

**ENERGY CHARTER  
SECRETARIAT**

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CCDEC 2000

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Brussels, 7 December 2000

Related documents: CC 174, CC 185
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**DECISION OF THE ENERGY CHARTER CONFERENCE**

**Subject: Adoption of the Energy Charter Secretariat's Work Programme for 2001**

[The Energy Charter Conference at its 6<sup>th</sup> Meeting held on 7 December 2000] approved the Work Programme for 2001 as contained in CC 174, with due account taken of the amendments mentioned by the Secretary General, in accordance with the recommendations of the Budget Committee concerning the 2001 Budget:

- only 8 staff months in 2001 would be devoted to implementation of Article 19 of the Treaty (not 12, as listed in CC 174), and
- the overall amount of staff months allocated to activities in 2001 would be reduced to 360 (from 366, as listed in CC 174) due to a reduction in the number of slots for secondees in the Secretariat in 2001, due to budgetary constraints.

The Chairman noted that the Secretariat should also take account of the views expressed by several delegations concerning the importance of further work on electricity issues, and should aim where possible to assist those delegations interested in developing further activities in this area.

Keywords: Secretariat's Work Programme

## **Energy Charter Secretariat Work Programme for 2001**

[as adopted by the Energy Charter Conference  
at its 6<sup>th</sup> Meeting held on 7 December 2000]

### **INTRODUCTORY NOTES**

The 2001 Work Programme assumes a continuation of the Secretariat's activities in relation to the four main "pillars" of the Energy Charter Treaty that are the focus of the Charter Conference's attention, namely: transit, investments, trade and energy efficiency and related environmental aspects. Calculations of staff and consultancy months allocated to individual activities in this draft correspond to the proposed 2001 Budget and Establishment Table. Under section 2 of the Work Programme ("Directorates") staff and consultancy months have been allocated to individual activities based on the priorities among them. By their very nature, certain of the activities described will of necessity be residual (e.g. it is not possible to predict at this stage the final date by which the Transit Protocol negotiations will be completed).

Transit represents the Secretariat's priority area of activity in 2001, given the ongoing development of new Energy Charter instruments in this area. The Work Programme is based on the assumptions that work on a series of Model Transit Agreements will continue to develop, and that negotiations on the Energy Charter Transit Protocol will be completed in time to allow for signature in 2001. The need to continue both the development of Model Agreements and the negotiations on the Protocol into 2001, and for the Secretariat to provide the corresponding level of technical, intellectual and administrative support to the Transit Working Group and to expert group meetings under it, is reflected in the amount of staff months devoted to this area of work.

Concerning Investment issues, the Work Programme assumes that the Investment Group will continue its activity with respect to the Investment Climate and Market Restructuring reviews with particular focus on legislative developments and market restructuring efforts undertaken by countries in transition. It is envisaged in particular that the Investment Group will focus on and develop its current activities regarding measures of market restructuring, liberalisation and privatisation. The Secretariat will also provide all necessary support to the Conference in order to achieve progress on finalisation of the Supplementary Treaty at the earliest possible stage.

In the area of trade, the Work Programme is centred on the core activities relating to implementation of the Treaty that the Secretariat is obliged to undertake in accordance with the Treaty's provisions. In addition to these core obligations, the Secretariat also plans activities aimed at increasing the level of transparency over the application of the Treaty's WTO-based trade rules to trade in Energy Materials and Products.

Concerning energy efficiency and related environmental aspects, the Work Programme envisages a continuation and strengthening of the Secretariat's activities relating to the implementation of the relevant provisions of the Treaty and PEEREA. In the case of PEEREA, the Secretariat will devote a substantial part of its available resources to continuing the current series of in-depth peer reviews of individual countries' energy efficiency strategies. The completion of these in-depth reviews, and of the less intensive "desk-based" reviews of energy efficiency strategies to be conducted by the Secretariat in

parallel, will continue to play a central role in preparing the Energy Charter Conference's report on energy efficiency issues for the UN-ECE "Environment for Europe" Ministerial in Kyiv now scheduled for 2003. The increasing importance of energy efficiency issues within the Charter process, and the growing resource demands placed on the Secretariat by the activities it is required to undertake in this field, are reflected in the proposal that one extra A-grade staff member should be allocated to this area of work, through an internal transfer and upgrade of one slot in the Secretariat's present Establishment Table (see BC 94) from the Private Office to the Directorate for Energy Efficiency and Investments. The staff-month calculations in the present draft of the Work Programme reflect this proposal.

