

**ENERGY CHARTER
SECRETARIAT**

CCDEC 2018

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Brussels, 27 November 2018

Related documents: CC 639, CC 641

DECISION OF THE ENERGY CHARTER CONFERENCE

Subject: Report of the Budget Committee

The Energy Charter Conference at its 29th Meeting held on 27-28 November 2018 **took note** of the Report of the Budget Committee as contained in document CC 639 (attached hereto).

Keywords: Report, Budget Committee, Programme of Work

REPORT BY THE BUDGET COMMITTEE

1. In 2018, two regular meetings of the Budget Committee were organised on 6th July and 26th October and one extraordinary meeting on 29th August. All three meetings were chaired by Ms Miriama Kiselyova, Vice-Chair of the Budget Committee.
2. In addition to the regular administrative and financial matters, the main agenda items discussed during these three meetings were:
 - a. the status of the Russian Federation and its impact on the Budget;
 - b. the implementation of the judgements by the Administrative Tribunal of the ILO;
 - c. the Financial Statements and the Auditor's report for the year 2017;
 - d. the creation of a Manual on Data Protection;
 - e. an initial discussion on financial and resources planning for the potential negotiations on the Modernisation of the Energy Charter Treaty;
 - f. the implementation of the Programme of Work for 2018-2019 and the Budget in 2018;
 - g. the revision of the Programme of Work 2018-2019 and the Budget for 2019;
 - h. the review of the Format of the Summary records and documents for the Budget Committee;
 - i. the financial Impact of Activity 3 of the Programme of Work – Energy Investment Risk Assessment (EIRA);
 - j. the financial Impact on the budget of Memoranda of Understanding signed with other Institutions;
 - k. Some revisions to the Staff Regulations and Rules.

Status of the Russian Federation

3. Following the receipt of an official communication from the Russian Federation in April 2018 stating they are not to be considered as Signatories of the ECT as of 2009, the Budget Committee was requested to deal with the financial implications. After some initial discussions, delegations proposed to wait for the answers of the Legal Advisory Committee (whose opinion had been requested by the Acting Chair of the Budget Committee) before continuing the discussion on the matter.

Judgements by the Administrative Tribunal of the ILO

4. On 29 August 2018, the Budget Committee discussed the two judgements delivered by the Administrative Tribunal of the International Labour Organisation (ILOAT) on 26 June 2018. The awards of the judgements and the estimated costs of the Tribunal were included as provisions in the Financial Statement at 31 December 2017 on the advice of the Auditor. Conference Decisions CCDEC 2015 (34) and 2017 (12), which include the

Establishment Tables for 2016-2019, were re-confirmed with the support of the Staff Committee.

Financial Statements and Auditor's report

5. The Financial Statements at 31 December 2017, together with the Auditor's report, were initially discussed in June and further discussed at the October meeting (in particular, the Budget Committee recommended the Conference to keep the whole amount of the outstanding arrears of the Russian Federation in the provision for bad debt in the financial Statements for 2017). The Budget Committee recommended the Conference to discharge the Secretary General from his management and administrative responsibility in respect of the budget for 2017.

Manual on Data Protection

6. The Secretariat proposed to the Budget Committee a Manual on Data Protection to codify the existing self-regulation and practice on data protection, as well as evolving best international practices. After some discussions, the Budget Committee agreed to recommend the Conference the approval of the Manual on Data Protection, including a review clause. The first review of the Manual on Data protection shall take place 12 months after its entry into force at a meeting of the Budget Committee. Following reviews will take place as part of the review under Article 34(7) of the Energy Charter Treaty.

Programme of Work 2018-2019

7. At its last meeting on 26 October 2018, the Budget Committee duly noted the work done in 2018.
8. The Budget Committee extensively discussed, raised concerns regarding EIRA implementation on both financial and human resources and required decrease of allocated resources. The Budget Committee agreed to continue that Activity as planned in 2019, with resource allocation appropriate to number of participating countries. Regarding modernisation, the Budget Committee concluded that the costs involved in the potential negotiations should be part of the regular budget of the Secretariat.

Revised Plan of Activities for the implementation of Program of Work 2018 – 2019

9. At its last meeting on 26 October 2018, the Budget Committee extensively commented this document and requested changes in particular in relation to increase of budget for modernisation of ECT. The funds are to be provided from cancelled activity “inventory of existing overviews on (foreign) direct investment in energy“ and from certain cancelled activities from Energy Efficiency and related environmental aspects.

Revision of the Budget for 2019

10. Budget will be changed accordingly to changes in the Revised Plan of Activities for the implementation of Program of Work 2018 – 2019. As to the human resources, the number of temporary officials will be modified depending on intensity of work for modernisation of ECT and number of countries participating at EIRA project.

The review of the Format of the Summary records and documents for the Budget Committee

11. The Budget Committee decided on new concise and general format of reports where the names of contracting parties will be anonymised, unless otherwise requested.

Memoranda of Understanding

12. The Secretariat shall provide explanations and benefits of the concluded MoUs.