



# **International Energy Charter**

***Agreed text  
for adoption in The Hague  
at the Ministerial Conference  
on the International Energy Charter  
on 20 May 2015***



**IEC  
text in  
English**



**Frequently  
asked  
questions**



# **CONCLUDING DOCUMENT OF THE MINISTERIAL (“THE HAGUE II”) CONFERENCE ON THE INTERNATIONAL ENERGY CHARTER**

The Ministerial (“The Hague II”) Conference on the International Energy Charter was held in The Hague on ... 2015 to adopt the International Energy Charter as an update of the European Energy Charter. At that Conference, the high representatives of the signatories of the European Energy Charter of 1991, as well as non-signatories of the European Energy Charter of 1991, signed or expressed their consent to the International Energy Charter. The signatories of the International Energy Charter who signed it or expressed their consent at the Conference, or will do so after are hereinafter referred to as the “signatories”.



## **INTERNATIONAL ENERGY CHARTER**

The representatives of the signatories meeting in The Hague on ... 2015,

Desirous to better reflect the new realities of the energy sector, especially the growing weight from developing countries, including emerging economies, and to serve the interests of the existing and potential participants of the Energy Charter constituency;

Having regard to the European Energy Charter adopted in the Concluding Document of the Hague Conference on the European Energy Charter signed at The Hague on 17 December 1991, signature of which allows states and Regional Economic Integration Organisations to accede to the Energy Charter Treaty of 1994 and which will continue to exist for this purpose;

Recalling the Decision adopted by the Energy Charter Conference in its 23<sup>rd</sup> Meeting in Warsaw in 2012 to engage in a process that could lead to the adoption of an updated version of the European Energy Charter;

Aware that the concept of the International Energy Charter aims at enhancing international cooperation in order to meet common challenges related to energy at national, regional and international levels, including the evolution of global energy architecture;

<i>Notes</i>

Recalling the objectives of the International Energy Charter:

- to support the Charter’s policy of Consolidation, Expansion and Outreach with the aim to facilitate the expansion of the geographic scope of the Energy Charter Treaty and Process;
- to engage in a structured dialogue with non-signatories of the European Energy Charter in order to promote the principles of the Charter and its framework for cooperation on the global scale;
- to modernise the European Energy Charter as the basic political declaration of the Energy Charter Process;
- to support active observership in the Energy Charter Conference, aiming at close political cooperation and early accession of observer countries to the Energy Charter Treaty;

Whereas the International Energy Charter is a declaration of political intention aiming at strengthening the energy cooperation between the signatories and does not bear any legally binding obligation;

Having regard to the principles of the UN Charter and to the outcome documents of various energy-related regional and international conferences and other events as well as initiatives listed in the Annex to this declaration;

Recognising the sovereignty of each State over its energy resources, and its rights to regulate energy transmission and transportation within its territory respecting all its relevant international obligations;

Recognising the global challenge posed by the trilemma between energy security, economic development and environmental protection, and efforts by all countries to achieve sustainable development;

Recognising the importance of energy security of energy producing, transit and consuming countries, regardless of their state of economic development, as well as access to modern energy services, which needs to be based on environmentally sound, socially acceptable and economically viable policies, with emphasis on mutual responsibilities and benefits;

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Anxious to give a new impulse to the desire for enhanced regional and global cooperation based on mutual respect and confidence;

Resolved to promote long-term energy cooperation at regional and global levels within the framework of a market economy and based on mutual assistance and the principle of non discrimination, being understood as most-favoured nation treatment as a minimum standard;

Aware that account must be taken of the problems of construction and restructuring faced by a considerable number of countries, and that it is desirable for the signatories to participate in joint efforts aimed at facilitating and promoting market-oriented reforms and modernisation of energy sectors in these countries;

Certain that taking advantage of the complementary features of energy sectors in the markets represented by the signatories will benefit the world economy;

Acknowledging that enhanced energy trade is a powerful catalyst for strengthening regional and international cooperation in energy security and for sustainable use of energy among all stakeholders, including energy producing, transit and consuming countries;

Persuaded that broader energy cooperation among signatories is essential for economic progress and more generally for social development, energy poverty alleviation, and a better quality of life;

Convinced of the signatories' common interest in problems of energy security, safety of industrial plants, including nuclear facilities, and environmental protection;

