

# ANNUAL REPORT 2002

ENERGY CHARTER SECRETARIAT



## CONTENTS PAGE

FOREWORD BY THE SECRETARY-GENERAL _____	3
INTRODUCTION – WHAT IS THE ENERGY CHARTER? _____	5
IMPLEMENTATION OF THE ENERGY CHARTER’S LEGAL INSTRUMENTS ____	11
ENERGY EFFICIENCY _____	12
INVESTMENTS _____	14
TRADE _____	18
TRANSIT _____	20
PROMOTING EXPANSION OF THE ENERGY CHARTER’S COVERAGE _____	23
RATIFICATION OF THE ENERGY CHARTER’S LEGAL INSTRUMENTS AND RELATIONS WITH MEMBER-STATES _____	29
COOPERATION WITH OTHER INTERNATIONAL ORGANISATIONS _____	31
PUBLIC RELATIONS _____	35
ORGANISATIONAL ISSUES _____	39
ANNEX I – SPEAKING ENGAGEMENTS CARRIED OUT BY THE SECRETARIAT’S SENIOR STAFF IN 2002 _____	42
ANNEX II – ENERGY CHARTER MEETINGS IN 2002 _____	44
ANNEX III – OFFICERS OF THE ENERGY CHARTER CONFERENCE AND ITS SUBSIDIARY BODIES IN 2002 _____	45
ANNEX IV – STRUCTURE OF THE ENERGY CHARTER CONFERENCE AND ITS SUBSIDIARY BODIES _____	46
ANNEX V – ORGANIZATION CHART OF THE ENERGY CHARTER SECRETARIAT _	47



**FOREWORD  
BY THE SECRETARY-GENERAL**

## FOREWORD BY THE SECRETARY-GENERAL



The Secretariat's Annual Report has the primary function of providing the member states of the Energy Charter Conference with an overview of the Secretariat's annual Work Programme, as approved by the Conference at the end of each preceding year. On this occasion, however, we have sought also to develop the Annual Report's role as an information tool for the general reader about the Energy Charter process and the ongoing activities undertaken under its auspices. There is therefore a greater emphasis than in past years on providing practical illustrations of how the Secretariat goes about the implementation of its Work Programme, focusing on individual projects that have been started or taken forward during the course of 2002.

Negotiations on an Energy Charter Protocol on Transit again provided to be one of the main areas of work for the Secretariat in 2002. But we also saw the development of an increased focus on the role of the Energy Charter as a policy forum for discussions among our member governments on energy cooperation issues, in line with the conclusions of the Charter Conference at its meeting to mark the Charter's tenth anniversary in December 2001 that the organisation's focus on policy issues should continue to be strengthened. Thus, the

Secretariat has undertaken studies on the operation of regional electricity markets in Eurasia, gas market issues, and co-generation, with the aim of facilitating policy debates on these subjects among the Charter's member states.

This greater orientation towards policy work, including through the closer involvement of industry in areas of relevance to energy investors, should become an increasingly central aspect of the Energy Charter process in future years. Alongside this, we hope to see a consolidation of the Charter's role in promoting energy cooperation in the Asian region, which received a major boost in 2002 through Japan's ratification of the Energy Charter Treaty and through the entry into the Energy Charter "family" of two new observer states, South Korea and Iran.

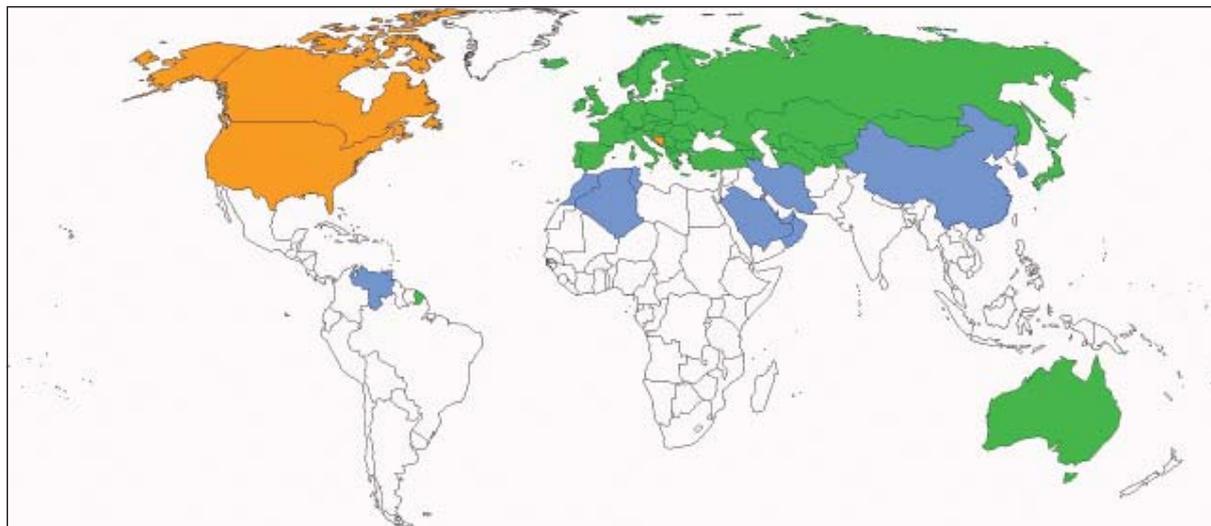
I hope that readers will find this Annual Report useful and informative, and would invite any comments and suggestions on it to be addressed to the Secretariat by e-mail at [annualreport@encharter.org](mailto:annualreport@encharter.org)

Ria Kemper



INTRODUCTION  
WHAT IS THE ENERGY CHARTER?

## INTRODUCTION

**WHAT IS THE ENERGY CHARTER?**
**Signatories of the Energy Charter Treaty (1994) and the European Energy Charter (1991)**

*Albania, Armenia, Austria, Australia, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Cyprus, Denmark, Estonia, European Communities, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Kazakhstan, Kyrgyzstan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Mongolia, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tajikistan, The former Yugoslav Republic of Macedonia, Turkey, Turkmenistan, Ukraine, Uzbekistan, United Kingdom*

**Signatories of the European Energy Charter (1991) only**

*Canada, United States of America, Federal Republic of Yugoslavia\**  
 (\*currently in the process of accession to the Energy Charter Treaty)

**Observers**
**States:**

*Algeria, Bahrain, People's Republic of China, Islamic Republic of Iran, Republic of Korea, Kuwait, Morocco, Oman, Qatar, Saudi Arabia, Tunisia, United Arab Emirates, Venezuela*

**International Organisations:**

*EBRD, IEA, OECD, UN-ECE, World Bank, WTO, CIS Electric Power Council, Black Sea Economic Cooperation (BSEC), Baltic Sea Regional Energy Cooperation (BASREC)*



***“Russia was one of the initiators of the Energy Charter process, and for that reason alone has an interest in its success. I have no doubt that when the issues that are of concern to us are resolved, and a balance found between this multilateral regime and Russia’s national interests, the State Duma will ratify the Energy Charter Treaty.”***

*Valery Yazev, Chairman of the Russian State Duma’s Sub-Committee on Gas,  
“Trud” newspaper, 1 February 2002*



***“The Council considers that, to a large extent, both the Energy Charter process and the EU-Russia energy dialogue reflect the common desire of the EU and Russia to improve the security of energy supply and access to energy markets ... and is therefore of the view that the Energy Charter process and the EU-Russia energy dialogue should be seen as mutually supportive and complementing each other.”***

*From Conclusions adopted by Meeting of the European Union’s Council of Energy Ministers,  
Brussels, 25 November 2002*

## INTRODUCTION

### WHAT IS THE ENERGY CHARTER?

**The Energy Charter Treaty** and the Energy Charter Protocol on Energy Efficiency and Related Environmental Aspects were signed in December 1994 and entered into legal force in April 1998. To date the Treaty has been signed or acceded to by fifty-one European and Asian states plus the European Communities. The Treaty was developed on the basis of the European Energy Charter of 1991. Whereas the latter document was drawn up as a declaration of political intent to promote East-West energy cooperation, the Energy Charter Treaty 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 Treaty is to strengthen the rule of law on energy issues by creating a level playing field of rules to be

observed by all participating governments. The Treaty's provisions focus on five broad areas: the protection of foreign energy investments, based on the extension of national treatment, or most-favoured nation treatment (whichever is more favourable); free trade in energy materials, products and energy-related equipment, based on WTO rules; freedom of energy transit through pipelines and grids; energy efficiency; and, as a horizontal area of coverage, dispute settlement.

