



Securing Energy Flows – Energy Union and Beyond

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Energy Union

Policy Area	Internal Dimension	External Dimension
1		Security of Supply
2	Fully Integrated Internal Energy Market	
3	Energy Efficiency	
4	Emission Reduction	
5	Research and Innovation	



From the European Energy Charter to the Energy Charter Treaty

Dec. 1991

**European 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
Open for accessions for
states and REIOs which
have signed the
European Energy
Charter

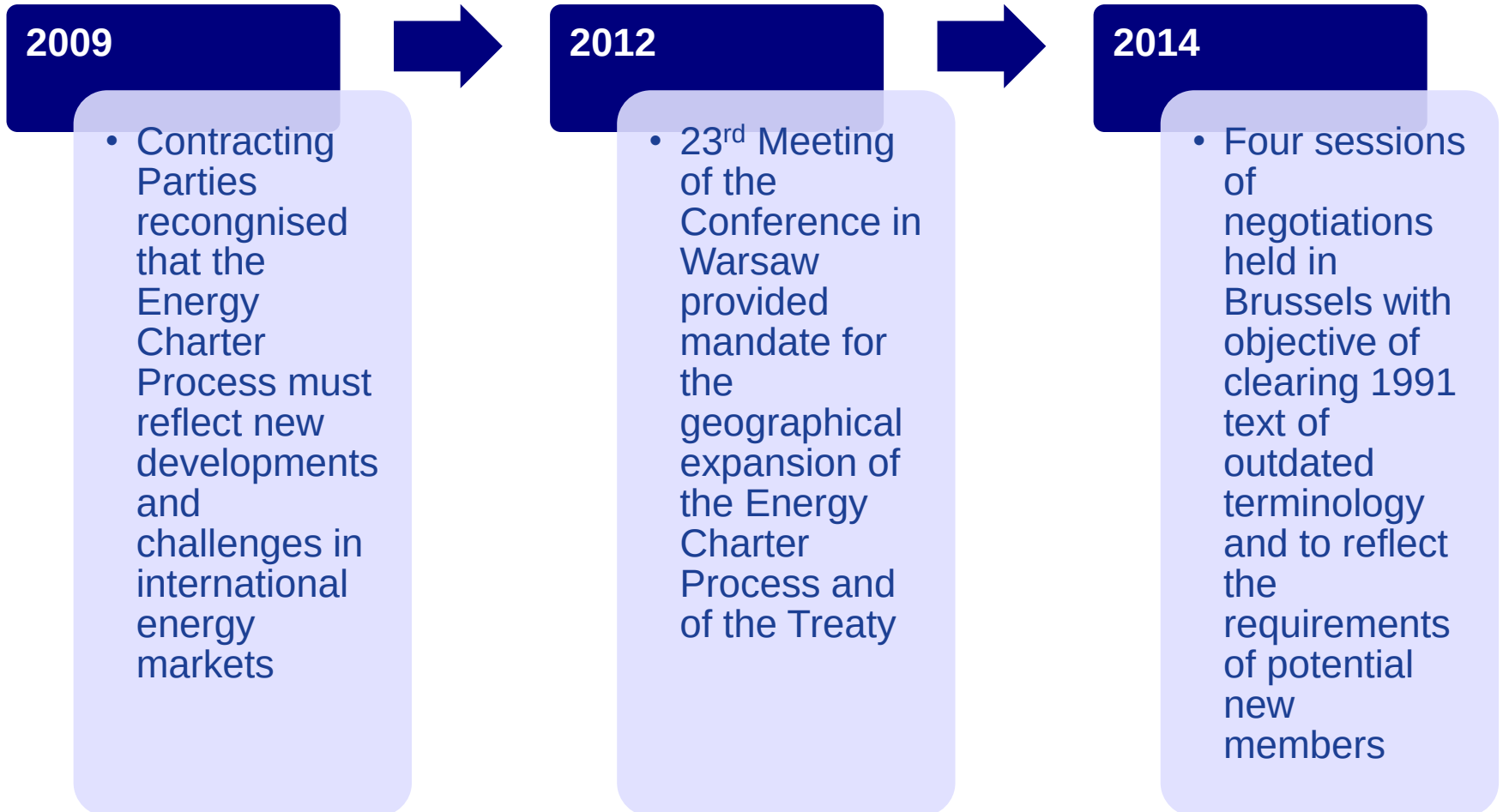
**Energy Charter
Conference**



Based on the ECT –
decision making body
Main task to review and
facilitate the
implementation of the
principles of the Charter
and the ECT
Members: signatories of
the ECT
Observers: signatories of
the European Energy
Charter, invited states
and international
organisations



Modernisation – Phase I





International Energy Charter

- ❑ Political declaration updating the 1991 EEC
- ❑ Reflects modern energy challenges
- ❑ Reaffirms 1994 ECT
- ❑ Negotiated by more than 80 states throughout 2014
- ❑ Adopted by 75 countries in 2015



Ministerial Conference The Hague II



International Energy Charter, 20-21 May 2015



Modernisation - Phase II

- ECT stands as the **only multilateral legally binding instrument in the energy sector** dealing with investment protection, transit and trade:
 1. 2014 Conclusions of the Review under Art. 34(7) ECT
 2. Astana Declaration of the Energy Charter Process for 2015-2019



Modernisation Phase II – Potential Areas

A. Dispute Settlement

1. The discussions on establishing an **effective framework for the amicable settlement of investment disputes** (good offices, ombudsman, mediation)
2. Introduction of a **minimum requirement on transparency in investment arbitration under the ECT**: e.g. notification of the existence of a claim and the final award



Modernisation Phase II – Potential Areas

B. Investment

1. Constituency should discuss **resuming negotiations of Supplementary Treaty or Protocol on non-discrimination in the Pre-investment phase**
2. In light of the negotiation on the International Energy Charter to assess determining **legal aspects affecting transfer of technologies** is desirable
3. Energy Charter flagship annual publication on **Energy Investment Risk Assessment** would be an important reference instrument for efficient and more transparent global energy markets



Modernisation Phase II – Potential Areas

c. Transit

1. The possibility to **resume negotiations on the Transit Protocol** depending on the review of the implementation of the transit provisions of the ECT.
2. Explore possibility of comprehensive Transit Protocol including all energy materials and its regional application
3. In addition, the possibility of developing a **protocol to cover maritime transport**, notably LNG



Modernisation Phase II – Potential Areas

D. Environmental Aspects & Energy Efficiency

1. The possibility of developing **the framework for Energy Charter Efficiency Projects** (investment protection in energy efficiency projects in non-energy sectors such as building, transport...)
2. Increase cooperation and discuss a **framework on promoting environmentally sound offshore energy-related technologies and safety matters**



Conclusions

- ❑ Modernisation Phase I now includes important emerging producers to contribute to Europe's energy security
- ❑ Modernisation Phase II is an opportunity to play an active role in evolving international energy relations
- ❑ ECT is the instrument of the Energy Union to build global energy architecture



Thank you for your attention !

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Common rules for global energy security