



INTERNATIONAL
ENERGY CHARTER

*The International Energy Charter
& International Energy Forum:*

existing complementarities and possible synergies



- Dec. 1991 – European Energy Charter
political commitment – not legally binding
- Dec. 1994 - Energy Charter Treaty
52 states + EU and Euratom – legally binding entered into force April 1998
- May 2015 International Energy Charter
Modernized version of EECh political commitment – not legally binding
- Energy Charter Process
based on the ECT – international policy forum, best practices exchange, cooperation with interested third parties



- **Reflects early 21st century topical energy challenges**
 - Refer to the full scope of latest to date (2015) multilateral documents and agreements on energy; synergies among energy-related multilateral fora; including the Energy Charter, in view of follow-up action
 - Growing weight of developing countries for global energy security
 - The “trilemma” between energy security, economic development and environmental protection
 - Role of enhanced energy trade for sustainable development
 - Need to promote access to modern energy services; energy poverty reduction; clean technology; and capacity building
 - Need for diversification of energy sources and routes
 - Role of regional integration of energy markets
 - Technology and fuel neutral



Signatories of the International Energy Charter (80)

as of 25 November 2016

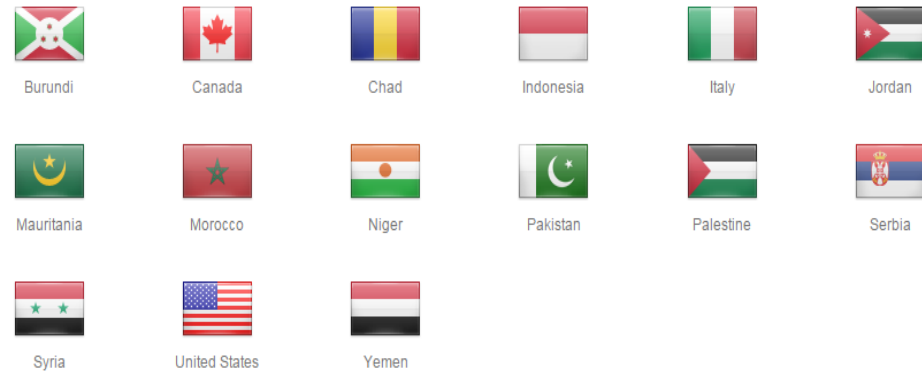


Countries that adopted the International Energy Charter (6)



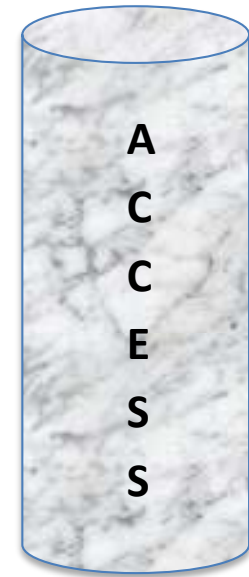
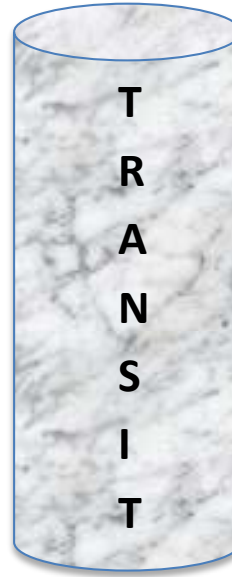
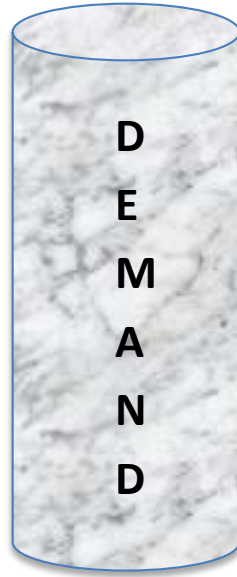
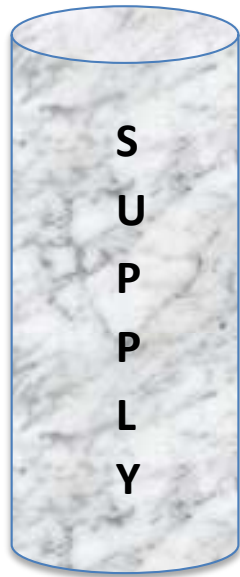
As of 25 of November 2016, The International Energy Charter had 80 Signatories

