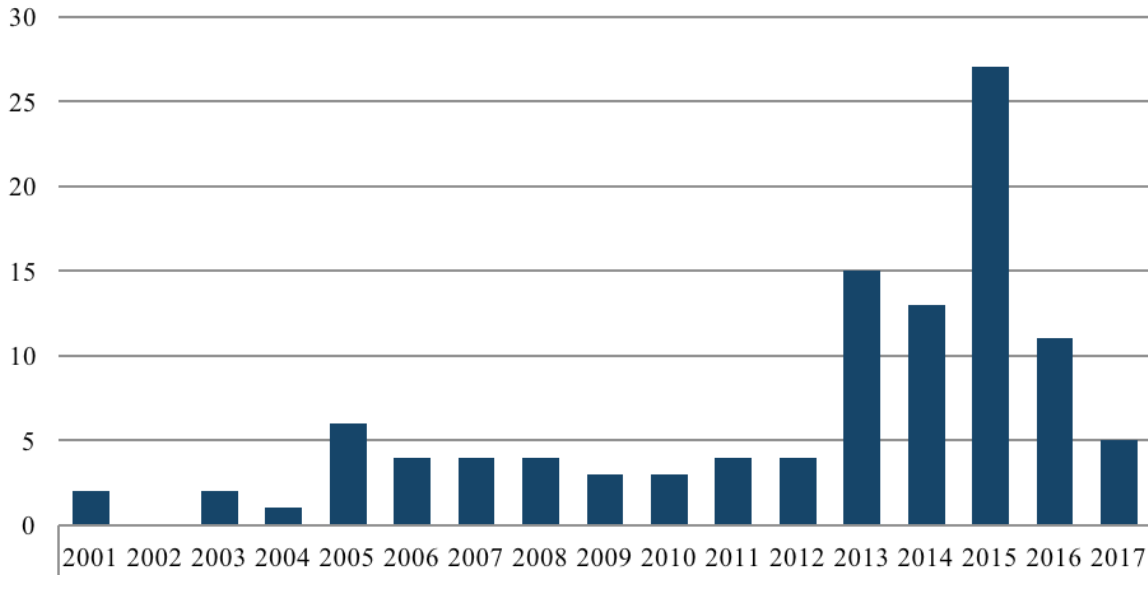
In particular, assisting panels and providing secretarial and technical support

- Application of the Early Warning Mechanism or the Transit Conciliation Mechanism
- Good offices and mediation in relation to investment disputes or to disputes between Contracting Parties regarding the interpretation or application of the Treaty

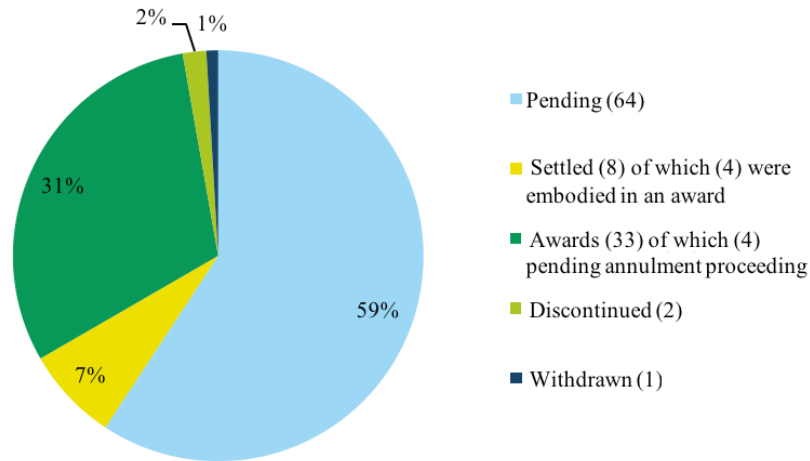
A hearing facility, comprised of a hearing room and two breakout rooms, is available at the International Energy Charter headquarters in Brussels. Any interested party is invited to send a request to legalaffairs@encharter.org.

Statistics of Cases under the ECT*

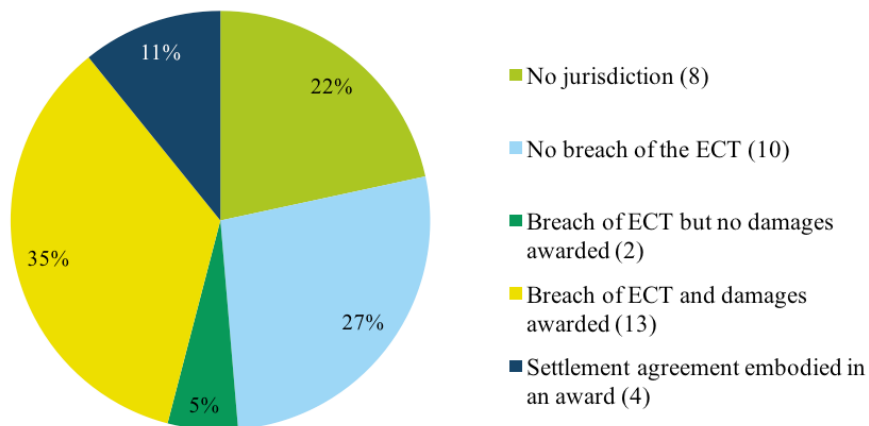
Number of Investment Disputes under the ECT: 108