**The Energy Charter Conference** is the governing and decision-making body for the Energy Charter process, and was established by the Energy Charter Treaty. All states who have signed or acceded to the Treaty are members of the Conference, which meets on a regular basis – normally twice a year – to review implementation of



*The Energy Charter Secretariat's premises in Brussels*

the provisions of the Energy Charter Treaty; to consider possible new instruments and projects on energy issues; and to discuss policy issues affecting East-West energy cooperation. Meetings of the Conference are normally held in Brussels. Regular meetings of the Conference's subsidiary groups on transit, trade, investments and energy efficiency are held in the interim months in between Conference meetings.

The Conference is served by the **Energy Charter Secretariat**, based in Brussels. The Secretariat is staffed by experts from various countries of the Conference's constituency, and is headed by a Secretary General. The Secretariat's functions are:

- to monitor implementation of the Energy Charter Treaty's obligations
- to provide analytical support and advice to the Conference and its subsidiary bodies on all aspects of the Energy Charter process
- to support negotiations on new instruments mandated by the Conference
- to represent the Energy Charter Conference in the development of its relations with non-member states and other relevant international organizations and institutions
- to organize and administer meetings of the Conference and its subsidiary bodies.

## Status of Ratification of the Energy Charter Treaty

*As of 1 January 2003*

### I Charter Signatories which have deposited instruments of ratification/accession of the Treaty with the Depositary

- |                                  |   |
|----------------------------------|---|
| 1. on 12.07.1995: Georgia        | 26. on 16.12.1997: Spain  |
| 2. on 16.10.1995: Slovakia       | 27. on 16.12.1997: Sweden                                       |
| 3. on 15.01.1996: Latvia         | 28. on 16.12.1997: United Kingdom                               |
| 4. on 12.03.1996: Uzbekistan     | 29. on 16.12.1997: European<br>Communities                      |
| 5. on 17.06.1996: Czech Republic | 30. on 23.12.1997: Azerbaijan                                   |
| 6. on 22.06.1996: Moldova        | 31. on 16.01.1998: Cyprus                                       |
| 7. on 06.08.1996: Kazakhstan     | 32. on 19.01.1998: Armenia                                      |
| 8. on 19.09.1996: Switzerland    | 33. on 12.02.1998: Albania                                      |
| 9. on 15.11.1996: Bulgaria       | 34. on 27.03.1998: The Former Yugoslav<br>Republic of Macedonia |
| 10. on 25.06.1997: Tajikistan    | 35. on 08.04.1998: Hungary                                      |
| 11. on 07.07.1997: Kyrgyzstan    | 36. on 04.05.1998: Estonia                                      |
| 12. on 17.07.1997: Turkmenistan  | 37. on 08.05.1998: Belgium                                      |
| 13. on 12.08.1997: Romania       | 38. on 14.09.1998: Lithuania                                    |
| 14. on 04.09.1997: Greece        | 39. on 29.10.1998: Ukraine                                      |
| 15. on 10.09.1997: Slovenia      | 40. on 15.04.1999: Ireland                                      |
| 16. on 27.11.1997: Luxembourg    | 41. on 28.09.1999: France                                       |
| 17. on 09.12.1997: Croatia       | 42. on 19.11.1999: Mongolia                                     |
| 18. on 12.12.1997: Liechtenstein | 43. on 05.04.2001: Turkey                                       |
| 19. on 16.12.1997: Austria       | 44. on 24.04.2001: Poland                                       |
| 20. on 16.12.1997: Denmark       | 45. on 17.05.2001: Bosnia and Herzegovina                       |
| 21. on 16.12.1997: Finland       | 46. on 10.07.2001: Malta  |
| 22. on 16.12.1997: Germany       | 47. on 23.07.2002: Japan  |
| 23. on 16.12.1997: Italy         |   |
| 24. on 16.12.1997: Netherlands   |   |
| 25. on 16.12.1997: Portugal      |   |

### II Charter Signatories which have not yet deposited instruments of ratification/accession of the Treaty with the Depositary

- |               |                         |
|---------------|-------------------------|
| 48. Australia | 51. Norway              |
| 49. Belarus*  | 52. Russian Federation* |
| 50. Iceland   |                         |

\* apply The Treaty provisionally



**IMPLEMENTATION OF  
THE ENERGY CHARTER'S LEGAL INSTRUMENTS**

## IMPLEMENTATION OF THE ENERGY CHARTER'S LEGAL INSTRUMENTS

One of the core features of the Secretariat's activities is to assist the Charter's member states in monitoring and promoting implementation of their obligations under the Energy Charter Treaty.

But increasingly the Secretariat's work is focused not only on implementation of the provisions of the Treaty in purely legal terms, but also on the development of policy cooperation among the Charter's members based on the spirit of the Treaty's content.

In the following sections, summaries are provided on the main directions of the Secretariat's work during 2002 in relation to the four central "pillars" covered by the Charter's legal instruments:

⇒ **ENERGY EFFICIENCY,**

⇒ **INVESTMENT,**

⇒ **TRADE,**

⇒ **TRANSIT.**

## ENERGY EFFICIENCY

The Secretariat's main activities in this area in 2002 have focused on the on-going cycle of country reviews (regular reviews and in-depth reviews) of national energy efficiency policies and programmes that have been carried out under the Energy Charter's auspices since 1999.

Regular reviews of six individual countries were compiled by the Secretariat in 2002, based on input provided by the countries in question, and were submitted to the Charter's Energy Efficiency Working Group for discussion. The more intensive **in-depth reviews**, for which the Secretariat assembles a multilateral team of experts to visit the country under review, were conducted during 2002 in Romania, Turkey and Estonia (the latter review being conducted jointly with the Baltic Sea Regional Energy Cooperation, BASREC).

In each of these cases, the Secretariat has prepared the final review report, together with the corresponding recommendations to the host government as endorsed by the Charter Conference, for publication. Work has continued during 2002 on the compilation of an overall report on implementation of the Energy Charter Protocol on Energy Efficiency and Related Environmental Aspects (PEEREA) by its signatory states,

which is due to be submitted to the United Nations "Environment for Europe" Ministerial Conference in Kyiv, Ukraine, in May 2003. This report will be published by the Secretariat prior to the Ministerial Conference.

In addition to this ongoing review process, the Secretariat has sought to develop further the role of the Energy Efficiency Working Group as a forum for **policy discussions** on various aspects of sustainable energy policies.

Discussion papers have thus been prepared and submitted to the Group on a number of energy efficiency policy issues: third-party financing and energy service companies; the integration of energy efficiency objectives into broader economic policy; and the evolution of Cogeneration and District Heating and the barriers and opportunities existing in this area (see Case Study, page 13).

By presenting such analytical papers to the Group for discussion among representatives of the Charter's member governments, the Secretariat aims to stimulate the role of the Charter process as a policy forum on energy efficiency issues and to promote awareness of best-practices, in particular among economies in transition. Close interaction with other international organisations dealing with energy efficiency in the Charter's area of application (notably the IEA, BASREC and UN-ECE) has been sought in pursuit of this aim, together with the invited participation of selected outside experts in meetings of the Energy Efficiency Working Group.



## Case study

### COGENERATION AND DISTRICT HEATING

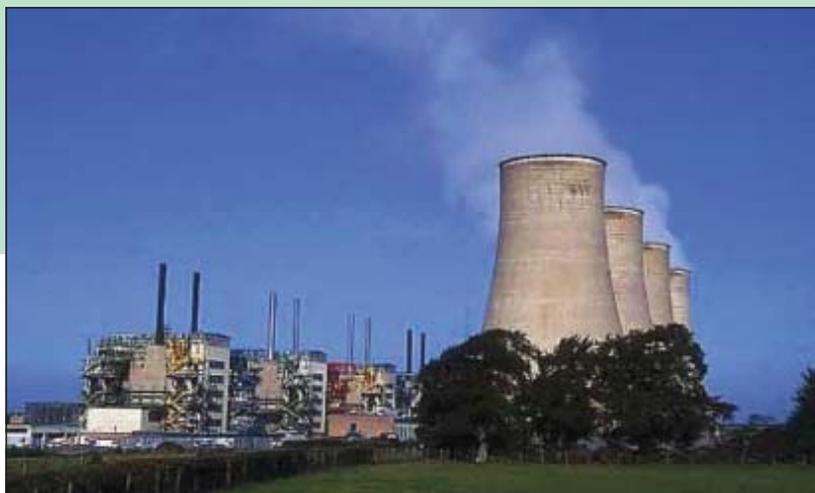
During 2002, the Secretariat prepared a report on "Cogeneration and District Heating - Evolution, Barriers and Opportunities" for discussion among the Charter's member states. The aim of the report is to identify the main policy and strategic issues that need to be addressed in order to maximize the potential benefits of cogeneration (i.e. the combined production of heat and electricity) and district heating.

The report was commissioned as part of the Secretariat's Work Programme in order to draw together the results of numerous past studies undertaken in this area by other bodies, with the aim of providing an overview of their conclusions and ensuring their dissemination to a wider constituency, in the form of the Charter's member governments.