Energy Charter Conference Observers – Signatories of EEC 1991



The 4 Pillars of Energy Security

Energy Security



Supply: The reliable security of **Energy Supply**

Demand: The reliable long term security **Energy Demand**

Transit/Transport: Safe, reliable **Transit and Transport of Energy Supplies**

Access to Energy: Access for all consumers, the **Alleviation of Energy Poverty:**



Energy Security
Sustainable Development
Open and Efficient Energy Markets

Dispute Resolution

Investment
Protection

Trade and
Transit

Energy
Efficiency

Freedom of Transit

Non-Discrimination among Participants

National Sovereignty over Natural Resources



Energy Charter Treaty - Key Principles

- Open and efficient energy markets
- Non-discrimination among participants
- Sustainable development
- State sovereignty over natural resources
- Freedom of transit
- Environmentally sound and energy-efficient policies



All Signatories and Contracting Parties to the **Energy Charter Treaty** are Members of the **Energy Charter Conference**:





What does the Energy Charter Treaty Do?

- Obligations on trade, transit, investment and dispute settlement
- Multilateral energy-specific legal framework
- Cooperative process on environmental aspects and energy efficiency
- Fuel neutrality and technology neutral framework

What does it Not Do?

- Impose or determine national energy policies
- Provide supranational regulation
- Impose third party access to infrastructures/ownership
- Impose privatisation



What can the Energy Charter Secretariat Do?

- Country reviews
- Industrial Advisory Panel
- Intergovernmental dialogue
- Regional Studies
- Conflict Resolution
- Investment Promotion
- Model Agreements
- **Solid and Stable Cooperation For Energy Investment**



Energy Charter Treaty – Main Focus

- **Protection of foreign investments**, based on the extension of national treatment or most-favoured nation treatment (whichever is more favourable)
- **Non-discriminatory conditions for energy trade** based on WTO rules
- Ensuring **reliable cross-border energy transit** and resolution of transit disputes through conciliation
- **Resolution of disputes** between participating states, and – in the case of investments – between investors and host states
- **Promotion of energy efficiency** (PEEREA)



Energy Charter Conference Chairmanship

Political chairmanship annual rotation since 2014

- 2014: Kazakhstan
- 2015: Georgia
- 2016: Japan – Tokyo Declaration (ECT as a instrument to support global energy transition and support for its Expansion)
- **2017: Turkmenistan**

