Dear Chairman Babayev, dear Ministers, Ambassadors, distinguished guests!

It is my pleasure to welcome you, on behalf of the International Energy Charter, to the Ashgabat International Energy Charter Forum. First of all, I would like to express my sincere gratitude to President Berdymukhammedov and the Government of Turkmenistan for hosting this Forum together with us. Thank you for the warm welcome and your hospitality. A warm welcome to all distinguished participants.

As you all know very well, Turkmenistan holds the chairmanship of the Energy Charter Process this year. This is going to be a very intense year. Our Forum today is the first official event to be organised in Ashgabat, we will have several other events throughout
the year in different parts of our constituency. The culmination of the chairmanship will be the 28th Meeting of the Energy Charter Conference which will bring us all back to Ashgabat in November.

In the course of the preparation to the chairmanship, Turkmenistan has elaborated a very comprehensive concept which in line with other international initiatives of Turkmenistan. One of the priorities for 2017 is a subject of our discussion today - reliability and stability of intentional energy transit flows to balance the interests of producing, consuming and transit states.

Over the last decade, a number of international initiatives acknowledged the importance of transportation of energy resources. One of them is the United Nations General Assembly Resolution “On reliable and stable transit of energy and its role in ensuring sustainable development and international cooperation” adopted on 17 May 2013. This resolution was sponsored by Turkmenistan and supported by 72 other UN members. The Resolution recognises the need for extensive international cooperation for promoting reliable transportation of energy to international markets through pipelines and other transportation systems.

Turkmenistan and Energy Charter has been closely collaborating on the implementation of this resolution. We have organized four international meetings of experts which were held in Ashgabat in December 2014, Brussels in April 2015, Beijing in November 2015 and Tirana in July 2016. All of those meetings allowed for an
exchange of best practices and lessons learned in the field of international energy cooperation and for a joint response to the contemporary challenges facing reliable and stable transportation of energy resources.

As you all are well aware, energy production chain requires transportation of energy resources over long distances often crossing the territory of several states. Long-distance oil and gas pipelines, high voltage electricity lines and LNG facilities are extremely capital intensive. They require long-term financial commitments by multiple actors. Recent developments in energy markets have resulted in increasing volumes of energy traded across borders, and often involving transit. The major challenge in this context is probably the development of new supplies of hydrocarbons and electricity in North-East Asia and China, and the transportation of hydrocarbons from the Caspian region and Central Asia to world markets. Many countries of Latin America and Africa also demonstrate a strong demand for investments in well-needed regional interconnectors.

The Energy Charter Treaty is the only multilateral Treaty providing binding rules on energy transit and investments. Undoubtedly, it has played a positive role in facilitating pipeline projects, including some of the projects which will be presented later during the main sessions. This is documented in many Intergovernmental and Host Government Agreements that refer to the Energy Charter Treaty.
Since the very beginning, the Energy Charter, has pursued the objective of ensuring secure, efficient, uninterrupted and unimpeded transit, to promote more efficient use of the infrastructure, and to facilitate its construction and modification. The draft Transit Protocol was negotiated to make the transit-related provisions of the Energy Charter Treaty more operational, and to avoid potential legal disputes. Indeed, the formal draft which was finalised in 2003 included provisions which further set out and developed the obligations and conditions contained in Article 7 of the ECT.

Today, the need for a new transit instrument has not diminished – on the contrary, new Signatories of the International Energy Charter have expressed growing interest in such a framework. New options for gas transportation, new electricity projects and increasing regional integration in various parts of the world offer new roles for our organisation. This is the reason why the Energy Charter Conference tasked the Secretariat in November last year to identify specific needs of the countries and risks in order to define the scope of the future transit instrument. The main objective of the proposed instrument is to provide clear rules for facilitating and securing transit, to facilitate the construction, expansion and modernisation of infrastructure, and to provide a detailed dispute settlement and emergency mechanisms.

I hope that substantial discussions today and tomorrow will help us to move forward with this initiative. I am sure that the Forum will allow us to reflect on the common benefits of international energy cooperation, and to develop joint responses to the challenges we face.
today. The International Energy Charter is ready to play an active role.

I welcome you all again, and look forward to the discussion.

Thank you for your attention.