

**ENERGY CHARTER
SECRETARIAT**

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Related documents: CC 186, CC 186 Rev. 1, CC 188, CC 192
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DECISION OF THE ENERGY CHARTER CONFERENCE

Subject: Reports submitted to the 7th Meeting of the Energy Charter Conference held on 11 May 2001

• **Status of Current Activities – Oral Report by the Secretary General**

The Secretary General informed the Conference about recent developments in the Secretariat's activities in areas other than transit and about other issues of relevance to the Charter process. She noted in particular positive developments regarding ratification of the Energy Charter Treaty by Signatory states: within the last few weeks, Poland and Turkey had deposited their respective instruments of ratification with the Depositary, and completion of the ratification process was anticipated in the near future in the cases of Bosnia and Herzegovina and Malta.

Concerning prospects for ratification of the Treaty by Russia, the Secretary General was also able to report that a positive development had taken place since the Conference last met. Hearings on the Energy Charter Treaty had taken place in the Russian State Duma in January 2001, as a result of which the Duma had recommended that President Putin be asked to request the Security Council to conduct an analysis of the political and economic consequences for Russia of ratification of the Treaty before consideration of the issue is resumed in the Duma. The Secretary General noted that, subject to a positive outcome of this analysis, there were still good grounds to hope that the ratification process could be completed in Russia by the end of the year.

[...] The Secretary General also informed the Conference on the development of the Secretariat's relations with non-Signatories. She noted that following the Seminar on the Energy Charter Treaty hosted by the Turkish government in Ankara in January 2001 for member states of the Economic Cooperation Organisation (ECO), the government of Iran had shown increased interest in the possibility of closer ties with the Charter process, and

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that the Secretariat intended, subject to the Conference's approval, to continue a dialogue with the Iranian authorities in this regard. The Conference was also informed that a Seminar on the Treaty and its relevance for the People's Republic of China would be held in Beijing in July, and that in parallel the Secretary General would hold high-level meetings with the Chinese government concerning prospects for more formal involvement of China in the Charter process. The Secretary General informed the Conference that she had been invited to present the aims and activities of the Energy Charter process to the APEC Energy Working Group at its next meeting in Kuala Lumpur, and also briefed the Conference on recent developments regarding the interest of two Observer states, Morocco and Tunisia, in the possibility of accession to the Energy Charter Treaty.

Summarizing the discussion under this agenda item, the Chairman concluded that *the Conference took note* of the Secretary General's report and encouraged the Secretariat to continue with its present plans for implementation of its Work Programme for 2001.

- Transit issues

Report by the Chairman of the Transit Working Group (ref: Chairman's Compromise text of the draft Energy Charter Protocol on Transit - CC 186)

The Chairman of the Transit Working Group informed the Conference that, despite four rounds of negotiations on the text of the Transit Protocol since the Conference's last meeting, it had not proved possible to finalise the negotiations in time for the Conference's 7th Meeting, as had been the intention. She noted that the Charter's member states remained fully committed to the objective of concluding a Transit Protocol and ensuring its implementation, but that the diverse interests of delegations in relation to a number of key points under discussion had made the negotiations more difficult to finalise than anticipated.

In this connection, she appealed for all delegations involved in the continuation of the negotiations to be mandated with sufficient authority and flexibility to reach compromise solutions on the outstanding key issues, thus allowing for the negotiations to reach a successful conclusion. The Conference Chairman supported this appeal, and urged delegations to respond accordingly. The delegation of Georgia delivered a statement to the Conference (circulated as Room Document 2) underlining that, in its view, the Compromise Text of the Transit Protocol issued by the Transit Working Group Chairman (CC 186) represented a more balanced approach than previous revisions of the text, and urging other delegations to support this approach, based on the need to achieve a final result that meets the interests of all parties involved in the negotiations, including transit states.

Model Transit Agreements (CC 188)

In presenting document CC 188, the Secretary General informed the Conference that the aim of submitting the drafts of the Intergovernmental and Host Government Model Agreements to the meeting of the Charter Conference in December 2001 for endorsement may well need to be revised, in the light of the previously unforeseen need to continue the negotiations on an Energy Charter Protocol on Transit further in 2001. Nonetheless, she underlined that the expert group and ad-hoc legal advisory task force established to review the concept, structure and balance of the Model Transit Agreements would continue their work, and that substantial progress towards preparing revised drafts of the above two Model Agreements could be anticipated by the end of the year.