



Energy Charter: Origins and Future Potential

Amb. Urban Rusnák
Energy Charter Secretary General

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What is the Charter?

- Dec. 1991 – Energy **Charter**

political commitment – not legally binding

- Dec. 1994 - Energy Charter **Treaty**

*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

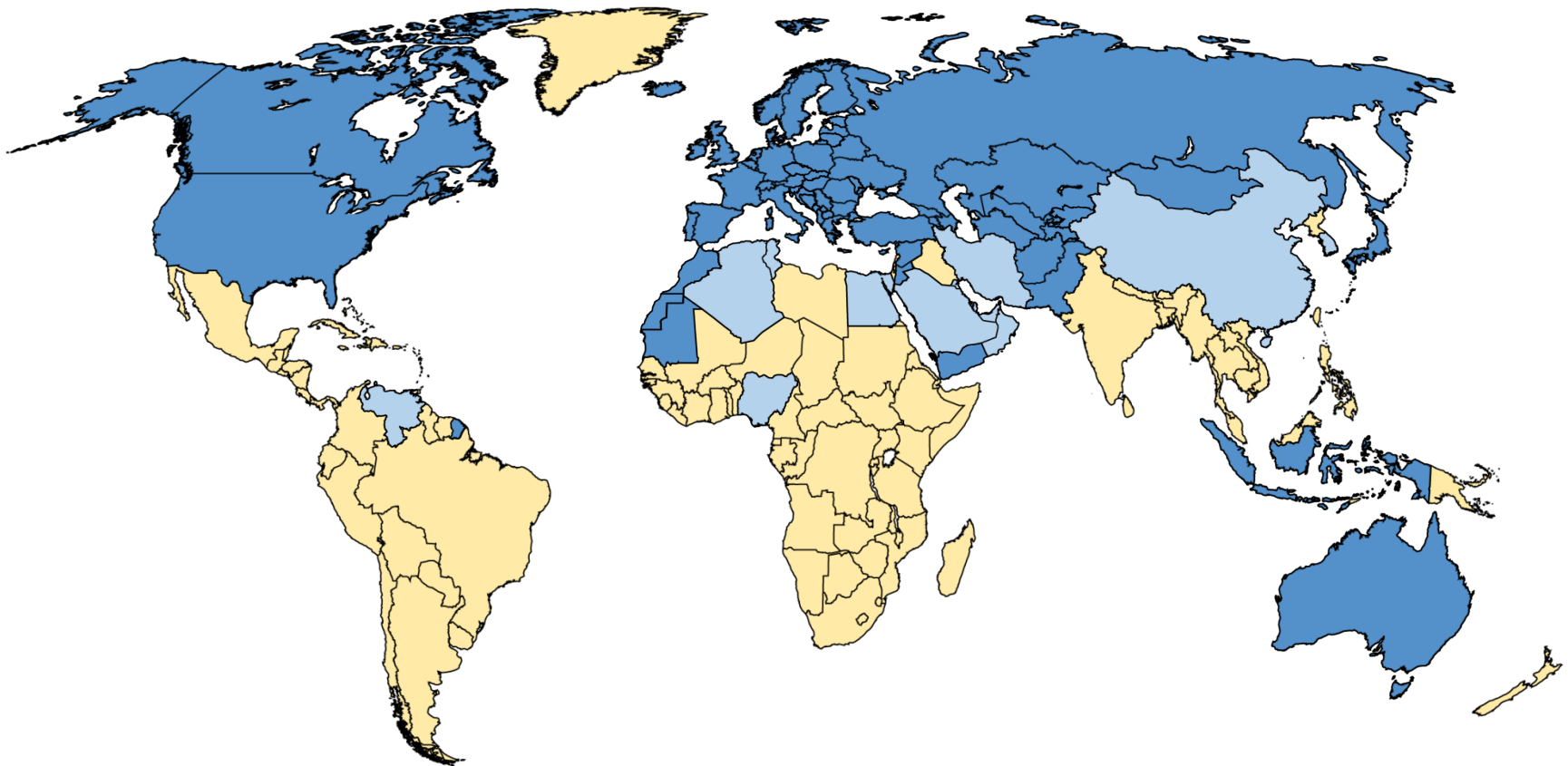
Non-Discrimination among Participants

