2016 Year of the Japanese Chairmanship of the Energy Charter Conference

Energy Charter

Quotes


“We have been a member of this forum since 1991 and we also signed the new International Energy Charter in 2015. We welcomed the International Energy Charter meeting of expert this year in Tirana on 13th of July 2016, which was a successful event and we want to increase our active participation by presenting the request to the Charter for the Chairmanship of the Energy Charter Conference in 2019. There are too many reasons why we think we are ready for this and deserve such an honour.”

H.E. Mr Ilir Bejtja, Deputy Minister of Energy and Industry of Albania

Secretary General’s Activities

Deputy Minister of Energy and Industry of Albania Ilir Bejtja visits the Energy Charter Secretariat
12 October 2016

On 11 October 2016, the Energy Charter Secretary General, Dr Urban Rusnák, met with the Deputy Minister of Energy and Industry of Albania Mr Ilir Bejtja. They discussed the nomination of Albania for 2019 Chairmanship of the Energy Charter Conference. Mr. Bejtja stressed the role of the International Energy Charter in the global energy governance and the relevance of the Energy Charter Treaty investment and transit provisions for the security of supply.

Minister of Energy Natiq Aliyev holds discussions with Secretary General Dr Rusnák
17 October 2016

On 17 October 2016, the Energy Charter Secretary General, Dr Urban Rusnák, met with the Minister of Energy of Azerbaijan, Mr Natiq Aliyev. The Secretary General updated the Minister on ongoing Energy Charter activities, including the work on a Multilateral Framework Agreement on Energy Transit. Minister Aliyev stressed the importance of common rules for energy transit and welcomed the work of the Secretariat on such an agreement.

National Energy Administration of China interested in further development of its relations with International Energy Charter
25 October 2016

On 25 October 2016, the Energy Charter Secretary General Dr Urban Rusnák met with the Deputy Administrator of the National Energy Administration, Mr Li Fanrong, as part of his recent trip to Beijing, China. During the meeting, the two exchanged ideas on a wide range of topics including the secondment program and International Energy Charter’s activities vis-a-vis China. Deputy Administrator Li informed the Secretary General that China will be represented at the Tokyo Conference next month and that his Administration is open and supportive towards Energy Charter Treaty's cooperation with Chinese partners, such as the proposed Energy Charter Research Center. He also underlined his Administration's interests in the possibility in co-organising an Energy Charter Forum-type event with the Energy Charter Secretariat in the second part of next
Secretary General meets with the Ambassador of the State of Kuwait in Brussels
28 October 2016

In the light of preparations for the upcoming 27th Energy Charter Conference in Tokyo, the Energy Charter Secretary General Dr Rusnák met with the Ambassador of the State of Kuwait H.E. Mr Jasem Mohamed Albudaiwi in Brussels on 28 October 2016. Kuwait currently benefits from the ‘observer by invitation’ status to the Energy Charter Conference since 14 June 2002. Due to the fact that this rule will change as of 1 January 2017, the Secretary General encouraged Kuwait to continue its engagement in the Energy Charter Process as an observer to the Energy Charter Conference by way of signing the International Energy Charter declaration.

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Energy Charter Secretariat’s Other Activities & Events

International Energy Charter participates in IRENA & South East European Countries Collaborative Workshop to Promote Regional Renewables Deployment
11 October 2016

The International Energy Charter participated in a two-day workshop designed to accelerate renewable energy deployment in the South East Europe (SSE) region on 6-7 October 2016 in Bucharest, Romania. The workshop - co-organised by the International Renewable Energy Agency (IRENA) and the Romanian Ministry of Energy and attended by Ms Sarah Keay-Bright, expert of the Energy Charter Secretariat - provided an opportunity for SEE governments, utilities, regulatory authorities, and other regional energy stakeholders to share best practices, identify priorities and initiate a strategic, collaborative approach to scaling up renewable energy investment in the region.

International Energy Charter participates in the World Energy Congress in Istanbul
13 October 2016

A joint workshop was organised with the Economic Cooperation Organisation Secretariat (ECO) based in Tehran within the framework of the World Energy Congress during 9-14 October 2016 in Istanbul, Turkey. This particular roundtable saw excellent contributions from numerous participants from the World Bank Group, the Iranian power industry, Turkey's BOTAS, leading energy technology specialists, as well as a range of Iranian and other experts. Prospects for expansion of market-based cooperation in the electricity generation and distribution sectors in the ECO regional states received particular attention.
October @SecGenEnCharter

EU4Energy Programme partners hold a first preparatory meeting in Sarajevo 17 October 2016

The first preparatory meeting under EU4Energy Component 3 “Legislative and Regulatory Environment and Key Energy infrastructure” took place in Sarajevo, Bosnia and Herzegovina, on 13 October 2016. Representatives of the Eastern Neighbourhood partner countries, European Commission DG Near and the three EU4Energy implementing partners (the Energy Charter Secretariat, the Energy Community and the International Energy Agency) discussed the priorities for the first year country work programmes.