The Secretariat may also be required to allocate resources for the preparation of the Ministerial Conference marking the 10<sup>th</sup> Anniversary of the Energy Charter process to be held in December 2001, subject to a decision by the 6<sup>th</sup> Meeting of the Charter Conference in December 2000 to proceed with this initiative. Inter alia, these preparations may require the convening of an ad-hoc working group charged with drafting the Ministerial Declaration to be adopted on this occasion, for which technical and intellectual input from the Secretariat will be required. This additional requirement for 2001 would have implications for the allocation of resources in Private Office, Legal Affairs and both Directorates, since input is likely to be required from all of these parts of the Secretariat in this connection.

In all of the above areas, in accordance with Article 34(4) of the Treaty, the Secretariat will strive to ensure that its activities are fully complementary with those of other relevant international organizations. This will be achieved through maintaining and strengthening contacts and dialogue with, in particular, the EU, IEA, OECD, WTO, UN-ECE, World Bank, EBRD, and also with other relevant institutions. Accordingly, the calculated staff time devoted to the activities described below encompasses in each case the need to devote certain Secretariat resources to the development of cooperation with the above-mentioned organisations. The Secretariat will also maintain regular contacts with the Brussels-based Missions of Contracting Parties/Signatories in between Conference meetings. The Secretariat will continue to seek active involvement of the energy industry of constituency countries, particularly in the area of transit, and will also aim to develop and strengthen its dialogue with relevant non-governmental organisations, in particular in relation to energy efficiency and investment issues.

# ENERGY CHARTER SECRETARIAT WORK PROGRAMME FOR 2001

## ACTIVITIES<sup>1</sup>

### 1. PRIVATE OFFICE

(72 staff-months)

The Secretary-General and Deputy Secretary-General will provide overall direction and operational co-ordination of the Secretariat's work. In particular, they will give priority to the policy dimension of the Charter process, to overall strategic and political aspects of the Secretariat's work, and to developing the Secretariat's contacts with governments of Contracting Parties/Signatories at an appropriate political level, with their diplomatic representations in Brussels, and with relevant international organisations and institutions.

Such contacts will be required in particular concerning implementation of the Treaty, the continued negotiation and finalisation of the Energy Charter Transit Protocol, and activities relating to energy efficiency and environmental aspects. Relations with the energy industry, including its Brussels-based associations or unions, need also to be promoted. Consultations may also be required at political level with countries wishing to become more closely involved in the Charter process and eventually to accede to the Treaty. Particular emphasis will be placed on high-level political contacts with those Signatories that have yet to complete their ratification of the Treaty, with the aim of facilitating the ratification process.

Dissemination of public information about the Treaty and its positive impact on the energy sector will require ongoing efforts by the Private Office in such areas as: press and public relations; participation in international conferences; missions to constituent states and to the headquarters of relevant international organisations.

Private Office will provide advice and organisational support for the Conference Chairman to ensure his close engagement in policy matters relating to the Charter process and to facilitate informal political consultations between the Chairman and Contracting Parties/Signatories.

### 2. DIRECTORATES

#### 2.1 Ratification and Expansion/Accession

##### 2.1.1 *Ratification of the Treaty/Protocol/Trade Amendment*

(5 staff-months)

The Secretariat will continue to provide advice and support to those Signatories, which have not yet completed their national ratification procedures. Support and advice will also be provided to Contracting Parties/Signatories in relation to the ratification of the Trade Amendment; this latter support will focus on non-WTO Contracting Parties/Signatories. To facilitate ratification of the Trade Amendment the Secretariat will produce a document summarizing the principle new aspects added by the amendment (update of rules to WTO rules on trade in goods, the dispute settlement mechanism and coverage extended to Energy-Related Equipment on Annexe EQ 1 as well as to Energy Materials And Products).

