“Driving Innovation For Ensuring Energy Security, Sustainability And Prosperity” was the key topic of this year’s Ministerial session of the Energy Charter Conference held in Bucharest on November 27-28, 2018. The Ministerial session was attended by more than 150 participants from Energy Charter Members, Observers, International Organisations and members of the Industrial Advisory Panel.

Apart from official addresses to the Conference, the delegates had a dynamic discussion about the role that innovation plays in the energy transition and how innovative technologies help countries to achieve sustainable growth. Ministers and other high level government officials from Energy Charter member countries and Observers also talked about their long-term energy targets, energy transition perspectives and how to phase out fossil fuels taking into account legitimate interests of all involved parties. “The key question is how to make the transition which can be difficult for countries depending on energy production from coal” highlighted Mr Anton Anton, Minister of Energy of Romania.

In his concluding remarks, Mr Robert Tudorache, Chair of the Energy Charter Conference and State Secretary, Ministry of Energy of Romania, presented the main achievements of the Energy Charter Process under the Romanian Chairmanship in 2018, including the accession to the ECT by Jordan and Yemen, invitation for Eswatini (former Swaziland) to accede.
to the Energy Charter Treaty, publishing of the #EIRA2018 - Energy investment risk assessment publication that includes 30 countries and the successful implementation of the Bucharest Forum on energy efficiency, energy poverty and providing access to affordable energy services in June 2018.

**ENERGY CHARTER SECRETARIAT’S ACTIVITIES AND EVENTS**

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Approved topics for the modernisation of the Energy Charter Treaty

After consultations (with the industry and Observers) and internal discussions during 2018 conducted by the Chair and Vice-Chair of the Subgroup on Modernisation (Ms. Sofía Sanz Estébanez and Mr. Sunao Orii), on 27 November 2018 the Energy Charter Conference approved the list of topics for the discussion on the modernisation of the ECT:

- Pre-investment
- Definition of ‘charter’
- Definition of ‘economic activity in the energy sector’
- Definition of investment
- Definition of investor
- Right to regulate
- Definition of Fair and Equitable Treatment (FET)
- MFN Clause
- Clarification of ‘most constant protection and security’
- Definition of indirect expropriation
- Compensation for losses
- Umbrella clause
- Denial of benefits
- Transfers related to investments
- Frivolous claims
- Transparency
- Security for costs
- Valuation of damages
- Third party funding
- Sustainable development and corporate social responsibility
- Definition of ‘transit’
- Access to infrastructure (including denial of access and available capacities)
- Definition and principles of tariff setting
- REIO
- Obsolete provisions

**High-level meetings during the 29th Energy Charter Conference**

On 27 and 28 November 2018, Energy Charter Secretary General Dr Urban Rusnák held several high-level meetings. These meetings included bilateral conversations with the Afghan Minister for Energy and Water Mr Mohammad Gul Khulmi, the Hungarian Minister of State for Energy Affairs and Climate Policy Mr...
Industry Advisory Panel holds its last session of 2018 in Bucharest

On 27 November 2018 the Energy Charter Industry Advisory Panel (IAP) held its 41st meeting in Bucharest, Romania.

The main theme of the event was: "Improving energy security and developing cross-border energy systems. The role of innovation and new technologies". The participants discussed current challenges and opportunities for energy security namely: the role of emerging technologies and innovation in enhancing energy security, increasing role of digitalisation and the threat of cyber-security, accelerating energy transition and sector coupling. The participants also focused on issues such as the removal of institutional and regulatory barriers to innovation and the importance of investment in innovative projects that will transform the use and supply of energy in the decades to come.

Energy Charter Conference adopts the Bucharest Declaration

The Bucharest Energy Charter Declaration will serve as a strategic document leading up to the next review which will be undertaken in 2019, in accordance with Article 34(7) of the Energy Charter Treaty.

The Declaration reiterates the commitments to the Energy Charter Treaty as well as the principles of the 2015 International Energy Charter, and focuses on the following topics:

- Modernisation of the Energy Charter Treaty,
- Mitigating investment risks by assessing the policy, legal and regulatory environment
- Combating Energy Poverty by encouraging investments in energy efficiency
- Increasing energy security by developing international cooperation and innovation aimed to ensure the development of integrated energy markets
- Improving the security and reliability of cross-border energy flows
- Enlargement of the Energy Charter Treaty membership
EU4Energy Governance commenced an activity together with Gosstandart’s Department for Energy efficiency of Belarus to support the development of a legislative and regulatory framework for energy service companies. The first meeting of the Inter-Ministerial Working Group established to discuss key directions for the draft legislative proposals, took place 20 November 2018 in Minsk. Members of the group include representatives from the Department for Energy Efficiency, Ministry of Energy, Ministry of Economy, the Ministry of Antimonopoly Regulation and Trade and the Ministry of Housing and Communal Services. The meeting was also attended by representatives of the business community and international financial institutions.

EU4Energy experts presented European and international examples of applying energy performance contracting in practice, identifying the main barriers to the energy services market development in Belarus and finally presenting two possible scenarios that Belarus could pursue. Both scenarios require a different level of amendments to the existing legislative, institutional and financial frameworks. As observed by the meeting participants, the “slow motion” scenario requires more efforts and a longer timeframe in comparison with the “fast run” scenario proposing the establishment of the state-owned Super ESCO responsible for the overall coordination of EPC contracts until the development of a robust legislative framework.

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