National Sovereignty over Natural Resources



Signing of the 1991 Charter

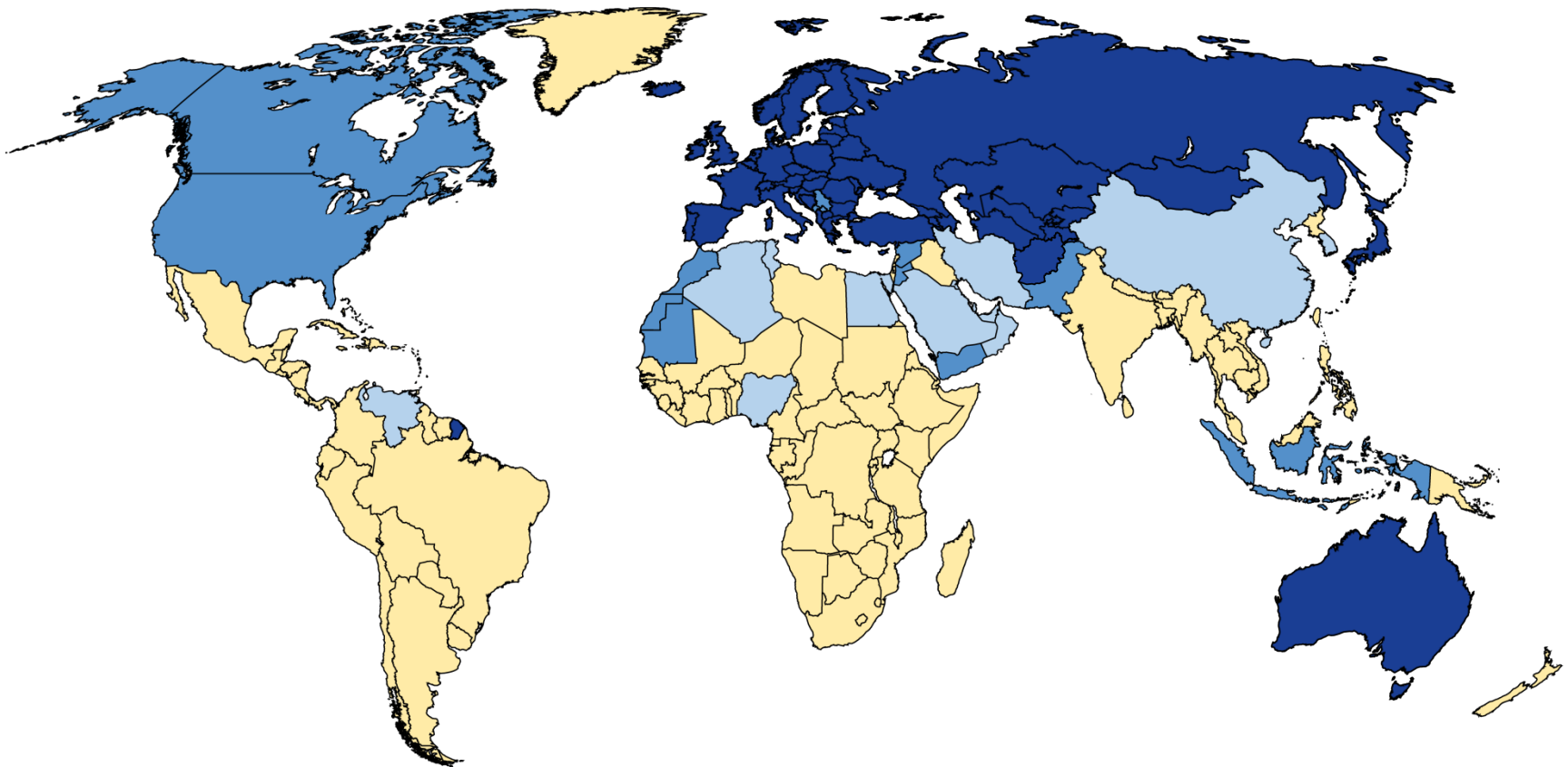
~~2000-2000~~





1994 ECT Members

~~2002~~ 2002



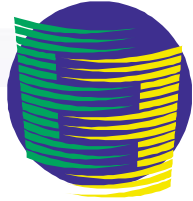
Accession pending: Jordan, Montenegro, Pakistan

Initial Approach during Charter Negotiations



- Basic Protocol → Basic Agreement
- plus Sectoral Protocols:
 - Hydrocarbons
 - Nuclear
 - Electricity
 - EE and Environment