28th Energy Charter Conference – Ministerial Session

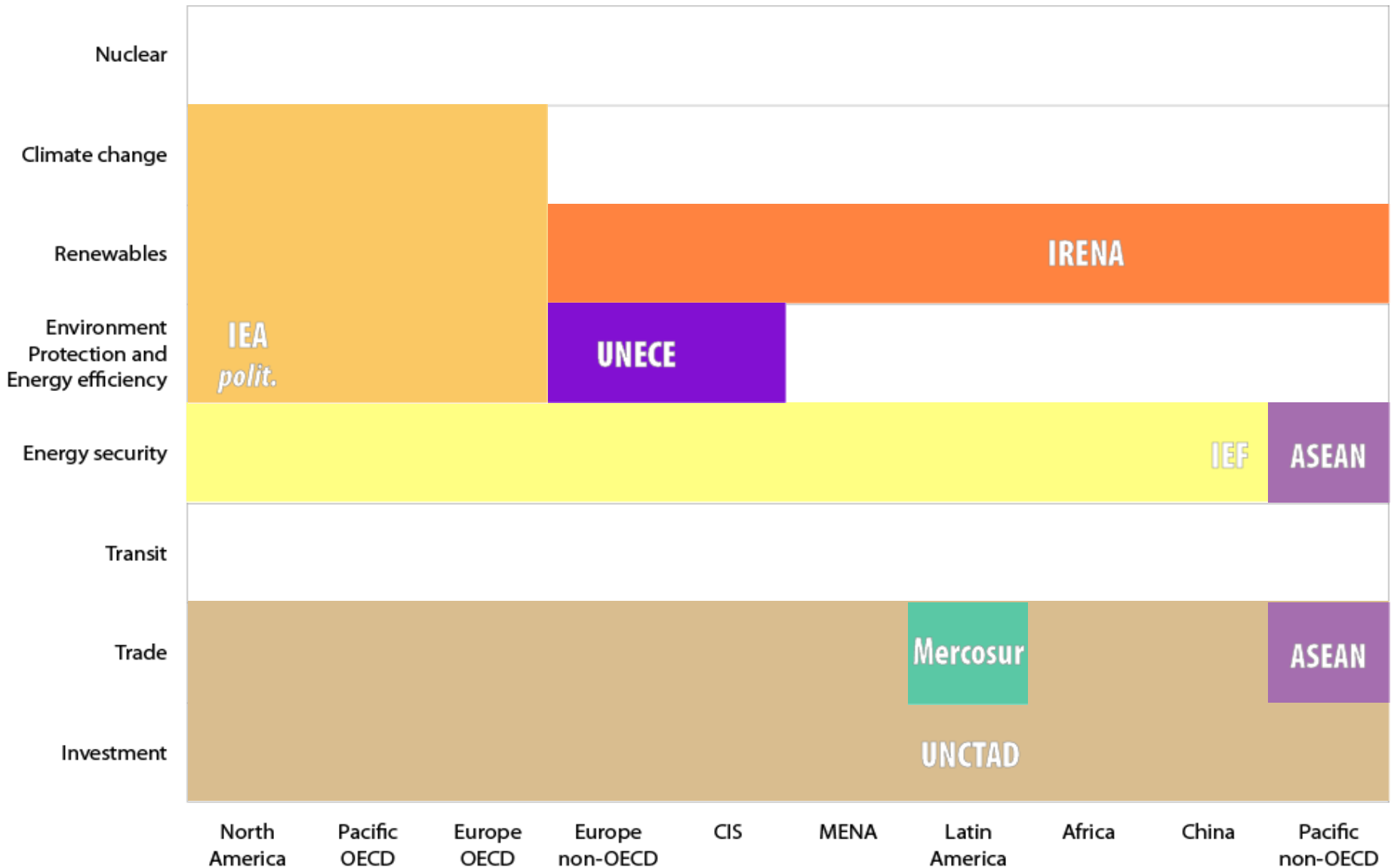
Ashgabat, 28-29 November 2017



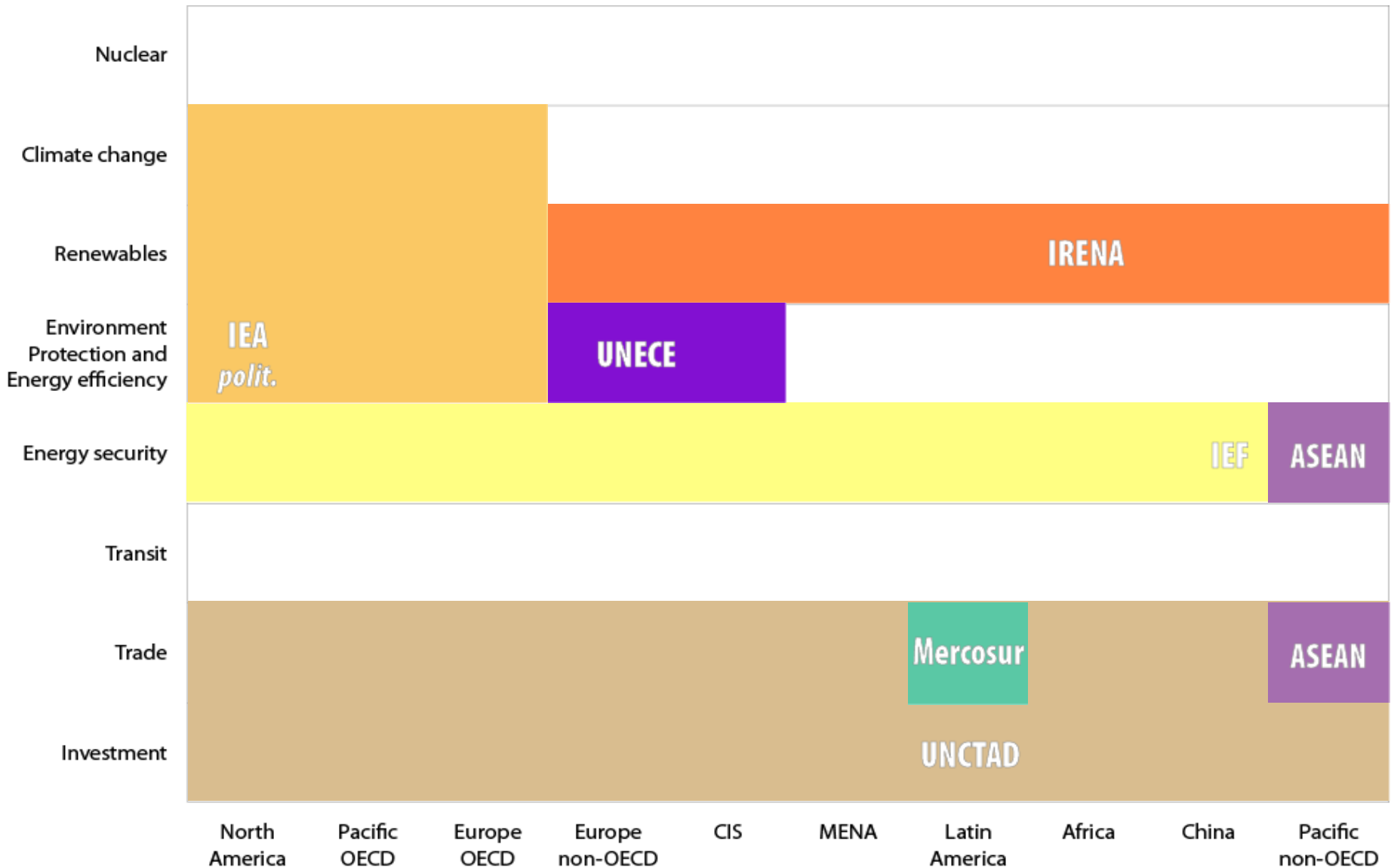
International Energy Charter Modernisation

- **Phase 1** Modernisation of the European Energy Charter and of Energy Charter Conference's internal procedures (accomplished – rotating Chairmanship 2014, International Energy Charter 2015, new logo and working name, dedicated Observership - 2016)
- **Phase 2** Expansion and Modernisation of the Energy Charter Process including mediation of disputes, conflict prevention, early warning mechanism, improving transparency, preparation for new pre-investment instrument and new transit instrument (ongoing)
- **Phase 3** Modernisation of the ECT (to be decided)