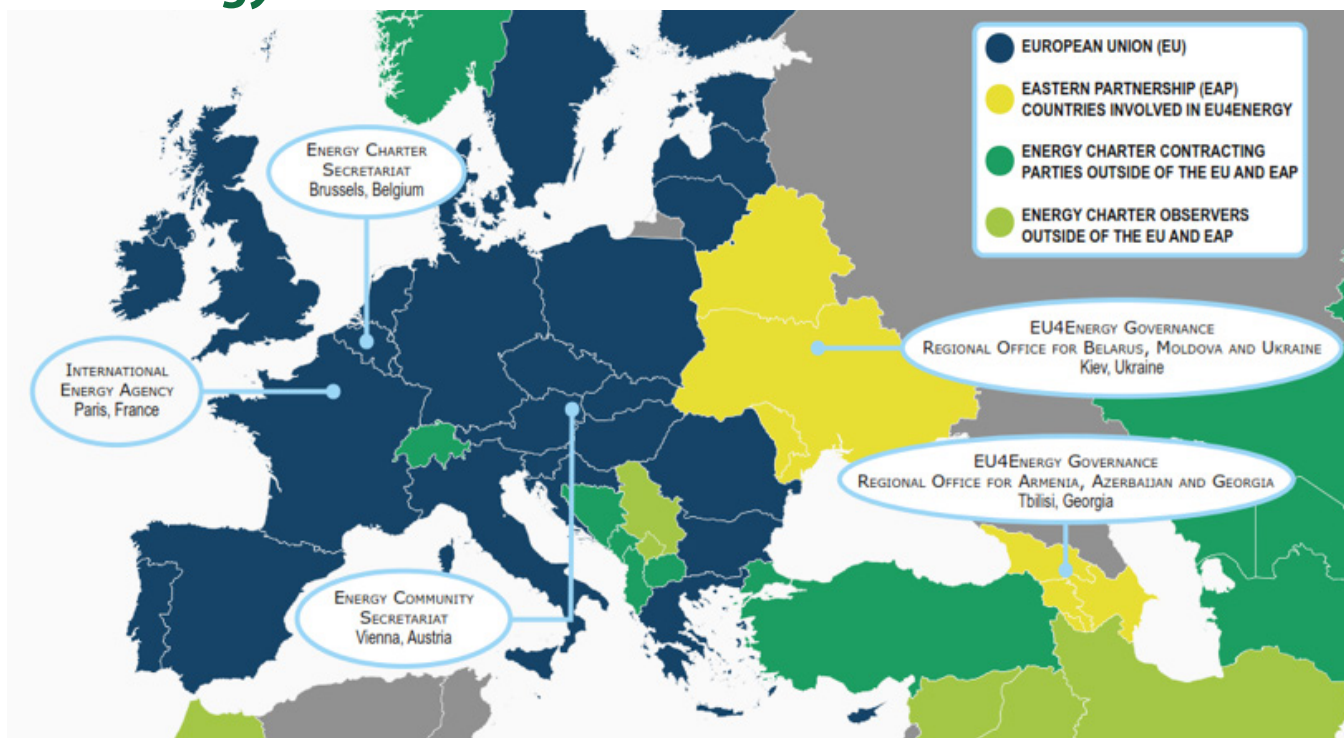
Status of investment disputes under the ECT



Outcome of final awards (37), including (4) settlement agreements embodied in an award



EU4Energy*



The EU4Energy Initiative, funded by the European Union, seeks to provide support in promoting energy security, energy market reforms and sustainable energy in Eastern Partnership countries. The EU4Energy programme is being implemented by a number of international organisations dedicated to global energy governance, including the International Energy Agency, the Energy Community Secretariat and the Energy Charter Secretariat. The Energy Charter Secretariat is an implementing partner and is responsible for delivering technical assistance to Armenia, Azerbaijan and Belarus based on their respective abilities, ambitions and needs in line with best EU practice. This entails supporting various facets of the countries' policy-making process, including strengthening legal and regulatory frameworks, building institutional capacity, setting up stakeholder consultations and implementing recommendations.

