

**ENERGY CHARTER
SECRETARIAT**

CCDEC 2013

10 NOT

Brussels, 6 December 2013

Related documents: CC 465

DECISION OF THE ENERGY CHARTER CONFERENCE

Subject: Secretary General's Report for the Year 2013

The Energy Charter Conference at its 24rd Meeting held on 5th/6th December 2013 **took note** of the Secretary General's Report of the year 2013 as contained in document CC 465 (attached hereto).

Secretary General's Report for the Year 2013

This Report provides an overview of the activities of the Energy Charter in 2013. The detailed information on activities planned for 2014 is available in CC 476, the Secretariat's Programme of Work for 2014.

1. Energy Charter Secretariat Management

One of the more significant measures in the effort to improve the efficiency of the Secretariat is the new Establishment Table. The details of this were approved by the Conference at last year's Meeting (CC 451) and the new Establishment Table came into effect in January 2013. There was a consistently high staffing level throughout the year resulting in an almost fully staffed Secretariat for the first time in some years.

The Secretariat's efforts towards greater transparency and accountability were continued in 2013. These include the monthly up-dates on operational and financial developments, upgrading and digitalisation of archives, and extensive consultations with members of the Energy Charter Conference. All these initiatives were designed to restore trust in the Secretariat's operations and activities. They are already resulting in higher efficiency for the overall Energy Charter Process.

The key task for the Secretariat and the Secretary General has been to identify among the many contemporary energy challenges the right opportunities for further development of the Energy Charter Process. An even more important task for the broad Energy Charter constituency is to convert those opportunities into credible and robust decisions which will ultimately strengthen and enlarge the applicability of the "rule of law in energy co-operation".

There have been a number of important achievements in 2013. These include the decisions on the rotating Chairmanship of the Conference, on the mandate for the negotiation of up-dated Energy Charter declaration and on de-restriction of all Energy Charter Conference Decisions. Those developments are very clear signals from the constituency on the genuine will to modernise and strengthen the Energy Charter Process.

Members of the Energy Charter Conference are more and more committed to the Process. Members have assumed new voluntary responsibilities like the Energy Charter Liaison Embassies, and providing voluntary financial and human resource contributions to Secretariat's activities.

2. Information and transparency

The Secretariat has continued the approach of raising the public profile of the organisation and improving communication with its stakeholders and target audiences. The primary aim of this new policy is for the Treaty to become better known and useful

to member governments in order to further improve working relations between the delegations and the Secretariat. The secondary aim is for the Charter and the Treaty to become a well-known regularly referenced institution outside the traditional audiences of member governments, the legal profession and students in the energy field. That is the importance of the Decision on the de-restriction of all Energy Charter Conference Decisions (CC 463).

Member delegations are aware of the Secretariat's status and work output. However, ease of access to ECS documents can now be improved and more information can be provided to delegations on the Secretariat's regular work. More information can be provided to Observers and possible candidate countries on their status and on the opportunities that joining the Energy Charter Treaty offers. Incentives are being created for observers to progress to membership status. Information on the organisation and its work can now be made more accessible and noticeable to other target groups. Up to now specific aspects of the Conference's work were known only to very specific audiences. Efforts will be made to reach wider energy-related audiences, by improving passive means of communication (inviting target groups to become observers to the Charter Conference) and increasingly employing active means (the Charter and the Treaty reaching out to target groups).

The practice of producing monthly reports from the Secretary General to Ministers will continue in 2014.

3. Modernisation and CONEXO

Extensive discussions were held throughout the year with delegations, at political and expert level, on the general approach and preferred actions for modernising the Energy Charter Process. These discussions resulted in a mandate for the negotiation of an update of the 1991 European Energy Charter which is discussed in more detail in CC 467 (The Report of the Chairman of the Strategy Group).

The objective of the Consolidation, Expansion and Outreach Policy (CONEXO), adopted early in 2012, is the enlargement of the geographical area of application of the Energy Charter and the Treaty in the mutual interests of current members of the Energy Charter Conference and potential future acceding states and regional economic integration organisations. The policy is to be considered as the shared responsibility of members and of the Secretariat.

An important development on the Consolidation aspect in 2013 was the dissemination of the Secretary General's Non-paper on Consolidation of the Energy Charter Process based on informal discussions in 2012 with the five non-ratifying countries. For more details on this policy and its implementation throughout 2013, see document CC 468.

