

**ENERGY CHARTER
SECRETARIAT**

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Related documents: CC 683 Rev, Mess 1781/21
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DECISION OF THE ENERGY CHARTER CONFERENCE

Subject: Adoption by correspondence - Report by the Interim Chair of the Strategy Group

By CC 683 Rev dated 29 January 2021, the Conference was invited to take note of the revised report by the Interim Chair of the Strategy Group.

As specified by Rule 19(b) 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 take note of the revised report by the Interim Chair of the Strategy Group should notify the Secretariat of its position in writing by 17 February 2021.

Having received no objections within the specified time limit, on 17 February 2021, the Conference **took note**, with immediate effect, of the attached revised report by the Interim Chair of the Strategy Group.

Keywords: Report, Interim Chair, Strategy Group

REPORT BY THE INTERIM CHAIR OF THE STRATEGY GROUP

This report provides an overview of the activities of the Strategy Group in 2020. The Conference is invited to take note of the report at its 31st annual meeting.

The Group convened three times in 2020, on 5 February, 24 June and 1 October. Taking into account travel restrictions to Belgium and suspension of Belgian visa activity, the last two meetings were held by videoconference via the ZOOM platform. Discussions in the Strategy Group in 2020 were predominantly devoted to the implementation of the Conclusions of the 2019 Review under Article 34(7) of the Energy Charter Treaty, including the recommendations of the International Public Audit. Discussions on the CONEXO policy took place within this context. There was also some discussion on the implementation of the International Public Audit's individual recommendations in the area of its competence and assessment of any other issues relevant to the Strategy Group. Additionally, a number of other issues were addressed within the Group, including Chairmanship priorities, leakage of documents and additional security measures in light therefore, as well as the matter of the appointment of the Secretary General.

The February meeting of the Strategy Group was predominantly dedicated to discussing the scope and planning of the work to be completed by the Group during 2020, as well as actions to be taken by the Delegates and the Secretariat. Pursuant to the aforementioned, the June and October meetings of the Group were devoted to substance discussion (see below). The first Strategy Group meeting in February 2020 was chaired by Ms Sofía Sanz Estébanez (Spain) and the two remaining meetings were chaired by Mr Samir Abdurahimov, an interim Chair designated by the Azerbaijan Chairmanship of the Conference (Rule 13.B.c of the Rules of Procedure of the Conference).

I. Implementation of the Conclusions of the Review under article 34 (7) of the ECT

1. The Strategy Group devoted most of its discussions to the implementation of the conclusions of the Review under Article 34 (7) ECT, as set out further to the proceedings of the 30th Meeting of the Energy Charter Conference in Brussels in December 2019. Discussions taking place in the Group under this topic focused on the following sub-topics, which are briefly elaborated upon below:
 - i. **Assessment of the potential criteria for granting observer status under the Energy Charter Conference (StG 142).** This topic was discussed at the June and October meetings of the Strategy Group on the basis of the StG 142, which was prepared by the Secretariat. Contracting Parties provided comments and suggestions on the document during the discussions. Ultimately, the Group agreed on the following with respect to this area: The Strategy Group discussed and examined further the potential criteria (ie, criteria C, B/partially, E, F, G and H from document StG 142) for granting

Observer status and requested the Secretariat to proceed with additional tasks and return to the issue at its next meeting. Delegates were to submit their proposals in written form and the Secretariat expressed readiness to support the Strategy Group with work on investment issues, among others, focusing on Observer countries.

- ii. Re-assessment of the CONEXO policy (StG 143).** A substantive discussion took place with respect to this sub-topic during the June and October meetings of the Strategy Group. The Secretariat prepared an extensive document, StG 143, which was revised substantially following Delegate comments and suggestions made during the June meeting. At the Group's October meeting, Delegations took note of revised document StG 143 rev 2 and essentially welcomed the revisions (to the document) provided by the Secretariat, including additional information on progress made on identified country target groups, the latest state of play, costs and benefits, including a detailed cost analysis and withdrawals from the ECT (see Message 1720). The October meeting of the Strategy Group concluded with agreement to revise the document further, based on Delegate comments, and thus to continue reviewing the CONEXO policy at the Group's next meeting in 2021.
- iii. The rights, obligations, roles, benefits and responsibilities of the Contracting Parties, Signatories and Observers (StG 137 and 137 rev).** Discussions on this topic took place during all three meetings of the Strategy Group in 2020. The Group requested that the document be made user-friendly based on suggestions and comments to be sent by Delegations. No comments from delegations were received. At the October meeting, the group agreed to return to the issue after approval of the revised rules of procedure that would describe the rights, obligations, roles, benefits and responsibilities of the Contracting Parties, Signatories and Observers, based on which the document should be finalised.
- iv. Assessment of the practice of the Chairmanship (StG 138, 138 rev and 138 rev2).** This topic was discussed during all three meetings of the Strategy Group in 2020. The Strategy Group discussed and took note of the proposals of the assessment of the practice of the Chairmanship and requested the Secretariat to prepare a Chairmanship handbook, which should be a separate document covering the rules and practices for the Chairmanship.
- v. Potential supporting mechanism for the Chair of the Conference.** Discussions from the June meeting of the Strategy Group carried over into the October meeting. Following further discussion based on the proposal of the EU as set out in Message 1706, the Secretariat was requested to revise the proposal based on the comments of the Delegations during the meeting, and upon further suggestions to be submitted by Delegations in