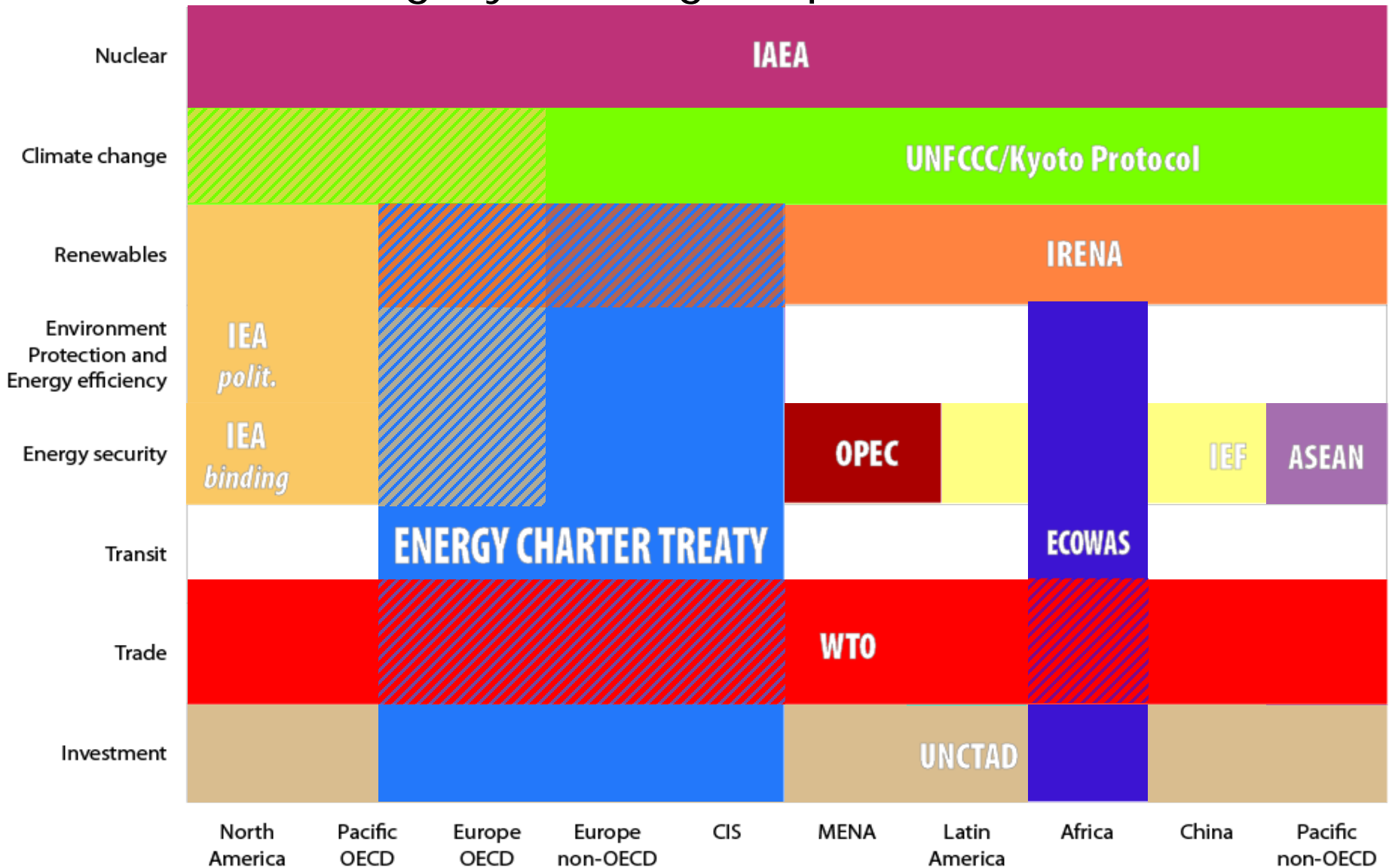
Energy-Related Organisations with More Political Forum Functions