Armenia

Improving energy efficiency and the energy sector investment climate are priority areas for **Armenia**. This includes bolstering and building upon current regulations in two

energy-consuming sectors; appliances and buildings. For example, regarding appliances, EU4Energy has prepared technical assessments for developing Minimum Energy Performance Standards (MEPS) for specific product groups. A total of about 640 GWh could be saved annually by 2030 with the adoption of the proposed MEPS. This would lead to more than €25 million reduced household energy bills each year.



High level panel on Energy Efficiency, Ms Lawrence Meredith, Director for Neighbourhood East, Neighbourhood and Enlargement Negotiations (DG NEAR), Mr Hayk Harutyunyan, Deputy Minister of Energy Infrastructures and Natural Resources of the Republic of Armenia; Urban Rusnák, Secretary General and Mr Thea Khitarishvili, Caspian and Black Sea Desk Manager at the International Energy Agency, November 2017 - Yerevan, Armenia

*Funded by the EU4Energy initiative of the European Union

Azerbaijan

In **Azerbaijan**, support is provided for national energy efficiency legislation. With the Ministry of Energy, EU4Energy set up an inter-ministerial working group to discuss and analyse the details of the draft law, which is based on the main provisions of the EU Energy Efficiency Directive. Furthermore, capacity-building workshops were organised to equip Azerbaijan decision-makers with the know-how to develop and implement energy efficiency plans and policies. Experts drew upon best practices and case studies from EU member states and other Eastern Partnership countries to illustrate how to set up specific policy instruments, including an energy efficiency fund, an energy efficiency governance structure, an energy audit scheme, and energy requirements for public procurement. Over 40 officials actively contributed to the training workshops, which delivered a better understanding of how to pursue energy efficiency policies once the law will be enacted.



Series of workshops conducted by EU4Energy and Ministry of Energy, October 2017 - Baku, Azerbaijan

Belarus

In **Belarus**, a task-force was assembled to explore financing instruments and policy solutions for improving Belarus energy sector investment climate. The task-force was chaired by the Ministry of Energy and included representatives from other government bodies, energy companies, donors and international finance institutions. Throughout 2017, it met

on three occasions to define and discuss the drivers and deterrents to investments in energy efficiency and renewable energy. In its final meeting in December 2017, it adopted a roadmap outlining specific measures that Belarus could take to overcome barriers and move towards a more conducive and predictable environment for attracting investments.



Task force meeting for scaling up investments in energy efficiency sector, October 2017 - Minsk, Belarus

Furthermore, in light of its accession to the common electricity market of the Eurasian Economic Union, support has been provided to the planned electricity market reform in Belarus. A detailed analysis and assessment of the Ministry of Energy's Electricity Law Concept was conducted in comparison to various unbundled electricity market models in the EU. The report submitted to Belarus authorities identifies key barriers that impede the development of a liberalised electricity market and provides recommendations to further align the draft law with best EU practices

Knowledge Centre

The Knowledge Centre continued to provide strong support for a diversity of the Secretariat's core activities including outreach and training programmes. Training programmes represent a big interest for governments and the industrial sector testified by the high number of received applications. Training programmes create a strong network of experienced, young energy professionals with valuable knowledge of the Energy Charter Process and its benefits.



Training Programme for young energy professionals, Negotiation Game, June 2017 - Ashgabat, Turkmenistan

The Knowledge Centre conducted two training seminars in 2017. The first training was conducted in Ashgabat, Turkmenistan in May, on the role of gas, oil and electricity in Eurasian energy security. It was organised following a specific request from the Turkmen Chairmanship of the Energy Charter Conference and was attended by more than 100 state officials from the gas, oil and electricity sectors of Turkmenistan.



Training Programme for young energy professionals, Award Ceremony, June 2017 - Ashgabat Turkmenistan



Training Programme Investment Arbitration Masterclass, November 2017 - Brussels, Belgium

The second training, in coordination with the Secretariat's legal affairs department, was organised on investment arbitration in early November in Brussels. Over the three day intensive training programme, participants were given the opportunity to learn in depth, the complexity of determination of damages, explained one the one hand by legal advisors of the Stockholm Chamber of Commerce and the Permanent Court of Arbitration, and on the other hand by leading international practitioners working for international law firms. This event provided a highly useful knowledge transfer to government officials from Member states regarding investment arbitration practices and procedures. It also brought together leading international specialists in the field of arbitration to engage in debate about the role of the ECT in dispute resolution processes.



Speakers of the Training Programme for young energy professionals, June 2017 - Ashgabat, Turkmenistan

During the course of the year, the Knowledge Centre was also active in raising awareness and promoting the visibility of the Energy Charter Process, in synergy with the CONEXO programme, by reaching a diversity of relevant stakeholders at high level fora around the world. This work has played a major role in solidifying the Secretariat's relationship with, in particular, new signatory States of the International Energy Charter, including Iran, the United Arab Emirates, as well as ECT accession countries such as Jordan and Pakistan. This has led to the signing of several Memorandums of Understanding between the Secretariat and partner organisations from the scientific-government communities in such countries, as well as the development of "Joint Action Plans".