Willing to do more to attain the objectives of energy security and efficient management and use of resources, and to utilise fully the potential for environmental improvement, in moving towards sustainable development;

Willing to develop cooperation with regional and international organisations for sharing experience and specific examples from national practice in the area of sustainable development, access to modern energy services, energy poverty reduction, green economy, clean energy, energy efficiency, as well as development, introduction and broader use of new clean technologies;

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Convinced of the essential importance of efficient energy systems in the production, conversion, transport, distribution and use of energy for energy security and for the protection of the environment;

Convinced that investing in energy efficiency and renewable energies can enhance energy security and contribute to sustainable economic growth;

Encouraging synergies among energy-related multilateral *fora*;

Aware of the obligations under major relevant multilateral agreements, of the wide range of international energy cooperation, and of the extensive activities by existing international organisations in the energy field and willing to take full advantage of the expertise of these organisations in furthering the objectives of this Charter;

Recognising the role of entrepreneurs, operating within a transparent and equitable legal framework, in promoting cooperation under this Charter;

Determined to promote closer, mutually beneficial commercial relations and investments in the energy field;

Affirming the importance of freedom of movement of energy products, and of developing an efficient international energy infrastructure in order to facilitate the development of stable and transparent trade in energy;

Aware of the need to promote technical and technological cooperation among signatories;

Affirming that the energy policies of signatories are linked by common interests of all countries and that they should be implemented, including by taking the consequent action and applying the principles set out below;

HAVE ADOPTED THE FOLLOWING:

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## TITLE I OBJECTIVES

The signatories are desirous of sustainable energy development, improving energy security and maximising the efficiency of production, conversion, transport, distribution and use of energy, to enhance safety in a manner which would be socially acceptable, economically viable, and environmentally sound.

Recognising the sovereignty of each State over its energy resources, and its rights to regulate energy transmission and transportation within its territory respecting all its relevant international obligations, and in a spirit of political and economic cooperation, they decide to promote the development of efficient, stable and transparent energy markets at regional and global levels based on the principle of non-discrimination and market-oriented price formation, taking into account environmental concerns and the role of energy in each country's national development.

They are determined to create a climate favourable to the operation of enterprises and to the flow of investments and technologies to achieve the above objectives.

To this end, and in line with these principles, they will take action in the following fields:

1. Development of trade in energy consistent with major relevant multilateral agreements such as the WTO Agreement and its related instruments, where applicable, and nuclear non-proliferation obligations and undertakings, which will be achieved by means of:
  - an open and competitive market for energy products, materials, equipment and services;
  - access to energy resources, and exploration and development thereof on a commercial basis;
  - access to national, regional and international markets;
  - providing transparency for all segments of international energy markets (production/export, transit, consumption/import);
  - removal of technical, administrative and other barriers to trade in energy and associated equipment, technologies and energy-related services;

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- promoting the compatibility of national and regional energy systems and to create a common energy space;
- promotion of the harmonisation of rules, regulations and standards in the field of energy;
- promoting the realisation of infrastructure projects important for providing global and regional energy security;
- modernisation, renewal and rationalisation by industry of services and installations for the production, conversion, transport, distribution and use of energy;
- promoting the development and interconnection of energy transport infrastructure and the regional integration of energy markets;
- promoting best possible access to capital, particularly through appropriate existing financial institutions;
- facilitating access to transport infrastructure, for international transit purposes in line with the objectives of this Charter;
- access on commercial terms to technologies for the exploration, development, conversion and use of energy resources;

2. Cooperation in the energy field, which will entail:

- coordination of energy policies, as necessary for promoting the objectives of this Charter;
- exchange of information and experiences relevant for this Charter;
- enhancing capacity building of the countries involved;
- mutual access to technical and economic data, consistent with proprietary rights;
- formulation of stable and transparent legal frameworks creating conditions for the development of energy resources in the context of sustainable development;
- coordination and, where appropriate, harmonisation of safety principles and guidelines for energy products and their transport, as well as for energy installations, at a high level;