writing before the end of January 2021, for discussion at the next meeting of the Group.

- vi. **The roles at different levels of governance of the organisation (the Conference, the Chairmanship, the Secretariat, the Subsidiary Bodies) StG 139 and 139 rev.** Discussions on this topic took place during all three meetings of the Strategy Group in 2020. The Group requested that the document (initially following the structure suggested by a delegation) be made user-friendly based on suggestions and comments to be sent by Delegations. No comments from delegations were received. At the October meeting, it was agreed to return to the issue after approval of the revised rules of procedure that will describe the roles of governance of the organisation (Conference, Chairmanship, Secretariat and Subsidiary Bodies).
- vii. **Evaluation of the Terms of Reference of the Strategy Group (StG 144).** The Group discussed the Terms of Reference of the Strategy Group based on the Secretariat's document StG 144. It requested the Secretariat to provide a revised version (of the document) based on comments received during the October meeting and further comments to be submitted by the Contracting Parties by the end of January 2021.

II. Implementation of the International Public Audit's individual recommendations in the area of its competence and assessment of any other issue relevant to the Strategy Group

2. The Strategy Group also discussed the implementation of the International Public Audit's individual recommendations in the area of its competence as well as the assessment of any other issues relevant to the Strategy Group (Message 1658).
 - i. With respect to the International Public Audit's individual recommendations in the area of its competence, no comments or suggestions were made by delegations.
 - ii. With respect to the assessment of any other issues relevant to the Strategy Group, an additional issue raised was the **Guidelines for improving the effective implementation of CONEXO (StG 148)**. In October, the Strategy Group discussed the dimensions and options on improving the implementation of CONEXO as presented in some detail in the Secretariat's document StG 148. The overall logic and strategic vision provided in the document was largely endorsed by the Strategy Group, which supported, on a provisional basis, a number of options proposed by the Secretariat for improving CONEXO further (StG 148 and StG 149). Additionally, the Group requested the Secretariat to revise the document

based on comments received during the meeting, and based on further comments and suggestions to be sent by Delegates before the end of January 2021.

III. Chairmanship priorities

3. The Strategy Group took note of the updates by the Azerbaijani Chairmanship. The Strategy Group also took note of the priorities of the upcoming 2021 Chairmanship, following a presentation of such priorities during the Group's June meeting. At the October meeting, the Group discussed and took note of the Agenda of the upcoming 31st Annual Meeting of the Energy Charter Conference.

IV. Leakage of documents – Additional security measures (Message 1683)

4. At its June meeting, the Strategy Group discussed the newly proposed and implemented security measure for documents uploaded to the delegates' website upon the decision of the Chairmanship while pending confirmation of the Members, and decided to remove it for the time being. It was agreed at the June meeting that the proposed measure, as well as additional measures proposed by Delegations, will be further discussed at a later meeting of the Strategy Group. The measure was removed at the end of the Group's June meeting. It can be envisaged that further discussions on this topic could materialise during 2021, given that the Modernisation Group decided to implement such measures to the documents regarding the ongoing negotiations on the modernisation of the ECT.

V. Appointment of the Secretary General

5. In October, the Strategy Group discussed the topic of the appointment of the Secretary General. The launch of the process of the reappointment of the Secretary General (CC 677) was stopped and the Chairmanship was requested to provide information on the next steps to be taken in line with the rules of procedure in order to invite Delegations to submit nominations for the post of Secretary General at the earliest possible date.

VI. Internal Procedural issues

6. Throughout the year 2020, the Strategy Group continued the practice of distributing StG documents in electronic form only. The Strategy Group has addressed all assigned tasks for 2020, taking into account the priorities set out by the 30th Meeting of the Energy Charter Conference in December 2019.