Two highlights in this context included a stakeholders' seminar on Pakistan's accession to the ECT jointly organized with the Ministry

of Petroleum of Pakistan, held in Islamabad, in June. The seminar witnessed the participation of H.E. Shahid Abbasi Petroleum Minister of Pakistan, who later in the year became the acting Prime Minister of Pakistan. The Ambassadors of Turkmenistan, Turkey, the Netherlands, Poland and Pakistan also contributed to the seminar, together with a range of further ministerial and legal officials.

A second highlight was a special educational training on the ECT organised for the delegation of the Chairman of the Energy Committee of the Parliament of Jordan and a group of visiting Parliamentarians, in Brussels in September. This activity leant direct support to the Parliamentary Hearing on the ECT accession which was due to take place in Jordan shortly following the time of writing.



Training Programme, Investment Arbitration Masterclass - Award Ceremony, November 2017 - Brussels, Belgium

International Energy Charter Forums



Ashgabat International Energy Charter Forum, Family Photo, May 2017 - Ashgabat, Turkmenistan

The **Brussels International Energy Charter Forum** was held on 12 May on the topic of “Mobilising Investments For A Sustainable Energy Future”. It was jointly organised by the Florence School of Regulation (FSR), the Arbitration Institute of the Stockholm Chamber of Commerce (SCC), the International Centre for Settlement of Investment Disputes (ICSID), the Permanent Court of Arbitration (PCA) and hosted by the International Energy Charter. Over 100 participants were in attendance, representing industry, governments, legal circles and academia. The Forum aimed to deliver cutting-edge thinking and debate on policy, legal and regulatory aspects concerning the on-going transition towards a sustainable energy model. The event was highlighted by the signature of the International Energy Charter by the Republic of Mali.



Brussels International Energy Charter Forum, May 2017

Over 100 participants including Ministers, high-level officials and leading experts from Member and Observer countries, international organisations, energy companies and research institutions contributed to the Forum to discuss the issues of transit and cross-border transportation of energy resources, including natural gas, oil and electricity. The attendees highlighted the complexity of ensuring the security of energy transit and the need for establishing clear and consistent principles of multilateral cooperation among states. They also noted the importance of international energy cooperation for achieving global energy security and implementing the UN Sustainable Development Goals.



Brussels International Energy Charter Forum, May 2017

The **Ashgabat International Energy Charter Forum** was held under the chairmanship of Turkmenistan on 30-31 May on the topic of “Towards a Multilateral Framework Agreement on Transit of Energy Resources”.



Ashgabat International Energy Charter Forum, May 2017 - Ashgabat, Turkmenistan

Regional Energy Cooperation in Asia

Two meetings on Regional Energy Cooperation in Asia (RECA) were held in 2017. The first RECA meeting was held on 23-25 of February in Hong Kong in cooperation with the Chinese University of Hong Kong and the Konrad-Adenauer-Stiftung (KAS RECAP Hong Kong). The topic of “Regulation of Energy Investments along the “Belt and Road” was the main focus and brought together leading experts from governments, academia and business to exchange their views on the policy and legal aspects governing the implementation of Chinese foreign energy investments, with a specific focus on investments in Central Asian, Russian and the European Union energy infrastructure.

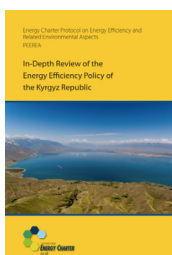
The second RECA meeting of 2017, was held in Ashgabat, Turkmenistan, on 7-8 November in cooperation with the Ministry of Energy of Turkmenistan and the USAID Energy Links project. The event brought representatives of the Ministries and System Operators from Afghanistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan and was also attended by regional and international organisations such as CDC “Energiya”, Executive Committee of CIS Electric Power Council, USAID, the World Bank, EBRD and the EU. The main focus was on cross-border electricity trade in Central and South Asia as well as recent developments in energy sectors of participating countries and regional infrastructure projects.



RECA Group Photo, November 2017 - Ashgabat, Turkmenistan

Publications Released in 2017

Energy Efficiency report of Kyrgyzstan



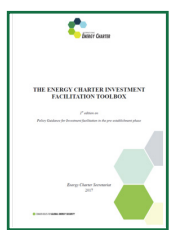
The International Energy Charter published its first in-depth review of the energy efficiency policy of the Kyrgyz Republic. The review, conducted in 2017, has been prepared by the Energy Charter Secretariat in cooperation with the State Committee on Industry, Energy and Subsoil of the Kyrgyz Republic. The peer review team was composed of officials from countries that are parties to the Protocol on Energy Efficiency and Related Environmental Effects (PEEREA), namely Kazakhstan, Estonia and Albania. The Review provides an analysis of the economic and energy context of the country, patterns of energy use, energy efficiency policies and institutional frameworks. It also proposes recommendations for the improvement of the country's energy efficiency policies in accordance with best international practices

