

**ENERGY CHARTER
SECRETARIAT**

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Related documents: CC 614, CC 615

DECISION OF THE ENERGY CHARTER CONFERENCE

Subject: Report of the Budget Committee

The Energy Charter Conference at its 28th Meeting held on 28-29 November 2017 **took note** of the Report of the Budget Committee as contained in document CC 614 (attached hereto) and **welcomed** the successful relocation to the new premises as well as the fact that the Secretariat had continued working effectively under its new structure successfully implementing the Programme of Work for 2016-2017.

Keywords: Report, Budget Committee, Relocation, Programme of Work

Report by the Budget Committee

1. In 2017, three meetings of the Budget Committee were organised on 9th June, 15th September and 20th October respectively. For these three meetings, as for the meetings of the Budget Committee in 2015 and 2016, there was no permanent Chair of the Committee. Therefore all three meetings were chaired *ad hoc* by Mrs. Klara Rakhmetova, from Kazakhstan (and Vice-Chair of the Implementation Group).
2. In addition to the regular administrative and financial matters, the main agenda items discussed during these three meetings were:
 - a. the Financial Statements and the Auditor's report for the year 2016,
 - b. the implementation of the Programme of Work for 2016-2017,
 - c. the draft Programme of Work for 2018-2019,
 - d. the draft Budget for 2018-2019,
 - e. some revisions to the Staff Regulations and Rules,
 - f. the adoption of a Code of Conduct.
3. The most difficult challenge in 2017, both considering budget and logistics involved, was the relocation of the premises of the Secretariat due to the non-renewal of the lease contract by the owner of the previous building. To achieve such relocation, a total Budget of EUR 268.350 had been allocated in 2016. The lease contract of the new premises was signed in October 2016 and discussions immediately started with architects for the refurbishment of the new building and implementation works started in January 2017.
4. On 17-20 April 2017 the Secretariat completed the process of its relocation to its new premises (located at Boulevard de la Woluwe 46, 1200 Brussels). The relocation process went smoothly both financially and logistically. The total build phase cost, initially estimated at EUR 424.210 was re-negotiated and decreased to EUR 299.385. The total relocation costs including removal was EUR 354.500. The rent of the new premises is cheaper than the old premises (smaller surface), so the relocation has resulted in significant cost savings, estimated at EUR 80.000 annually. The completion of the relocation was reported during the Budget Committee meeting in June and the Staff Committee acknowledged its satisfaction and appreciation with the efforts of the Secretariat in its successful relocation. The Budget Committee appreciated the efforts of the Secretariat in the successful relocation to the new premises and confirmed that the Secretariat had continued working smoothly and effectively under its new structure after the restructuring. In its last meeting, the Budget Committee also expressed satisfaction that most of the Programme of Work for 2016-2017 had been successfully implemented.

5. The financial statements for 2016, together with the Auditor's report, was discussed at the September meeting. Implementation of the budget for 2016 was approved and the Budget Committee recommended the Conference to discharge the Secretary General from his management and administrative responsibility in respect of the budget for 2016 (which took place on 11 October 2017, CCDEC2017 05).
6. The Budget Committee recognised the benefit of a two-year budget and programme of work, and approved a draft biannual budget planning and programme of work for 2018-2019. The continuation of such practice will be discussed during the next review under Article 34(7) of the ECT, foreseen in 2019.
7. For the next 2-year budget, the Secretariat maintains the current practice of zero nominal growth, national annual contributions being limited to EUR 3.907.460. The budget is in full line with the Programme of Work and secures necessary competencies for the continuation of the work on all core areas.
8. The Secretariat also proposed to the Budget Committee a Code of Conduct and some additional amendments to the Staff Regulations. After some discussions, the proposals were approved by the Committee (with the exception of a proposed new public transportation allowance) and by the Conference (on 14 October 2017, CCDEC2017 06).