In 2013 tangible results were achieved in implementing the CONEXO Policy. While the Secretary Generals consultations on Consolidation are still ongoing, some important intermediate results are clear most obviously on the Expansion front.

The full accession of Afghanistan to the Energy Charter Treaty in June this year was a true landmark. The most recent previous ratification of the ECT was that by Japan back in 2002.

Montenegro submitted its Accession Report. The Republic of Yemen confirmed that it is ready to sign the Energy Charter.

The efforts of the Secretariat to renew relations with Jordan and Pakistan should lead to their accessions to the ECT soon. A high-level meeting was held in Amman in July on the topic "*Sustainable Energy in the Middle East and North Africa: Renewables, Efficiency and Regional Co-operation*". More than seventy participants from government, energy companies, regional and international organisations, as well as experts from the MENA region participated.

The Policy Conference and Energy Forum event in Indonesia was without doubt the high point of Outreach activities in 2013. This event was jointly organised by the Secretariat with the Ministry of Energy and Natural Resources and the National Energy Council of the Republic of Indonesia. This Forum was themed "*The Energy Challenges in the Asia-Pacific Region: Possible Solutions*". Over the two days many topics of relevance were addressed and the various factors impacting on the energy situation in Asia Pacific were considered. At the close of the forum delegates agreed on a Concluding Declaration.

The Declaration recognises the need for existing international energy organisations like the Energy Charter Conference to modernise their institutional arrangements and objectives in response to changing global, economic and technological realities. ASEAN member states were invited to consider the Energy Charter Treaty as a useful tool for their domestic energy policy and regional co-operation.

The remarks on the Energy Charter Treaty by the President of the Republic of Korea, Ms. Park Guen Hye during an important speech at the World Energy Congress in Daegu, in October were particularly important in the context of Expansion and Outreach. The President's speech focused on the need for international cooperation as a means of meeting global energy challenges. "*We have to create an environment that allows energy infrastructure connections, including regional power grids, gas pipe networks, and oil pipelines,*" President Park stated. The President said that this co-operation could be promoted by legal frameworks, such as the Energy Charter Treaty, which would encourage investments from both the private and public sector.

The Secretariat continues to be actively involved with observers to the Energy Charter Conference. There has been considerable effort on the development of the Middle East and North Africa project (MENA project). More information on the MENA project is available in the Report on CONEXO (CC 468).

In October a delegation from the China National Petroleum Corporation (CNPC) led by the Head of International Co-operation Mr. Zhang Xin was welcomed at the Secretariat. The meeting followed on the Chinese delegation's earlier participation at the Charter's Industry Advisory Policy meeting and the Knowledge Centre's Training Programme.

In November the Secretary General followed up on this by undertaking a mission to Beijing where he had a series of meeting with the National Energy Administration, major energy companies and the Ministry of Foreign Affairs.

4. Establishment of Energy Charter Knowledge Centre

The Energy Charter Knowledge Centre came into being in 2013 and delivered two highly innovative training programs. The goal of the Knowledge Centre is to allow interested parties benefit from the expertise accumulated within the Energy Charter Conference over the past two decades and to create a strong network of experienced and young energy professionals. The Centre also promotes the role of the Energy Charter and the Treaty in global energy governance.

The first of the training programmes focused on the topic of *'Global Energy Challenges and Building a Sustainable Future based on International Co-operation'* and was held over three days from May 6-8, 2013. The second training programme held over three days October 28-30, 2013 addressed the topic of *'Rising to the Energy Security Challenges of Tomorrow by Applying Effective Investment Protection Strategies Today'*.

More than 60 participants from over 25 countries successfully completed the training programmes and received certificates of excellence during award ceremonies held at the Energy Charter Secretariat.

The training programmes met with significant stakeholder interest from across the Energy Charter constituency and beyond. The two programmes also brought together specialists from governments, international organisations, industry, academia and NGOs from a wide diversity of countries including the EU states, Russia, Georgia, Belarus, Kazakhstan, Uzbekistan, Japan, China, the Sultanate of Oman, the Kingdoms of Morocco and Jordan, Afghanistan, Pakistan and Indonesia. Further, more than 30 speakers of international calibre spoke at the training programmes as experts-lecturers.

The Knowledge Centre also held two public hearings at the premises of the Energy Charter Secretariat, where external experts presented their views on the role and potential of the Energy Charter in global energy governance. Presentations by external experts were made on the basis of discussions papers prepared within the framework of the Centre's research fellowship program. The first such work has subsequently been published in the Energy Charter Occasional Papers series.

