DEcision of the Energy Charter Conference

Subject: Establishment of the Working Group I (Supplementary Investment Treaty): Terms of Reference and Chairman

For Working Group I (Supplementary Investment Treaty) the Conference elected Mr Sydney Fremantle [United Kingdom] as Chairman. Terms of Reference for this Working Group were agreed and are at Annex I.

[Attached is the Annex I to the document CC 20.]
Annex I

TERMS OF REFERENCE
FOR
WORKING GROUP I
SUPPLEMENTARY INVESTMENT TREATY

The tasks of the Working Group are:

1. To prepare, in accordance with Article 10(4) of the Energy Charter Treaty, the proposals for a supplementary treaty which shall, subject to conditions to be laid down therein, oblige each party thereto to accord to Investors of other parties, as regards the Making of Investments in its Area, treatment no less favourable than that which it accords to its own Investors or to Investors of any other Contracting Party or any third state, whichever is the most favourable.

2. To specify, for inclusion among the conditions to be laid down in the supplementary treaty, for applying the treatment relating to the sale or other divestment of state assets (privatization) and to the dismantling of monopolies (demonopolisation), as expressed in Understanding No 10 with respect to Article 10(4) of the Energy Charter Treaty, contained in the Final Act of the European Energy Charter Conference.

3. To address in its negotiation of the supplementary treaty, in accordance with Article 10(8) of the Energy Charter Treaty, the modalities of application of Article 10(7) of the Energy Charter Treaty in relation to programmes under which a Contracting Party provides grants or other financial assistance, or enters into contracts, for energy technology research and development.

4. To examine the investment-related provisions of the General Agreement on Trade in Services annexed to the Agreement Establishing the World Trade Organization and to consider, in co-ordination with Working Group II, the inclusion in the supplementary treaty of provisions based thereon.