

**ENERGY CHARTER
SECRETARIAT**

CCDEC 2015

22 TTG

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Related documents: CC 527, Mess 1262/15
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DECISION OF THE ENERGY CHARTER CONFERENCE

Subject: Approval of the Conclusions of the review of implementation of the ECT transit provisions

By document CC 527, dated 9 November 2015, delegations were invited to approve the Conclusions of the review of implementation of the ECT transit provisions as agreed by the Trade and Transit Group. As specified by Rule 20 of the Rules of Procedure concerning the adoption of decisions by correspondence, members of the Energy Charter Conference were informed that any delegation that wished to object to this proposal should notify the Secretariat of its position in writing by 29 November 2015.

Having received no objections within the specified time limit, on 29 November 2015 the Conference **approved** the Conclusions of the review of implementation of the ECT transit provisions.

Keywords: Conclusions, Review, TTG, Transit, Implementation

CONCLUSIONS OF THE REVIEW OF IMPLEMENTATION OF THE ECT TRANSIT PROVISIONS

1. The persistent divergences in regulatory and institutional approaches regarding transit and cross-border transport of energy resources across the Energy Charter constituency coincide with the trend towards further regionalisation of energy regulation, such as the integrationist initiatives of the EU Internal Energy Market and the Eurasian Economic Union. In addition to that, Inter-governmental Agreements and multilateral treaties in various parts of the constituency either establish common rules and procedures for specific energy projects or regulate interactions in the energy sector between the states involved.
2. Overlapping agreements and procedures are frequently evident in various regional settings throughout the constituency. Multiple and cumbersome authorisation procedures related to the construction and/or expansion of cross-border infrastructure exist in most of the countries. This lack of regulatory stability prolongs investment decision making regarding production and transport facilities. On the other hand a multilateral legal framework on approval procedures, tariffs, technical and environmental standards would accelerate investment process and ensure efficient delivery of energy resources across the constituency.
3. The overall demand for a multilateral legally-binding framework for energy transit has not diminished since the conclusion of the last formal version of the Transit Protocol in 2003. On the contrary, the need for the highest possible denominator on transit issues has become even more prominent in the light of ongoing significant developments in international energy markets. Furthermore, with the adoption of the International Energy Charter, new signatories have expressed particular interest in the transit provisions of the ECT.
4. As the only multilateral framework that provides legal provisions for energy transit, the ECT is ideally positioned as a basis for common transit principles that would facilitate development of international energy transmission networks. The ECT can provide the know-how and the institutional setting for negotiations on those rights and obligations of Contracting Parties that are not sufficiently addressed either under their national legislation or Article 7 of the ECT.
5. In line with the conclusions of the 2014 Review under Article 34 (7) and the Astana Declaration of the Energy Charter Process for 2015–2019, the Trade and Transit Group supported the recommendation to start negotiations of a Multilateral Framework Agreement on Transit of Energy Resources on a new basis.
6. The Trade and Transit Group should further explore the basis for negotiations of such agreement, which can address various aspects of oil, gas and electricity transportation and transit. For this purpose the Secretariat will prepare ground-works covering

policy objectives, country positions and substantial issues to be addressed, as well as anticipated timeline towards the start of negotiations.