

## Energy Charter Quotes

Asia Energy Cooperation Forum  
Chongqing, China  
June 27th-28th 2016

*[The] Energy Charter [...] is going through a transition from regionality to globality at present. Geopolitically, emerging and non-traditional regions like Asia, Africa and Latin America are gradually taking over from Europe. [...] The signing of [the] International energy Charter in May 2015 marked the upgrading process from [the] European Energy Charter to [the] International Energy Charter, pushing forward the modernizing, non-discriminating, transparent and globalizing energy structure building. [...] Cooperation with the Energy Charter mechanism can contribute to China's deepening [reform] and expanding of the Open-to-the-Outside, to the economic transformation and upgrade. It can also help to form an international energy governance framework which suits China's interests, thereby developing a comprehensive strategic fulcrum of the international economic governance system reform [...]."*

**Dr. Cheng Chunhua,**  
Lecturer and Master Supervisor  
at Minzu University of China

*"It appeared that increasing Chinese energy investment in Central Asia is the driving factor for China to enhance the China-Central Asia energy cooperation through the ECT [...]. [...] Other than geopolitics, the Chinese authorities recognized the importance of integration into the global energy cooperation systems and comprehensive measures to ensure energy security."*

**Dr. Kaho Yu,**  
Research Fellow, Asian Energy  
Studies Centre, Hong Kong  
Baptist University & Energy  
Geopolitics Program, Harvard  
Kennedy School

### Secretary General's Activities

#### Secretary General holds high-level bilateral meetings in Beijing 4 July 2016



Secretary General Urban Rusnák delivered the closing speech at the Global Energy Security Forum organised by the Chinese Academy of Social Sciences in Beijing, China on the Energy Charter's potential role in mitigating political risks and fostering regional energy cooperation through common frameworks. Dr. Rusnák met with the Secretary General of the Forum, Mr. Liu Chiang, as well as other participants in the margins of the event. On July 1st, the Secretary

General held a bilateral meeting with Prof. Han Wanke, Executive Director of the Energy Research Institute (ERI) under the National Development Reform Commission of China. During this meeting, the two officials agreed in principle to jointly establish the Energy Charter Research Centre, together with other founding partners to be invited such as the CEC and CNPC. ERI offered to establish the centre in its offices. Dr. Rusnák proposed to formally establish the Centre in October in occasion of the expert-level meeting on electricity transit that the Energy Charter Secretariat will co-organise with the Chinese Electricity Council. ERI has already sent the Secretariat a more detailed proposal outlining the agreed points of the meeting as well as nominating Dr. Yang Yufeng as the Head of the Research Centre.

#### Article published in the June issue of "Nezavisimaya Gazeta" 5 July 2016

After the Yukos arbitration awards rendered in July 2014, the Energy Charter received an intensified attention of Russian and foreign experts. In addition, interest to the Yukos case and to the organisation was fueled by the recent news that The Hague District Court has quashed the \$50 Billion arbitration awards, finding that the arbitral tribunals lacked jurisdiction. The article briefly narrates about the history and activities of the Energy Charter starting from its creation after the end of the Cold War and until the start of modernisation process, when the new International Energy Charter was signed in The Hague in May 2015.

#### The importance of security of transit for energy security 11 July 2016

In a recent article published on a special issue on Energy Diplomacy of "The European Files", the Secretary General explained why security of transit is fundamental for energy security. Dr. Rusnák highlighted the importance of the four key pillars of energy security, i.e. security of supply, security of demand, security of transit/transport and the elimination of energy poverty. This holistic

way of understanding energy challenges today is more adequate to deal with a rapidly evolving global situation. "The article can be read [here](#).

### Meeting with the incoming International Energy Forum Secretary General Sun

20 July 2016

On 19 July 2016, the Energy Charter Secretary General, Dr. Urban Rusnák met with the incoming Secretary General of the International Energy Forum Mr. Xiansheng Sun at the premises of the Energy Charter Secretariat in Brussels. The meeting followed-up on an earlier discussions in the margins of the 1st Asia Energy Cooperation Forum in Chongqing, China, earlier the previous month. The two sides exchanged ideas on future cooperation; mutual participation at respective Annual Conferences, and global energy governance issues.



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### Energy Charter Secretariat's Other Activities & Events

#### International Energy Charter new informal working name

7 July 2016

On 4 July 2016 the Energy Charter Conference approved the use of an informal working name, 'International Energy Charter', to refer to the Energy Charter Conference and its subsidiary bodies, as well as the Energy Charter Secretariat. Such name will be used as of 4 July 2016 for any public communications of the organisation, except for those documents that require the use of the official name of the relevant institution according to the Energy Charter Treaty.