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<sup>1</sup> All staff-month calculations in the draft Work Programme include secretarial support and secondees' output

### 2.1.2 *Expansion/Accession*

(11 staff-months)

Contacts will be pursued with countries that have expressed interest in closer relations with the Charter process. The Secretariat will develop co-operation with the Mediterranean states, most notably Morocco and Tunisia, which have shown growing interest in establishing closer ties with the Charter process with the objective to accede. Based on the outcome of activities in 2000, emphasis will be put on developing further dialogue with the authorities of the People's Republic of China.

Where appropriate, dialogue will also be developed with other states with a view to increasing their familiarity with the Treaty. Co-operation between international and/or regional organisations may also be developed.

The Secretariat will upon request assist new participants in signing the European Energy Charter and/or in gaining the status of a regular observer at the Charter Conference meetings, and will initiate the accession process as appropriate.

In pursuing these activities, the Secretariat will be mindful of the Conference conclusions of keeping a balance between expanding the coverage of the Charter process and deepening its substance within the limits of its existing constituency.

## 2.2 Energy Transit

### 2.2.1 *Energy Charter Transit Protocol*

(26 staff-months plus 2 consultancy-months)

The Secretariat's activities in this area in the first half of 2001 will be based on the mandate decided by the 4<sup>th</sup> Meeting of the Charter Conference in December 1999 concerning negotiations on an Energy Charter Transit Protocol.

In the first half of 2001 emphasis will be placed on finalising the negotiations of the Transit Protocol. The Secretariat will in all respects facilitate the negotiation process and will, as required, play an active role in securing the successful conclusion of the negotiations, based on the assumption of a high level of frequency of Transit Working Group meetings in the first half of 2001.

Once finalised, the Secretariat will prepare the text for adoption. This will include technical examination of the text by the Legal Advisory Committee. The texts will then be subjected to legal/linguistic scrutiny in all the official languages of the Charter process.

### 2.2.2 *Complementary activities evolving from the Energy Charter Transit Protocol*

(5 staff-months plus 1 consultancy-month)

Once an Energy Charter Transit Protocol is successfully concluded, it is envisaged that, subject to a corresponding mandate from the Charter Conference, an assessment will be conducted of whether and how to address adequately issues that have been deferred during its fast-track negotiation phase. In order to supplement the provisions of the Energy Charter Transit Protocol, work resulting from this assessment could include *inter alia* the following:

- Elaboration of codes of conduct, guidelines, and other non-legally binding documents, in particular on tariff methodologies for Transit-related transport of Energy Materials and Products and other charges.
- Strengthening of and further elaboration upon existing and new procedures for the settlement of transit disputes.

### 2.2.3 *Model Transit Agreements*

*(15 staff-months plus 1 consultancy month)*

The Secretariat will continue to provide support for the development, in close consultation with governments and industry, of a first edition of Model Transit Agreements for hydrocarbons, with the aim of eventually submitting them to the Charter Conference.

Subject to the completion of the above work, the Secretariat will, with the assistance of Contracting Parties/Signatories, keep under review the use of such Model Agreements in conformity with the evolving nature of good practices in this domain. In addition, it will assess options for, and the value of developing Model Transit Agreements for electricity with interested parties. Therefore the Secretariat will:

- Provide insight and guidance on their significance and use, as required;
- Consider transparent criteria and procedures in order to annotate, review, amend, complement and/or extend Model Transit Agreements in both substance and form;
- Maintain periodic consultations with industry through the multilateral network it has established during their development phase, with a view to further encourage co-operative efforts aimed at facilitating project-specific investment in cross-border infrastructure projects that facilitate transit.