5. MENA

In 2013 the Secretariat continued to implement the first phase of the project focused on the **Middle East and North Africa ("MENA Project")**. The Secretariat conducted a number of missions to the targeted countries (in particular Morocco, Algeria, Tunisia, Libya, Egypt and Jordan), delegations from these countries participated in events and working meetings organised by the Secretariat in Brussels. The Kingdom of Morocco which was the pilot country for Phase One signed the Energy Charter at the end of 2012 and started the preparation of the accession reports in 2013.

Other targeted countries are in internal consultations to sign the Energy Charter Declaration. The Secretariat is in close contact and co-operation with the governments of these countries to assist and provide necessary assistance regarding the Energy Charter Process.

On 1 July 2013, the first Phase of the Project, financially supported by the government of Germany, was concluded. The Secretariat initiated the second Phase of the project with financial support of the French Government.

More time and financial support are necessary in order to reach the goals of the MENA Project. A proposal has been sent to the European Commission to develop the MENA Project through the next four years.

More information on the MENA project is presented in document CC 468.

6. Support to the Conference and its Subsidiary Bodies

The Secretariat would like to express appreciation to all delegations for their active work this year. Particular thanks are due to Germany, Norway and France, who have made Voluntary Contributions to specific activities of the Secretariat and have greatly enhanced the visibility and effectiveness of the Charter.

i. Strategy

The Group on Strategy held three meetings in 2013. These meetings were used to promote a number of policy initiatives aimed at strengthening the authority, the modernisation of and the effectiveness of the Energy Charter Process.

These initiatives, which were all adopted by the Energy Charter Conference, were

- (i) the mandate for the negotiation of an updated Energy Charter;
- (ii) the launching of a political chairmanship of the Charter;
- (iii) de-restriction of Conference documents.

Further progress on all issues will depend on a strong engagement of all delegations in this process. More information on this Group and its work throughout the year is provided in documents CC 467.

ii. Investment

The Investment Group held two meetings in 2013. The Group actively participated in the consultation process on the assessment of the ECT provisions with regard to low-carbon investment, reviewed two country reports on Investment Climate and Market Structure, continued monitoring investment policy developments in member countries, discussed specific aspects related to conditions for mutual investments along the energy value chain,

and finally, discussed issues of transparency and competition in the framework of ECT implementation in selected areas.

The Secretariat and the Investment Group maintain a constant political focus on the investment climate and international co-operation among Energy Charter countries by providing regular assessments through survey activities and peer reviews of investment practices.

More information on this Group and its work throughout the year is provided in documents CC 470.

iii. Trade and Transit

The Group on Trade and Transit held three meetings in 2013. There was also one separate meeting of Trade Experts. The Group gathered highly useful information in view of the discussion on how the Charter could add value with regard to transit beyond the existing provisions in the ECT. The Group also continued its work focusing on three main aspects such as implementation of the Energy Charter trade and transit provisions, promoting and securing cross-border energy flows and development of open, competitive and sustainable energy markets. Further work on the creation of the implementation system for the Trade Amendment was an important part of the Group's activities. .

More information on this Group and its work throughout the year is provided in CC 471.

iv. Energy Efficiency

The Working Group on Energy Efficiency and Environmental Aspects met twice in 2013. The PEEREA review process continues to be essential part of the Group's activities. The in-depth review reports have proven to be an important instrument to monitor the implementation of the PEEREA Protocol in member and observer states and to facilitate the advancement of the national energy efficiency policies and strategies. The Secretariat is grateful to the governments of Tajikistan, Turkey and Ukraine for hosting such reviews this year, and of course to the review team experts for providing their expertise and contributing to the report and recommendations. For the first time the Energy Charter Secretariat started a review follow up process aimed at assessing the effectiveness of recommendations and identifying support activities for the implementation of measures recommended.

Energy efficiency activities are core part of the Memorandum of Understanding between the Secretariat and Kazenergy Association, which was signed in Astana in October. Within the DACO project, roundtables were organised by the Secretariat in partner cities, to attract international financing for the actions inscribed in each city's Sustainable Energy Action Plans. High level representatives of the EU Delegations in each country, as well as experts WB, UNDP, EBRD, USAID, KfW, GIZ and other financial provided input to the roundtables discussions.