Closing ceremony marks a successful wrap of the Ninth Executive Training Programme 21 October 2016

On 21 October 2016, the Energy Charter Secretariat’s Knowledge Centre concluded a three-day marathon of legal discussions, interventions and presentations focused on arbitration proceedings as part of the Ninth Executive Training Programme curriculum. For the first time, the training was attended by participants all with unique nationalities, while coming from various backgrounds (academia, law firms, international organisations, arbitration institutes, etc.).


The Energy Charter Secretary General and experts of the Secretariat attended the 7th International Forum on Energy for Sustainable Development which was held in Baku, Azerbaijan on 18-21 October 2016. Dr. Urban Rusnák contributed to the High-Level Policy Dialogue: Call for Action to Energy Ministers along with the Ministers and Vice-Ministers from Azerbaijan, Pakistan, Ukraine and high-level speakers from international organisations.

The Energy Charter Treaty and Investment Dispute Settlement

by Natasha A. Georgiou, PhD Candidate, University of Reading

The Energy Charter Treaty (ECT) is the only multilateral agreement in the energy sector that has legally binding rules backed by a dispute settlement mechanism, which, among other things, promotes and protects foreign investment in the energy field and sets out detailed principles of energy transit. The two basic forms of dispute settlement under the ECT include state-to-state arbitration pursuant to Article 27 and investment arbitration or conciliation pursuant to Article 26. State-to-state arbitration is applicable to almost all provisions of the ECT except that relating to competition (Article 6) and the environment (Article 19). Whereas investment arbitration or conciliation relates to investment provisions and disputes under Part III (Investment Promotion and Protection).

In 2016, the Energy Charter Conference endorsed the Guide on Investment Mediation and encouraged Contracting Parties to consider using mediation on a voluntary basis as one of the options at any stage of the dispute to facilitate its amicable solution and to consider the good offices of the Energy Charter Secretariat. In addition, in 2014 the Conference
welcomed a Model Energy Charter Early Warning Mechanism that parties can refer to, voluntarily, on a case by case basis, in order to prevent and overcome emergency situations in the energy sector related to the Transit and supply of electricity, natural gas, oil and oil products through cross-border grids and pipelines. The Treaty itself also provides a specialised conciliation mechanism for transit disputes, allowing for a faster and less formal procedure.

The strength of the ECT therefore lies in its fully-fledged international dispute resolution system whereby all rights and obligations can be reinforced not only by ECT member governments but also by their investors. This is significant given the reluctance on the part of some governments to pursue a dispute, which may affect their strategic interests and bilateral relations. Private recourse to dispute resolution under the ECT is therefore an important factor for private investors as they are able to invoke the ECT’s comprehensive system for settling disputes without relying on member state governments. As far as disputes in trade and investment are concerned, the ECT dispute resolution rules are based on the World Trade Organisation (WTO) model of arbitration rules for trade and the bilateral investment treaty (BIT) model for investment. Inevitably, the objective of international dispute settlement is not to favour foreign investors, rather to ensure that decisions are made with an independent judicial forum that is not biased.

Investment protection has developed over time in line with evolving energy markets, amongst other instruments, for the purpose of facilitating and ensuring energy security. The development of favourable investment climates provides incentives for foreign investments, with investment protection a fundamental instrument in improving energy security. As such, international energy security depends to a large extent on international energy investment, which in turn means an adequate investment-friendly environment, which reflects the balance of interests between investor and state. Unlike any other commodity, the regulation of energy in international trade is much more challenging, as energy resources are predominantly under the sovereign control of only a handful of countries. As such, negotiations within the energy sphere are driven by divergent interests, which are politically motivated, making opposing interests of different stakeholders difficult to achieve. The ECT is therefore unique in that it provides several tailor-made dispute settlement mechanisms that allow to effectively deal with the implementation of its different provisions (be it transit, investment or trade…). Furthermore, it’s the ECT is broad in scope (covering all the entire spectrum of the energy business) and entails wide geographical diversity (including not only consumer countries but also transit and producer countries).

Energy security and the assurance of adequate, sustainable energy supplies at reasonable prices are the main aim of the Energy Charter process (as a political undertaking) and the ECT (as the key legal instrument advocating this process). As such, the International Energy Charter in both its legal and political capacity, promotes policies that support fair access to markets and remove barriers to international energy investment. The ECT can therefore be said to be strengthening the rule of law and in so doing, providing a legally ordered institutional international environment both between member states, international organisations (the European Union is a Contracting Party, and therefore, bound by the dispute settlement provisions of the ECT) and investors and domestically by promoting good governance instruments.


Upcoming Events
25–26 Nov 2016 27th Energy Charter Conference, Tokyo, Japan