### 2.2.4 *Policy Review of Transit regimes<sup>2</sup>*

*(6 staff-months)*

The Secretariat intends to provide an overview of the transit-related legal, regulatory and institutional regimes that exist in selected important transit countries. This activity will build on the results of a number of EU financed projects. Furthermore, co-operation with the World Bank in the second half of 2000 may identify further scope for work for the Secretariat in the area of cross-border energy flows with the view to further identifying and recommending ways of reducing or eliminating obstacles to such energy flows.

The analysis will include a review of the role, jurisdiction and authority of governments and regulators in licensing, construction, operation and other aspects of the functioning of energy transit systems in these selected countries (including transit capacity and tariff issues).

### 2.2.5 *Energy Transit Economics*

*5 staff-months)*

The Secretariat will undertake analysis and supply information to Contracting Parties/Signatories on various existing cost structures relating to transit systems, including transit tariff methodologies, in order to facilitate the understanding of costing and pricing of energy transport services.

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<sup>2</sup> *Activities 2.2.4 and 2.2.5 are subject to the availability of staff resources within the Secretariat, and will be undertaken only after the successful conclusion of the Transit Protocol negotiations.*

## 2.2.6 Regional Electricity Markets

(8 staff-months)

In response to widespread interest shown by many delegations, the Secretariat will commence a study of regional electricity markets within the Charter's constituency, focusing on the development of their inter-relationship, and analyzing their possible benefits in terms of promoting open and competitive energy markets. Resource constraints permitting (and provided that the Transit Protocol negotiations are concluded in a timely manner), the Secretariat will aim to complete this study by the end of 2001. Given the nature of regional electricity markets as a subject, the results of this study are likely to be presented for discussion at both the Transit Working Group and the Group on Trade during the course of the year.

## 2.3 Energy Investments and Markets

### 2.3.1 Country Reports, Guidelines and Peer Reviews

In cooperation with the countries concerned, the Secretariat will continue to update the reports on Investment Climate and on Market Restructuring in accordance with the Table of Contents and the schedule agreed by the Investment Group. Those reports will continue to be available on the Energy Charter web site. The pre-investment exceptions will continue to be compiled in the 'Blue Book' also available on the Energy Charter web site. The Investment Group will continue as a Conference sub-group with its present mandate as a forum for discussion on all investment-related issues, including monitoring and review functions.

#### 2.3.1.1 Investment Climate

(25 staff-months plus 1 consultancy-month)

The Investment Climate reports will continue to focus on the general legislative framework for the Making of Investments in the energy sector in accordance with the agreed Table of Contents and schedules for these reports. The updated reports should not only provide a better understanding of the economic significance of the pre-investment exceptions, but in particular develop the information on the general investment climate through examination of relevant legislation with particular emphasis on market access developments. The documentation will also cover the existence and nature of relevant state entities, monopolies and exclusive or special privileges.

On a voluntary basis, and on the basis of experience gained from one thorough review, the Investment Group will consider, within the limits of available resources, whether to substitute further annual reviews for in-depth reviews. The purpose of engaging in this kind of reviews would be: to draw on the experience and assistance of other Contracting Parties/Signatories in the process, to develop the evaluation of and recommendations to the respective countries in dialogue with the relevant authorities and to facilitate experience-sharing among Contracting Parties/Signatories.

Contracting Parties/Signatories have undertaken to remove progressively restrictions for investors of other Contracting Parties/Signatories. One of the most efficient mechanisms to promote such a roll-back are peer sessions reviewing relevant legislation with particular emphasis on market access developments. Standards/targets for removal of existing restrictions affecting investors will be proposed. The peer sessions will in due time review the fulfilment of the standards and targets.

Assisting the overall analysis of the pre-investment exceptions is the analysis of the categories of notified exceptions. Categories of the pre-investment exceptions, their content and reliance on those exceptions will be reviewed in the context of compliance with the political obligations not to discriminate. In year 2000 the Investment Group reviewed the exceptions categories on Privatisation, Real Estate and Reciprocity. In 2001 the category on Registration and Screening will be reviewed.