Actual Approach during Treaty Negotiations



- Basic Agreement → **Energy Charter Treaty**
- Sectoral Protocols:
 - Hydrocarbons → included in the ECT
 - Nuclear → negotiation results used for 1994 IAEA Convention on Nuclear Safety
 - Electricity → transformed into Task Force on Regional Energy Cooperation in Central and Southern Asia
 - **EE and Environment → Protocol on Energy Efficiency and Related Environmental Aspects**



Negotiations since 1994

- **ECT Trade Amendment** – in force since 2010
Adopted in 1998 to bring ECT's GATT-based provisions in line with WTO agreements
- **Supplementary Treaty** – put on hold in 1998
To cover the pre-investment stage, carved out of ECT negotiations
- **Transit Protocol** – put on hold in 2011
Launched in 1998 to expand on ECT Article 7 on Transit

Charter Modernisation



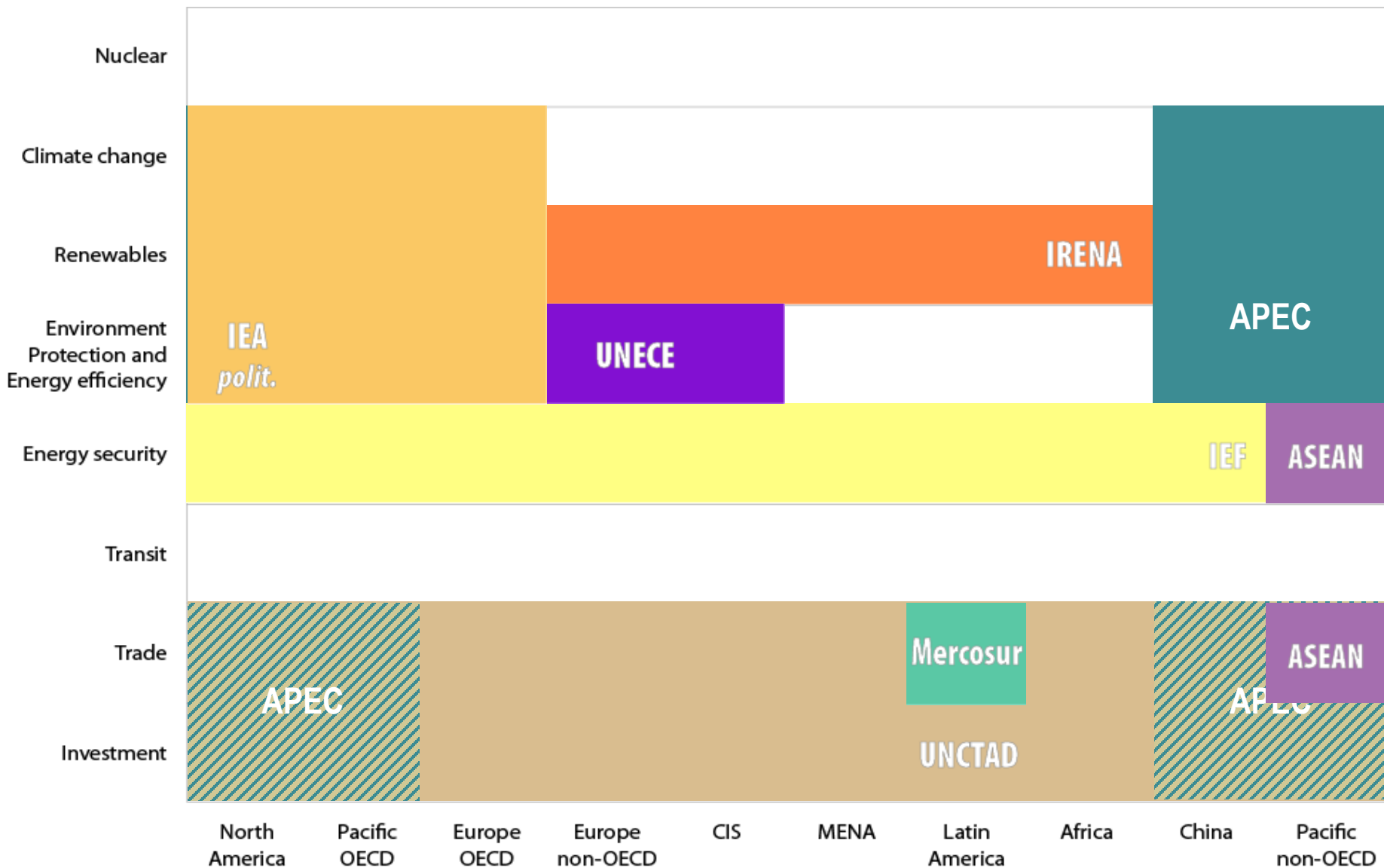
- 2014: International Energy Charter negotiations; signing planned for 2015
- New form of political chairmanship of the Charter Conference
- De-restriction of Charter documents reviewed by the Conference
- Consolidation of existing membership



