

**ENERGY CHARTER
SECRETARIAT**

CCDEC 2016

39 NOT

Brussels, 25 November 2016

Related documents: CC 582

DECISION OF THE ENERGY CHARTER CONFERENCE

Subject: Report by the acting Chair of the Strategy Group

The Energy Charter Conference at its 27th Meeting held on 25 November 2016 **took note** of the Report by the acting Chair of the Strategy Group as contained in document CC 582 (attached hereto).

Keywords: Report, acting Chair, Strategy Group

Report by the acting Chair of the Strategy Group

1. This report provides an overview of the activities of the Strategy Group of the Energy Charter (StG) in 2016. The Group convened several times in 2016: on 8 March, 15 June, and 11 October. In early March, Mr Odd Sverre Haraldsen announced his retirement, and since then *Ms. Carmen Sofía Sanz Estébanez*, Vice-Chair of the Strategy Group, has chaired the meetings.
2. The main activities of the Strategy Group in 2016 included discussions on (i) the progress of the CONEXO policy; (ii) the international personality and structure of the organisation, including the use of an informal working name; (iii) the International Energy Charter Vision plan for 2017-2021 and new working practice; (iv) the role of the International Energy Charter with respect to the implementation of the Global Agreement on Climate Change; (v) draft Tokyo declaration; (vi) the forum for energy dialogue; and (vii) access to information and transparency.

A. Report on CONEXO

3. In 2015 the Energy Charter Conference approved the conclusions of the Comprehensive Review of the CONEXO Policy (Consolidation, Expansion and Outreach) 2012-2015 and beyond (CCDEC 2015 16). The short-term priorities focused on the countries ‘currently in the process of accession to the ECT’ and those new countries that have engaged in the Energy Charter Process by signing the International Energy Charter. The mid-term priorities included welcoming new signatories of the International Energy Charter and renewed consolidation efforts. In his Vision Plan for 2017-2021 (Annex 1 to CC 533 Rev.2), the Secretary-General outlined his view of the actual situation with respect to CONEXO. One important short-term implication is the fact that the Energy Charter Conference decided to phase out the status of countries as ‘observers by invitation’ at the end of 2016. The Japanese Chairmanship officially informed all countries ‘observer by invitation’ of this decision and invited them to remain observers to the Energy Charter Conference by signing the International Energy Charter.
4. According to point 19 of the Conclusions of the CONEXO review, in June and October 2016, the Secretary-General outlined at the Strategy Group the progress with regard to targeted countries. An updated written progress report will be submitted to the Conference at the end of 2016 after the annual meeting in Tokyo.

B. International Personality and structure of the Organisation – Informal Working Name

5. In line with the Work Programme for 2016-2017, the Strategy Group was requested to explore possibilities and challenges regarding the confirmation of the international

legal personality of the Energy Charter and to clarify the institutional structure (and possible new name) of the organisation. The aim was to facilitate a better understanding and increase attractiveness for non-members; as well as increase the operational efficiency of the Energy Charter.

6. After much discussion at the Strategy Group, it was concluded that the group would finalise the discussion on the informal working name independently of the parallel discussion on the confirmation of the international personality. In July 2016, the Conference approved the adoption of an informal working name ('International Energy Charter') to better reflect the global nature of the organisation and for clarity in presentation to third parties. Discussions on the confirmation of the international legal personality were put on hold (since some delegations needed more time to consider this) and are expected to continue in 2017.

C. International Energy Charter Vision plan for 2017-2021 and new working practice

7. As part of the Secretary-General's Vision Plan for 2017-2021, which was presented and discussed at its March meeting, the Strategy Group considered in June a new working method to establish a more efficient, result oriented system of meetings, decreasing costs for the Secretariat and Member States and with a better focus of the Secretariat's expertise to agreed priorities. As a result, it was decided to recommend to the Conference the merging of the Investment Group, the Trade and Transit Group and the Energy Efficiency Group into a single Group to be called the Implementation Group.

D. Energy Charter and the Global Agreement on Climate Change

8. At the March meeting of the Strategy Group, the Secretary-General set out the role the International Energy Charter could play in the fulfilment of the goals set by the Paris Agreement of 2015. After some discussion, delegations agreed that a declaration without implementation would not be of benefit. As a follow up, in June, the Japanese Chairmanship explained that the International Energy Charter could help in the implementation of G-7, G-20 and Paris Agreement goals and objectives in the energy sector.

E. Draft Tokyo declaration

9. In June, Japan explained it was preparing a draft declaration for the 27th Meeting of the Conference to discuss the role of the International Energy Charter in addressing the challenges in the energy landscape. Consequently, at the last meeting of the Strategy Group, delegates discussed the first draft of the Tokyo declaration, which was expected to be approved at the annual meeting at the end of November.

F. *Forum for Energy Dialogue*

10. During the year, delegations continued to make use of the Forum for Energy Dialogue, a policy forum within the Strategy Group to exchange information on important recent developments, e.g., national or multilateral energy strategies, developments with regard to the structure of domestic markets, and the creation of new institutions dealing with energy issues. Delegations also welcomed many new observers who had signed the 2015 International Energy Charter.
11. There were also a number of presentations: the Chilean Ambassador to the EU, Mr. Carlos Appelgren Balbontin, talked about Chile Energy 2050 and the Energy Charter; Energy Charter Seconded expert, Ms. Margarita Nieves (Lawyer at the Hydrocarbons Energy Agency of Colombia), explained Colombia's Investment Climate and the Energy Charter; the First Secretary of the Mission of Mexico to the EU, Mr. Manuel Herrera, described the Implementation Process of the Energy Reform in Mexico; Ms. Merei Wagenaar, Deputy Director, International Energy Affairs, Dutch Ministry of Economic Affairs, presented the Dutch Energy Report (published 18 January 2016). Finally, the Japanese Chairmanship did a presentation on the G-7 Joint Statement of the Energy Ministerial Meeting.

G. *Access to Information and transparency*

12. The final, but not least important topic discussed by the Strategy Group was the access to the *travaux préparatoires* and transparency. The Energy Charter Secretariat has maintained the archives of the Energy Charter process since its inception. In particular, the Secretariat keeps the documentary *travaux préparatoires* relating to the negotiation of the European Energy Charter, the Energy Charter Treaty, its related Protocols (1991-1994) and the Trade Amendment (1994-1998). In addition, the Secretariat has recordings of some of the meetings (1991-1994) of the negotiating groups (the audio *travaux préparatoires*).
13. The topic was pending since 2015, when the Secretariat presented an updated version of the policy regarding access to the *travaux préparatoires*, which was supported by the Strategy Group and put forward for approval by the Conference. The Strategy Group also discussed and was positive about the possibility of publishing online (in the public website) of the different drafts of the Energy Charter Treaty, together with an article-by-article analysis to increase transparency and awareness of the ECT. At the last meeting of the year, the Secretariat presented a guide explaining how access to the *travaux* would actually take place. The idea was to have it published online to facilitate the understanding of external enquirers on how to consult the *travaux*.