### 2.3.1.2 *Market Restructuring*

*(20 staff-months plus 1.5 consultancy-months)*

The Market Restructuring reports will focus on the development of the regulatory framework for and the process of energy market restructuring. The aim of those reports is to facilitate discussion among experts on the complicated and politically sensitive issues involved in engaging in the process of restructuring energy markets and possibly privatisations with focus on countries with economies in transition. While the drafting of the reports in general should follow the Table of Contents agreed in the Investment Group it would make sense to take a more selective approach in the individual reports as a means of addressing the issues most important for a particular country. Discussion of these issues is more valuable before the process is completed. Also valuable for the process would be dissemination of material or presentations on experience gained in OECD countries on restructuring and privatisation. As for the Investment Climate report, discussions are intended to focus more on evaluation and recommendations for the country under examination. Within the Market Restructuring exercise, further attention will be devoted to the experience of various Contracting Parties/Signatories in restructuring their national electricity sectors.

Based on the Market Restructuring reports the parallel activity of supplementing the generalised Recommendations/ Best Practice Guidelines will continue. Particular issues in the Guidelines will be analysed further by the Investment Group. As an example the Investment Group in 2000 reviewed the collection/non-payment issue and devised measures for reducing non-payment problems.

Elaboration of post-privatisation techniques: in a manner complementary to WTO activities, and without going beyond existing legal obligations, it is envisaged that the Investment Group consider and develop Guidelines devising alternative models for post-privatisation management as a basis for best practice, including standards/checklists for addressing markets becoming over-concentrated.

### 2.3.2 *Supplementary Treaty Issues*

*(3 staff-months)*

The Secretariat will continue to support Contracting Parties/Signatories in their efforts to conclude the Supplementary Treaty.

The Investment Group will monitor various developments in international law and policy with respect to investment, with a view to discussing their potential relevance to the investment related provisions of the Treaty. In particular the Group may examine the relevance of references to international environmental obligations in relation to investment, the relevance of core labour standards and related health and safety issues in international conventions, as well as guidelines on investor behaviour.

### 2.3.3 *Investment Barriers*

*(2 staff-months)*

In addition, resources permitting, the Secretariat plans to facilitate discussions among experts of particular problems discouraging investment, primarily with the aim of creating a forum especially for transition economies in which to raise issues related to implementation of the Treaty's investment provisions.

## 2.4 Trade

It is assumed that in 2001 there will be still at least 10 non-WTO countries in transition applying WTO trade rules based on the Treaty. The Secretariat will continue to closely monitor relevant developments in and intensify co-operation with the WTO as more Contracting Parties/Signatories move towards full WTO membership. The Group on Trade will continue as a Conference sub-group with its present mandate as a forum for discussion on all trade-related issues, including monitoring and review functions.

### 2.4.1 *Notification System*

*(10 staff-months)*

Trade-related notifications encompass notifications by non-WTO Contracting Parties/Signatories under the WTO-by-reference approach (additional information on notifications by WTO countries to the WTO will also need to be processed for comparison), and Article 29(3) notifications by all Contracting Parties/Signatories.

It is also envisaged that notifications will be made available on the Internet, mirroring WTO transparency practice with appropriate links to the WTO web-site.

### 2.4.2 *Follow-up on Notifications*

*(6 staff-months plus 1 consultancy-month)*

The Secretariat will focus on the review of notifications in some key areas, following up on reviews of notifications on import licensing, quantitative restrictions and safeguards in 2000. Key areas for early review will be subsidies and countervailing measures and state trading enterprises. A pattern of regular reviews of notifications will be developed so as to gradually review all required notifications in a WTO-like way.

Some activities foreseen in the applicable provisions of the WTO Agreement are automatically triggered by notifications or by non-compliance with notification obligations. These provisions (e.g. procedure on balance of payments measures) explicitly task the Secretariat in certain areas. The Secretariat will also assist with tasks, which are triggered by some delegations' requests in response to notifications from other delegations or the lack of full compliance by certain Contracting Parties/Signatories with notification obligations (i.e. consultations on technical barriers to trade).