The Secretariat will work in 2014 with India as target country for the use of a voluntary contribution from The Netherlands. India is one of the main target countries in the

outreach policy, and low carbon matters should be addressed within the work to be developed. Based upon its experience of preparing energy efficiency in-depth reviews, the Secretariat will undertake, together with Indian authorities, a Sustainable Energy Review of India.

More information on this Group and its work throughout the year is provided in CC 473.

v. Rules of Procedure for the Appointment of the Secretary General

There have been some disappointments in 2013. There has been an ongoing impasse between members of the constituency related to the rules of appointment of the Secretary General. This issue proved to be the most divisive issue discussed in 2013 and in the previous year. The failure to reach agreement on this procedure has led to the proposal to the Conference to dissolve the ad-hoc Working Group created for this purpose. However, the work on a new draft rules will remain in the Secretariat's records.

More information on this Group is provided in document CC 474.

vi. Budget

The Budget Committee met just once in 2013. More information on the Work of the Budget Committee is provided in CC 477 and CC 478.

The Secretariat is confident that in 2013 expenditure will remain well within the budget limits. The streamlining of the structure of the organisation enabled the Secretariat to engage a higher number of short-term staff, notably project staff, research fellows, young professionals and interns. The re-negotiation of the lease contract of the Secretariat's office space in 2012 led to significant cost reductions and has significantly contributed to the establishment of the new Knowledge Centre.

With respect to the collection of contributions, 2013 has been a very successful year. The long-outstanding contribution from Uzbekistan (for the period 2004-2012) was paid. The Russian Federation paid its contribution for 2008 and 2009. The collection of other arrears and the regular national contributions for 2013 has been very satisfactory.

The Secretariat is grateful to Germany, Norway, France, the Netherlands for providing voluntary contributions used in 2013, or which will be used in 2014. Furthermore Kazakhstan, Republic of Korea and Visegrad group countries (Czech Republic, Hungary, Poland and Slovakia) committed themselves for voluntary contributions which will be provided and used in 2014 or 2015 mainly for Energy Efficiency and Knowledge Center activities.

Indicative Information on the Secretariat's Finances as of November 30 2013 is contained in the Annex to this Report.

7. Task Force on Regional Energy Cooperation in Central and Southern Asia

The 9th meeting of the Task Force on Regional Energy Co-operation in Central and South Asia was hosted by the government of Kazakhstan on 7 October 2013 in Astana. The Secretary General, Ambassador of Norway to Kazakhstan, Mr. Ole Johan Bjornoy and Deputy Minister of Industry and New Technologies of Kazakhstan Mr. Dzhaksaliev addressed the participants. The meeting was attended by delegates from Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan and Uzbekistan as well as representatives of such regional organisations as the CIS Power Council, CDC Energiya and the SAARC Energy Centre. The meeting focused on the pricing of electricity transit, clean coal technology and sustainable energy. At the close of the event, delegates adopted a declaration on the future activities of the Task Force.

More information on the 9th meeting of the Task Force is provided in document CC 471.

8. Study on the Price of Electricity Transit in Transition Countries

The Secretariat also conducted a study on Price of Electricity Transit in Transition Countries under its Fellowship Programme in co-operation with the Central Asian Co-ordination and Dispatch Center "Energiya". The purpose of the study was to analyse issues related to electricity transit in selected countries of Central and South Asia, to compare existing transit pricing methodologies and to make recommendations to the respective decision making bodies in the region. Draft of this report was also discussed with the representatives of the energy systems of Central and South Asia during RECA meeting on 7 October 2013 in Astana, Kazakhstan. It is intended to present the finalised study during the next meeting of Trade and Transit Group taking place in spring 2014.

9. Regional study "Gobitec and the Asian Supergrid"

The partners of the regional study "Gobitec and the Asian Supergrid" for renewable energy sources in Northeast Asia held a regional workshop on 26-27 September 2013 in Irkutsk, Russian Federation. "Gobitec" is a new industrial initiative, where electricity is produced from renewable energy sources in the desert regions of Mongolia and China and brought to the industrial centres of Mongolia, China, the Republic of Korea and Japan via high-voltage lines. The "Asian Supergrid" initiative aims to construct high-voltage transmission lines throughout Northeast Asia and interconnect the national grids of Japan, the Republic of Korea, China, Mongolia and Russia in order to utilise abundant renewable energy sources of East Siberia and the Gobi desert.

