

**ENERGY CHARTER
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Related documents: CC 437, CC 458

DECISION OF THE ENERGY CHARTER CONFERENCE

Subject: Report on Consolidation, Expansion and Outreach

[The Energy Charter Conference at its 23rd Meeting held on 26th/27th November 2012] *took note* of the Report on Consolidation, Expansion and Outreach, [as contained in document CC 437 (Annex)].

Keywords: CONEXO

Report on Policy on Consolidation, Expansion and Outreach (CONEXO) for 2012

Early in 2012 pursuant to the road map for the Modernisation of the Energy Charter Process, the Secretariat prepared a policy paper on Consolidation, Expansion and Outreach (CONEXO). This draft policy paper was discussed in the Strategy Group and was approved through the written procedure (CC 431) in July 2012.

The key objectives of the CONEXO Policy which the Secretariat commenced to implement in 2012 are:

- consolidation of the Energy Charter Treaty among its original Signatories (COnsolidation);
- attraction of key energy players, who already has Observer status, to eventually accede to the Treaty (EXpansion);
- promotion of the Energy Charter Treaty and Process on a broader geographical level (Outreach).

Throughout the year, the Secretariat implemented the policy in close **coordination** with the members of the Energy Charter Treaty and reported to the Conference Groups when appropriate. Necessary adjustments were made based on the deliberations of the Groups.

The concept of the **Energy Charter Liaisons Embassies (ECLE)** was introduced in the policy paper on CONEXO in 2012 and some countries expressed their readiness to participate in these diplomatic activities: the Netherlands in Rabat, Kingdom of Morocco, and the Slovak Republic in Podgorica, Montenegro.

Regional Projects

(1) In 2012, the Secretariat with the financial support of the government of Germany, commenced implementation of the project focused on **Middle East and North Africa (MENA Project)**. The goal of the MENA Project is to create a reliable framework for energy investments in the region based on the Energy Charter Treaty. The Project promotes the eventual accession of several MENA countries to the Energy Charter Treaty (in particular Morocco, Algeria, Tunisia, Libya, Egypt and Jordan). The Energy Charter Conference and the Secretariat would therefore be the platform to promote regional energy partnerships and projects in the MENA region.

Within the MENA Project, delegations from MENA countries participated in events and working meetings organised by the Secretariat in Brussels. Secretariat staff conducted missions to Algeria, Morocco, Tunisia, Egypt, United Arab Emirates and Libya to meet government officials to establish contacts and to provide information on the Energy Charter Process. Recent political changes in some countries of the region mean however that these efforts will take time.

The **Energy Charter Policy Conference** was organised on 20-21 September 2012 in Rabat, the Kingdom of Morocco, to identify the potential role of the Energy Charter Treaty in the development of an integrated and reliable regional energy market in the MENA region. This major event, which was held under the high patronage of His

Majesty the King of Morocco Mohammed VI, brought together 220 participants from 30 countries and laid the ground for stronger cooperation in the field of energy between Energy Charter members and the MENA countries. The results of the Conference were summarised by the participants in the Concluding Statement recommending the promotion of the legal framework for regional energy cooperation.

On 19 March a **Memorandum of Understanding (MoU) was signed between the Secretariat of the League of Arab States and the Energy Charter Secretariat**. The MoU provides for opportunities for a closer cooperation with the Arab countries and will contribute to a better involvement of those countries in the Energy Charter Process.

(2) A further exercise in regional cooperation was developed with the assistance of the Secretariat in Central and South Asia – **the Task Force on Regional Energy Cooperation between Central and South Asian Countries**. This initiative brings together certain Contracting Parties and Observers, namely Afghanistan, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Uzbekistan, Tajikistan and Turkmenistan. The authorities of **India** have expressed their interest in the activities of the Task Force. The most recent meeting of the Task Force was held in Dushanbe on 18-20 July 2012. The Declaration on Promoting Regional Energy Cooperation between Central and South Asia was adopted by the delegates there.

Consolidation

The Secretary General took the lead on the Consolidation efforts by personally engaging with the relevant authorities of the non-ratifying countries. He undertook missions to the Russian Federation (June and August), Australia (August), Belarus (September) and Norway (September) for high level meetings in the relevant capitals. The Secretary General also held joint consultations in Brussels with the representatives of the non-ratifying countries. On 10 October 2012 he reported to the Strategy Group on all his efforts on Consolidation.

Efforts were also directed at ratification of the Trade Amendment in 2012. The main focus was on Kyrgyzstan. The Secretariat expects concrete results in 2013. The Secretariat proposes that newly acceding countries will be required to simultaneously ratify the Trade Amendment along with the Energy Charter Treaty and PEEREA.

Expansion

(1) **The People's Republic of China** which was granted Observer status on 17 December 2001 continued to participate in certain Energy Charter Secretariat activities.

On 23 October the Secretariat organised an Ad-Hoc Seminar on China's views on global energy governance. An official Chinese delegation headed by the Director General of the Energy Research Institute of the National Development and Reform Commission, Professor Han Wenke, presented China's views on the topic of the Seminar.

Mr. Wang Xiaowei, an expert from the National Energy Administration of the People's Republic of China, worked in the Secretariat in the second half of the year under the secondment programme.