A first draft of the report formed the basis for a specially convened panel discussion, with the participation of government, business and NGO representatives, at the Energy Efficiency Working Group in June 2002. Subsequently the report was updated by the Secretariat based on comments from participants in the PEEREA meeting and taking into account also the work being undertaken by the European Commission in preparing an EU Directive on cogeneration. A follow-up report on selected issues related to cogeneration is to be submitted to the Working Group as a basis for continued discussion during 2003.

The report discusses specific case examples of the effects of energy market liberalization on cogeneration in selected EU member states, and looks at the European Commission's proposals for the development of cogeneration technology as part of the EU's drive to reduce greenhouse gas emissions in line with the commitments undertaken in the UN Kyoto Protocol. Among the key issues highlighted in the report are the question of streamlining municipal planning and authorization procedures, with the aim of facilitating cogeneration/district heating projects, and how to market such projects.

The final text of the report will be published by the Secretariat in 2003 in English and Russian. It is hoped that this will provide another positive illustration of the Energy Charter's role as a vehicle for disseminating best-practice guidance among the organization's member states on energy efficiency issues, with the aim of supporting their efforts to ensure the sustainable development of their respective national economies.



## INVESTMENT

Two main directions of activity are pursued by the Secretariat in the area of investment: monitoring member states' implementation of the investment-related provisions of the Energy Charter Treaty, and supporting, through analytical work and discussion papers, the Charter's role as a forum for policy dialogue between governments from east and west on investment climate issues in national energy sectors.



**C**ountry reports on investment climate and market restructuring issues continue to form the backbone of the Secretariat's work in this area. During 2002, seven such country reports were prepared on the investment climate and/or market restructuring issues in the energy sectors of Ukraine, Albania, Croatia, Moldova, Belarus, Poland and Bosnia & Herzegovina. These reports are discussed by the Charter's Investment Group and are then finalized with any necessary revisions, with corresponding recommendations to the host government being submitted to the Energy Charter Conference for endorsement. By drawing on a wider range of information sources in preparing these country reports, including information provided by the OECD and EBRD, the Secretariat has aimed to make them more practice-oriented and user-friendly than in

the past, thus increasing their value as a means of measuring improvements to the energy-sector investment climate throughout the Charter's constituency.

In addition to individual country reviews, the Secretariat has also provided informational and analytical support for the **subject-specific reviews** conducted by the Investment Group of non-conforming measures maintained by individual member countries with regard to the principle of non-discrimination of foreign investors when making an investment - i.e. the so-called "pre-establishment phase" (e.g. those relating to land/real estate ownership, privatisation procedures, issues of reciprocity, and other categories). Notifications about such exceptions have been continuously arriving via three reporting avenues: first, as a carry-over of the second round of "horizontal reviews" of exceptions, which began in 2000, continued in 2001 and ended in November 2002; second, as a part of the reports on investment climate and market structure in the energy sector; and third, on an ad-hoc basis.

Notifications received via these channels, as well as the results of their peer review, are continuously reflected in the so-called "**Blue Book**", a registry of the non-conforming measures described above. The Secretariat has issued ten monthly revisions of the "Blue Book" throughout 2002, which have been made publicly available on the Energy Charter web site.

In terms of promoting **policy dialogue**, the Secretariat has sought to strengthen the Investment Group's dialogue with the business world by inviting outside speakers

to make presentations on energy investment-related issues to meetings of the Group. Such presentations were made during 2002 by the French Petroleum Institute, the EBRD and BP Europe.



*Howard Chase, BP Europe's Director for European Government Affairs, addressing the Charter's Investment Group*

Work has also continued to promote dialogue and discussion among member states in the Investment Group on current development in the Charter's constituency that are of relevance for energy investors, based on information materials collated and distributed by the Secretariat. Another focal point for stimulating policy dialogue on investment

issues has been the ongoing development within the Investment Group of best-practice guidelines on energy sector restructuring (see Case Study, page 17)

The Secretariat has also continued to facilitate discussions on the **Supplementary Treaty** to the Energy Charter Treaty, negotiations on which remain open since 1998. The fundamental aim of the Supplementary Treaty is to transform the "best-endeavours" commitment currently contained in the Energy Charter Treaty regarding non-discriminatory treatment of energy investors from other signatory states in the pre-investment phase into a legally binding obligation. Several discussions on this subject were held within the Investment Group, and efforts made by the Secretariat through informal consultations with delegations to promote possible solutions. Despite this, it was concluded by the Charter's member states at the end of 2002 that further work on the Supplementary Treaty should only proceed once developments become clearer in 2003 concerning the possible launch of a round of multilateral negotiations on investment issues within the WTO framework.





***“The Charter’s legal instruments serve as one of the foundations for cooperation between us on energy policy issues, in particular in promoting energy market reforms and market access compatible with sustainable development.”***

*From the Declaration adopted by the member states of the Energy Charter Conference on the occasion of the Charter’s Tenth Anniversary, December 2001*



## Case study

### BEST-PRACTICE GUIDELINES ON ENERGY SECTOR RESTRUCTURING

This project originates in a recommendation made by the Energy Ministers of the G8 in 1998, who encouraged the Energy Charter Secretariat to pursue further its work aimed at encouraging the restructuring of national energy markets in line with open, competitive principles. The development of Best-Practice Guidelines, for eventual endorsement by the 51 member-states of the Energy Charter Conference, represents a follow-up step on this recommendation. Earlier preparatory work conducted by the Charter's Investment Group on the draft Guidelines in 2000-2001 was consolidated by the Secretariat in the form of an updated document presented to the Group in May 2002. Following further comments, including input from industry, academic experts and from other relevant international bodies, notably the EBRD, the draft was revised by the Secretariat and resubmitted to the Group in November 2002. By the end of the year, a first complete set of the draft Guidelines had been compiled, which will be the subject of further consultations with governments and industry in early 2003.

The principle aim of the Best-Practice Guidelines is to provide economies in transition with advice on various aspects of the process of energy market restructuring, including privatisation and post-privatisation issues, drawing on the experience gained already by various member-states of the Charter's constituency, both east and west. Specific issues addressed in the Guidelines include the reduction of the costs of transition from a non-market system to a competitive environment; the efficient management of restructuring and privatisation programmes; the necessary regulatory mechanisms that need to be put in place in order to ensure fair competition; and benchmarking mechanisms for measuring the efficiency of restructuring/privatisation programmes.

The Guidelines do not seek to introduce or recommend a uniform approach towards market restructuring within the Charter's area, since it is recognized that different approaches may be warranted in different situations, taking account of the specifics of the country concerned. Rather, they seek to draw together the central principles of economic theory that have underpinned the energy market restructuring programmes already undertaken in several OECD states, and to combine them with an assessment of the practical lessons learned from the implementation of energy privatisation policies in such cases. The intention is to create a document that governments intending to pursue a restructuring of their domestic energy markets can use in the process of formulating policy, in line with the common commitment of the Charter's member states under the ECT to develop open and competitive energy markets.



## TRADE

The central feature of the Secretariat's work in relation to implementation of the Treaty's trade provisions continues to be the operation and development of the notification system that applies under the Treaty as part of its application "by reference" of WTO rules to energy trade.

Those ECT signatory states that are not yet members of the WTO, of whom there were eleven during 2002, are obliged to submit notifications to the Secretariat on a range of issues concerning their trading practices (customs duties, rules of origin, import licensing practices, etc.).

By complying with these requirements, such countries are able to familiarise themselves with the disciplines and requirements of full WTO membership, thus assisting their WTO accession process. With the aim of building capacity in national administrations to fulfil these notification requirements, the Secretariat has provided advice and assistance where required to the eleven states in question concerning their trade-related obligations under the Treaty. The Charter's Trade Group has focused during its meetings in 2002 on reviewing notifications submitted by signatory states with regard to technical barriers to trade,

subsidies and state trading enterprises. In line with the transparency requirements of the WTO, all notifications received by the Secretariat have been made publicly available, sub-divided by category, on the Energy Charter web site.

In addition to its work on notifications, the Trade Group held discussions during 2002 on the broader policy issue of **energy subsidies**, including dual pricing in the energy sector. The Secretariat supported these discussions by providing analytical background information on present approaches to energy subsidies taken by governments in various parts of the Energy Charter's constituency.

The other main feature of the Secretariat's trade-related activities in 2002 has been the development of a study on **regional electricity markets** (see Case Study, page 19).



## Case study

### REGIONAL ELECTRICITY MARKETS

As envisaged in its Programme of Work, the Secretariat launched the development in 2002 of a comprehensive study of the operation of regional electricity markets within the Eurasian area. The aim of the study is to promote discussion and dialogue among the Charter's member states on existing trade and grid-access regimes in the area of electricity, potential barriers to regional electricity trade of a legal, technical or regulatory nature, and the most appropriate means of addressing them. The Study proceeds from the core aim of the Energy Charter process to promote open, competitive markets in relation to all forms of energy covered by the Energy Charter Treaty, including electricity.