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- facilitating the exchange of technology information and know-how in the energy and environment fields, including training activities;
  - research, technological development, demonstration projects and their commercialisation;
  - creating a favourable environment for investments, including joint venture investments, for design, construction and operation of energy installations.
3. Energy efficiency and environmental protection, which will imply:
- creating mechanisms and conditions for using energy as economically and efficiently as possible, including, as appropriate, regulatory and market based instruments;
  - encouraging the clean and efficient use of fossil fuels;
  - promotion of a sustainable energy mix designed to minimise negative environmental consequences in a cost-effective way through:
    - i. market-oriented energy prices which more fully reflect environmental costs and benefits;
    - ii. efficient and coordinated policy measures related to energy;
    - iii. use of renewable energy sources and clean technologies, including clean fossil fuel technologies;
  - achieving and maintaining a high level of nuclear safety and ensuring effective cooperation in this field;
  - promotion of cooperation to reduce, as much as possible, gas flaring and venting;
  - sharing of best practices on clean energy development and investment;
  - promotion and use of low emission technologies.

## **TITLE II**

### **IMPLEMENTATION**

In order to attain the objectives set out above, the signatories will, without prejudice to the sovereignty of each State over its energy resources, and its rights to regulate energy

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transmission and transportation within its territory respecting all its relevant international obligations, take coordinated action to achieve greater coherence of energy policies, which should be based on the principle of non discrimination and on market-oriented price formation, taking due account of environmental concerns.

They underline that practical steps to define energy policies are necessary in order to intensify cooperation in this sector and further stress the importance of regular exchanges of views on action taken, taking full advantage of the experience of existing international organisations and institutions in this field.

The signatories recognise that commercial forms of cooperation may need to be complemented by intergovernmental cooperation, particularly in the area of energy policy formulation and analysis, as well as in areas which are essential and not suitable to private capital funding.

They decide to pursue the objectives of this Charter by strengthening and integrating regional energy markets and enhancing the efficient functioning of the global energy market by joint or coordinated action under this Charter in the following fields:

- access to and development of energy sources;
- access to energy markets;
- liberalisation of trade in energy;
- promotion and protection of investments in all energy sectors;
- safety principles and guidelines;
- research, technological development technology transfer, innovation and dissemination;
- energy efficiency, environmental protection and sustainable and clean energy;
- access to sustainable energy;
- education and training;
- diversification of energy sources and routes.

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In implementing this joint or coordinated action, they decide to foster private initiative, to make full use of the potential of enterprises, institutions and all available financial sources, and to facilitate cooperation including through technical cooperation, between such enterprises or institutions from different countries, acting on the basis of market principles.

The signatories will ensure that the international rules on the protection of industrial, commercial and intellectual property are respected.

### **1. Access to and development of energy sources**

Considering that efficient development of energy resources is a sine qua non for attaining the objectives of this Charter, the signatories decide to facilitate access to and development of resources by the interested operators. To this end, they will ensure that relevant rules are publicly available and transparent in consistence with domestic legislation and international obligations; they recognise the need to formulate such rules wherever this has not yet been done, and to take all necessary measures to coordinate their actions in this area. Development of energy resources should take place in economic and environmentally sound conditions.

With a view to facilitating the development and diversification of resources, the signatories decide to avoid imposing discriminatory rules on operators, notably rules governing the ownership of resources, internal operation of companies and taxation.

### **2. Access to markets**

The signatories will strongly promote access to national, regional and international markets for energy products for the implementation of the objectives of this Charter. Such access to markets should take account of the need to facilitate the operation of market forces, and promote competition.

### **3. Liberalisation of trade in energy**

In order to develop and diversify trade in energy, the signatories decide progressively to remove the barriers to such trade with each other in energy products, equipment and services in a manner consistent with the provisions of the WTO Agreement and its related instruments, where applicable, and nuclear non-proliferation obligations and undertakings.

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They will work together in view of the further development of market-oriented energy prices.

The signatories recognise that transit of energy products through their territories is essential for the liberalisation of trade in energy products. Transit should take place in economic and environmentally and commercially sound conditions.

They stress the importance of the development of international energy transmission networks and their interconnection, including cross-border oil and gas networks and power grids. They recognise the need to intensify efforts to coordinate among themselves, and to encourage cooperation among relevant entities in view of their development, the compatibility of technical specifications governing the installation, and the operation of such networks.