#### 2.4.3 *Dispute settlement under Annex D*

(2 staff-months)

The Secretariat will continue preparations for dealing with dispute settlement under Annex D of the Treaty. This will include continued work towards the adoption<sup>3</sup> of the Rules of Procedure for Panel Proceedings as well as assistance aimed in particular at non-WTO members, which will also encourage the designation of experts for inclusion on the roster of panelists provided for by Annex D. The Secretariat will provide practical assistance to any panels as required.

#### 2.4.4 *Review of possibilities of moving to a legally binding tariff commitment (2 staff-months)*

The Secretariat will, in accordance with the provisions of the Trade Amendment, conduct the review on the introduction of legally binding tariff commitments as an annual exercise.

#### 2.4.5 *Assistance to capacity building and technical cooperation*<sup>4</sup>

(7 staff-months)

For non-WTO countries' implementation of trade-related provisions of the Treaty and Trade Amendment will be useful preparation for WTO membership. Assistance to capacity building and technical cooperation provided by the Secretariat will include assistance with preparation of notifications, policy advice and help in setting up the required network linking up the institutions concerned. Individual non-WTO members will be assisted in their efforts to fully implement the trade-related provisions of the Treaty and Trade Amendment and to comply in particular with the respective WTO-based requirements. The Secretariat will also provide guidance and advice to the TACIS projects in order to maximize their benefit in further enhancing compliance with the trade provisions of the Treaty and Trade Amendment.

#### 2.4.6 *Transparency on Trade Provisions*

(7 staff-months plus 1 consultancy-month)

The Secretariat should as a priority provide increased transparency about the application of the WTO rules on trade in goods with regard to all Energy Materials and Products, some of which have specific technical attributes, with a view to assisting in particular non-WTO members in their efforts to comply fully with the trade provisions of the Treaty.

It will be important that in particular those non-WTO Contracting Parties/Signatories, who are preparing or implementing market restructuring, liberalisation and unbundling are aware of the scope of the existing potential international trade rules as well as of the relevant experiences of WTO countries in this respect.

Building on the Transparency Document on applicable trade provisions and principles under the Energy Charter Treaty, follow-up work should contribute to deepening the understanding of applicable trade provisions. A paper on trade and options for developing open and competitive markets in energy sectors with rapid market restructuring and liberalization will be prepared for submission to the Charter Conference during 2001.

### 2.5 Environmental Aspects (Article 19 of the Treaty)

<sup>3</sup> *It is a Treaty obligation that the Charter Conference 'shall adopt' rules of procedure for panel proceedings (Annex D (3)(a) of the Treaty)*

<sup>4</sup> *2.4.5. The status of the ECT TACIS project is presently uncertain. The Secretariat will in any case seek to focus in 2001 on capacity-building activities for non-WTO countries in relation to the ECT's trade provisions.*

2.5.1 *Integration of environmental and energy efficiency objectives into economic and energy policies* (8 staff-months)

Energy efficiency improvements are necessary and prove very often to be cost-effective measures for achieving economic and environmental gains in the various sectors of the economy: industry, building, transport and services. For this reason, energy efficiency policies and programmes have to be integrated or at least correlated with more general economic policies and measures, notably in the case of countries in a process of restructuring their economy. Pricing policies have an important role to play in this process, and certain countries try to reflect environmental costs into the price of energy products. This is in line with the provisions of the Treaty and with the commitment made at the 1998 Aarhus Ministerial Conference to phase out environmental harmful subsidies.

A report will be compiled on the modalities of addressing these issues, identifying key barriers as well as successful practices identified so far. Required analysis will focus on a limited number of countries and will be co-ordinated with work undertaken by IEA and UN-ECE in this area. The report should lead to recommendations to be discussed and agreed in the Working Group.

2.6 Transparency

2.6.1 *Enquiry Points* (1 staff-month)

The Secretary will facilitate and organise the integration of Enquiry Points into all aspects of the Charter process in order to raise efficiency of implementation of the Charter instruments and to ensure transparency, including on institutional developments. It will continue to inform Contracting Parties/Signatories on designated enquiry points. Utilization of the Energy Charter website will also be pursued to strengthen the function of Enquiry Points.