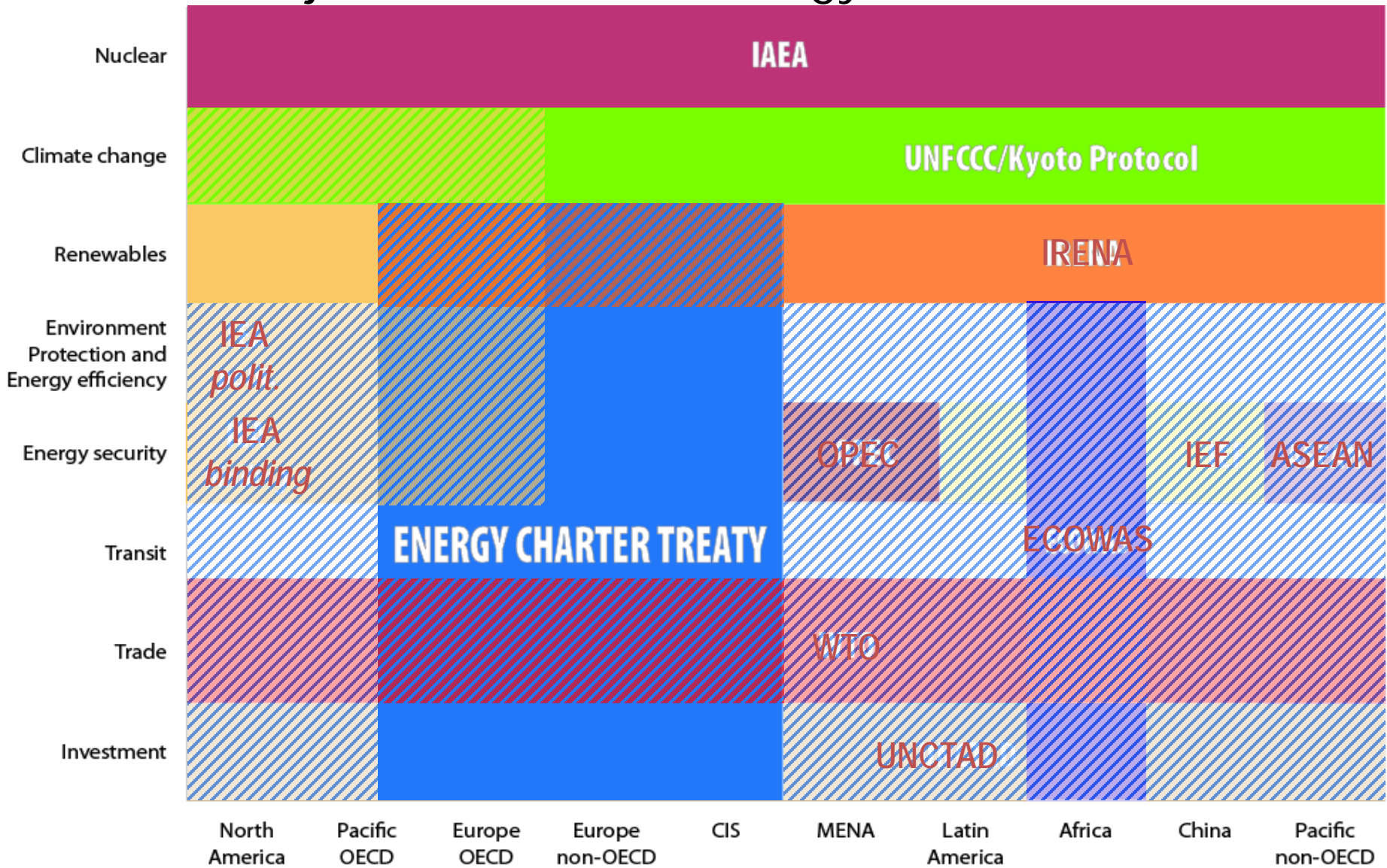
Energy-Related Organisations with More Political Forum Functions



Energy-Related Organisations with More Legally-Binding Requirements



Energy Charter Treaty: Projection in Global Energy Governance





IECh-IEF Possible Synergies

Common goal and complementary mandate:

- Develop holistic, market based approach to the Energy Security (4 pillars),
- Joint initiatives in increasing data and procedural transparency
- Joint initiatives in addressing emerging sectors like globalized LNG markets, energy storage,
- Joint initiatives in addressing global energy transition,