The study is implemented with the assistance of a consultant, Fraunhofer ISI, Germany. The regional study partners include the Energy Charter Secretariat, Energy Economics Institute of the Republic of Korea, Energy Systems Institute of the Russian Federation, Ministry of Energy of Mongolia, Japan Renewable Energy Foundation.

The core objective of the joint study is to provide Northeast Asian countries and the international community with reliable information and data concerning the potential of renewable energy sources in the region. The study also aims to stimulate the interest of the private sector and international investors, and to provide recommendations on

maximising international and regional cooperation in order to promote the "Gobitec and the Asian Supergrid" initiative. The workshop provided a forum for participating partners to exchange views and information on the ongoing regional study. Discussion focused on identifying the main opportunities and challenges of the two industrial initiatives – Gobitec and the Asian Supergrid.

10. Industry Advisory Panel

The Industry Advisory Panel (IAP) met three times in 2013; Brussels in February, Rome in June upon the invitation of Edison Company and lastly in the European Parliament in Brussels in October.

The IAP provides an excellent platform for collaboration to discuss policy issues and challenges of the energy sector. This year the IAP provided valuable advice on important subjects to the Energy Charter Process which included financing energy efficiency, the role of natural gas, research and technological development in the renewable energies sector and promoting regional cooperation.

The IAP continues to support the Energy Charter Conference in delivering its responses and advice on energy markets, investment, transit, energy efficiency, clean energy and sustainable development, as well as advising on issues relevant to global energy security.

More information on the Panel's activities is provided in document CC 475.

11. Workshop on Contractual Issues Related to Energy Trade

In March, the Secretariat co-organised with the Ministry of National Development of Hungary a Workshop in Budapest on Contractual Issues Related to Energy Trade to discuss the role of long-term gas supply contracts and hub trading against the background of the significant changes on global gas markets. The Workshop aimed at facilitating a matter of fact discussion among decision-makers from governments and industry and from countries across the energy value chain to get a better understanding on the functioning of future gas markets, security of supply and security of demand and ways to secure strategic investments in exploration, pipelines, LNG facilities and downstream industries. In view of the role of the Energy Charter as an inter-governmental organisation, special emphasis was put on the role of governments and regulators in promoting public policy objectives such as energy security, economic growth and environmental protection. The latter were then discussed in the light of private business principles such as entrepreneurial freedom and the avoidance of market distortions. One of the key conclusions was that regulation has to take into account the specificities of the given market.

12. Secretariat Staff

The achievements of the Secretariat in 2013 are in a great part due to the great professional commitment and performance of the staff of the Secretariat. The staff is the most valuable asset of the Secretariat. Regardless of the length of their engagement, each member of the staff is strongly devoted to the goals of the Charter.

In 2012, the number of posts in the Establishment Table was reduced from twenty eight to twenty six posts. Further streamlining and a lower grading of several A-grade posts in 2013 enabled the Secretariat to make a better use of the posts available in the Establishment Table, while remaining within the limits of the budget for Salaries and Allowances, despite another year of zero-growth budget.

The efforts of experienced core staff members were very effectively complemented in 2013 by research fellows, young energy professionals and trainees. The Secretariat worked with three Project staff, five Secondees, three Fellows, one Young Energy Professional and 17 Interns in 2013. These individuals were engaged on the basis of short-term assignments, mainly working on Expansion and Outreach, the new Archiving and Library systems, the new training courses for young energy professionals and the newly established Knowledge Centre.

13. High-Level Meetings in 2013

January

The Secretary General met with the newly appointed Director of the **Energy Community Secretariat** Mr. Janez Kopač and his deputy Dr. Dirk Bushle, who visited the Energy Charter Secretariat. The modernisation of the Energy Charter Process, the renewal of the Energy Community Treaty and the options for closer coordination between the two organisations were discussed.

February

A **Ukrainian** delegation headed by the Minister of Energy and Coal Industry Mr. Eduard Stavvtsky visited the Energy Charter Secretariat. The Secretary General briefed Minister Stavvtsky on recent developments in the field of consolidation and modernisation.

They also discussed the ongoing Energy Charter in-depth energy efficiency review of Ukraine, as well as the possibility of an investment review of the country in 2014.

While on mission in **Morocco**, the Secretary General met with Mr. Fouad Douiri, Minister of Energy, Mines, Water and Environment. The Minister invited the Secretariat to contribute to the development of Morocco's energy efficiency strategy, which was expected to be concluded as a document by September this year. Several possible joint projects, including co-operation on energy issues with the Union for the Mediterranean were also discussed.