#### **4. Promotion and protection of investments**

In order to promote the international flow of investments, the signatories will make every effort to remove all barriers to investment in the energy sector and provide, at national level, for a stable, transparent legal framework for foreign investments, in conformity with the relevant international laws and rules on investment and trade.

They affirm that it is important for the signatory States to enter into bilateral and/or multilateral agreements on promotion and protection of investments which ensure a high level of legal security and enable the use of investment risk guarantee schemes.

The signatories affirm the importance of full access to adequate dispute settlement mechanisms, including national mechanisms and international arbitration in accordance with national laws and regulations, including investment and arbitration laws and rules, all the relevant bilateral and multilateral treaties and international agreements.

Moreover, the signatories recognise the right to repatriate profits or other payments relating to an investment and to obtain or use the convertible currency needed.

They also recognise the importance of the avoidance of double taxation to foster private investment.

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## **5. Safety principles and guidelines**

Consistent with relevant major multilateral agreements, the signatories will:

- Cooperate to implement safety principles and guidelines, designed to achieve and/or maintain high levels of safety standards and the protection of health and the environment;
- develop such common safety principles and guidelines as are appropriate and/or concur on the mutual recognition of their safety principles and guidelines.

## **6. Research, technological development technology transfer, innovation and dissemination**

The signatories decide to promote exchanges of technology and cooperation on their technological development and innovation activities in the fields of energy production, conversion, transport, distribution and the efficient and clean use of energy, in a manner consistent with nuclear non-proliferation obligations and undertakings.

To this end, they will encourage cooperative efforts on:

- research and development activities;
- pilot or demonstration projects;
- the application of technological innovations;
- the dissemination and exchange of know-how and information on technologies.

## **7. Energy efficiency, environmental protection and sustainable and clean energy**

The signatories confirm that cooperation is necessary in the field of efficient use of energy, development of renewable energy sources and energy-related environmental protection.

This should include:

- ensuring, in a cost-effective manner, consistency between relevant energy policies and environmental agreements and conventions;
- ensuring market-oriented price formation, including a fuller reflection of environmental costs and benefits;

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- the use of transparent and equitable market-based instruments designed to achieve energy objectives and reduce environmental problems;
- the creation of framework conditions for the exchange of know-how regarding environmentally sound energy technologies, renewable energy sources and efficient use of energy;
- the creation of framework conditions for profitable investment in energy efficiency and environmental friendly energy projects.

**8. Access to sustainable energy**

The signatories underline the importance of access to sustainable, modern, affordable, and cleaner energy, in particular in developing countries, which may contribute to energy poverty alleviation.

To this end, the signatories confirm that they will make efforts to strengthen their cooperation and to support initiatives and partnerships at international level which are conducive to these goals.

**9. Education and training**

The signatories, recognising industry’s role in promoting vocational education and training in the energy field, decide to cooperate in such activities, including:

- professional education;
- occupational training;
- public information in the energy efficiency and renewable energy field.

**10. Diversification of energy sources and supply routes**

The signatories confirm that in order to enhance energy security, energy generation from a diverse set of sources and diversification of supply routes is of significant importance.

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### **TITLE III**

#### **SPECIFIC AGREEMENTS**

The signatories decide to pursue the objectives and principles of this Charter and implement and broaden their cooperation, including in the following areas:

- horizontal and organisational issues;
- energy efficiency, including environmental protection;
- prospecting, production, transportation and use of oil and oil products and modernisation of refineries;
- prospecting, production and use of natural gas, interconnection of gas networks and transmission via high-pressure gas pipelines;
- all aspects of the nuclear fuel cycle including improvements in safety in that sector;
- modernisation of power stations, interconnection of power networks and transmission of electricity via high-voltage power lines;
- development of integrated regional energy markets;
- all aspects of the coal cycle, including clean coal technologies;
- development of renewable energy sources;
- access to sustainable energy;
- transfers of technology and encouragement of innovation;
- cooperation in dealing with the effects of major accidents, or of other events in the energy sector with transfrontier consequences.

### **TITLE IV**

#### **FINAL PROVISIONS**

The original of this Charter will be transmitted to the government of the Netherlands which will retain it in its archives. Each of the signatories will receive from the government of the Netherlands a true copy of the Charter.

