ENERGY CHARTER CONFERENCE AND ITS SUBSIDIARY BODIES
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The Energy Charter contributes to the 7th TICAD Summit

The 7th Summit of the Tokyo International Conference on African Development (TICAD) was held in Yokohama, Japan. It was attended by Energy Charter officials as the guests of the government of Japan. Since its launch in 1993, TICAD has become one of the premier inter-governmental platforms for the discussion of Africa’s development challenges. Indeed, with some 46 heads of states of African countries converging at Yokohama for TICAD7, this year’s Summit was a substantial endorsement of Japan’s vital role as a leading international stakeholder and major donor within the context of Africa’s development.

The Energy Charter’s delegation was also busy with meetings at the Japanese Ministry of Foreign Affairs during this Mission. These included bilateral talks between Energy Charter Secretary General Dr Urban Rusnák, and Japan’s Parliamentary Vice Minister for Foreign Affairs and Member of the House of Representatives, the Right Honorable Kiyoto Tsuji.

The Minister of Qazaqstan Discusses ECT Modernisation

On 26 September 2019, Energy Charter Secretary General Dr Urban Rusnák, met with the Minister of Energy of Qazaqstan Mr Kanat Bozumbaev. The Minister welcomed the work undertaken by the Investment Unit of the Secretariat on the Energy Investment Risk Assessment (EIRA) project. He also expressed Qazaqstan’s commitment to the process of modernisation of the Energy Charter Treaty (ECT) and to the continuation of the secondment programme at the Energy Charter Secretariat.

Regarding energy production and trade concerns, Minister Bozumbaev discussed the continuous increase of crude export and increasing petrochemical investments in Qazaqstan. One of the most recent developments is the start of export of natural gas to China. He also highlighted the role of the Energy Charter in supporting Qazaqstan’s ambitions in increasing levels of investment in renewable energy sources. Recently, Qazaqstan successfully introduced the auction model on the allocation of licences for solar and wind investments.

According to Minister Bozumbaev, the launch of the Astana International Arbitration Centre could result in closer collaboration between the Government of Qazaqstan and the Secretariat in terms of dispute resolution trainings and knowledge sharing.

Quote

“EIRA is in full development. We need it in the context of increasing international cooperation, regulatory frameworks and attracting investments. Without such cooperation, it is impossible to find solutions to key challenges we have in the energy sector.”

From the speech of Mr. Dominique Ristori, European Commission’s Former Director General for Energy

“We declared #EIRA2019 as a one of the priorities of the Albanian Chairmanship of the Energy Charter Conference in 2019. Albania considers EIRA as a useful instrument which can pave a way for needed reforms in the energy sector and contribute into the economic progress.”

From the speech of Mr. Ilir Bejtja, Deputy Minister of Infrastructure and Energy of Albania

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SECRETARY GENERAL’S ACTIVITIES

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Energy Charter Secretariat’s cooperation with Portugal

On 6 September 2019, Secretary General Dr Urban Rusnák visited Lisbon, Portugal, where he met high ranking representatives of the Ministry of Environment and Energy Transition and the Ministry of Foreign Affairs.

The Secretary General met with the State Secretary for Energy Mr Joao Galamba, and they discussed the Energy Investment Risk Assessment (#EIRA2019) and potential added value for Portugal’s participation in #EIRA2020. Further topics included the Energy Charter Treaty (ECT) modernisation, the review process and role of the ECT in energy transition management.

At the Ministry of Foreign Affairs, the Secretary General met with the State Secretary Teresa Ribeiro and provided a detailed account on the expansion efforts of the Secretariat in the ECOWAS region. Within this context, more structured interaction with Cabo Verde in the framework of AGoSE (Amelioration De la Gouvernance du Secteur de L’énergie) programme was discussed.