3. LEGAL AFFAIRS (30 staff-months)

3.1 Legal Affairs will provide overall legal assistance and advice to the Charter Conference and its subsidiary bodies; in particular it will assist in:

- The preparation, negotiation and drafting of the Transit Protocol
- The preparation, negotiation and chairing of the Model Transit Agreements
- The preparation of all other on-going negotiations
- Any other legal matters concerning the Treaty and its related instruments.

3.2 In particular, in view of the ongoing Transit Protocol negotiations, Legal Affairs will also revitalise the Legal Advisory Committee.

3.3 Legal Affairs will assist and advise the Secretariat on legal issues in respect of:

- The on-going negotiation with the Belgian authorities on social security issues in the context of the Headquarters Agreement
- Internal and external inquiries
- Expansion/accession to the Energy Charter Treaty.

3.4 Legal Affairs will further be responsible for:

- Relations with the Depositary
- Maintaining transparency documents
- Providing necessary legal advice regarding ratification and entry into force of the Treaty and its related instruments
- Keeping in a systematic manner the *travaux préparatoires* of the Treaty and its related instruments
- Maintaining the Secretariat's legal library
- Representing and promoting the Energy Charter process in international legal circles.

4. ADMINISTRATION AND FINANCE (66 staff-months plus 2 consultancy months)

The main areas of work of Administration and Finance are Budget, Personnel, Financial Administration, Information Technology and Administration and Support Services; specific activities are as follows:

Budget:

- Implementation of relevant provisions of Financial Rules;
- Financial control of expenditure
- Collection of contributions, and in particular special efforts to deal with outstanding arrears in national contributions
- Preparation of draft Budgets

Personnel:

- Implementation of Staff Regulations, Rules and Circulars
- Recruitment and appointment procedures
- Official travel, Representation and Leave administration
- Administration of the Secondment Programme
- Relations with relevant host country authorities (Registration, HQA)

Financial Administration:

- Implementation of Financial Rules and the Implementing Instructions thereto
- Processing and administration of commitments and payments
- Maintenance of accounting records
- Preparation of periodic expenditure statements and forecasts
- Preparation of periodic statements of collection of contributions
- Payroll administration
- Preparation of the annual Financial Statements and assistance in the audit procedure
- Belgian taxation and social security issues
- Treasury and cash-flow management
- Administration of financial support to invited experts
- VAT exemption procedures and control
- Contracts administration and control

Information Technology:

- Maintenance of all technical facilities
- Ensuring the unctioing of all IT systems (hardware and software)

- Investigating the future technical requirements of the organisation
- Development, maintenance and upgrading of the organisation's Web-site, including, as a matter of priority, for the purpose of distributing Conference and Working Group documents via the Internet
- Maintenance of all communication facilities

Administration and Support Services:

- Reception services
- Office management and premises administration
- Visa support procedures
- Document dissemination procedures (*see also web-site note above*)
- Insurance (medical, premises, travel) administration
- Meeting support (Conference and other meetings)

# **ENERGY CHARTER PROTOCOL ON ENERGY EFFICIENCY AND RELATED ENVIRONMENTAL ASPECTS (PEEREA)**

## **WORK PROGRAMME FOR 2001**

In 2000 the Working Group on Energy Efficiency focused its activities on the review process, i.e. regular reviews and in-depth energy efficiency reviews. The Group has also taken specific action in areas identified as priorities by the Charter Conference, such as analysing effects of market liberalization on energy efficiency policies and programmes. It is proposed that the review process will continue to be a core activity, while specific analyses and reports will be additionally required. Due to the intrinsic link between the objectives/obligations of PEEREA (and also Article 19 of the Treaty) and Aarhus commitments, such activities will form also the basis of reporting on energy efficiency issues to the Kyiv Ministerial Conference now scheduled for 2003, according to the invitation made by the UN-ECE to the Secretariat.