In December the Deputy Secretary General will conduct a mission to Beijing to meet officials in the National Development and Reform Commission, including the National Energy Administration, the Ministry of Foreign Affairs and other relevant institutions.

(2) On 20 September in Rabat, **the Kingdom of Morocco signed the Energy Charter Declaration**. This resulted from the Secretariat's consistent efforts with the Moroccan authorities in the last two years. The government of the Netherlands provided important support to this endeavour.

(3) The Secretariat continued dialogue with **The Republic of Serbia** based on the expressed Serbia's interest to accede to the Energy Charter Treaty. A number of missions by Secretariat staff were conducted to Belgrade. On 5 September a working meeting was held in the Secretariat between the Prime Minister of Serbia, Mr. Ivica Dačić, and the Secretary General. Prime Minister Dačić confirmed his country's intention to accede to the Treaty. On 12 October a letter from the Minister of Energy, Development and Environmental Protection to Secretary General confirmed that the Accession Reports would be finalised by the Serbian authorities.

(4) **Afghanistan** signed the Energy Charter on 4 August 2006. Accession reports were approved by 18th Meeting of the Energy Charter Conference in 2007 and the Conference invited Afghanistan to accede to the Energy Charter Treaty. Although the ratification process has been significantly delayed because of the political situation, the Secretariat undertook additional efforts to facilitate the process in 2012. The Embassy of Afghanistan in Brussels was engaged by the Secretary General and Secretariat staff. On 12 October a meeting with a delegation from the Parliament of Afghanistan was held in the Secretariat in order to facilitate the ratification process. The Secretariat presented the Energy Charter Process to the parliamentarians and called for a speedy ratification of the Energy Charter Treaty by Kabul.

(5) The Secretariat maintained contacts with the authorities of **the Hashemite Kingdom of Jordan**, whose accession reports were approved at the 20th Meeting of the Energy Charter Conference in 2009. Early in the year the Senior Expert of the Secretariat met with the Minister of Energy and Mineral Resources of Jordan in Cairo. The government of **Jordan** expressed its willingness to continue the accession process and to place the ratification issue on the agenda of the new Parliament.

(6) The Secretary General held consultations with the representatives of the Government of **Pakistan** in Dushanbe in July. The purpose of the consultations was to update Pakistani authorities on the Energy Charter Process and to facilitate the ratification of the Energy Charter Treaty by the Parliament (accession reports were approved by the Energy Charter Conference in 2006).

(7) At a meeting with H.E. Mr. Marwansyah Lobo Balia, Secretary General of the National Energy Council of **Indonesia**, in September on the sidelines of Rabat Conference the Secretary General raised the possibility of holding a joint Policy Conference in cooperation with the Indonesian Government. This event may contribute to expanding relations between the Energy Charter and the Government of Indonesia, which signed the Charter in 2009.

(8) As an indication of progress in relations with the Energy Charter Secretariat, **Algeria** has proposed to host the next meeting of the Industry Advisory Panel in February 2013.

(9) The authorities of **Egypt** are favourably considering the Secretariat's proposal to organise a regional event in Cairo in 2013.

Outreach

(1) By letter dated 13 November the Minister of Foreign Affairs and European Integration of **Montenegro** expressed the willingness of the Government of Montenegro to become a Contracting Party to the Energy Charter Treaty and to sign the Energy Charter Declaration as the first step in this process. The political support of the Government of the Slovak Republic was essential in the achievement of practical results in this matter.

(2) By letter dated 10 October the Minister of Electricity and Energy of the **Republic of Yemen** requested that it be granted the status of Observer to the Energy Charter Conference.

(3) In September the Secretary General met with the Minister of Electricity and Renewable Energy of **Libya** and encouraged Libyan authorities to become an Observer to the Conference.

(4) As regards each of **India** and **Iraq** further efforts will be undertaken by the Secretariat in the course of 2013.

The Secretariat also maintained close relations with other international organisations, particularly those dealing with international issues. New impulse was given to cooperation with the **International Energy Agency (IEA)** and the **Organisation for Economic Cooperation and Development (OECD)**. The joint efforts with the IEA are now focused on the development of renewable energy and with the OECD – on the promotion of energy investments. On 14 September the Secretary General organised a special briefing on recent developments in the Energy Charter Process for the **ASEAN** Ambassadors in Belgium. (The ASEAN organisation is an Observer to the Energy Charter Conference).

Conclusion

- The deliberations on the Updated Energy Charter will provide a new opportunity for the targeted countries to engage with the Energy Charter Process.
- The CONEXO Policy will be effective only when there is strong political support from Members with regard to specific countries. As valuable contributions in the course of 2012 of the Embassy of the Netherlands in Rabat, Kingdom of Morocco, and the Embassy of the Slovak Republic in Podgorica, Montenegro, demonstrated Energy Charter Liaisons Embassies can be a very effective instrument in promoting the Energy Charter Treaty while implementing CONEXO Policy.
- The Secretariat will continue to work in close cooperation with interested Members of the Energy Charter Treaty.

As an indication of the importance of the CONEXO policy to the work of the Secretariat, in the newly proposed Establishment Table the Office of the Deputy Secretary General, under the guidance of Secretary General, will take special responsibility for coordination of this work.