Energy Charter Information Session

Third Executive Training Program for Young Professionals: Visegrad Session
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What is the Energy Charter?

  
  *political commitment – not legally binding*

  
  *52 states + EU and Euratom – legally binding*
  
  *entered into force April 1998*

- **Energy Charter Process**
  
  *based on the ECT – international policy forum, best practices exchange, cooperation with interested third parties*
What Does the Charter Do?

Energy Security
Sustainable Development
Open and Efficient Energy Markets

Dispute Resolution

Investment Protection
Trade and Transit
Energy Efficiency

Freedom of Transit

Non-Discrimination among Participants
National Sovereignty over Natural Resources

www.encharter.org
ECT – Main Focus

- **Protection of foreign investments**, based on the extension of national treatment or most-favoured nation treatment (whichever is more favourable)

- **Non-discriminatory conditions for energy trade** based on WTO rules

- Ensuring **reliable cross-border energy transit**

- **Resolution of disputes** between participating states, and – in the case of investments – between investors and host states

- **Promotion of energy efficiency** (PEEREA)
Charter Members and Observers

This map is without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.
Charter Expansion and Outreach

- **Goal:** enlargement of ECT geographic coverage
- **Expansion:** observers → members
- **Outreach:** countries not yet involved in the Process
- **Charter Conference approval in August 2012**
Warsaw Process
towards Global Energy Governance

- The concept of updating Energy Charter 1991 Declaration
- Expectation that UEC process will raise the Charter’s profile
- The purpose is to attract new countries to the process.
- The ultimate goal is to facilitate accessions to the ECT.
Industry Advisory Panel (IAP)

- supports cooperation and dialogue between the energy industry and the Contracting Parties
- is participated in by 38 energy companies, international associations and institutions from 20 countries
- covers the full scope of supply, transportation, distribution and financing activities in energy sector
- IAP meetings chaired by Mr. Howard Chase – Director of Government Affaires Unit, Dow Europe

IAP strongly supports the Energy Charter process and the principles of the ECT in international energy practice
IAP provides policy advice and expertise on

- Promoting role of the ECT
- Regional energy markets development
- Promoting access to finance and risk mitigation
- Gas Market Developments
- Research and technological development in the RES sector
- Promotion of Low-carbon Investment
Energy-Related International Organisations

Place of the Energy Charter Treaty in Global Energy Governance
Energy-Related Organisations with More Political Forum Functions

- Nuclear
- Climate change
- Renewables
- Environment Protection and Energy efficiency
- Energy security
- Transit
- Trade
- Investment

Organisations:
- IEA
- IRENA
- UNECE
- IEF
- ASEAN
- Mercosur
- UNCTAD

Regions:
- North America
- Pacific OECD
- Europe OECD
- Europe non-OECD
- CIS
- MENA
- Latin America
- Africa
- China
- Pacific non-OECD
Energy-Related Organisations with More Political Forum Functions
Energy-Related Organisations with More Legally-Binding Requirements

- Nuclear
- Climate change
- Renewables
- Environment Protection and Energy efficiency
- Energy security
- Transit
- Trade
- Investment

IAEA
UNFCCC/Kyoto Protocol
IRENA
OPEC
IEF
ASEAN
ECOWAS
WTO
UNCTAD

North America
Pacific OECD
Europe OECD
Europe non-OECD
CIS
MENA
Latin America
Africa
China
Pacific non-OECD
Energy Charter Treaty: Place in Global Energy Governance

- **Nuclear**
- **Climate change**
- **Renewables**
- **Environment Protection and Energy efficiency**
- **Energy security**
- **Transit**
- **Trade**
- **Investment**

**IAEA**

**UNFCCC/Kyoto Protocol**

**IRENA**

**ENERGY CHARTER TREATY**

- North America
- Pacific OECD
- Europe OECD
- Europe non-OECD
- CIS
- MENA
- Latin America
- Africa
- China
- Pacific non-OECD

**IEA**

**IEA polit.**

**IEA binding**
Thank you for your attention