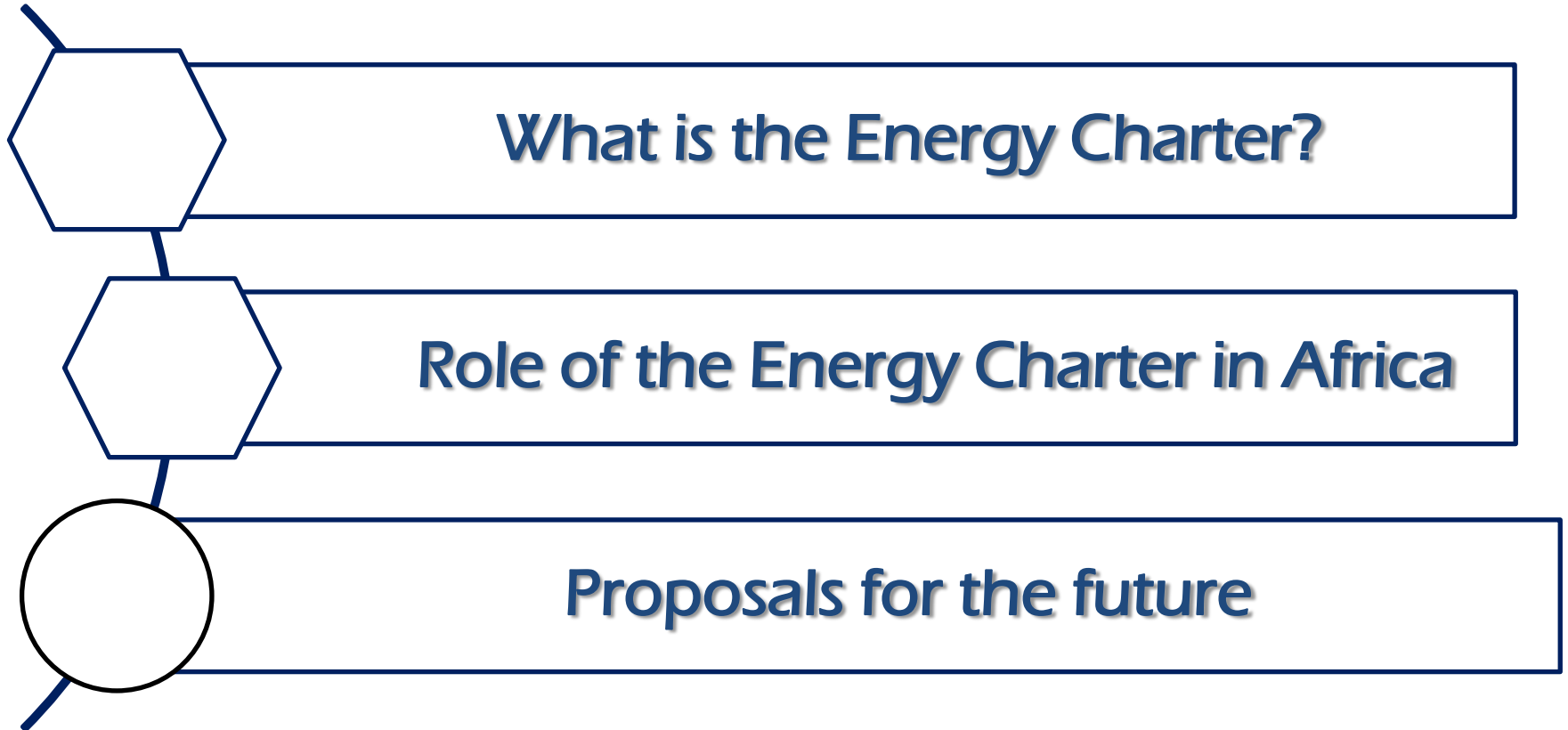


Mobilising clean energy investments for ECOWAS countries: the role of the Energy Charter