<i>Notes</i>



The signatories request the Government of the Netherlands to transmit the text of the International Energy Charter, as adopted during the High Level Conference on ... in ....., along with a note verbal to the Secretary General of the United Nations for his/her information and circulation among all UN Member States. The text of the International Energy Charter will be officially translated in Arabic, Chinese, French, German, Italian, Russian, and Spanish languages and distributed.

Done at The Hague on the [date].....

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**Outcome documents of energy-related regional and international conferences and other events as well as initiatives referred to on page 2**

- The Energy Charter Protocol on Energy Efficiency and Related Environmental Aspects which entered into force on 16 April 1998 establishing an international framework encouraging cooperation in the field of energy efficiency in a way compatible with sustainable development;
- The Plan of Implementation of the World Summit on Sustainable Development adopted in Johannesburg on 4 September 2002, calling for enhancing international and regional cooperation to improve access to reliable, affordable, economically viable, socially acceptable and environmentally sound energy services, as an integral part of poverty reduction programmes, by facilitating the creation of enabling environments and addressing capacity-building needs, with special attention to rural and isolated areas, as appropriate;
- The declaration “Global Energy Security” of the Summit of the G8 in St. Petersburg on 16 July 2006 where the G8 Leaders expressed their support for the principles of the Energy Charter and the efforts of participating countries to improve international energy cooperation;
- The “Riyadh Declaration” of the Third OPEC Summit of 18 November 2007 in which the heads of State and Government underscored the interrelationships between global security of energy supply and security and predictability of demand. They also expressed their decision to strengthen and broaden the dialogue between energy producers and consumers through the relevant/competent international and regional fora, for the benefit of all;
- The Statute of the International Renewable Energy Agency (IRENA), signed at the Conference on the Establishment of the IRENA in Bonn on 26 January 2009, in which the parties express their desire to promote the increased adoption of renewable energy with a view to sustainable development and their firm belief in the vast opportunities offered by renewable energy for addressing and gradually alleviating problems of energy security and volatile energy prices;

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- The Joint Statement by the G8 Energy Ministers Meeting in Rome on 25 May 2009, where the G8 Energy Ministers, the European Commissioner for Energy, and the Energy Ministers of Algeria, Australia, Brazil, China, Egypt, India, Indonesia, Korea, Libya, Mexico, Nigeria asked the Energy Charter Secretariat and International Financial Institutions to prepare a strategy for the development of energy networks and corridors assuring transit towards the integration of national energy markets in Africa, while identifying financing mechanisms;
- The Rome Statement adopted by the Energy Charter Conference on 9 December 2009 to address global energy challenges in the framework of the modernisation of the Energy Charter Process;
- The Agreements of the United Nations Climate Change Conference reached in Cancun on 11 December 2010, in which the international community agreed on a set of significant decisions to address the long-term challenge of climate change collectively and comprehensively and that the parties should take urgent action to meet this long-term goal with a view to reducing global greenhouse gas emissions so as to hold the increase in global average temperature below 2°C above pre-industrial levels;
- The International Energy Forum Charter approved and signed at the IEF Ministerial Meeting held in Riyadh on 22 February 2011 demonstrating a reinforced political commitment to an open global energy dialogue among the energy consuming and energy producing members of the IEF, including transit States, in order to ensure global energy security;
- The objectives under the global “Sustainable Energy for All” (SE4All) initiative of the UN of September 2011 and the “2014-2024 World Decade for Sustainable Energy” aiming to achieve universal energy access, improve energy efficiency and increase the use of renewable energy;
- The objectives under the “EU-Africa Energy Partnership”;
- The Doha Declaration adopted at the First Summit of the Gas Exporting Countries Forum on 15 November 2011, which called for promotion and development of new and effective channels of dialogue between natural gas producers and consumers, through

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international and regional energy organisations and for a, for the purpose of ensuring technology transfer, market transparency, stability, and growth for the benefit of all.

