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2014
FORUM



Energy Charter's Contribution to the Davos Initiative and Sustainable Development in African Countries

WTO Public Forum, Working Session,
Geneva, 2 October 2014

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Plan:

- Introduction: Energy Charter
- SE4ALL initiative
- Davos Statement – EGA
- Conclusions

What is the Energy Charter?



- Dec. 1991 – Energy Charter

political commitment – not legally binding

- Dec. 1994 – Energy Charter **Treaty ECT**

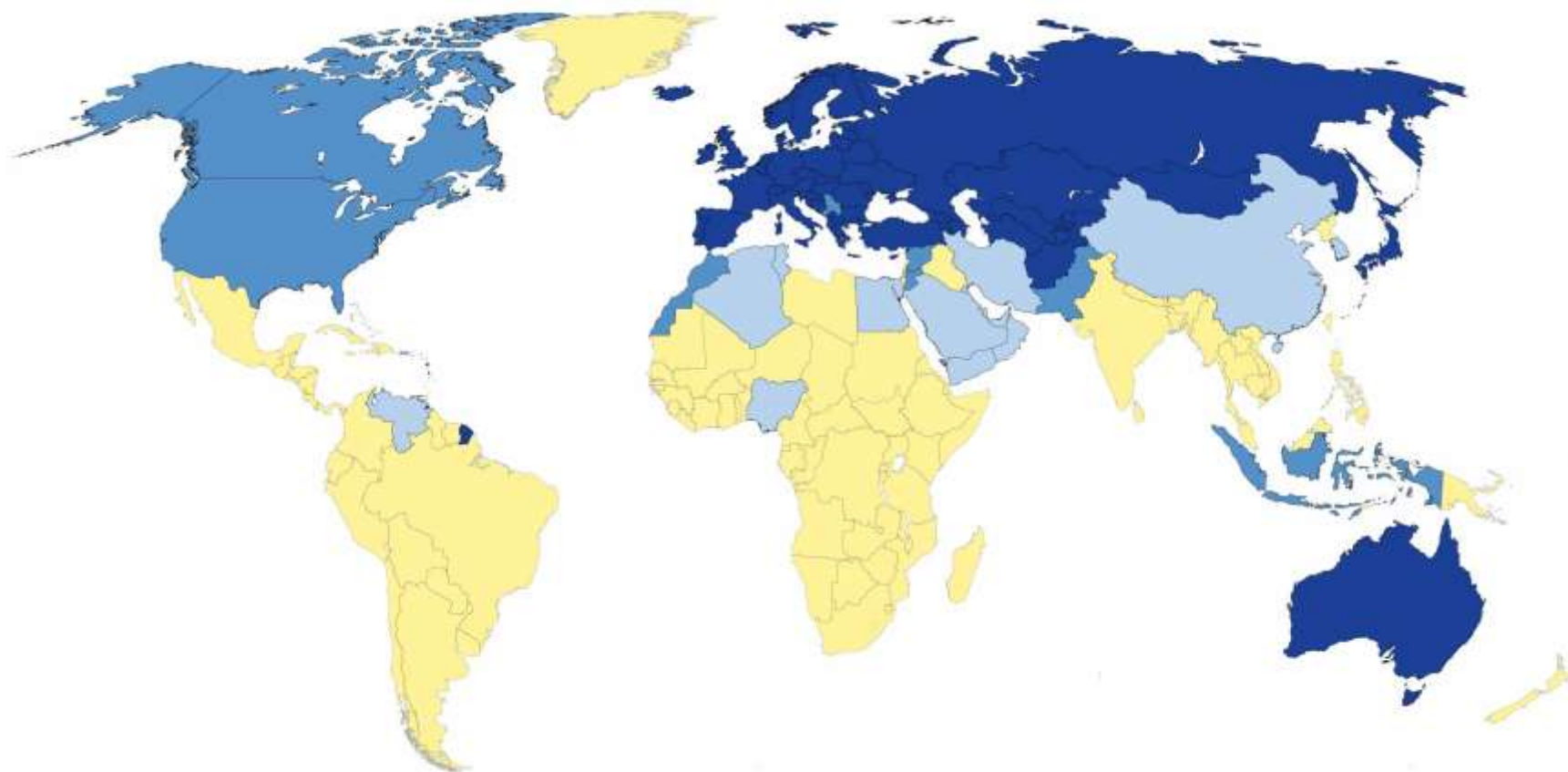
*52 states + EU and Euratom – legally binding
entered into force April 1998*