China Investment Report



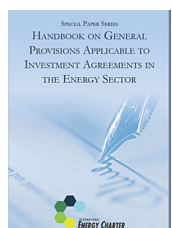
China is a pivotal country in the global energy sector. The country is not only a major producer of fossil fuels, but also the world's largest importer of fossil fuels. China is also cementing its global dominance as a producer of renewable energy. It is a major investor in several countries across the globe, as well as a significant producer of clean-energy technologies. The Energy Charter Treaty (ECT), with its vast membership and related legal instruments and institutions, is the optimal platform for China in terms of promoting regional energy cooperation and facilitating the implementation of infrastructure projects within the framework of the "Belt and Road" Initiative.

The Energy Charter Investment Facilitation Toolbox



As a result of the 2014 Review conducted under Article 34.7 of the Energy Charter Treaty, the Energy Charter Secretariat engaged in a series of activities to analyse the existing barriers to the establishment of energy investment, the benefits of shared principles for the establishment of investment as well as available policy options to remove such barriers by means of domestic and international rules.

Handbook on General Provisions applicable to investment Agreements in the Energy Sector



Energy contracts are negotiated with a view to allocate benefits and responsibilities for years to come. Negotiating such complex and lengthy contracts is a challenge under any circumstances. However, governments often face challenges associated with a lack of expertise, imbalance of financial resources, time pressure and other factors, not necessarily always within their control. Thus, it is important to support governments to acquire expertise in contract negotiations for complex and long term projects.

Review on Potential Standardisation of LNG Sale and Purchase Agreements



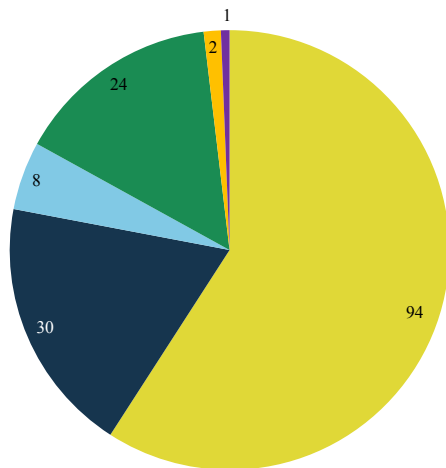
This report is the first step in an iterative process involving an industry task force established by the Energy Charter Secretariat, and is intended to provide a basis for a discussion of key issues relating to the potential standardisation of LNG SPAs. This review is primarily focused on medium to long term LNG SPAs, but it may also be applicable to certain spot contracts.

Eliminating barriers to the entry and to the establishment of energy investments



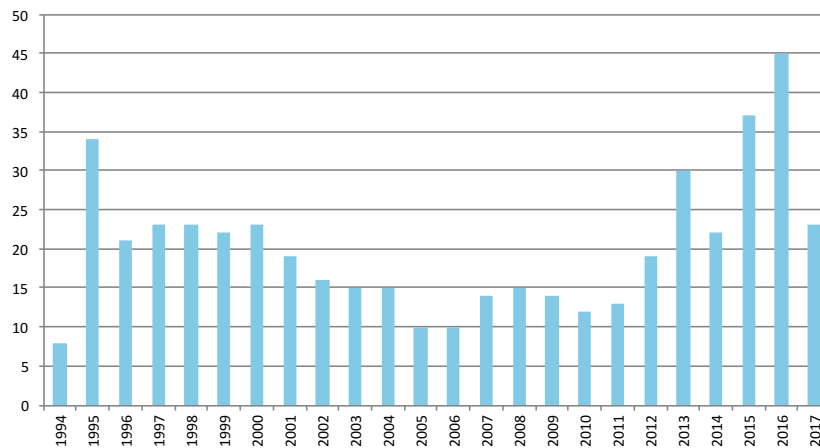
This Report is part of the activities carried out by the Energy Charter Secretariat in 2016-2017 aimed at preparing the groundwork on policy options for eliminating barriers to the establishment of energy investments. It contributes to these activities by answering the research questions: what are the international legal instruments available for removing barriers to the establishment of energy investments? What is the current practice of negotiating pre-investment obligations? What are the challenges in negotiating a new binding instrument in the energy sector and what lessons can be learnt from past experiences? What are the opportunities for negotiating a non-binding instrument?

