

**ENERGY CHARTER  
SECRETARIAT**

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CCDEC 2010

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Brussels, 22 March 2010

Related documents: CC 395, Mess 871/10
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**DECISION OF THE ENERGY CHARTER CONFERENCE**

**Subject:      Amendment of the Terms of Reference of the Group on Trade and Transit**

In Message 871 of 26<sup>th</sup> February 2010, delegations were invited to approve the amendment of the Terms of Reference of the Group on Trade and Transit by written procedure. No comments were received. [Accordingly, the new Terms of Reference were considered as adopted.]

[Attached are the amended Terms of Reference for the Group on Trade and Transit as circulated to delegations in doc. CC 395.]

Keywords:      ToR, Terms of Reference, Trade and Transit Group

## **Terms of Reference for the Group on Trade and Transit**

### **(Amendment to the Terms of Reference contained in Message 581 of 26 April 2005)**

#### **I. Background**

The review conducted under Article 34(7) of the Energy Charter Treaty recognised the continued need to address potential barriers to cross-border energy flows, many of which relate to the grid bound nature of trade in electricity and in hydrocarbons, including issues of access to networks and management of transmission systems. A primary objective of the cooperation through the Energy Charter remains to facilitate the development of open, competitive and sustainable energy markets.

The review considered that a combined agenda for Charter activities in the areas of trade and transit could make a significant and more focused contribution to the facilitation of energy flows across the Charter constituency, which is central for enhancing energy trade and security.

The Charter Conference of 14 December 2004 therefore decided to merge as of 2005 the Groups on Trade and Transit in view of the converging agendas in these areas.

#### **II. Composition**

The Group on Trade and Transit consists of representatives of all Contracting Parties/Signatories to the Energy Charter Treaty. Observers are invited to participate in accordance with Rules 7 and 8 of the Rules of Procedure.

#### **III. Tasks**

The Group on Trade and Transit shall:

- assist the Energy Charter Conference in discharging its functions with respect to the implementation of trade and transit-related provisions of the Energy Charter Treaty and any related instrument;
- as mandated at the 20<sup>th</sup> meeting of the Energy Charter Conference, conduct formal negotiations on the remaining open issues of the draft Energy Charter Protocol on Transit;
- monitor and assist in the implementation of the Energy Charter Treaty and its related instruments on trade and transit and suggest recommendations on further steps to improve compliance;
- facilitate the discussion amongst the Charter constituency on promoting and securing cross border energy flows based on the principles and provisions of the Energy Charter Treaty and related instruments, including the elaboration of pertinent model agreements;
- analyse ways to facilitate the development of open, competitive and sustainable energy markets, and energy flows across the Charter constituency, with a view to removing potential obstacles to and improving access and

transit, including transportation conditions for energy materials and products and energy-related equipment;

- continue and, where appropriate, strengthen cooperation with other relevant international organisations, in particular the WTO and the IEA, to maximise synergies and avoid duplication;
- establish close contacts with the energy industry, in particular, through the Industry Advisory Panel in order to strengthen the interaction between the ECT constituency and industry for the effective implementation of the Treaty;
- deal with any trade or transit-related issue referred to it by the Energy Charter Conference or requested by Contracting Parties/Signatories in accordance with Rule 12 of the Rules of Procedure of the Energy Charter Conference.

#### **IV Reporting to the Conference**

The Group shall report to the Energy Charter Conference on its findings and proposed appropriate action in accordance with Rule 13 of the Rules of Procedure.