Meetings with government officials and Ambassadors to Colombia
5 August 2016

On 2-4 August 2016, while in Bogota, the Secretary General Dr Urban Rusnák, accompanied by Dr Margarita Nieves, former Energy Charter secondee from the National Hydrocarbon Agency of Colombia, had an interesting exchange with government officials about the engagement of Colombia in the International Energy Charter. Dr Rusnák also met Ambassadors from Contracting Parties, Observers and outreach countries, and briefed them on the relevance of the International Energy Charter for Colombia and Latin America.

Africa’s development and cooperation with Japan in the focus of TICAD VI in Nairobi
31 August 2016

On 27–28 August 2016, the Secretary General of the Energy Charter Secretariat, Dr. Urban Rusnák, participated in the summit of African leaders with the Prime Minister of Japan H.E. Shinzo Abe during the Sixth Tokyo International Conference on African Development (TICAD VI) in Kenya. Dr. Rusnák delivered a speech during the session 'Promoting structural economic transformation through economic diversification and industrialisation'.

High level meetings with the Government of Kenya
31 August 2016

The Energy Charter Secretary General, Dr Urban Rusnák, visited Kenya’s capital Nairobi on 29 August 2016 to hold high level meetings with Government officials. Kenya is the largest economy by GDP in Central and Eastern Africa where Nairobi stands out as a regional commercial hub. A member of the East African Community, Kenya expressed interest in the Energy Charter Treaty (ECT) in the light of its reform agenda to further attract foreign direct investment in its energy sector. In this perspective, the Tokyo International Conference for Africa Development (TICAD)
Conference was key to invite Kenya to become a signatory of the International Energy Charter, thereby achieving observer status to the Energy Charter Conference. The Secretary General and his delegation held fruitful meetings, during which the Energy Charter Delegation and Kenyan officials discussed the benefits of the ECT for Kenya’s reform agenda, taking into consideration multinational energy projects and pipelines interconnected with neighboring countries. The Secretariat will continue to assist the Government of Kenya in its accession to the Energy Charter Process.

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Energy Charter Secretariat’s Other Activities & Events

Bogota International Energy Charter Forum
5 August 2016

On 3 August 2016, the Senate of the Republic of Colombia held the forum "International Energy Charter: From Bogota to Tokyo". The event was co-organised by the Senate, the National Department Federation, the Externado University and the Energy Charter Secretariat. The forum’s title encapsulated three messages: it made reference to Japan’s Chairmanship of the Energy Charter Conference and to the fact that its next meeting will be held in Tokyo on 25-26 November 2016; it highlighted the universal market-based principles of the International Energy Charter and that Colombia is fully committed to its objectives. Between 2-4 August 2016, senior staff of the Energy Charter Secretariat met with representatives of industry, market players, regional organisations and public institutions active in Colombia and Latin America. Those meetings showed the potential synergies and collaboration with key actors and stakeholders.

International Energy Charter and Externado University seek to strengthen cooperation
5 August 2016

The Report on Investment Promotion in Colombia prepared by Margarita Nieves and Augusto Hernández was presented on 4 August 2016 at Externado University. In their opening remarks, the Secretary General, Dr Urban Rusnák and Milton Montoya, Director of Research at the Department of Mining and Energy, expressed the intention to strengthen the existing excellent relations between the Energy Charter Secretariat and the Externado, in order to set up a research centre that will promote and deepen the knowledge about the common principles of the International Energy Charter in Colombia and Latin America.

Secretariat signs MoU with the USAID/Central Asian Republics Energy Links project
16 August 2016

ECODIT LLC, implementing partner of the USAID/CAR Energy Links project, signed a Memorandum of Understanding with the energy Charter Secretariat in order to support regional energy cooperation in Central and South Asia.
The Relevance of the International Energy Charter for Latin America

by Margarita Teresa Nieves Zárate, Agencia Nacional de Hidrocarburos, Colombia

Latin America and the Caribbean is a region rich in energy resources: it has the second oil reserves after the Middle East and the second hydropower generation worldwide, 430GW of unexploited hydropower potential and a large potential for unconventional renewable energies. The region has seen energy demand increase by a third in a decade, and primary energy demand is expected to rise by more than 60% between 2012 and 2040.

The region achieved around 96% electricity access, leaving about 30 million people who do not have electricity. To develop natural gas reserves, just South America will require an investment influx of up to USD $25-$30 billion per year.

To attain its goals in the energy sector, Latin America faces three main challenges: a) growing energy demand, b) need of investments in energy projects, and c) regional and international integration.

Each country has adopted reforms to foster investments in the energy field with different scopes, and some milestone cases are Chile in 1982 and recently Mexico in 2014. At the same time, Latin America has experimented multiple initiatives of subregional economic integration: the Andean Community (CAN), Caribbean Community (Caricom), Southern Common Market (Mercosur), Central American Integration System (SICA), Union of South American Nations (Unasur) and Pacific Alliance.

In the energy sector, two main subregional trends exist: bilateral initiatives have prevailed in South America to satisfy specific needs which allowed the construction of major hydroelectric dams such as Yaciretá Argentina-Paraguay and Itaipú Paraguay-Brazil; electric interconnections such as Colombia-Ecuador; and natural gas pipelines e.g. Bolivia-Argentina and Bolivia-Brazil. Conversely, Central America has shown a more integrated policy through the Central American Electrical Interconnection System (SIEPAC), the first subregional grid in Latin America which interconnects six countries: Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama, and has been in full operation since 2014.

The existing fragmented landscape in Latin America would benefit from comprehensive policy and multilateral agreement aiming to maximise energy
resources, attract investments and even promote the intraregional flow of capital. At an international level, this policy was adopted in the 90s among Western European and Eurasian countries through the Energy Charter Treaty (ECT), a unique multilateral, legally binding investment protection framework for the energy sector. By means of the ECT, member countries found in energy integration a foremost way to attract investments in energy infrastructure, create economies of scale, increase energy security through the use of geographic and seasonal complementarities, diversify the energy mix, expand trade markets, promote energy efficiency and reduce environmental and infrastructure costs.

Nowadays, the ECT covers countries from the Atlantic to the Pacific, from Europe to Japan. In May 2015, the Energy Charter process was modernised through the International Energy Charter (IEC), a declaration of political intention towards a new age of global energy cooperation. It was adopted by 75 countries from all continents, including the USA, China, the UK, and Niger. By signing the IEC Colombia and Chile took a step towards global energy integration.

Regarding economic performance, in 2015 Latin America attracted 9% of world FDI inflows and 2% of FDI outflows. After four years of consecutive growth, FDI inflows to Latin America decreased 14% in 2014 and 3% in 2015. Spain, the UK, Belgium, France, Japan, the Netherlands and Germany are some top 10 investor economies in the region which are full members of the ECT, therefore the adoption of the ECT may be also an opportunity for Latin American countries to re-assess their energy FDI strategies.

In a recent visit to Latin America, Charter officials extended the invitation to all Latin American countries to sign the IEC as a key step towards global energy governance. Relations are expected to strengthen between the Charter and Latin America.

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2 After East Asia and Pacific.
4 Ibid. P. 40.
5 Ibid.
10 Ibid. P. 51.