ENERGY CHARTER SECRETARIAT’S ACTIVITIES AND EVENTS

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Secretariat discusses EIRA methodology with the EIB

On 5 September 2019, a delegation of the Energy Charter Secretariat visited the European Investment Bank (EIB) in Luxembourg. The meeting was hosted by Mr François Trévoux, Director of the Energy Department of the Projects Directorate, and joined by representatives from the Energy Security Division and the Electricity Networks Division. The EIB Projects Directorate undertakes a full assessment of projects, including technical, economic, social, societal and regulatory risks, before the Management Committee and EIB Board approve the financing.

The key topic of the meeting was the further development of the Secretariat’s flagship publication, the Energy Investment Risk Assessment (EIRA). During the meeting potential enhancements of the EIRA methodology and several modes of collaboration on EIRA were explored.

Energy Charter reviews energy efficiency in Azerbaijan

In relation to the Protocol on Energy Efficiency and Related Environmental Aspects (PEEREA) and at the request of Azerbaijan, the International Energy Charter embarked upon a three-day mission from 16 to 18 June with the objective of conducting an in-depth energy efficiency review of Azerbaijan.
The in-depth Energy Efficiency Reviews analyse the broad economic and energy context of the country, patterns of energy use, energy efficiency policies and institutional frameworks. The fact-finding mission provided an opportunity to discuss issues and challenges with stakeholders of the country’s energy sector and will inform the recommendations to be presented in a report for adoption by the Energy Charter Conference at its annual meeting later this year.


EIRA examines and addresses risks related to unpredictable policy and regulatory change, discrimination between foreign and domestic investors and breach of State obligations. The publication assists governments in recognising policy and regulatory gaps and in turn renders their energy sector more conducive to foreign investment. Additionally, it seeks to provide the business community, investors and the financial institutions insight into particular aspects of the policy and regulatory environment in the assessed countries.

The number of participating countries has increased to 34 in the 2019 edition of the report, and these countries span across Africa, Asia, the Americas, and Europe. This is primarily because there is a need for instruments, such as EIRA, that help national governments meet different development objectives and at the same time reconcile diverging courses of action. EIRA 2019 expands and builds on the findings of its predecessor and gives deeper insights into the participating countries. Apart from highlighting the key strengths and areas for improvement in each country, the profiles of the recurrent participants include a year-on-year comparison table. Through this, the countries can benchmark their performance and take stock of any changes to their risk level.

This year, a website dedicated to EIRA has also been launched. It is intended to offer extensive and updated data on the evolving regulatory regimes of the participating countries. Amongst others, it projects the year-on-year trajectory of the country on different EIRA parameters, and includes an online library of over 1,500 primary legal documents.

EIRA 2019 was launched with the participation of high-level representatives of governments, international organisations, financial institutions and industry.
EU4Energy continues the support to the development of the first National Energy Efficiency Action Plan (NEEAP) of Azerbaijan

The first meeting of the Inter-Ministerial working group (IMWG) on the NEEAP development was held on 19 September 2019 in Baku. The meeting was organised jointly with the Ministry of Energy of Azerbaijan within the ongoing EU4Energy Governance project. Members of the working group comprise representatives from the Ministry of Energy, Ministry of Economy, Ministry of Transport, Ministry of Agriculture, State Committee for Architecture and Urban Development, State Statistical Committee, and energy companies.

The development of NEEAP follows up on earlier EU4Energy support to the development of a draft Energy Efficiency Law in Azerbaijan. The meeting was devoted to presentation of EU and international best-practices as well as a discussion of cross-sectoral and sectoral measures to be included in the NEEAP. Energy efficiency experts from Bulgaria, Turkey and Ukraine provided detailed information to the IMWG members on the respective processes for NEEAP development, implementation and monitoring in their countries. Furthermore they discussed the energy efficiency measures implemented and savings achieved in the buildings, transport, industry, agriculture and other sectors.

It was agreed during the meeting that the members of the IMWG would develop and submit to the Ministry of Energy their proposals for sectoral energy efficiency measures to be considered in the NEEAP. The first draft of the NEEAP is expected to be finalised by the end of 2019 and to be discussed with the IMWG in early 2020.

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