Energy Charter Missions



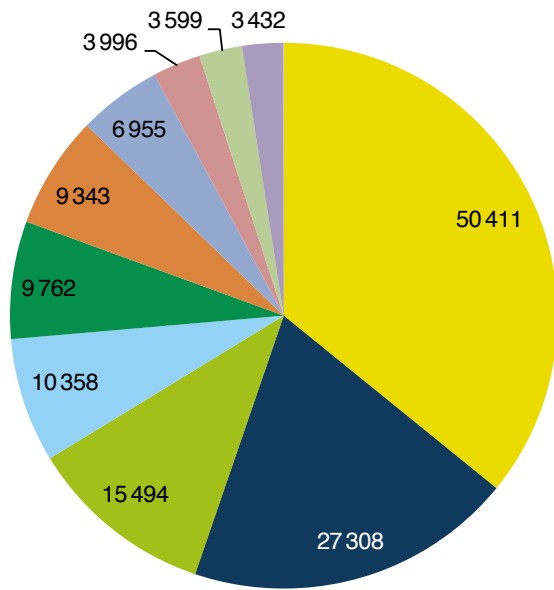
- Staff in Member Countries
- Staff in Observer Countries
- Staff in Other Countries
- Secretary General in Member Countries
- Secretary General in Observer Countries
- Secretary General in Other Countries

Conference Decisions in 2017

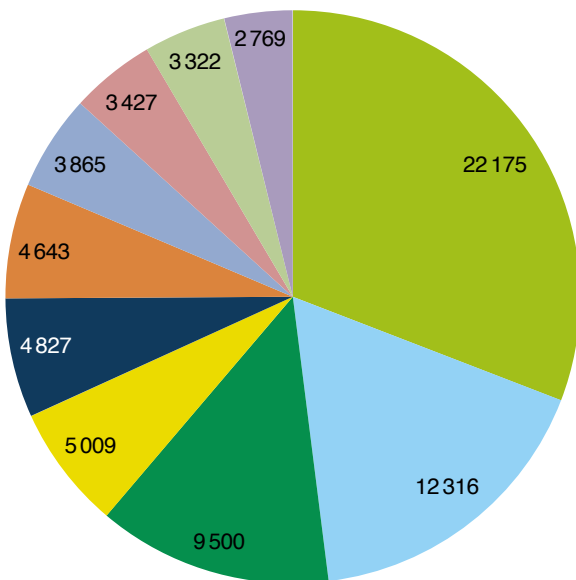


- CCDEC201701 - Approval by correspondence of the acceptance of two voluntary contributions by the Secretary General
- CCDEC201702 - Approval by correspondence New Chair and ViceChair of the Conference
- CCDEC201703 - Approval by correspondence of the acceptance of a voluntary contribution by OFID
- CCDEC201704 - Adoption by correspondence – Best practices in regulatory reform
- CCDEC201705 - BUD Adoption by correspondence - Multi-annual commitment authorities & discharge of the SG's responsibilities of 2016 budget
- CCDEC201706 - GEN Adoption by correspondence – Code of Conduct and Revisions to the Staff Regulations and Rules
- CCDEC201707 - INV Adoption by correspondence Energy Investment Risk Assessment EIRA Pilot Report 2017
- CCDEC201708 - INV Adoption by correspondence - Investment Facilitation Toolbox
- CCDEC201709 - Adoption by correspondence – Simplification of the accession procedure to the Energy Charter Treaty
- CCDEC201710 - EEF Approval by correspondence Recommendations of the In depth Energy Efficiency Review of the Kyrgyz Republic
- CCDEC201711 - TTG Adoption by correspondence - Multilateral Framework Agreement on Energy Transit
- CCDEC201712 - Adoption by correspondence - Budget for 2018-2019
- CCDEC201713 - Adoption by correspondence – Programme of Work for 2018-2019
- CCDEC201714 - Report of the Budget Committee
- CCDEC201715 - Designation of the Conference Chair, Vice-Chairs and other Officers of the Conference's Subsidiary Bodies
- CCDEC201716 - Provisional Schedule of meetings for 2018
- CCDEC201717 - Ashgabat Energy Charter Declaration
- CCDEC201718 - Report by the Secretary General and progress report on CONEXO policy
- CCDEC201719 - Report by the Chair of the Strategy Group
- CCDEC201720 - Report by the Chair of the Implementation Group
- CCDEC201721 - Report by the Chairman of the Industry Advisory Panel
- CCDEC201722 - Date and venue of the 29th Meeting of the Energy Charter Conference
- CCDEC201723 - Modernisation of the Energy Charter Treaty