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**International Workshop on Renewable Energy
Development in Macaronesia and West Africa
30-31 May 2016, Praia, Cabo Verde**

Focus of Presentation:



History of the Energy Charter

- European Energy Charter (Dec. 1991)
 - ✓ Political declaration – Not legally binding
 - ✓ Focus on East-West cooperation with Transition Countries
- Energy Charter Treaty (ECT, Dec. 1994, in force 1998)
 - ✓ 54 Contracting Parties – legally binding
 - Basic co-operation framework
- Protocol on Energy Efficiency (Dec. 1994)
 - ✓ Commitment to introduce Energy Efficiency policy and monitoring
- Trade Amendment to the Energy Charter Treaty (Dec. 1998)
 - ✓ Introduces compatibility with WTO
 - ✓ Adds energy equipment goods list and a mandate to negotiate a plurilateral agreement on customs tariffs
- International Energy Charter (May 2015)
 - ✓ Political declaration – not legally binding
 - ✓ Focus on North-South cooperation on Sustainable Development

What Does the Charter Do?

Energy Security
Sustainable Development
Open and Efficient Energy Markets

Dispute Resolution

Investment
Protection

Trade and
Transit

Energy
Efficiency

Non-Discrimination among Participants

National Sovereignty over Natural Resources

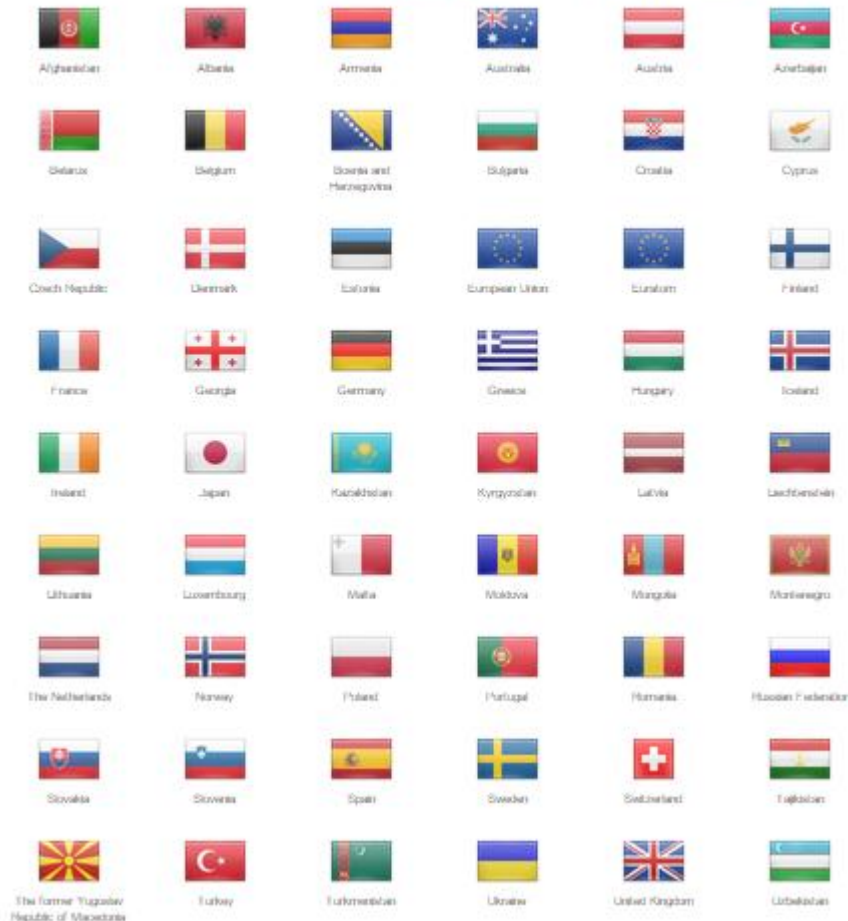
ECT – Main Focus

- 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

Members of the Energy Charter Conference

All Signatories and Contracting Parties to the Energy Charter Treaty are Members of the Energy Charter Conference:



Observers to the Energy Charter Conference

1. Signatories of the European Energy Charter (1991)

All Signatories of the European Energy Charter (1991) are Observers to the Energy Charter Conference. Signatories which are also Signatories of or Contracting Parties to the Energy Charter Treaty are Members of the Energy Charter Conference.