- The conclusions of the Council of the European Union of 24 November 2011 on strengthening the external dimension of the EU energy policy where EU called for a need of geographical enlargement of Energy Charter Treaty which will aim at strengthening the role of the Treaty as a global instrument, recognised as the basis for international energy regulation in its main fields of competence;
- The Outcome Document entitled 'The Future We Want' which was endorsed by the UN Conference on Sustainable Development of 22 June 2012 and was annexed in the UN General Assembly Resolution 66/288, which recognised the critical role that energy plays in the development process, as access to sustainable modern energy services contributes to poverty eradication, saves lives, improves health and helps provide basic human needs;
- "The St. Petersburg Resolution" of the 2012 APEC Energy Ministerial Meeting on 24-25 June 2012, in which APEC Energy Ministers recognise that enhancing energy security requires concerted action in many areas and commit to continue their efforts to improve the sustainability, efficiency, predictability and transparency of traditional energy markets;
- The OSCE Parliamentary Assembly Resolution "Promotion and use of new and renewable sources of energy" adopted at the 21<sup>st</sup> OSCE PA Annual Session in Monaco on 9 July 2012, stressing the crucial role of energy security in the new security environment and the imperative need for fairness and transparency, in accordance with international law and the European Energy Charter;
- The Final Document of the 16th Summit of Heads of State or Government of Non Aligned Movement, which took place on 26-31 August 2012 in Teheran, in which the Heads of State or Government stressed the importance of enhancing international Cooperation through partnership in all forms of energy including clean and renewable Energy. They called upon the developed countries to transfer more efficient and environmentally sound technologies to developing countries, and for the United Nations to promote and facilitate this;

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- The Concluding Declaration of the Rabat Energy Forum of 21 September 2012 in which the Energy Charter was recognised as an efficient instrument to contribute and strengthen energy cooperation in the MENA region;
- UN General Assembly Resolution 67/263 “Reliable and stable transit of energy and its role in ensuring sustainable development and international cooperation” adopted on 17 May 2013, noting that stable, efficient and reliable energy transportation, as a key factor of sustainable development, is in the interest of the entire international community, and welcoming the efforts at the national, bilateral, sub-regional, regional and international levels in building energy transportation systems and facilitating the trade of energy resources to promote sustainable development;
- The Ministerial declaration on regional cooperation for enhanced energy security and the sustainable use of energy in Asia and the Pacific adopted on the Asian and Pacific Energy Forum in Vladivostok, Russian Federation, on 30 May 2013 where energy security is recognised as a key development issue for all countries in the Asia-Pacific region and the crucial importance of energy as a prerequisite to poverty eradication and ensuring economic growth is stressed;
- The Leaders’ Declaration of the Summit of the G20 in St. Petersburg on 5-6 September 2013 expressing their commitment to enhance energy cooperation, to make energy market data more accurate and available and to take steps to support the development of cleaner and more efficient energy technologies to enhance the efficiency of markets and shift towards a more sustainable energy future.

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# INTERNATIONAL ENERGY CHARTER

## Frequently Asked Questions

### What is the International Energy Charter?

In May 2015, states representing up to one half of the UN membership will gather at a Ministerial (“The Hague II”) Conference on the International Energy Charter. The International Energy Charter is a political declaration that will be formally adopted and signed at the Ministerial Conference, which will be hosted by the government of The Netherlands. It maps out common principles for international cooperation and common areas of cooperation in the field of energy.

Around 80 states took part in negotiations on the International Energy Charter, which were conducted throughout the year 2014 at the Headquarters of the Energy Charter Secretariat in Brussels, Belgium. The negotiations started on the basis of the text of the European Energy Charter which was adopted back in 1991 in The Hague (“The Hague I”). Non-signatories of this historic declaration joined the negotiations on an equal footing with its signatories. The objective has been to work out a text reflecting modern energy challenges as well as the ambition of the Energy Charter to play a leading role in the evolving architecture of global energy governance.

By signing the International Energy Charter, states and specialised intergovernmental organisations will document their commitment to established principles of the Charter, including:

- political and economic cooperation
- sovereignty over energy resources
- the development of efficient energy markets
- non-discrimination
- the promotion of a climate favourable to the operation of enterprises and the flow of investments and technologies
- environmental issues

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In addition, the International Energy Charter reflects some of the most topical energy challenges of the 21<sup>st</sup> century, in particular:

- the full scope of multilateral documents and agreements on energy developed in the last two decades, and the synergies among energy-related multilateral fora, including the Energy Charter, in view of follow-up action
- the growing weight of developing countries for global energy security
- the “trilemma” between energy security, economic development and environmental protection
- the role of enhanced energy trade for sustainable development
- the need to promote access to modern energy services, energy poverty reduction, clean technology and capacity building
- the need for diversification of energy sources and routes
- the role of regional integration of energy markets

By including all these relevant issues, the International Energy Charter promotes mutually beneficial energy cooperation among nations for the sake of energy security and sustainability. The International Energy Charter thus fits well into the global policy agenda reflected, for instance, in the G20 Leaders’ Communiqué of the Brisbane Summit in November 2014 and the UN Document “The Future We Want” endorsed by the UN Conference on Sustainable Development in June 2012.