#### 4th International Meeting of Experts on reliable and Stable Energy Transit takes place in Tirana, Albania

13 July 2016

On 13 July 2016, the Energy Charter Secretariat Transit Expert Mr Kanat Botbaev opened on behalf of the Energy Charter Secretary General Dr. Urban Rusnák the Fourth International Meeting of Experts on Reliable and Stable Transit of Energy in Tirana, Albania, together with the Prime Minister of the Republic of Albania, Mr Edi Rama, the Minister of Energy and Industry of the Republic of Albania, Mr Damian Gjijknuri, the Deputy Secretary General of the Secretariat of the Union for the Mediterranean, Mr Jorge Borrego, and the Ambassador of the Kingdom of the Netherlands to the Republic of Albania, Mrs Dewi van de Weerd. The Meeting was hosted by the Government of the Republic of Albania and co-organised by the Energy Charter Secretariat and the Secretariat of the Union for the Mediterranean. It brought together around 50 regional and international participants who discussed the role of transit in global and regional energy security and focused on the integration of energy markets in the Euro-Mediterranean region.

#### International Energy Charter team meets with ECOWAS Ambassadors

17 July 2016

On the occasion of the Ambassadorial ECOWAS meeting at the African, Caribbean, and Pacific Group headquarters on 14 July 2016 in Brussels, Dr. Urban Rusnák delivered a presentation on the International Energy Charter. The main

## Twitter Activity

July  
@Energy\_Charter

Top Tweet earned 1,020 impressions

#MichaelHoffmann External Affairs director  
#TAP: Great developments in recent months. TAP has potential to expand from 10 bcm to 20 bcm

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Top mention earned 57 engagements

En Eppen  
@EPPENerji Jul 11

Dr. Marat Terterov is giving lecture on international @Energy\_Charter

Dr. Terterov Enerji Şartı'nı anlatıyor  
#EESS pic.twitter.com/C75haZulJS

Top media Tweet earned 517 impressions

#IntECTransit meeting kick off this AM in #Tirana, #Albania w/ #Albania gov & @UfMSecretariat on #energy #transit  
pic.twitter.com/eRAG45gltp



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JULY 2016 SUMMARY

Tweets	26	Tweet impressions	12K
Profile visits	713	Mentions	33
New followers	18		

**July**  
**@SecGenEnCharter**

**Top Tweet** earned 507 impressions

Thanks Govt. of **#Albania** & **@UfMSecretariat** for today's expert meeting in **#Tirana** on **#stable** & **#reliable** **#energy** **#transit**. **#IntECTransit**

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**Top mention** earned 12 engagements

**Int' Energy Charter**  
**@Energy\_Charter** · Jul 11

**@SecGenEnCharter** on **#energy** **#transit** & **#energysecurity** in **@EuropeanFiles**, [bit.ly/29ynit1](http://bit.ly/29ynit1) [pic.twitter.com/3gyXu46lcl](http://pic.twitter.com/3gyXu46lcl)



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**Top media Tweet** earned 505 impressions

Closing address **@2016 Global #Energy #Security Forum, #Beijing:**  
**@Energy\_Charter** & 4 pillars of **#energysecurity**  
[pic.twitter.com/UQywhSfxHR](http://pic.twitter.com/UQywhSfxHR)



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**JUL 2016 SUMMARY**

Tweets: **20** | Tweet impressions: **11.2K**

Profile visits: **615** | Mentions: **13**

New followers: **12**

focus was on the role the International Energy Charter already has and will have in Africa and on the importance of security of demand, security of supply, security of transit, and especially on alleviation of energy poverty. During the meeting, the Energy Charter Conference was represented by Mr. Wataru Takahama from the Mission of Japan to the European Union. He highlighted how the International Energy Charter is fundamental in creating an investment climate favourable for private investors and to facilitate energy access, which is of fundamental importance for the African continent. Mr. Takahama took the opportunity to invite countries to attend the 27th Meeting of the Energy Charter Conference which will take place in Tokyo at the end of November this year. ECOWAS Ambassadors expressed their interest in this informational meeting and addressed their questions to the Secretary General.



**Seminar on International Energy Charter held in N'Djamena, Chad 25 July 2016**

At the invitation of the Minister of Oil and Energy of Chad, Mr Djerassem Le Bemadjiel, the Energy Charter Secretariat conducted a seminar in N'Djamena on the International Energy Charter, and the potential path for Chad to accede to the Energy Charter Treaty.