2. Signatories of the International Energy Charter (2015)

All Signatories of the International Energy Charter (2015) - other than the ones which also signed the European Energy Charter (1991) - are Observers to the Energy Charter Conference.



3. Observers by Invitation



4. International Organisations with Observer Status



Charter Expansion and Outreach

Charter Conference
approval in August 2012

Goal

Enlargement of ECT geographic coverage

Expansion

Observers becoming Members

Outreach

Countries not yet involved in the Process

Modernisation – Phase I

2009

- Contracting Parties recognised that the Energy Charter Process must reflect new developments and challenges in international energy markets



2012

- 23rd Meeting of the Conference in Warsaw provided mandate for the geographical expansion of the Energy Charter Process and of the Treaty



2014

- Four sessions of negotiations held in Brussels with objective of clearing 1991 text of outdated terminology and to reflect the requirements of potential new members

International Energy Charter

- Political declaration updating the 1991 EEC
- Reflects modern energy challenges
- Reaffirms 1994 ECT
- Negotiated by more than 80 states throughout 2014
- Adopted by 75 countries in 2015

THE HAGUE
THE ENERGY CHARTER
ENERGY CHARTER
20 & 21 MAY 2015

International Energy Charter: Ministerial Conference, May 2015



Principles of the International Energy Charter (2015)

- Sustainable energy development;
- Improving energy security;
- Maximising energy efficiency;
- Enhancing safety in a manner which would be socially acceptable, economically viable and environmentally sound;
- Recognising sovereignty over energy resources and right to regulate [...] they decide to develop more efficient energy markets;
- Creating a climate favourable for enterprises and for the flow of investments and technologies;

Signatories of the International Energy Charter (72)

as of 1 March 2016



Countries that adopted the International Energy Charter (7)



Effects of the International Energy Charter

- Global outreach: Energy Charter is now potentially global organisation
- Signing International Energy Charter gives observer status to Energy Charter Conference
- Agreement and with the Sustainable Development Goals (UN General Assembly, September 2015)
 - ✓ Goal 7: Energy access
 - ✓ Goal 9: Build resilient infrastructure
 - ✓ Goal 13: Urgent climate action
 - ✓ Goal 17: Global partnership for sustainable development

Energy Charter and ECOWAS countries

- Improving energy access
- Enhancing capital flows to renewable energy and energy efficiency investments
- Agreement and with the Sustainable Development Goals (UN General Assembly, September 2015)
- Help achieving global climate goals – Paris agreement

Africa and the Energy Charter

Sub-Saharan Africa's GDP grew by more than 5% a year in the last 10 years



A tremendous energy deficit is constraining Africa's development

Roughly 1/3 of Sub-Saharan Africans have no access to electricity

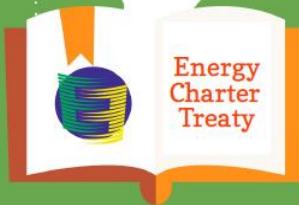


Over the next two decades, Africa will need at least US\$400 BN in investment

Unlock Africa's investment potential to guarantee energy access



Enhancement of the rule of law in the energy sector & creation of a multilateral platform to address energy access & energy poverty



Transparent, non-discriminatory & consistent rules of investment promotion & protection



Long-term, competitive, stable & reliable investor-host country interface fostering investment attractiveness



Mechanism for peaceful dispute resolution encouraging states to observe & respect ECT obligations

Island States and the Energy Charter

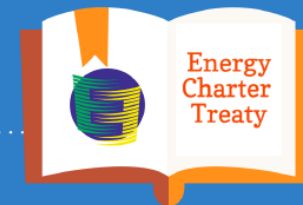
Providing a platform for energy dialogue and cooperation among island states for peer discussion and common development of energy industries