The International Energy Charter is a declaration of political intention aiming at strengthening energy cooperation between the signatory states and which does not bear any legally binding obligation or financial commitment. This is explicitly stated in the text.

The updated Charter will be in English, French, German, Italian, Spanish and Russian languages (also in Arabic and Chinese provided states who have these languages as their official languages are among the signatories). The parties still need to decide whether all language versions will be subject to adoption and have equal original value or whether the versions other than English will be official translations.

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## **What is the relationship of the International Energy Charter to the European Energy Charter and the Energy Charter Treaty?**

The European Energy Charter is a political declaration adopted in The Hague on 17 December 1991. Up to now it has been signed by sixty-four European, Asian, Australasian, North American and African states as well as the European Union and EURATOM. It provides for a long-term partnership in international cooperation in the field of energy based on common principles. The European Energy Charter contains a commitment to negotiate in good faith a legally binding Basic Agreement and Protocols.

The Basic Agreement referred to in the European Energy Charter is known as the Energy Charter Treaty. Most, but not all signatories of the European Energy Charter signed or acceded to the Treaty, which was open for signature in 1994 and entered into force in 1998. Unlike the European Energy Charter, the provisions of the Treaty on energy trade, transit, investments, environmental aspects and dispute settlement are legally binding. The Treaty also established a political decision making-body, the Energy Charter Conference. Signatories of the Energy Charter Treaty are members of the Energy Charter Conference, and signatories of the European Energy Charter and some invited countries are observers to the Conference. A state or Regional Economic Integration Organisation that wishes to accede to the Energy Charter Treaty is required to be a signatory of the European Energy Charter.

The members of the Energy Charter Conference (Signatories and Contracting Parties to the Energy Charter Treaty) are hopeful that the signing of the International Energy Charter will encourage non-members to consider acceding to the Energy Charter Treaty. At the same time, it is well understood that the signing of the International Energy Charter does not oblige in any way a state to accede to the Treaty. As observers to the Energy Charter Conference, non-members will however have the opportunity to learn more about the Treaty, its benefits and obligations, and will cooperate closely with the members to that end. This will enable them to make an informed decision about possible further steps.

## **What motivates states to sign the International Energy Charter?**

The main objectives of the International Energy Charter are to

- confirm, reinforce and enhance established principles of energy cooperation
- create a governmental platform to address contemporary energy challenges

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- support the modernisation of the Energy Charter Process
- contribute to solid global energy governance by facilitating new accessions to the Energy Charter Treaty, without containing any obligations in this respect

A key tool to follow up on the political commitments contained in the International Energy Charter will be observership to the Energy Charter Conference. Signatories of the political declaration will be eligible for observer status with the Energy Charter Conference. This means they may attend the meetings of the Energy Charter Conference without a right to vote and may be invited to attend meetings of subsidiary bodies. As a general rule, normally observers have access to official documents of the Energy Charter Conference and its subsidiary bodies. They may be invited to send seconded experts to the Secretariat. Provided that funds are available, they may further benefit from activities of the Secretariat like Energy Charter Forums, Executive Training Programmes, Energy Efficiency Reviews or Reports on Investment Climate and Market Structure (ICMS).

Observership with the Energy Charter Conference will thus offer an effective instrument to follow-up on the areas of cooperation listed in the International Energy Charter. It brings together economically and technologically advanced economies with emerging, transition and developing countries, among them energy producing, consuming and transit countries. It will be qualitatively distinct from the observership that some states have enjoyed so far. Signing the International Energy Charter or the European Energy Charter will be a condition to obtain or retain observer status.