**Naftogaz proposed to use Model Energy Charter Early Warning Mechanism**

29 July 2016

According to the latest communication published on the website of the Ukrainian state own company Naftogaz, on 27 July 2016, Naftogaz has sent a letter to Maroš Šefčovič, the Vice-President of the European Commission in charge of the Energy Union, informing about gas pressure irregularities in the main transit GTS and proposing to consider the application of existing procedures, including the Model Energy Charter Early Warning Mechanism approved at the 25th Meeting of the Energy Charter Conference.

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**All roads lead to Beijing: Energy cooperation in Asia**

by Scott Sutherland, Knowledge Centre

The historical Silk Road was a network of interlinking trade routes connecting merchants in China to traders in Europe. The Silk Road helped establish a golden age of economic expansion and diplomatic influence and by the 16<sup>th</sup> century, China was the most advanced economy in the world.<sup>1</sup>

China's modern revival of the historical Silk Road is an ambitious proposal called the "One Belt One Road" (OBOR) initiative. Announced in 2013, the objective is to support the development of mainly infrastructure projects, such as roads, rail, and ports, across the historical land and maritime trade routes. The funding and policy plans are in place and include initiatives that promote China's energy goals such as deeper regional energy integration, and a commitment to increase renewable energy use.

Plans for regional energy cooperation have already begun and the State Grid Corporation of China recently signed agreements with Korea Electric Power Corporation, Japan's Softbank Group, and Russian power firm Rosseti, in order to

facilitate electricity trade across Asia by 2030.<sup>ii</sup> This will be necessary to develop the Asian Super Grid, made up of ultra high voltage power lines that enable electricity trade over long distances and across borders. Such integration will increase the prospect of other ambitious projects such as Gobitec, which aims to export renewable energy produced in the Gobi Desert to regions across China, Japan, South Korea and Russia. The goal envisions the creation of a gigantic 100 GW wind and solar power production facility,<sup>iii</sup> which is roughly the size of Spain's total power production capacity.<sup>iv</sup>

Unfortunately, large scale energy projects based on cross border cooperation such as Gobitec may never get off the ground. A lack of investor confidence, driven by uncertainty both political and regulatory all pose real challenges to regional energy projects. The main problem is that China relies heavily on Bilateral Investment Treaties (BITs) and Memoranda of Understanding (MoU) even when projects involve multiple countries and firms. As projects grow and the number of stakeholders multiply, this approach becomes insufficient because uncertainty, confusion over laws and regulation, contribute to a loss of investor confidence and the stagnation of multilateral projects. This was precisely the problem that former Soviet Union states faced after the collapse of the USSR in the 90s. At the time there were large scale initiatives to connect Central Asia's vast energy reserves with Europe's hungry energy market. However, it was only after the signing of a multilateral energy investment agreement that European firms, led by energy companies, rushed in. The agreement created a framework based on trust and the rule of law whereby raising investor confidence.

This same multilateral agreement that connects not only Central Asia and Europe is the only multilateral investment agreement specifically designed for energy issues. The Energy Charter Treaty promotes investment, non-discrimination and freedom of transit, while preserving state sovereignty. It includes necessary mechanisms for amicable dispute settlement and international arbitration. The Energy Charter Treaty is not a European agreement but rather a truly international agreement as reflected in its 54 signatories.

China will encourage the development of a modern Silk Road based on the OBOR initiative, including energy projects that can offer opportunities for cooperation in the region. In 2015, China's president Xi Jinping promised to: "work towards an energy and resource cooperation mechanism in Asia."<sup>v</sup> Fortunately for Mr Jinping, the mechanism he is searching for was created.

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<sup>i</sup> The New Silk Road. September 12, 2015. *The Economist*.

<sup>ii</sup> China eyes export opportunities for global super grid. March 31, 2016. *Reuters*.

<sup>iii</sup> Gobitec and Asian Super Grid For Renewable Energies In Northeast Asia, P17. *Fraunhofer Institute For Systems And Innovation Research ISI*, 2014.

<sup>iv</sup> *CIA Factbook*. Available at: <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2236rank.html>

<sup>v</sup> Towards a Community of Common Destiny and A New Future for Asia. *H.E. Xi Jinping, Keynote speech*. Boao Forum for Asia Annual Conference 28 March 2015.

## Upcoming Events

- 3**  
Aug 2016

[International Energy Charter: From Bogota to Tokyo](#),  
Bogota, Colombia
- 22**  
Aug 2016

[Tokyo International Energy Charter Workshop](#),  
Tokyo, Japan

## Publications



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