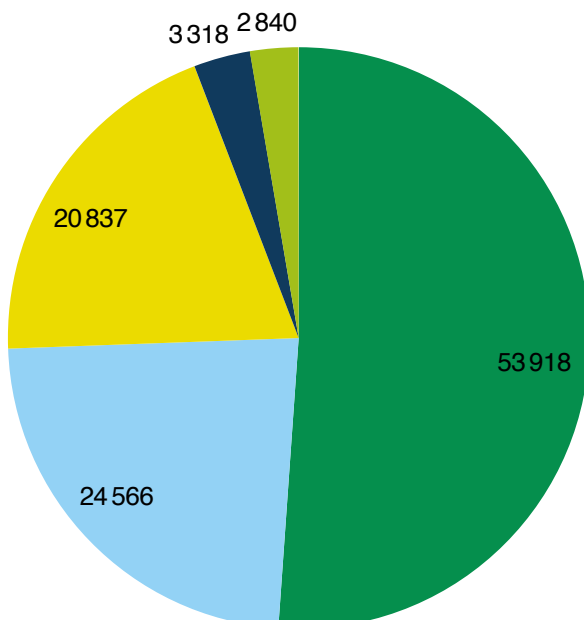
Energy Charter Website Statistics



- Homepage
- Energy Charter Treaty
- List of all Investment Dispute Settlement Cases
- Delegates' Area - Login
- Delegates' Area - Overview
- Constituency of the Energy Charter Conference
- The International Energy Charter
- Jobs / Vacancies
- Contact
- Staff



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- United Kingdom
- United States
- Russia
- Germany
- France
- Netherlands
- Spain
- China
- Turkey



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- investmentpolicyhub.unctad.org / referral
- energycharter.org / referral

Worked at the Secretariat in 2017

Secretary General: Urban Rusnák

Assistant Secretary General: Masami Nakata

General Counsel: Alejandro Carballo Leyda

Staff

Vlatka Anic
 Oleksandr Antonenko
 Tomasz Bak
 Julia Boegaeva
 Margaret Bolan
 Ernesto Bonafé
 Kanat Botbaev
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 David Kramer
 Anna Nosichenko
 Mara Novello
 Can Ögütçü
 Ishita Pant
 Yves Rayeur
 Nathalie Simeoni
 Scott Sutherland
 Marat Terterov

Secondees

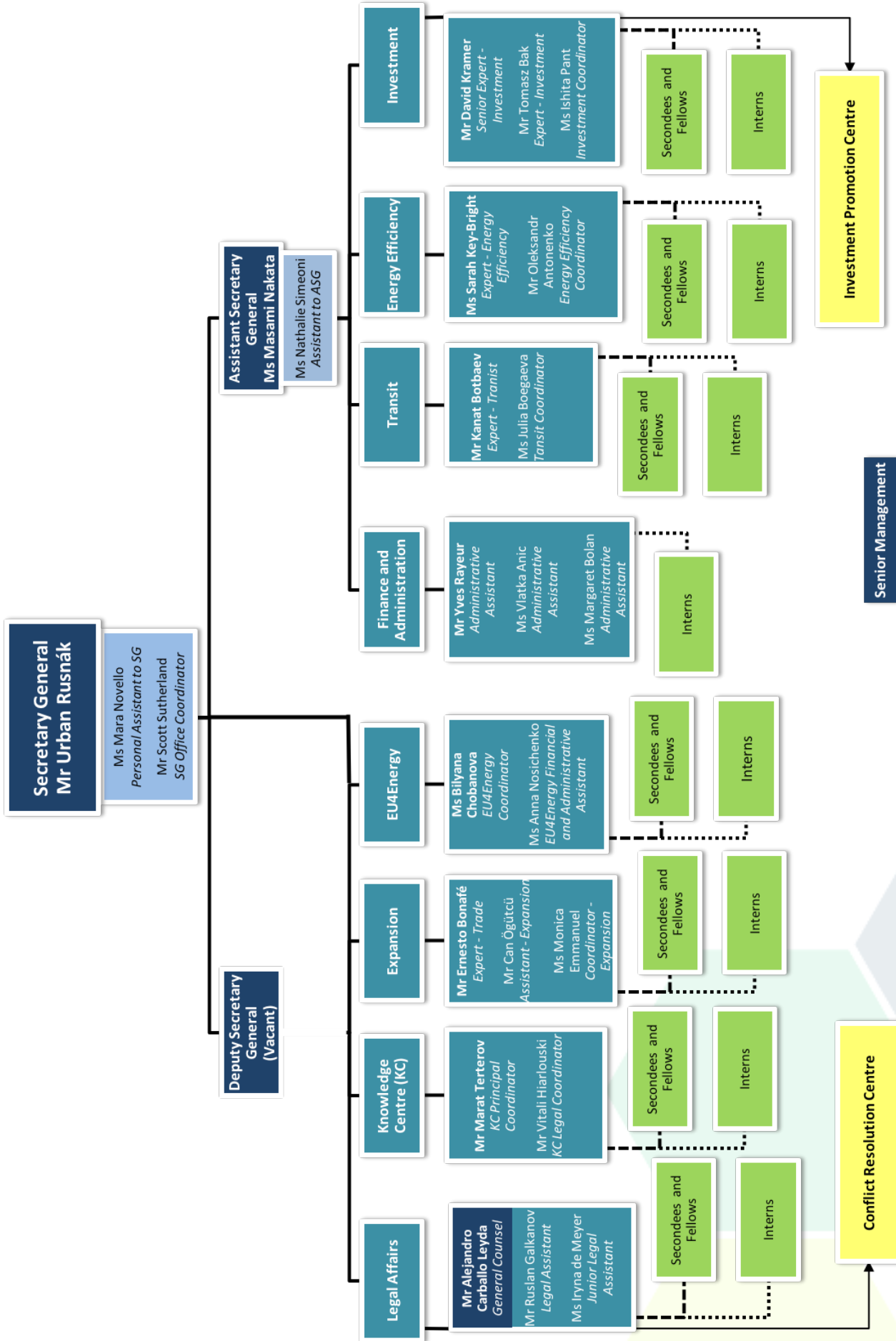
Venera Beisen, Kazakhstan
 Peter Dvorak, Slovak Republic
 Berdimammet Esenmammedov, Turkmenistan
 Shabnam Farhat, Afghanistan
 Kioumars Heydari, Iran
 Xiang Li, China
 Usamah Kaggwa, Uganda
 Anna Maisuradze, Georgia
 Ularbek Niiazaliev, Kyrgyzstan
 Adoum Orze, Chad
 Aidas Rimkevicius, Lithuania
 Mzwandile Thwala, Uganda
 Vitou Sean, Cambodia
 Lina Yan, China

