

**ENERGY CHARTER
SECRETARIAT**

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Related documents: CC 588

DECISION OF THE ENERGY CHARTER CONFERENCE

Subject: Tokyo Declaration on the Energy Charter

The Energy Charter Conference at its 27th Meeting held in Tokyo on 25-26 November 2016 **adopted** the

Tokyo Declaration on the Energy Charter

1.0 Introduction

- 1.1 We, the Members of the Energy Charter Conference (ECC), welcome the successful convening of the 27th Meeting of the ECC in Tokyo on 25-26 November 2016, which was held in East Asia for the first time, with attendance of 68 countries and regions and 9 international organisations including 33 ministerial-level participants.
- 1.2 We welcome that the Republic of Guatemala, the Republic of Iraq, the Islamic Republic of Iran, the East African Community (EAC), the Economic Community of Central African States (ECCAS) and the Permanent Secretariat of the G5 Sahel signed the International Energy Charter on 25 November 2016 in Tokyo and thus became Observers to the ECC. We invite these countries to also accede to the Energy Charter Treaty (ECT). We also welcome that the Republic of Yemen has completed the accession process of the ECT and will soon become a Contracting Party.

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- 1.3 We acknowledge the relevant role of Observers to the ECC and encourage them to actively participate in the Energy Charter Process.
- 1.4 We welcome the outreach workshop on “Global Energy Architecture and its Implications in Asia” held on 25 November 2016 which recognised the increasing importance of the Asian region in the global energy issues.
- 1.5 We welcome the 25th anniversary of the beginning of the Energy Charter Process which maintains its relevance for the present and has important potential to be developed in the future.

2.0 Contribution of the Energy Charter Treaty to the Energy Sector

- 2.1 We acknowledge that the ECT, which is a broad platform to promote international energy cooperation, has contributed to strengthening the rule of law in the energy sector through the application of legally binding rules for all participating governments, and to minimising the risks linked to cross-border trade, transit and investment in the energy sector.
- 2.2 Taking into account the major changes in the geopolitical situation and the increased interest in the Energy Charter from countries worldwide, we acknowledge that the adoption of the International Energy Charter in May 2015 was a great achievement for the further modernisation and globalisation of the Energy Charter Process. The signatories of the ECT reaffirmed their commitment to further promote international energy cooperation through the renewed framework.

3.0 Challenges and Opportunities Posed by the Changing Global Energy Landscape

- 3.1 We recognise the major shift in the global energy landscape taking place today. The “shale gas revolution”, the rise of renewable energy and the surging energy demand in emerging economies have changed the traditional roles of energy exporting and importing countries. We highlight that the center of global energy demand is shifting to emerging countries, particularly those in Asia, and many countries have prioritised investment in and use of sustainable energy resources including demand-side management in order to improve energy security, economic growth and actions against climate change in a world where more and more energy challenges and opportunities are globalised and aligned. We stress that, in addition to the use of renewable energy and increased energy efficiency, natural gas can play an important and effective role in moving towards a low greenhouse-gas (GHG) emission energy future and 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.
- 3.2 Recognising the importance of providing universal energy access as one of the shared goals of the international community under the 2030 Agenda for Sustainable Development and expressing the political commitment to realise in a timely fashion the goals of the Paris Agreement including moving towards a low GHG emission

economy, we confirm our readiness to continue our efforts to achieve these ambitions. We welcome the entry into force of the Paris Agreement on 4 November 2016 and the Marrakech Action Proclamation on 18 November at COP 22. We welcome that the G20 Energy Ministerial Meeting held in Beijing on 30 June 2016 adopted three action plans, including one on energy access in the Asia-Pacific region, and that the Sixth Tokyo International Conference on African Development (TICAD VI) held in Nairobi on 27-28 August 2016 adopted the Nairobi Implementation Plan, including action on clean energy in Africa.

- 3.3 We also recognise that the steady flow of energy sector investment is important to meet the increasing global energy demand. Despite the global efforts for the use of clean energy and promotion of energy efficiency, as well as stagnating energy demand in developed countries, the energy needs of emerging economies are set to increase in the coming decades. When considering that it takes years until investment in the energy sector becomes productive, such investment especially in upstream energy is particularly important in order to avoid potential future supply disruption. Investments in the energy sector should be promoted in line with the commitment to a low-GHG emission economy agreed in the Paris Agreement. We acknowledge that promoting quality infrastructure investment is essential for bridging the existing energy infrastructure gap in the world.

4.0 The Energy Charter to Provide Better Investment Climate for the Energy Sector

- 4.1 Continued and appropriate energy sector investment provides a solid foundation for sustainable growth in the world. In this context, we acknowledge that the ECT has become even more important as an instrument to provide a sound legal basis for ensuring and promoting stable and sustained investment in the energy sector. The ECT offers a concrete and transparent legal framework for investment protection and, as a result, improves the business environment for energy sector investment.
- 4.2 We recognise that the ECT contributes to stability and transparency of the investment climate in the signatories enabling the minimisation of investment risk. We acknowledge that promoting the development and improvement of a favorable investment climate in the energy sector under the framework of the ECT and the International Energy Charter contributes to stable energy supply, energy access, increased use of clean energy and the further promotion of energy efficiency.
- 4.3 Bearing in mind the need to ensure energy security among producing, consuming and transit countries, we acknowledge that the ECT has the great potential to further contribute to promoting sustainable energy at global level and to strengthening global energy security by extending the application of its legal framework to an increasing number of the countries. We embrace the vision that the International Energy Charter should be more universal and attract wider interests from countries worldwide. In this respect, we strongly encourage non-members to sign the International Energy Charter and accede to the ECT.

5.0 The Way Forward

- 5.1 We decide to enhance and support the energy resource development and the on-going efforts including modernising the investment protection framework to improve stability and transparency of the investment climate in the energy sector.
- 5.2 We decide to enhance the modernisation of the Energy Charter Process, providing new impetus especially in terms of energy security and crises prevention.
- 5.3 We decide to strengthen cooperation with other related international organisations to increase the synergy of our work, while avoiding duplication.
- 5.4 We decide to strengthen the Consolidation, Expansion and Outreach (CONEXO) policy to raise awareness of the Energy Charter's goals and values with particular attention to countries where energy demand is expected to increase, such as Asian and African countries and energy producing countries in the Americas and the Middle East.
- 5.5 We decide to enhance further efforts to develop energy markets, free transit and distribution of energy resources, products and services.