During a mission to New Delhi, the Secretary General met with Mr. Ashok Lavasa, Additional Secretary to the Ministry of Power of **India**, and Mr. Vivek Rae, Secretary to the Ministry of Petroleum and Natural Gas. During these meetings the Secretary General stressed the importance of India's participation in the Energy Charter Process and the readiness of the Energy Charter Secretariat to develop this co-operation.

March

The Secretary General met with Mr. Pierre Vimont, the Secretary General of the **European External Action Service**. They discussed the CONEXO policy and the role of the newly established Energy Charter Liaison Embassies.

During a meeting in The Hague with the **Dutch** Minister of Economic Affairs Mr. Henk Kamp and Mr. Mark Dierikx, Director General for Energy, Telecommunications and Competition, the Secretary General discussed the efficient approaches to proceeding with the preparation of the updated version of the 1991 Energy Charter, as agreed by the Energy Charter Conference in November 2012.

While in Budapest, the Secretary General met with Ms. Zsuzsa Németh, **Hungarian** Minister for National Development. They discussed the need to strengthen the Energy Charter's profile as an inclusive organisation for energy consumers and producers.

The Secretary General also met with Ms. Maria van der Hoeven, **IEA** Executive Director, with whom possible joint opportunities for the two organisations was discussed.

He also met with government officials from Austria, Finland, France, as well as representatives of the European Commission, to discuss the ways of strengthening cooperation within the Energy Charter Process.

April

The Secretary General met with the President of **Tajikistan** Mr. Emomali Rahmon, with whom he discussed cooperation between Tajikistan and the Charter and various investment projects in the country. Special focus was given to the work of the Conference's Task Force on Regional Energy Cooperation in Central and Southern Asia. President Rahmon expressed his support for the work of the Task Force.

In the margins of the Lech Energy Forum, the Secretary General met with a number of Ministers:

Mr. Jaroslav Neverovič, Minister of Energy of **Lithuania**, with whom he discussed the ongoing modernisation of the Charter Process and cooperation between Lithuania and the Charter Conference in the context of Lithuania's upcoming Presidency of the Council of the European Union.

Mr. Morten Bæk, Deputy Permanent Secretary for International Affairs at **Denmark's** Ministry of Climate, Energy and Building with whom he discussed the modernisation of the Charter Process and possible areas of cooperation between the Charter Conference and Denmark.

Mr. Andrzej Dycha, Deputy Minister of Economy of **Poland** with whom the Secretary General discussed the external energy relations of the European Union.

Mr. Fouad Douiri, Minister of Energy, Mines, Water and Environment of the Kingdom of **Morocco**, where the focus of discussion was the preparation of that country's National Energy Strategy.

May

In Astana, the Secretary General met with Mr. Asset Issekeshov, **Kazakh** Vice-Prime Minister and Minister of Industry and New Technologies; Mr. Sauat Mynbayev, Minister of Oil and Gas; Mr. Timur Kulibaev, President of KazEnergy; and Mr. Rapol Joshybaev, State Secretary of the Ministry of Foreign Affairs.

On the same occasion in Astana, the Secretary General had a meeting with Mr. Wu Yin, Vice-Administrator of the National Energy Administration of **China**. Mr. Wu Yin confirmed the interest of China in enhancing cooperation with the Charter Conference and in learning more about the process of acceding to the ECT.

In Rome, the Secretary General met with Edison CEO Mr. Bruno Lescoeur with whom he discussed the activities of the Charter's Industry Advisory Panel.

In Brussels, the Secretary General had a meeting with Mr. Valery Yazev, President of the **Russian** Gas Society and Deputy of Russia's State Duma. They discussed the recent developments within the Charter Process and the ongoing Charter modernisation.

On the occasion of the Strategy Group meeting, the Secretary General met with Dr. Himonas Stelios, Permanent Secretary, Ministry of Energy, Commerce, Industry and Tourism of **Cyprus**, with whom he discussed preparations for the 24th Meeting of the Energy Charter Conference, to be held in Cyprus in December 2013.

June

In Baku, the Secretary General met with Mr. Natiq Aliev, **Azerbaijan's** Minister of Industry and Energy. There was a discussion on the results of the recently completed in-depth review of the country's energy efficiency policies. During the same mission, the Secretary General met with Mr. Rovnag Abdullaev, President of SOCAR, to discuss cooperation activities within the IAP framework.