- Energy Charter **Process**

international policy forum updating the 1991 Energy Charter (World/International Energy Charter), cooperation with interested new states

Energy Charter Constituency

Common rules for global energy security



- | | | | | | |
|---|---------|---|---------------------------------------|---|--|
|  | Members |  | Observers, signed
the 1991 Charter |  | Observers, by
Conference invitation |
|---|---------|---|---------------------------------------|---|--|

This map is without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area

Key Principles of the 1991 Charter



- Common rules for global energy security
- Creating climate favourable for the creation of enterprises, investments and flow of technologies
- Open and efficient energy markets (WTO+)
- Freedom of transit
- Monitoring energy efficiency policies
- Sustainable development and safety



Main Focus of the 1994 ECT

- More than 50 members; open to any exporting, transit or importing country
- National sovereignty over energy resources
- Investment protection and technology transfer
- WTO based trade provisions, including freedom of transit and mandate to negotiate plurilateral agreement
- Investor-to-state and state-to-state dispute settlement procedures
- Protocol on Energy Efficiency and Related Environmental Aspects PEEREA
- Model Agreements facilitating construction of cross-border infrastructure

PEEREA

Protocol on Energy Efficiency and Related Environmental Aspects



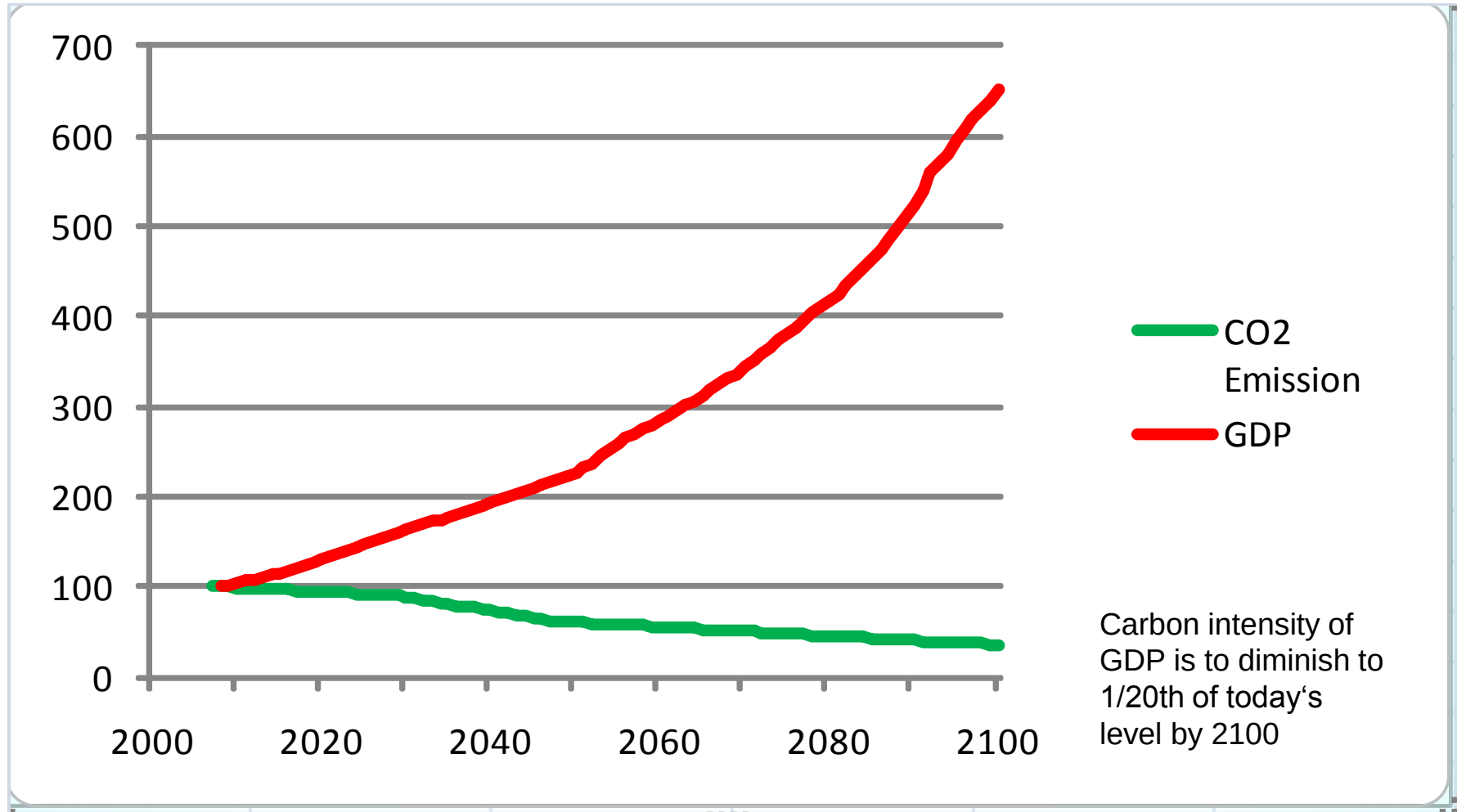
Objectives are:

- Promotion of energy efficiency policies;
- Creation of conditions...through efficient energy markets;
- Fostering co-operation in the field of energy efficiency



Global low carbon decoupling

Making global economic growth (e.g. 2% = low growth) compatible with the max. temperature increase of $+2^{\circ}\text{C}$ (e.g. 450 ppm CO_2) until 2100
Index 2010 = 100



Data: IEA (450 ppm scenario 2050, ETP 2012)

Numerical consequences for 2100



$$\left[\frac{\text{emissions}}{\text{person}} \right] = \left[\frac{\text{emissions}}{\text{energy}} \right] \times \left[\frac{\text{energy}}{\text{GDP}} \right] \times \left[\frac{\text{GDP}}{\text{person}} \right]$$

:5

:4

:5 ↓

x4

$$\left[\frac{\text{emissions}}{\text{person}} \right] = \left[\frac{\text{emissions}}{\text{energy}} \right] \times \left[\frac{\text{energy}}{\text{person}} \right]$$

:5

:4

-20%

Instrumental objective:
Max. 2 kW / person
in 2100 for 2° scenario
= approx. 30 times RMR

$$\left[\frac{\text{emissions}}{\text{person}} \right] = \left[\frac{\text{emissions}}{\text{GDP}} \right] \times \left[\frac{\text{GDP}}{\text{person}} \right]$$

↓ :5

:20

↓ x4

Mandatory objective:
Max. 1 t CO₂ / person
in 2100 for 2° scenario

Aspired objective:
Access to wealth

Who does what?



$$\left[\frac{\text{emissions}}{\text{person}} \right] = \left[\frac{\text{emissions}}{\text{energy}} \right] \times \left[\frac{\text{energy}}{\text{GDP}} \right] \times \left[\frac{\text{GDP}}{\text{person}} \right]$$

Activity area of
IRENA

$$\left[\frac{\text{emissions}}{\text{person}} \right] = \left[\frac{\text{emissions}}{\text{energy}} \right] \times \left[\frac{\text{energy}}{\text{person}} \right]$$

Activity area of IEA

$$\left[\frac{\text{emissions}}{\text{person}} \right] = \left[\frac{\text{emissions}}{\text{GDP}} \right] \times \left[\frac{\text{GDP}}{\text{person}} \right]$$