An initial draft of the study was submitted by the Secretariat to the Charter's Trade Group in May 2002, and was subsequently revised taking account of comments made by member states. A process of dialogue with industry and other relevant players on the draft study was also launched, in which context the Secretariat hosted a Seminar in Brussels in October on issues relating to trade and investments in the Eurasian power sector. During this event, many of the substantive issues raised in the draft study were debated by an audience of over 120 invited participants, comprised of representatives of energy industries, governments and regulatory authorities.

The Study, and the conclusions of the Seminar, identified several key barriers to the development of regional electricity markets in the Eurasian area: the lack of synchronicity between western European and CIS grids, insufficient inter-connector capacity, the continued dominance of state-owned monopolies in the power sectors of many east European states, and the related lack of non-discriminatory access to national networks. Safety and environmental standards in the area of power generation, and the legitimacy of using concerns over their observation as a means of restricting electricity trade, are also discussed as part of the Study.

It is the intention of the Charter's Trade Group to produce a final version of the study on regional electricity markets in 2003, with the aim of continuing the debate among the Charter's member-states as to action to be taken at multilateral levels to overcome the identified barriers to regional electricity trade.



*At the Electricity Seminar, October 2002*

## TRANSIT

As in the previous year, the Secretariat devoted substantial staff resources in 2002 to servicing the ongoing process of development by the Charter's member states of an Energy Charter Protocol on Transit, negotiations on which began in early 2000.

The aim of the Transit Protocol is to devise a more elaborate set of legally binding rules, proceeding from the Energy Charter Treaty's existing transit-related provisions, with regard to specific aspects of cross-border flows of energy such as the conditions of access to "available capacity for transit" in national pipeline systems, and the criteria to be used for setting transit tariffs. Four rounds of negotiations on the draft text of the Transit Protocol were held in 2002 within the Charter's Transit Working Group, for which the Secretariat provided updated negotiating texts and analytical support as required.

The result of the negotiation process was that at its meeting in December 2002, the Energy Charter Conference was able to record the achievement of a very wide degree of agreement on the main text of the Transit Protocol among member-states. It was also

concluded, however, that further work was required on three issues, in order to clarify and address the concerns of all delegations, before the text of the Protocol can be considered as final. These three issues are: the question of transit tariffs; the so-called "right of first refusal" proposed by the Russian Federation (under which incumbent shippers of energy materials through third countries in transit would be given the first option to renew transit agreements on their expiry, on commercial terms); and the regional integration clause proposed for inclusion in the Protocol by the European Union, under which internal energy transportation within the EU would be governed by European Community legislation, rather than the Protocol. The Secretariat will continue in early 2003 to support member states' efforts to reach final compromise solutions on these three outstanding issues, thus opening the way for the Transit Protocol's adoption.



Helga Steeg, Chairman of the Charter's Transit Working Group, during a negotiating session

In addition to the Transit Protocol negotiations, the Secretariat commenced work in 2002 on a series of studies of the **legal regimes** applying in selected member states of the Charter to the transportation of natural gas through national pipeline systems. This project, which will continue into 2003, has the aim of promoting dialogue between the various member governments of the Charter's constituency over some of the key issues relating to the regulation of trans-boundary natural gas flows that have arisen as part of the Transit Protocol negotiations. With the same objective, the Secretariat submitted an analytical paper to

the Energy Charter Conference in 2002, at the invitation of the Conference Chairman, on natural gas market issues in the Eurasian area, with the aim of stimulating a policy debate as to the present obstacles to realisation of the Charter's overall objective of securing open, competitive energy markets in the area of natural gas.

Work has also continued during 2002 on the development of **Model Agreements** on energy transportation, in line with the corresponding mandate given by the Energy Charter Conference (see Case Study below).

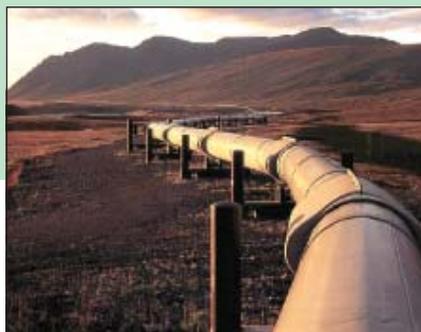
## Case study

### MODEL TRANSIT AGREEMENTS

In December 1999, in parallel with mandating the commencement of negotiations among the Energy Charter Treaty's Signatories on a legally-binding Transit Protocol, the Energy Charter Conference charged the Secretariat with the elaboration of a series of non-binding Model Transit Agreements. The aim is to create a set of models that reflect best practices, on which governments and companies involved in specific transit projects can draw on for guidance. It is envisaged that these Model Agreements will eventually be endorsed by the Energy Charter Conference, although their non-binding nature ensures that there will be no obligation on governments or companies to use them.

Under the guidance of the Secretariat's Head of Legal Affairs, a legal task-force, comprising experts from the Secretariat, leading international law firms and major energy companies, has been established to take forward drafting work on the two Model Agreements that are to be developed under the Charter's auspices: an Inter-Governmental Model Agreement (IGA) and a Host-Government Model Agreement (HGA).

Several meetings of the task force were convened by the Secretariat during 2002, with the result that a complete first draft of the IGA was prepared by the end of 2002. The aim is now to finalise both Models in 2003 and publish them, together with a legal commentary on their content. This project should serve as a good example of the Energy Charter's role in disseminating best-practice information, on a recommendatory basis, that governments and industry can make use of as appropriate in the course of their business dealings with regard to individual projects.





**PROMOTING EXPANSION OF  
THE ENERGY CHARTER'S COVERAGE**

## PROMOTING EXPANSION OF THE ENERGY CHARTER'S COVERAGE

At its Special Session in December 2001 to mark the Energy Charter's tenth anniversary, the Energy Charter Conference resolved to work towards increasing the familiarity of non-member states with the aims and objectives of the Energy Charter process. In line with this decision, the Secretariat has continued its efforts in 2002 to develop relations with interested non-member states and to invite them to consider closer involvement in the Energy Charter's work.

As a long-term objective, particular emphasis is placed on expansion of the **Asian dimension** of the Energy Charter's role in promoting international energy security. In March 2002 the Secretary General was invited to address a Seminar on Asian Energy Security for the "ASEAN plus three" group of countries (member-states of the Association of South-East Asian Nations (ASEAN), plus Japan, the Republic of Korea and the People's Republic of China), during which she underlined the potential relevance of the Energy Charter process as a possible model for energy cooperation in the Asia-pacific region. It was also underlined that the Energy Charter is an open forum for participation by interested non-member states.

Following this event, particular interest in pursuing closer ties with the Charter was shown by the **Republic of Korea**. The Secretary General met with the Korean Minister of Commerce, Industry and Energy in September 2002, in the margins of the 8<sup>th</sup> International Energy Forum in Osaka, Japan, in order to discuss relations between the Energy Charter process and the Korean government in more detail.

As a result of this meeting and subsequent contacts with the Korean government, an application from the Republic of Korea for Observer status at the Energy Charter was received and was formally approved by the Energy Charter Conference in December 2002.



At the "ASEAN plus 3" Energy Security Seminar, Tokyo

The Secretariat has continued to support the process of accession to the Energy Charter Treaty by the **Federal Republic of Yugoslavia**, whose application to accede was accepted by the Charter Conference in 2001. In this context a Seminar was held in Belgrade in February 2002 for government and energy officials, at which representatives of the Secretariat explained the Treaty's aims, scope and specific provisions. Further assistance and advice on the accession

process has been provided to the Yugoslav authorities throughout the year.

Due to the proposed changes to the state structure of the present Federal Republic of Yugoslavia, a certain delay in the accession process became necessary during 2002. It is now anticipated that the process will be eventually completed during 2003 by the proposed successor state of Serbia and Montenegro.

In the **Mediterranean region**, three North African states – Algeria, Tunisia and Morocco – have for a number of years enjoyed observer status within the Energy Charter process, and the latter two in particular have shown an increasing interest in the possibility of full accession to the Energy Charter Treaty. In order to develop this interest, and to promote a wider awareness more generally in the Mediterranean region of the Energy Charter's aims and objectives, the text of the Energy Charter Treaty and related documents was published in early 2002 in Arabic translation, with financial support provided by the MEDA programme of the European Commission. This publication was issued in time for a major Conference on strategies for energy cooperation in the Mediterranean region hosted jointly by the European Union and the Government of Tunisia in May 2002, at which the Secretariat presented the Treaty and its potential benefits for non-member states in North Africa.

Subsequently the Secretariat has maintained regular contacts with the governments of Algeria, Tunisia and Morocco in order to advise them on all aspects of the possible launch of their accession to the Treaty.