Fellows

Matteo Barra, Italy
 Augustin Chabrol, Belgium
 Apurva Mudliar, India
 Anna Pitaraki, Greece
 Theresia Betty Sumarno, Indonesia

Trainees

Gawie Kanjamba, Namibia
 Théophile Keita, France
 Yuting Li, China
 Agostina Martinez, Argentina
 Lucas Millet, France
 Diane S. Naisho, Kenya
 Angela Nyakotey, Ghana
 Epistimi Oikonomopoulou, Greece
 Donatien Sardin, France
 Takashi Yokoyama, Japan
 Kristina Zemskova, Latvia
 Shakhzodakhon Ziyarkhujaeva, Uzbekistan



Structure of the Organisation in 2018*

Energy Charter Conference

The Energy Charter Conference is the governing and decision-making body for the Energy Charter Process. States and intergovernmental organisations that have signed or acceded to the Energy Charter Treaty are Members of the Conference, which meets on a regular basis to discuss issues affecting energy cooperation among the Treaty's Signatories, to review the implementation of the provisions of the Energy Charter Treaty and the Protocol on Energy Efficiency and Related Environmental Aspects and to consider possible new instruments and joint activities within the Energy Charter framework.

Chairing State in 2018: Romania

Chairman: H.E. Robert TUDORACHE, State Secretary, Ministry of Energy Romania

Conference Vice-Chairman: H.E. Elena POPESCU, Romania

Conference Vice-Chairman: H.E. Vepa HAJIYEV, Turkmenistan

Conference Vice-Chairman: H.E. Dorina CINARI, Albania

Strategy Group

Subsidiary body

Chair: Ms Elzbieta PISKORZ (Poland)

Vice-Chair: Ms Sofia SANZ ESTÉBANEZ (Spain)

Sub-Group on Modernisation

Chair: Ms Sofia SANZ ESTÉBANEZ (Spain)

Vice-Chair: Mr Sunao ORII (Japan)

Budget Committee

Subsidiary body

Chair: vacant position

Vice-Chair: Vacant position

Implementation Group

Subsidiary body

Chair: Ms Klara RAKHMETOVA (Kazakhstan)

Vice-Chair: Mr Parviz GARIBZADE (Azerbaijan)

Vice-Chair: Mr Johan VERLESEN (Norway)

Sub-Group on Transit

Chair: Ms Klara RAKHMETOVA (Kazakhstan)

Vice-Chair: vacant position

Legal Advisory Body

Subsidiary body

Chair: Mr Alejandro CARBALLO LEYDA (ECS)

Vice-Chair: Vacant position

Industry Advisory Panel

Consultative body to the Conference

Chair: Mr Howard CHASE (Dow Chemical GmbH)

Further Information

The International Energy Charter website – www.energycharter.org – gives access to public information about the Energy Charter Process, including all publications and details of past and forthcoming events organised by the Energy Charter Secretariat.

The Secretariat also publishes an electronic newsletter with details of Energy Charter meetings, activities and developments. If you are interested in receiving this newsletter, please subscribe by visiting the homepage.

In April 2017, the Energy Charter Secretariat moved to a new location in Brussels, details are below.

For any other queries, please contact the Secretariat at info@encharter.org

New offices of the Energy Charter Secretariat



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Boulevard de la Woluwe, 46
B-1200 Brussels, Belgium
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