In Luxembourg, the Secretary General met with Mr. Yiorgos Lakkotrypis, **Cyprus** Minister for Energy, Commerce, Industry and Tourism, and in Nicosia. He also met with Dr. Stelios Himonas, Permanent Secretary at the same ministry. On both occasions they discussed preparations for the 24th Meeting of the Charter Conference.

In Ankara, the Secretary General met with Amb. Mehmet Gucuk, Deputy Undersecretary for Economic Affairs at **Turkey's** Ministry of Foreign Affairs, and with Mr. Sefa Sadik Aytakin, Deputy Undersecretary at the Ministry of Energy and Natural Resources. They discussed the preparations for the 24th Meeting of the Charter Conference, as well as various aspects of Charter modernisation.

In Moscow, the Secretary General had a meeting with the **Russian** Minister of Energy Mr. Alexander Novak, with whom there was a discussion on the ongoing consolidation of the Energy Charter and the modernisation of the 1991 Energy Charter.

On a separate occasion, in Brussels, the Secretary General held consultations with Mr. Anatoliy Yanovskiy, Russian Deputy Minister of Energy and Charter Conference Vice-Chairman; they discussed the latest Charter modernisation developments, as well as further co-operation between Russia and the Secretariat within the Charter Process.

July

The Secretary General met with **EU** Development Commissioner Mr. Andris Piebalgs to discuss the overlap and potential synergies between the European Union's development policy and the Charters expansion and outreach activities. They also discussed the ongoing process of updating the 1991 Energy Charter and the overall Charter Process modernisation.

The Secretary General participated in the **ASEAN Ambassadors** Meeting in Brussels, where he gave a presentation on the Energy Charter and the upcoming Policy Conference in Bali, Indonesia, 19-20 September 2013. At the meeting, there was a discussion on the current and future relationship between the Energy Charter Conference and the Southeast Asian region.

In Madrid, the Secretary General met with the Director for Energy International Relations Mr. David Pérez Méndez Castrillón and Adviser to the Secretary of State Ms. Lorena Prado at the **Spanish** Ministry of Industry, Energy and Tourism. At the Ministry of Foreign Affairs the Secretary General met with Amb. Antonio Muñoz-Rojas. They discussed the modernisation of the Energy Charter and cooperation opportunities between the Charter Conference and Spain.

August

During a working meeting with Mr. Anatoliy Yanovskiy, Deputy Minister for Energy of the **Russian Federation**, on 19 August in Moscow, the Secretary General discussed issues related to contributions to the budget of the Energy Charter Secretariat and modernisation of the Energy Charter Process.

On 21-22 August the Secretary General addressed the High Level International Conference on Water Cooperation in Dushanbe, **Tajikistan**. There were bilateral meetings with of H.E. President of Tajikistan, Mr. Emomali Rahmon, the Minister for Energy and Industry of Tajikistan, Mr. Sherali Gul, and the Minister of Foreign Affairs, Mr. Hamrokhon Zarifi. The discussions with Minister Sherali Gul focused on the ratification of the Amendment to the Trade related Provisions of the Energy Charter Treaty.

On 26 August the Secretary General met with the **EU** Commissioner for Enlargement, Mr. Štefan Füle. That discussion centred on the ECS proposals for the Middle East and North Africa (MENA) Programme in the context of the Commission's European Neighbourhood Policy (ENP). The Secretary General emphasised the value of the Energy

Charter Treaty as a unique legal instrument with the potential to provide for the rule of law on energy issues in the MENA region.

September

In September the Secretary General attended the Krynica Economic Forum in Poland, where he spoke on the legal relations between the ECT and the EU's Third Energy Package, particularly in regard to unbundling rules. In the margins of the Forum, he met with Deputy Prime Minister and Minister of Economy of **Poland** Mr. Janusz Piechocinski and with Mr. Zygmunt Berdychowski, Chairman of the Programme Council of the Economic Forum. Also in the margins of the Forum, the Secretariat and the Polish Ministry of Economy organised a high-level working breakfast with representatives of energy companies with the aim to strengthen dialogue with the private sector in Central and Eastern Europe on the main directions of the Charter Process.

Later in the month, in Podgorica, the Secretary General met with the Minister of Economy of **Montenegro** Mr. Vladimir Kavarić to discuss the remaining steps necessary for Montenegro to accede to the ECT.

The Secretary General also took part in the 10th meeting of the **Valdai** Discussion Club in **Russia**, where he had a number of high-level meetings.