Activity areas of
Energy Charter,
UNIDO, SE4ALL

Activity area of
UNFCCC

Activity area of WTO,
IMF, World Bank, UNCTAD,
OECD



Policy on Outreach and Expansion

- Negotiation of updated Energy Charter (political document)
- Start in 2014
- Almost 100 potential observers participate
- Signature planned 2015 in The Hague

Window of opportunity



Energy Charter in Africa (1)



■ Observers having signed the 1991 Charter:

■ Mauritania



■ Morocco



■ Observers by Invitation:

■ Algeria



■ Egypt



■ Nigeria



■ Tunisia



Energy Charter in Africa (2)



■ New African countries in the Energy Charter Process (participating in negotiations on updated Charter):

- South Africa
- Libya
- Mozambique
- Tanzania
- South Sudan
- Sudan
- Ethiopia
- Niger





SE4ALL

- UN General Assembly designated 2014–2024 as the Decade SE4ALL. Noting that:
 - 1.3 billion people are without electricity
 - 2.6 billion people in developing countries rely on traditional biomass for cooking and heating.
- Main pillars:
 - Universal Access to modern energy services
 - Renewable Energy
 - Energy Efficiency



SUSTAINABLE
ENERGY FOR ALL

SUSTAINABLE energy

FOR ALL

*The first global tracking
framework lays out the
challenge ahead:*

*While the world is making progress,
it isn't moving fast enough.
Business as usual won't get us there.*

WHAT WILL IT TAKE?

THE SUSTAINABLE ENERGY FOR ALL INITIATIVE SETS
3 GLOBAL GOALS FOR 2030

1

**ENERGY
ACCESS**

2

**ENERGY
EFFICIENCY**

3

**RENEWABLE
ENERGY**



IT'S TIME FOR DECISIVE ACTION

Davos statement:



- ❑ World Economic Forum (WEF), Davos, January 2014
- ❑ 14 Signatories: Australia, Canada, China, Costa Rica, the EU, Hong Kong China, Japan, Korea, New Zealand, Norway, Singapore, Switzerland, Chinese Taipei
- ❑ APEC list of environmental goods as a starting point
- ❑ Objective: Environmental Goods Agreement in WTO
- ❑ Role of ECT:
 - ❑ Awareness raising for the upcoming negotiations; ECT allows for extending application of the agreement to non-WTO countries of ECT
 - ❑ With WEC: technical support to negotiators





■ World Energy Council (WEC)

- Elaborated WEC Proposed List of Goods for Inclusion under an Environmental Goods Agreement

■ ECS: synoptic table. Comprises:

- ECT Annexes EM I (energy materials and products) and EQ I (energy-related equipment)
- WEC Proposed List of Goods for Inclusion under an Environmental Goods Agreement
- APEC List of Environmental Goods (starting point of Davos initiative)

HS (2012)	TEXTHS 2012	APEC	ECT	WEC	Explanations APEC	Explanations WEC
2503	Sulphur of all kinds, other than sublimed sulphur, precipitated sulphur and colloidal sulphur			2503		Necessary for EE/CCS/FGR processes and value chains. Technology: EE, CCS
26.12	Uranium or thorium ores and concentrates		26.12			



Product categories of WEC list:

1. Energy Efficiency in power distribution and plant-level consumption (EE);
2. Carbon capture and storage (CCS);
3. Renewable energy generation: solar (R-S), wind (R-W), hydro (R-H);
4. Nuclear (N);
5. Natural gas for power generation and other uses (NG); and
6. Flare gas reduction (FGR).



Update WTO Current situation:

- **14 WTO members launched negotiations for an Environmental Goods Agreement on 8 July 2014 at the WTO.**
- **Promote green growth and sustainable development while providing impetus for the conclusion of the Doha Round.**



Conclusions

- Topic highly relevant for development of sustainable energy and Africa
- Multi-stakeholder issue: energy consumers, equipment producers, civil society
- Cooperation among international organisations



Thank you for your attention !

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Common rules for global energy security