In terms of the benefit, three categories of states need to be distinguished:

1. For Signatories and Contracting Parties of the Energy Charter Treaty, signing of the International Energy Charter will strengthen the authority of the Charter, reconfirm its basic principles and its openness to modernisation. There is an expectation that signing of the declaration will have a positive effect on the geographical expansion of the Energy Charter Treaty and on cooperation with non-members of the Conference. This will offer new investment and trade opportunities and thus strengthen energy security.
2. By signing the International Energy Charter the signatories of the European Energy Charter can reconfirm their commitment to the Charter, benefit from its strengthened

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authority and broadened cooperation. They can reassess their engagement with the Energy Charter Process in light of the modernisation agenda. They will also benefit from the application of common principles, in particular in view of an enhanced investment climate in target countries for their FDI.

3. Non-signatories of the European Energy Charter will strengthen their role and influence in view of the formation of global energy governance architecture. By signing the International Energy Charter they will contribute to qualitative shifts in this architecture, which will better reflect modern energy challenges. By obtaining or retaining observership status with the Energy Charter Conference, they will have at their disposal an efficient tool for cooperation with other signatories, including many of the advanced economies, but also transiting and developing countries.

### **Which states participated in the negotiations on the International Energy Charter?**

The negotiations were conducted in four rounds during 2014. They were open to any interested state. The parties included:

#### **1. Signatories of the European Energy Charter:**

Afghanistan, Albania, Armenia, Australia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, European Union, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Indonesia, Ireland, Italy, Japan, Jordan, Kazakhstan, Kyrgyzstan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mauritania, Moldova, Mongolia, Montenegro, Morocco, Netherlands, Norway, Pakistan, Palestine, Poland, Portugal, Romania, Russian Federation, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tajikistan, The Former Yugoslav Republic of Macedonia, Turkey, Turkmenistan, Ukraine, United Kingdom, United States of America, Uzbekistan, Yemen

#### **2. Observers to the Energy Charter Conference by invitation:**

Algeria, Bahrain, China, Egypt, Iran, Korea, Kuwait, Nigeria, Oman, Qatar, Saudi Arabia, Tunisia, United Arab Emirates, Venezuela

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**3. Other states:**

Argentina, Bangladesh, Bhutan, Brazil, Brunei Darussalam, Cambodia, Chile, Colombia, India, Iraq, Israel, Lao PDR, Lebanon, Libya, Malaysia, Maldives, Mexico, Mozambique, Myanmar, Nepal, Niger, Philippines, Singapore, South Africa, South Sudan, Sri Lanka, Sudan Tanzania, Thailand, Vietnam

**Acceptance of the text and invitation to “The Hague II”**

Following the finalisation of the text of the International Energy Charter in November 2014, the negotiating parties have been asked to confirm by 31 January 2015 in writing, in the name of their government, the acceptance of the text and participation at The Hague Conference.

**Ministerial (“The Hague II”) Conference on the International Energy Charter**

Delegations authorised to approve/sign the International Energy Charter are expected to attend the Ministerial (“The Hague II”) Conference on the International Energy Charter in The Hague in May 2015:

- The Government of The Netherlands will send formal invitations informing the of the venue, date and time of the Conference, to those delegations that have informed the Secretariat of the acceptance of the final draft
- Negotiating parties are expected to inform the Secretariat before 2 March 2015, of the composition of their delegation (maximum four members including the head of the delegation) and the head of delegation authorised to confirm acceptance of the final text in accordance with its national procedures and to approve/sign it
- During the Ministerial (“The Hague II”) Conference on the International Energy Charter each head of delegation will be invited to make a statement
- The Netherlands, as host country, will open and Chair the Conference

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- Negotiating parties will adopt the final text by consensus at the Conference. After adoption, each negotiating party present will be invited to sign the adopted text during the conference; negotiating parties will be able to sign the adopted text at any time.

**Attendance of the Ministerial (“The Hague II”) Conference by additional states and international organisations**

Requests from States who did not take part in the negotiations to sign the International Energy Charter at the Ministerial (“The Hague II”) Conference will be circulated to the Signatories of the 1991 Charter for approval. This approval provided, those states will be asked to confirm, in the name of their government and in writing, the acceptance of the text. They will then be invited by the government of the Netherlands to the Ministerial Conference.

Selected international organisations will be invited to be present at the Ministerial Conference. Intergovernmental organisations with specific competence may request with the Energy Charter Secretariat to sign the International Energy Charter at the Ministerial Conference.



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