*Secretary General meets with Iranian Petroleum Minister Bijan Zangeneh, November 2002*

In November 2002, the Secretary General visited Tehran at the invitation of the government of the **Islamic Republic of Iran**, in order to discuss the possibilities for developing the Charter's relations with Iran, the only Caspian Sea littoral state that is not a member of the Energy Charter process. Meetings were held with the Iranian Petroleum Minister, Deputy Foreign Minister, Deputy Energy Minister, and the President of the National Iranian Oil Company. The scope and content of the Energy Charter Treaty was discussed, along with the potential benefits for Iran of participation in the Charter process.

As a result of this visit, Iran formally applied for Observer status at the Energy Charter Conference, and this application was unanimously approved by the Conference at its meeting in December 2002.

As a follow-up step, it is envisaged that the Secretariat will conduct a joint study in 2003, in collaboration with the Iranian authorities, on the likely consequences of eventual Iranian accession to the ECT for Iran's drive to attract additional investments into its energy sector.



***“The European Community can help to create the right conditions (for investment in energy infrastructure in Russia and the Caspian basin) by building on international agreements, such as the Energy Charter and the draft Transit Protocol.”***

*European Commission Vice-President Loyola de Palacio,  
Sanderstølen Conference, Norway, February 2002*



***“In cooperation with the Commission, the Presidency will promote Russia’s ratification of the Energy Charter.”***

*From Denmark’s EU Presidency Work Programme for July-December 2002*

## Case study



### DEVELOPING RELATIONS WITH THE PEOPLE'S REPUBLIC OF CHINA

In December 2001, the People's Republic of China was granted observer status within the Energy Charter process. This allows representatives of the Chinese government to receive all official Energy Charter documents and to attend meetings of the Energy Charter Conference and its subsidiary bodies as an observer, without formally taking on any legal commitments at this stage. It is hoped that China's observership will both increase its familiarity with the workings and activities of the Energy Charter process, and will eventually pave the way for a possible Chinese application for full accession to the Energy Charter Treaty.

Given the priority attached by the Charter Conference to strengthening the Asian dimension of the Charter's activities, the Secretariat has endeavoured to build further on this existing platform for dialogue with the Chinese authorities in 2002. In addition to maintaining regular contacts with the Embassy of the People's Republic of China in Brussels, the Secretariat has also invited a representative nominated by the Chinese government to participate in its secondment programme, under which young professionals, normally from eastern European and CIS states, are offered the chance to participate in the Secretariat's work on a temporary basis as a training opportunity. The Chinese representative, Ms Cao Wei of the Chinese State Development Planning Commission, joined the Secretariat in October 2002 for an initial period of six months, and is currently assisting the Secretariat's work on investment issues. This secondment is designed to give the Chinese government a closer insight into the work of the Secretariat and the activities undertaken within the Charter process.



*Ms Cao Wei*



**RATIFICATION OF THE ENERGY CHARTER'S LEGAL  
INSTRUMENTS AND RELATIONS WITH MEMBER-STATES**

## RATIFICATION OF THE ENERGY CHARTER'S LEGAL INSTRUMENTS AND RELATIONS WITH MEMBER-STATES

The Secretariat aims to provide advice and support where required to those Signatory States to the Energy Charter Treaty and its related legal instruments that have not yet completed their national ratification procedures.

A major step forward in the ratification process was achieved in July 2002, when the House of Councillors at the Upper House of the Japanese parliament approved Japan's acceptance of the Energy Charter Treaty. Japan subsequently deposited its instruments of acceptance with the government of Portugal, which acts as the Depository of the Treaty, and thus became the 46<sup>th</sup> Contracting Party to the Treaty. In parallel, Japan also completed its ratification of the Energy Charter Protocol on Energy Efficiency and Related Environmental Aspects. The Secretariat provided advice and clarifications as required to the Japanese administration in the run-up to the parliamentary hearings on ratification, in order to facilitate a positive outcome.

The remaining five states that have signed the ECT but not yet completed its ratification are Australia, Belarus, Iceland, Norway and the Russian Federation.

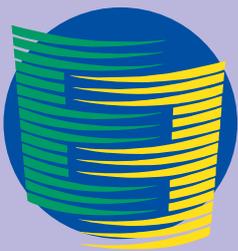
Given the high priority attached to completion of Russia's ratification by the Energy Charter's other member states, the Secretariat has continued to maintain regular contacts throughout 2002 with the Russian government and energy industries over the status of the ratification process. Discussion of the ECT ratification issue featured prominently on the agenda of EU-Russia relations in the second half on 2002, given the priority attached by the Danish EU Presidency to achieving progress on this issue. The Secretariat has continued throughout 2002 its efforts to ensure that the issue of ratification of the ECT by Russia,

and the potential advantages for Russia in taking this step, receives coverage in the Russian media.

By the end of 2002, however, prospects for Russian ratification still remained uncertain. Strong concerns over the implications of ratification of the ECT continue to be expressed by the Russian gas industry, although Russia's electricity and oil industries are in favour of ratifying the Treaty. This issue continues to be a major priority on the Energy Charter's agenda, and also in Russia's bilateral relations with other leading Charter signatories. The Secretariat plans a continuation of its efforts in 2003 to find mutually acceptable solutions together with the Russian government and energy industries that will allow for progress to be made towards eventual ratification of the ECT by the Russian parliament.



*Secretary General shares a platform with RAO EES Rossii Chief Anatoly Chubais in Warsaw, March 2002*



**COOPERATION WITH  
OTHER INTERNATIONAL ORGANISATIONS**

## COOPERATION WITH OTHER INTERNATIONAL ORGANISATIONS

The Secretariat is mandated to seek to develop cooperation wherever possible with other relevant inter-governmental organizations and international actors, in order to promote synergies and to avoid any duplication of work conducted in different multilateral fora.

Relations with the **International Energy Agency** (IEA), one of the Secretariat's most important and long-standing partners for cooperation, continued to develop in 2002, with a particular landmark being the publication of the IEA's "Russia Energy Survey 2002" in cooperation with the Energy Charter Secretariat (see Case Study, page 33). Close contacts have also been maintained in the area of energy efficiency. The IEA provided substantial statistical input for the Energy Charter's cycle of energy efficiency country review, and delivered a presentation to the June 2002 meeting of the Charter's Energy Efficiency Working Group on its activities in this area, designed to ensure synergies between the two organisation's work on energy efficiency issues. Representatives of the Secretariat were also invited to deliver speeches on the Energy Charter Treaty's transit provisions to several Conferences on energy transportation issues organized under the IEA's auspices during the year.

In early 2002 the Secretary General visited the London headquarters of the **European Bank for Reconstruction and Development** (EBRD), which as an institution has observer status within the Energy Charter process, in order to discuss with the Bank's leadership ways of strengthening relations between the two bodies, given their largely similar constituency of member countries and their common interest in promoting market-oriented practices and the rule of law in the energy sectors of Eurasia's transition economies.



*Anthony Marsh (Director, Power/Energy Utilities at the EBRD) addressing the Charter's Investment Group, November 2002*

Subsequently, cooperation with the EBRD has been taken forward in particular in the area of the Charter's investment-related activities. The Bank's experts provided valuable input and advice for the development of the Best-Practice Guidelines on Energy Market Restructuring under the Charter's auspices (see Case Study, page 17), and Mr Anthony Marsh, the EBRD's Director for Power and Energy Utilities, delivered a presentation to the November 2002 meeting of the Charter's Investment Group on the EBRD's energy-related investment activities in eastern Europe and the CIS.

Cooperation continues to intensify with the **Baltic Sea Regional Energy Cooperation** (BASREC), in particular in relation to energy efficiency issues. BASREC's work plans in this area were the subject of a special presentation to the Charter's Energy Efficiency Working Group in 2002, and a joint

BASREC-Energy Charter in-depth energy efficiency review of Estonia was conducted. Discussions are now under way concerning a similar joint review of Latvia in 2003. At a political level, the Secretary General was invited to attend the BASREC-Council of Baltic Sea States Energy Ministerial in Vilnius in November 2002, at which particular attention was drawn in the final Communiqué to the role of the Energy Charter in the context of integrating and liberalising the energy markets of the Baltic Sea region.

2002 saw the first steps taken towards establishing an institutional dialogue between the Secretariat and the **Organization of the Petroleum Exporting Countries (OPEC)**. The Secretary General held two meetings during the course of the year with Dr Alvaro Silva Calderón, Secretary General of OPEC, at which it was agreed that a regular dialogue should be established between the two organisations. As a follow-up step, OPEC is hosting a Workshop on the Energy Charter Treaty and its significance for oil-producing states at its headquarters

in Vienna in early 2003, with the aim of increasing the familiarity of OPEC's member states with the Treaty's aims and objectives.