A Chinese delegation representing the country's National Oil Reserve Centre and the National Energy Administration and headed by Mr. Xianyi Liu, Director of the Petroleum Reserve Management Division, visited the Secretariat. The delegation provided an overview of the recent restructuring of China's National Energy Administration and of the country's current energy policies.

The Bali Energy Forum, which was co-organised by the Secretariat and the Indonesian Ministry of Energy and Mineral Resources on 19-20 September, marked the Charter's first event in the Asia-Pacific region. The event brought together 20 high-level speakers, more than 120 participants of various governmental, academic and professional backgrounds from 25 different countries around the world. During the two-day event and the various bilateral meetings conducted by the Conference Chairman, Ambassador Selim Kunalp, that took place on the sidelines, important energy challenges facing the region were discussed. The Conference also provided an opportunity to facilitate bilateral cooperation between the Secretariat and the government of the Republic of Indonesia.

October

The Secretary General spoke at the 22nd World Energy Congress which took place in Daegu, **Republic of Korea**, and was dedicated to the topic "*Securing Tomorrow's Energy Today*". In the margins of the Congress, the Secretary General conducted bilateral meetings to enhance the co-operation between the Energy Charter Conference and interested states and international organisations. He met with Mr. Dorjpurev, Vice-Minister for Energy of **Mongolia**; Mr. Chung, Director of United Nations ESCAP; Dr. Al Zeyoudi, Director of Energy at the Ministry of Foreign Affairs of the **United Arab**

Emirates; Mr. Carswell, Assistant Secretary for International Affairs at the Energy Ministry of **Mexico**; as well as other stakeholders.

In Brussels Secretary General Rusnák met with **EU Commissioner for Energy** Mr. Guenther Oettinger to discuss and exchange views on recent developments in the work of the Energy Charter. Commissioner Oettinger welcomed this further opportunity to receive an update on the work of the Charter.

November

As part of his official trip to Beijing, Secretary General met with Deputy Administrator Zhang Yuqing of the National Energy Administration of **China**. During the meeting, various recent important institutional developments within the Energy Charter Process were discussed, such as the eventual negotiation of the Updated Energy Charter and the new country-based rotation mechanism of Energy Charter Conference Chairmanship. On behalf of the National Energy Administration, Mr. Zhang expressed interest in China's active participation in the Charter modernisation process, as well as the Updated Energy Charter negotiations.

The Secretary General met with Mr. Sven Alkalaj, Executive Secretary of the United Nations Economic Commission for Europe (**UNECE**). They discussed synergies and cooperation in the field of energy in Eurasia, the geographic strongpoint of the two organisations. This included a reflection on cooperation in view of the implementation of a recent UN resolution on reliable energy transit.

In Bratislava, the Secretary General met with the President of the **Slovak Republic**, Mr. Ivan Gašparovič. He informed President Gašparovič of the latest developments within the Energy Charter Process and the ongoing Charter modernisation. The Secretary General also met with the State Secretary of the Slovak Ministry of Foreign and European Affairs Mr. Peter Javorčík, and with the State Secretary of the Slovak Ministry of Economy Mr. Dušan Petřík. Mr. Javorčík and Mr. Petřík particularly expressed their satisfaction with the role of the newly established Energy Charter Liaison Embassies in assisting Montenegro in its process of accession to the Energy Charter Treaty. During his visit to Bratislava, the Secretary General also delivered a keynote speech on the topic of "Energy Charter Perspectives: from Regional to Global Energy Governance" at the Central European Energy Conference.

14. ECS Publications

10 ECS publications:

- 5 in-depth energy efficiency reviews: Tajikistan, Ukraine, Azerbaijan, Albania, Belarus
- 3 investment reviews: Mongolia, Lithuania, Kazakhstan
- 1 on trade and transit: Contractual Issues Related to Energy Trade (Workshop Report)

- 1 other: Annual report 2012 (not a typo, as the 2013 final version will come out after Nicosia)

4 ECS Knowledge Centre Occasional papers:

- Pricing of Electricity Transit in Transition Countries
- Potential Impact of the Energy Charter Treaty on FDI Promotion and Protection in view of Global Trends, Energy Governance and Possible Actions towards ECT Non-Members
- Exchanges of Business Assets within Investment Activities in the Energy Sector: Key Concepts
- Testing the Water for Global Energy Governance Reform: Can the Energy Charter Provide a New Benchmark?