### *5.1 Review process*

*(10 staff-months plus 1.5 consultancy-months)*

The review process relies on two complementary actions: the development of a general monitoring system of national policies and programmes and in-depth energy efficiency reviews.

The regular reviews are the basis of monitoring progress of implementation of the Protocol and of the Aarhus commitments. A number of regular reports have been prepared in 1999 and in 2000. The procedure was that the Secretariat has produced a first draft and the countries reviewed/updated their own country report. Taking account of the Secretariat's limited resources for this purpose, the Working Group agreed during 2000 to a revised procedure, whereby all countries submit their report to the Secretariat without a "prefilling" by the Secretariat (except quantitative information based on IEA data). Despite the adjustment in the date of the Kyiv Ministerial from 2002 to 2003, it is proposed that this revised procedure should continue to apply.

The in-depth reviews serve as the main tool for achieving a platform of international analysis and discussion on efficiency and environmental issues of common concern. The Secretariat will continue to undertake in-depth reviews of energy efficiency policies for selected countries. Furthermore, the Secretariat will conduct an overview of the situation relating to the implementation of the Treaty, PEEREA and of the Aarhus energy efficiency-related commitments based on a complete set of regular reviews.

Based on this review process, making use of the information collected and taking into account the identified priorities, specific analysis and activities will be undertaken as underlined below. During 1999-2000, the Secretariat has already undertaken specific projects on: developing energy efficiency strategies, fiscal and taxation policies, financing mechanisms and initiated work on the implications of market liberalisation on energy efficiency policies. Further special attention will be given to following up the Aarhus commitments. Concrete activities are to be focused on:

### 5.2 *Third party financing and energy services companies*

*(5 staff-months plus 2 consultancy-months)*

Financing energy efficiency related project is one of the key problems in implementing policy objectives. Third party financing and energy service companies (ESCOs) can help overcome barriers. A report should be prepared and discussed in the Working Group with a view to: identify current national policies and framework conditions (taxation, fiscal, environmental and general energy policies), evaluate market conditions and niche markets, address barriers and identify success factors, develop appropriate recommendations.

### 5.3 *Energy Efficiency institutions*

*(5 staff-months plus 0.5 consultancy-month)*

The success of developing and implementing energy efficiency policies and programmes is highly dependent on the institutions responsible. PEEREA calls in fact for establishing “specialized energy efficiency bodies at appropriate levels, that are sufficiently funded and staffed to develop and implement policies”. Analysis should be undertaken on the issue of establishing and making institutions operational. Success factors as well as barriers should be addressed. The report should be discussed in the Working Group with a view to develop recommendations.

**WORK PROGRAMME 2001  
SUMMARY OF STAFF MONTH CALCULATIONS**

<b>I Directorates</b>	<b><u>No. of Staff Months</u></b>
Ratification	5
Expansion/Accession	11
<b>Total Ratification/Expansion/Accession</b>	<b>16</b>
Transit Protocol & Related Activities	31
Model Agreements	15
Selected technical issues	11
Regional Electricity Markets	8
<b>Total Transit</b>	<b>65</b>
Investment Climate	25
International Law/Supplementary Treaty	3
Market Restructuring	20
Investment Barriers	2
<b>Total Investments</b>	<b>50</b>
Notification System	10
Follow-up on Notifications	6
Annex D Disputes	2
Legally-binding tariffs	2
TACIS project	7
Trade transparency	7
<b>Total Trade</b>	<b>34</b>
Environmental Aspects (Art. 19 of ECT)	8
PEEREA	20
<b>Total Energy Efficiency &amp; Environment</b>	<b>28</b>
Enquiry Points	1
<b>TOTAL FOR DIRECTORATES</b>	<b>192</b>
<b>II Private Office</b>	<b>72</b>
<b>III Legal Affairs</b>	<b>30</b>
<b>IV Administration &amp; Finance</b>	<b>66</b>
<b>GRAND TOTAL FOR ECS</b>	<b>360</b>

This calculation corresponds to the proposed Establishment Table of 29 staff (29 x 12 months per person = 348 months), plus 12 months' worth of secondees' time.