During her visit to Iran in November 2002, the Secretary General met with her counterpart from the **Economic Cooperation Organization (ECO) Secretariat**, and discussed possibilities for closer cooperation between the two organisations. As a result of this meeting, plans are now under discussion for a joint ECO-Energy Charter Seminar on the ECT to be held in Tehran in 2003 for ECO's member-states (who comprise seven Energy Charter members, plus Afghanistan, Iran and Pakistan), following on from a similar joint event held in Ankara in 2001.

Cooperation has also continued throughout 2002 with other partner organizations, notably the World Trade Organization (WTO) in relation to implementation of the Treaty's trade provisions by non-WTO states, and the United Nations Economic Commission for Europe (UN-ECE).

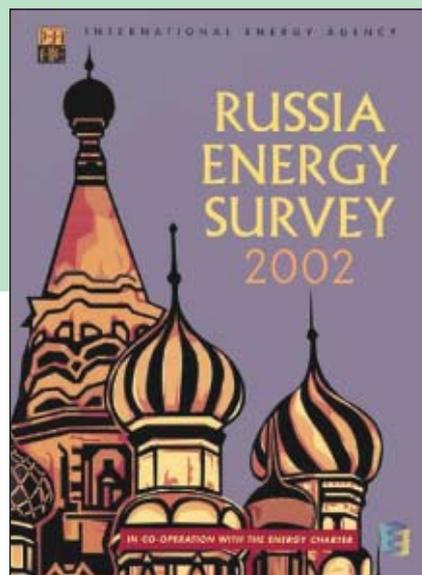
## Case study

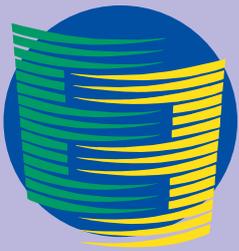
### THE IEA RUSSIA ENERGY SURVEY

The International Energy Agency (IEA)'s "Russia Energy Survey 2002" was published in March 2002. It provides an extensive analysis of the current situation in the Russian energy sector, the plans of the Russian government for its reform, Russia's future energy strategy, and investment climate issues relating to Russia's energy industries. The last IEA Survey of Russian energy policies was conducted in 1995.

The Energy Charter Secretariat participated actively in the preparation of the new Survey – it was represented in the team that compiled the report, and provided input for the sections of the final text dealing with natural gas transit issues and the role of the Energy Charter Treaty in their regulation. The Survey underlines in particular the potential role of the Treaty in the context of overcoming potential difficulties in negotiations between Russia and other states of the former USSR over transit issues. It also provides a detailed analysis of the Treaty's investment provisions, and underlines that ratification of the Treaty by Russia would mark a major step forward in terms of creating a level playing field for foreign investors in the Russian energy sector.

"This Survey provides yet another example of the value of the IEA and the Energy Charter working together in an effort to promote energy sector reforms, and both organisations can take satisfaction from it", commented the IEA's Executive Director Robert Priddle.





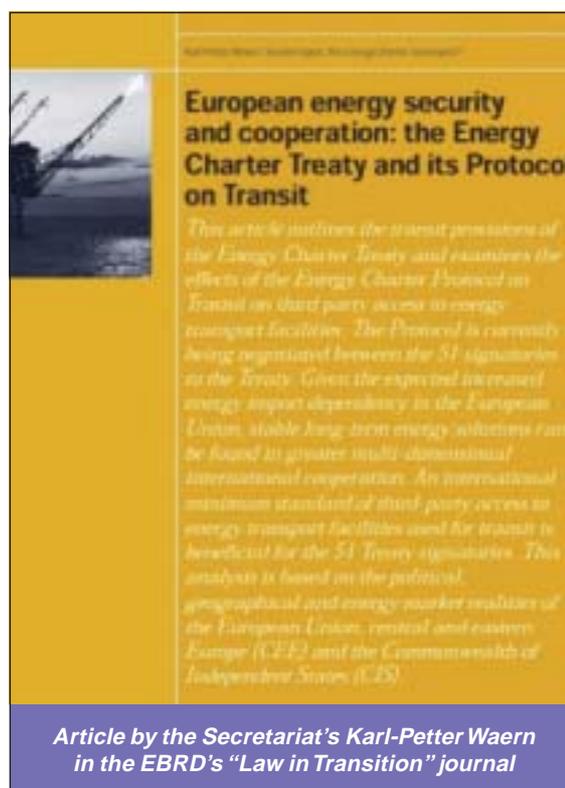
**PUBLIC RELATIONS**

## PUBLIC RELATIONS

**One of the Secretariat's tasks is to act on behalf of the Charter Conference in raising awareness of the Energy Charter process in relevant business, labour and academic circles and among the public at large. This section summaries the work we have done in this area in 2002.**

The Secretariat has strived throughout 2002 to maintain the Charter's public "profile" through public relations activities. Press releases have been issued on developments of major interest (e.g. Japan's ratification of the Treaty, the Secretary General's visit to Iran), and the Secretariat's quarterly newsletter "Charter News" has been distributed in English and Russian to a wide range of contacts.

The Secretary General and Deputy Secretary General have given a number of interviews and written articles for leading energy journals, both in Western Europe and in Russia, on current developments in the Charter process. Other Secretariat staff have also contributed occasional articles for publication in relevant specialist periodicals. All articles, newsletters and press releases, together with other relevant information about the Charter and its work, are available on the Energy Charter web site.



In early 2002, the Secretariat published a "Reader's Guide to the Energy Charter Treaty", in response to requests from a number of delegations and other sources to provide a more user-friendly point of reference to explain the often complex legal text of the Treaty and its related instruments. The Guide, published in English and Russian, aims to provide a concise overview of the Treaty's various provisions on trade, transit, investments, energy efficiency and dispute settlement. It also explains the

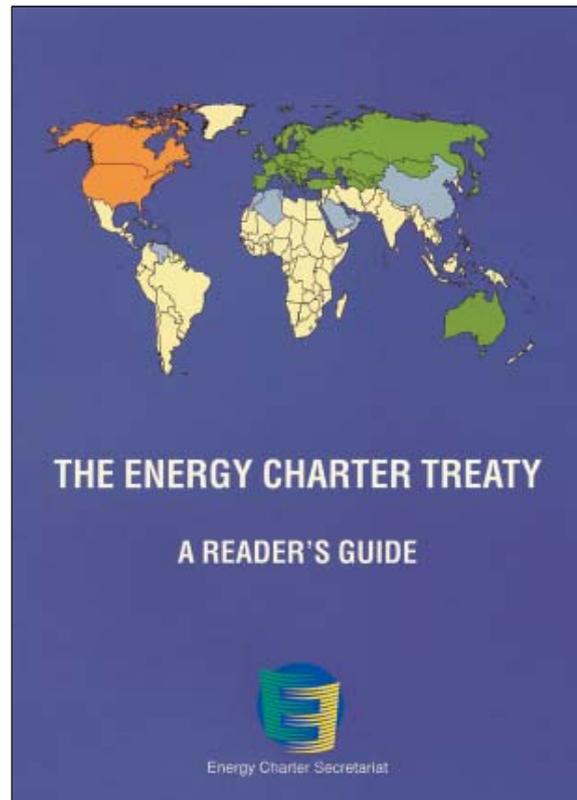
institutional structure of the Charter process, discusses the development of possible new legal instruments such as the Transit Protocol, and reviews the history of relations between the Energy Charter and non-member states and the possibilities for the closer involvement of such states in the Charter's work.

Various activities have been undertaken in 2002 with the aim of publicising the role of the Charter and the activities conducted under its umbrella. Seminars were organized in London by the law firms Herbert Smith and Denton Wilde Sapte on the Energy Charter Treaty and current developments in its implementation, at which representatives of the Secretariat delivered keynote addresses.

In October 2002, the Secretariat organized a Seminar in Brussels on "Liberalising Trade and Investment in the Eurasian Power Sector" with the aim of promoting discussion between representatives of governments, electricity companies, associations and other interested actors on some of the key issues relating to inter-regional electricity trade that are currently the subject of analysis within the Charter process (see *Case Study, page 19*).

The Seminar, which attracted an audience of over 120 participants, considered the various perspectives of governments, regulators and companies from east and west concerning, inter alia, the prospects for integration of European electricity markets, existing barriers to more liberalised trade in electricity across Europe, the role of independent regulators in national electricity markets, conditions of access to national networks, and investment issues. Representatives from the energy industries of Western Europe and the CIS, the European Commission, academia, regulatory bodies and multilateral organizations, delivered keynote addresses.

In addition to the above, the Secretary General and other senior staff of the Secretariat have undertaken a substantial programme of speaking engagements at international conferences during 2002 (see Annex I for full details). Of particular note in this context were the Secretary General's participation in the Eighth Meeting of the International Energy Forum (previously known as the "Producer-Consumer dialogue") held in Osaka in September 2002 - the first occasion on which the Secretariat has been represented at this key international gathering, bringing together the



world's major energy producing and consuming nations as well as a range of interested international bodies - and her participation as a panel discussant at the Energy Forum hosted by the US Energy Association in Detroit in May 2002 in connection with the meeting of G8 Energy Ministers.