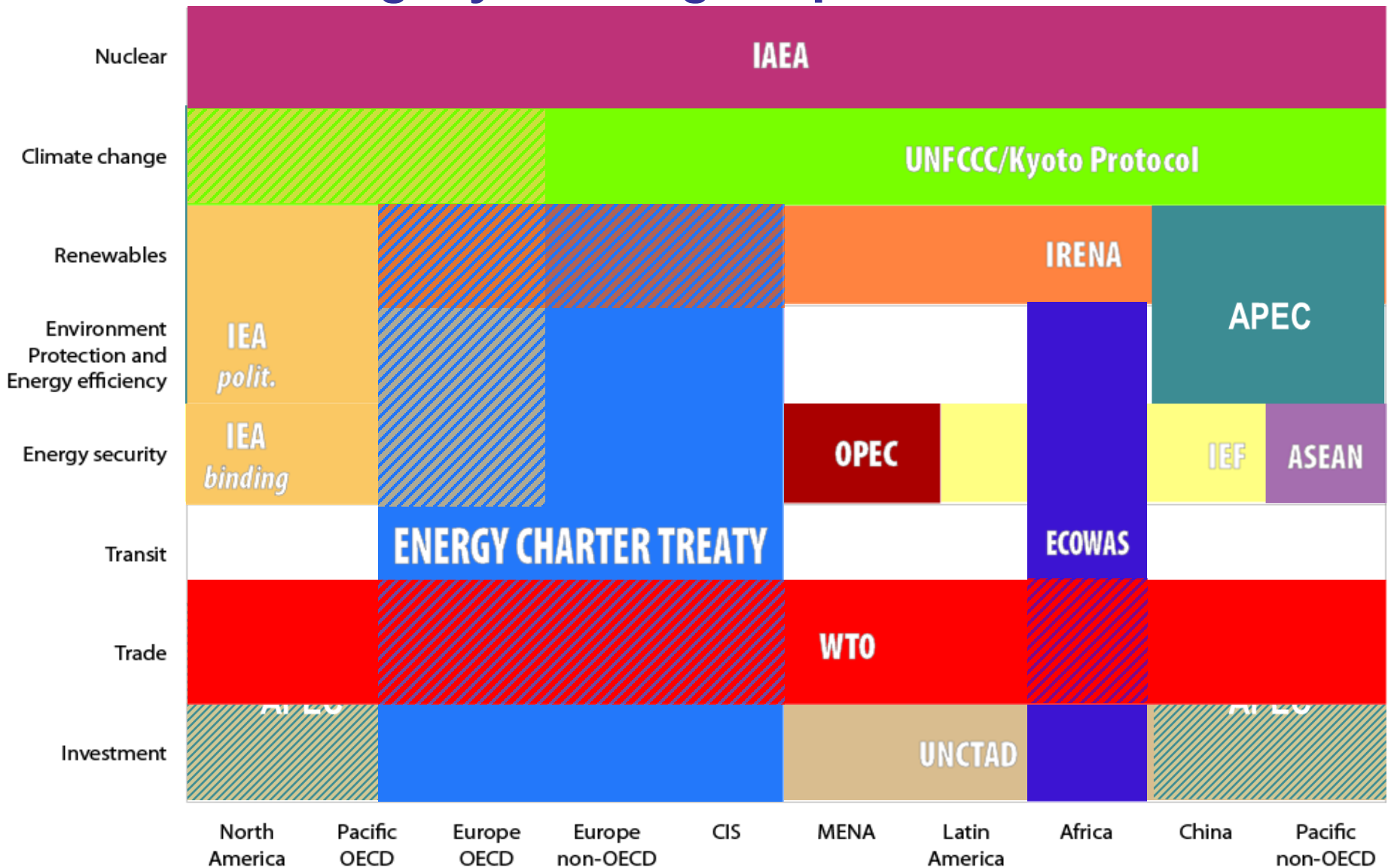
Expansion and Outreach

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

Energy-Related Organisations with More Political Forum Functions



Energy-Related Organisations with More Legally-Binding Requirements





**Thank you
for your attention**

info@encharter.org

www.encharter.org