The Secretary General has also maintained contacts at political levels with member states of the Charter process both through meetings at Ambassadorial level in Brussels, and also through visits to capitals in order to discuss ongoing developments in the Charter process with national administrations. Such visits were undertaken by the Secretary General in 2002 to Austria, Germany, Slovakia, Romania, France, the UK, Turkmenistan, Uzbekistan and Japan.



***"Ratification of the Energy Charter Treaty and adoption of its energy-transit regime by Russia and neighbouring states would help de-politicize transit negotiations... and would provide a common legal basis for gas transit from and through the CIS."***

*International Energy Agency's "Russia Energy Survey", March 2002*



***"German Economics Minister Werner Mueller urged Russia to ratify the Energy Charter Treaty aimed at giving a solid legal basis for investment in the energy market of the former Soviet Union. "Given the huge need for investment, which it can hardly cover with its own capital, Russia would be well advised to offer international investors a multilaterally agreed legal foundation," Mueller said in a speech to the German-Russian Economic Symposium in Berlin."***

*Reuters, 22 May 2002*



**ORGANISATIONAL ISSUES**

## ORGANISATIONAL ISSUES

**The Secretariat is responsible for organising and administering all meetings of the Energy Charter Conference and its subsidiary bodies, including the preparation and dissemination of all documents relating to each meeting.**

**T**wo meetings of the Energy Charter Conference, and thirteen meetings of its various subsidiary bodies, took place in 2002, in addition to two meetings of the Charter's informal steering committee, the "Friends of the Conference Chairman". For all of these meetings, the Secretariat was responsible for ensuring that relevant documentation was disseminated in good time, interpretation services were provided, visa support issued and financial support arranged where necessary for the participation of invited experts.

The Secretariat has a total staff of 29 employees, representing 18 different nationalities of the Charter's constituency. In addition, young professionals from Armenia,

Poland, Georgia and China participated during 2002 in the Secretariat's secondment programme, designed to provide training opportunities for personnel from the governments of economies in transition.

The Secretariat's budget for 2002 was 4.5 million Euros. The major part of the budget is used to cover staff salaries and allowances, costs associated with meetings (including translation and interpretation for the Charter's two working languages, English and Russian), official travel and other operational expenses. The Secretariat's budget is financed via contributions from member-governments in line with an adjusted scale of contributions based on that of the United Nations.



*At one of the regular weekly meetings of the Secretariat's Senior Management*



**ANNEXES**

## ANNEXES

<b>ANNEX I</b>	<b>Speaking engagements carried out by the Secretariat's Senior Staff in 2002</b>
<b>ANNEX II</b>	<b>Energy Charter meetings in 2002</b>
<b>ANNEX III</b>	<b>Officers of the Energy Charter Conference and its Subsidiary Bodies in 2002</b>
<b>ANNEX IV</b>	<b>Structure of the Energy Charter Conference and its Subsidiary Bodies</b>
<b>ANNEX V</b>	<b>Organization Chart of the Energy Charter Secretariat</b>

**ANNEX I****SPEAKING ENGAGEMENTS CARRIED OUT  
BY THE SECRETARIAT'S SENIOR STAFF IN 2002****By the Secretary General**

19 February	Institute of Petroleum's "IP Week 2002", London
26 February	Euroforum Conference on east-west energy relations, Berlin
4 March	Seminar on Energy Security for the "ASEAN plus 3" grouping (hosted in Tokyo by the Japanese Foreign Ministry)
11 March	4 <sup>th</sup> Annual Caspian Energy Retreat, London
21 March	Conference on a Pan-European Energy Partnership, hosted by Eurelectric and RAO EES Rossii, Warsaw
2 May	Panel Discussant at the Energy Forum held in Detroit, Michigan, in conjunction with the G8 Energy Ministerial meeting
6 May	Conference on Energy Supply Strategy in the Euro-Mediterranean region, Tunis
23 May	6 <sup>th</sup> Uzbekistan International Oil and Gas Conference, Tashkent
29 May	Roundtable on Turkmenistan's Oil and Gas Industry, Ashgabat
10 June	WEC Regional Energy Forum on Energy Markets and European Integration, Neptun, Romania
10 September	WEC's ENEF 2002 Conference, Banska Bystrica, Slovakia
16 October	Association of International Petroleum Negotiators (AIPN) International Conference 2002, Paris
22 October	"Informationskreis KernEnergie", Berlin
19 November	Conference of Energy Ministers of the Baltic Sea Region, Vilnius

**By the Deputy Secretary General**

15 April	CIS Oil and Gas Summit, London
7 May	IV International Congress "Oil & Gas Complex: Development Strategies", Paris, France
7 June	Session of the Section for international relations of the Academy of Science of Russia and Academic Council of the Institute of World Economy and International Relations of the Academy of Science of Russia, Moscow
11 June	International Forum on "Energy and Sustainable Development", Omsk, Russia
26 June	Moscow International Oil and Gas Conference
27 June	Speech on "Protocol on Transit of the Energy Charter: problems of particular Russian concern and suggested solutions" to International Pipeline Forum, Moscow
4 July	2 <sup>nd</sup> Annual Conference on Oil & Gas in Kazakhstan, London

12 September	Halki International Seminar on Regional Cooperation, Halki, Greece
26 September	IMEMO-LSE Seminar on "Global Security and Natural Resources", Moscow
4 November	Conference on "Exporting Oil and Gas from Russia and the CIS", Moscow
13 November	Russian Energy Law 2002 Conference, Moscow

#### By the Director for Trade and Transit

27 March	IEA Seminar on Cross-border Gas Trade issues, Paris
19 April	Electricity and Gas 2002 Conference on "A Strategic Energy Partnership between the EU and Russia", Brussels
23 April	EU Energy Workshop organised by Norsk Hydro in Brussels
31 May	IEA-Sarkeys Energy Centre Conference on Natural Gas Transit and Storage in Southeast Europe, Istanbul
5 June	Presentation to meeting with ENOVA at the Norwegian Mission to the EU, Brussels
27 September	Polish International Oil and Gas Summit, Warsaw
15 October	South-East Europe Economic Forum 2002, Sofia
11 November	IEA Workshop on Caspian Oil and Gas issues, Paris

#### By the Head of Legal Affairs

17 January	Seminar on "Energy Charter Treaty – Recent Developments" organised by law firm Herbert Smith, London
5 February	Conference on Negotiating International Border Disputes and Trans-Boundary Issues, London
18 February	Post-graduate Seminar at the University of Edinburgh (Faculty of Law)
19 April	International Forum on Electricity and Gas 2002, Brussels
6 May	Conference on Energy Supply Strategy in the Euro-Mediterranean region, Tunis
12 November	Seminar of the UK Branch of the International Law Association, Edinburgh
26 November	International Conference on "Working with Sanctions", London

## ANNEX II

### ENERGY CHARTER MEETINGS IN 2002

6-8 March	Transit Working Group
22 March	Legal Advisory Committee
7-8 May	Group on Trade
15-17 May	Investment Group
13-14 June	Working Group on Energy Efficiency and Related Environmental Aspects
17-18 June	Transit Working Group
20 June	Tenth Meeting of the Energy Charter Conference
19 September	Budget Committee
19 September	Ad-hoc expert group to discuss the Secretariat's draft Work Programme for 2003
3 October	Open Seminar on "Liberalising Trade and Investment in the Eurasian Power Sector"
24-25 October	Transit Working Group
14-15 November	Working Group on Energy Efficiency and Related Environmental Aspects
19 November	Group on Trade
20-22 November	Investment Group
28 November	Transit Working Group
16 December	Budget Committee
17-18 December	Eleventh Meeting of the Energy Charter Conference

## ANNEX III

### OFFICERS OF THE ENERGY CHARTER CONFERENCE AND ITS SUBSIDIARY BODIES IN 2002

#### Energy Charter Conference

Chairman	Mr Henning Christophersen (Denmark)
Vice-Chairmen	Mr Gennady Ustyuzhanin (Russian Federation) Mr Hidenobu Sobashima (Japan) – <i>to 5 November 2002</i> Mr Kazuyuki Katayama (Japan) – <i>from 5 November 2002</i>

#### Transit Working Group

Chairman	Mrs Helga Steeg (Germany)
Vice-Chairmen	Mr Valekh Aleskerov (Azerbaijan) Mr Boleslaw Rey (Poland) Mr Sergei Ter-Sarkisyants (Russian Federation)

#### Energy Efficiency Working Group

Chairman	Mr Peter Helmer Steen (Denmark)
Vice-Chairman	Professor Tamas Jaszay (Hungary)

#### Group on Investment

Chairman	Professor Argyrios Fatouros (Greece)
Vice-Chairman	Mr Miroslaw Duda (Poland)

#### Group on Trade

Chairman	Mr Steivan Defilla (Switzerland)
Vice-Chairman	Mr Peter Stefanov (Bulgaria)

#### Budget Committee

Chairman	Mr Hakki Akil (Turkey)
Vice-Chairman	Ms Corinna Fehr (Austria)

#### Legal Advisory Committee

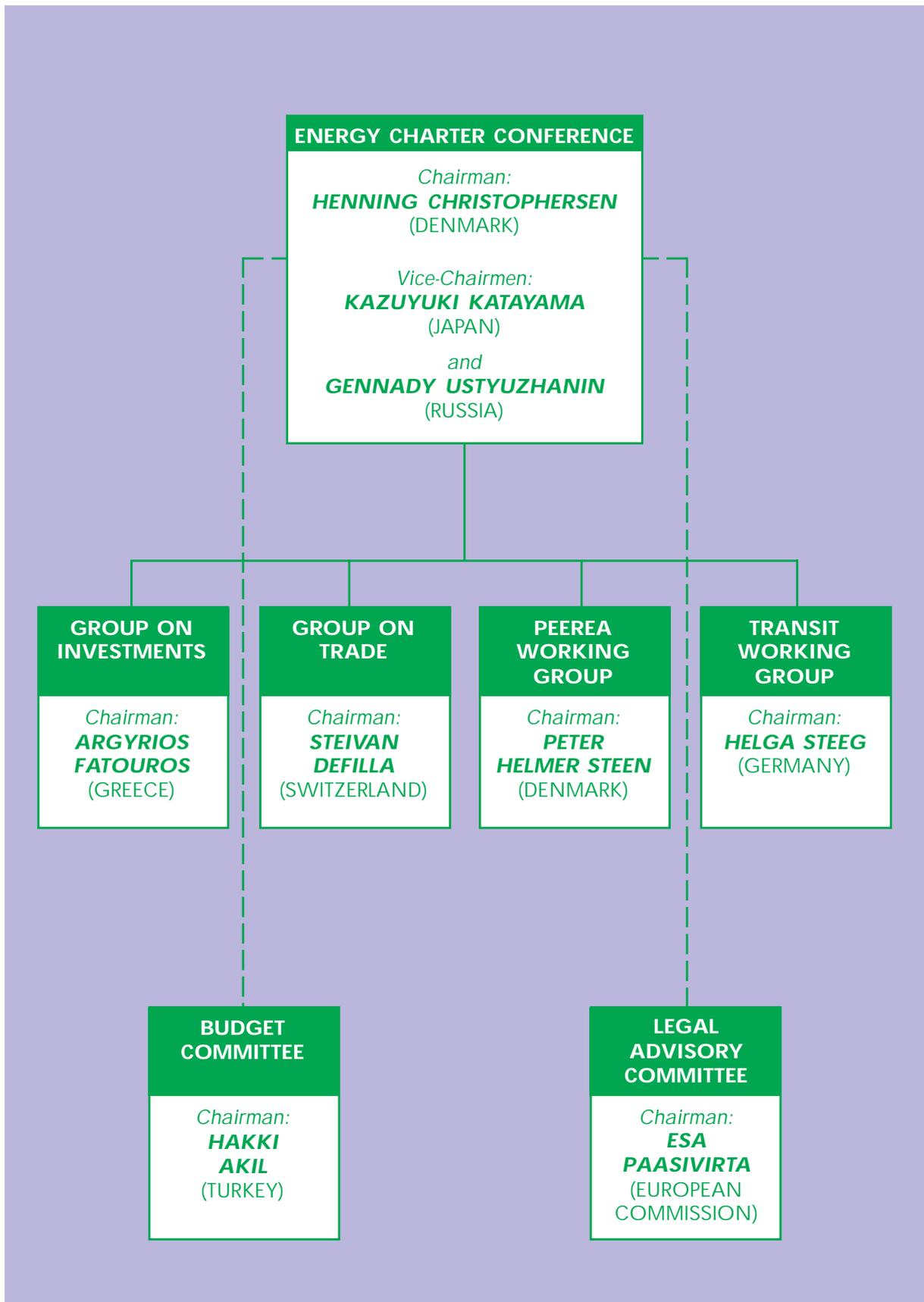
Chairman	Mr Esa Paasivirta (European Commission)
----------	---

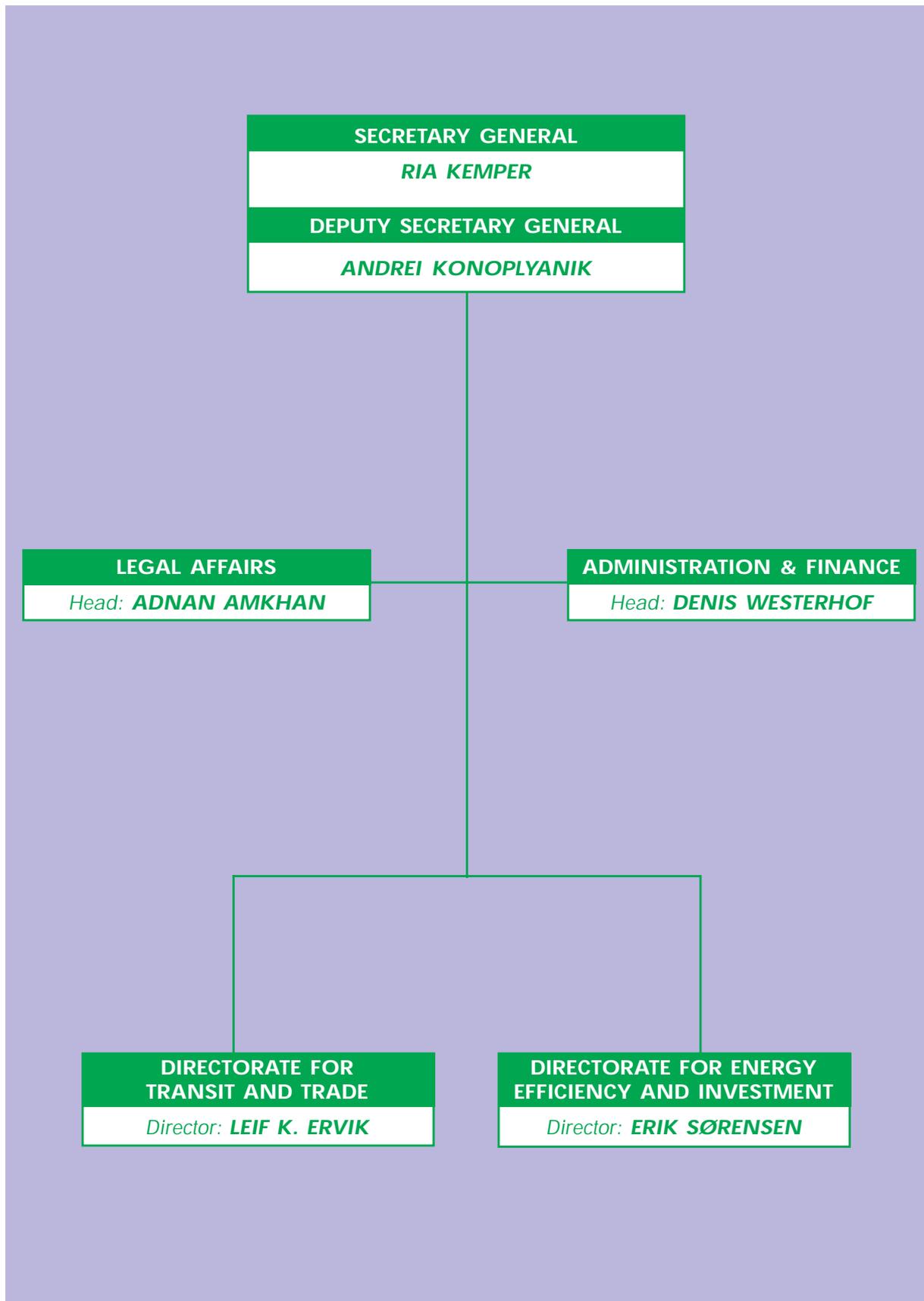
#### Energy Charter Staff Advisory Board

Chairman	Ambassador Bernard Bot (Netherlands)
----------	--------------------------------------

## ANNEX IV

### STRUCTURE OF THE ENERGY CHARTER CONFERENCE AND ITS SUBSIDIARY BODIES



**ANNEX V****ORGANIZATION CHART OF THE ENERGY CHARTER SECRETARIAT**





## **ENERGY CHARTER SECRETARIAT**

Boulevard de la Woluwe, 56  
B-1200 Brussels  
Belgium  
Tel. +32-(0)2 775 98 00  
Fax +32-(0)2 775 98 01  
E-mail [info@encharter.org](mailto:info@encharter.org)  
<http://www.encharter.org>