Fostering the commitment and trust of foreign investors required for the development and integration of local sources of generation of electricity and energy infrastructure



Encouraging common regional development and integration, allowing regional energy projects for economies of scale which facilitate foreign investment



Sovereignty over natural resources as a key element for the development of nation

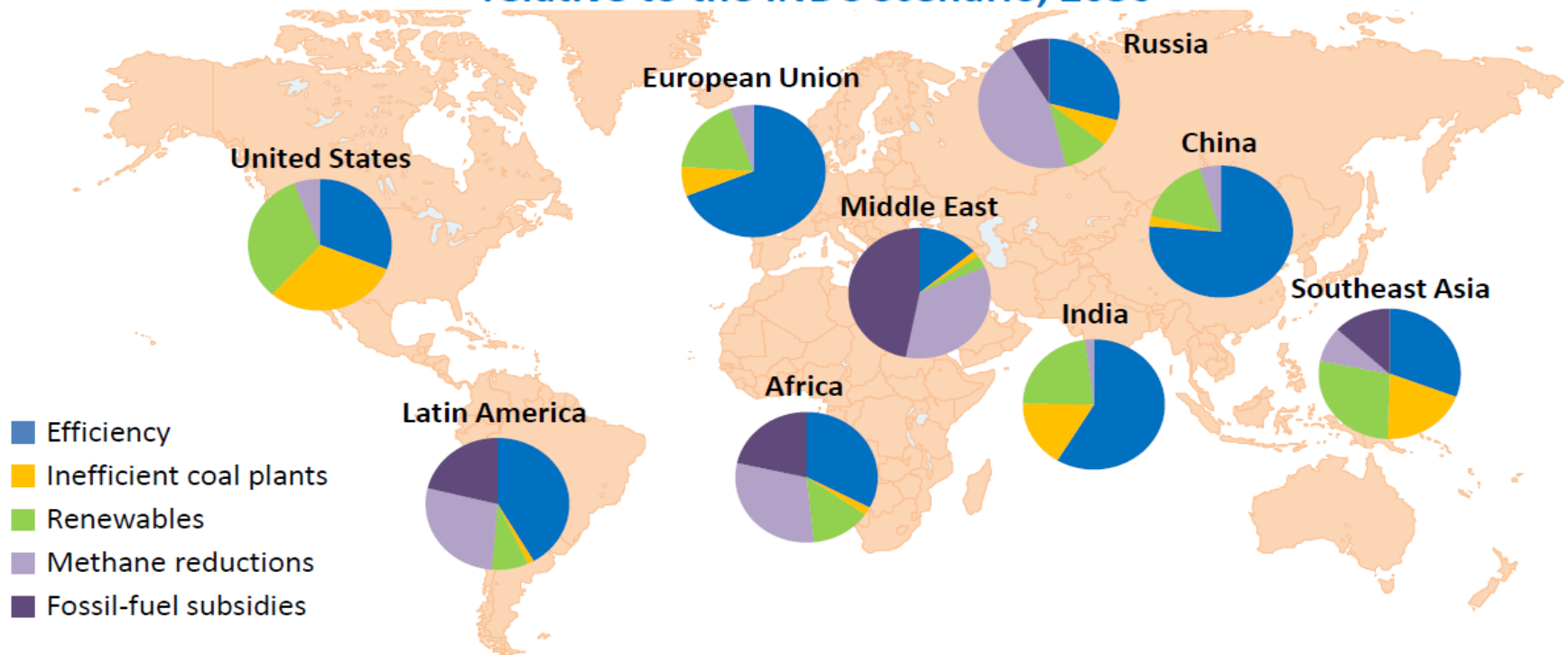


Opening the door for capacity building on energy governance and technical regulation on energy issues and complex energy contracts



Peak Emissions: Bridging strategy is flexible across regions

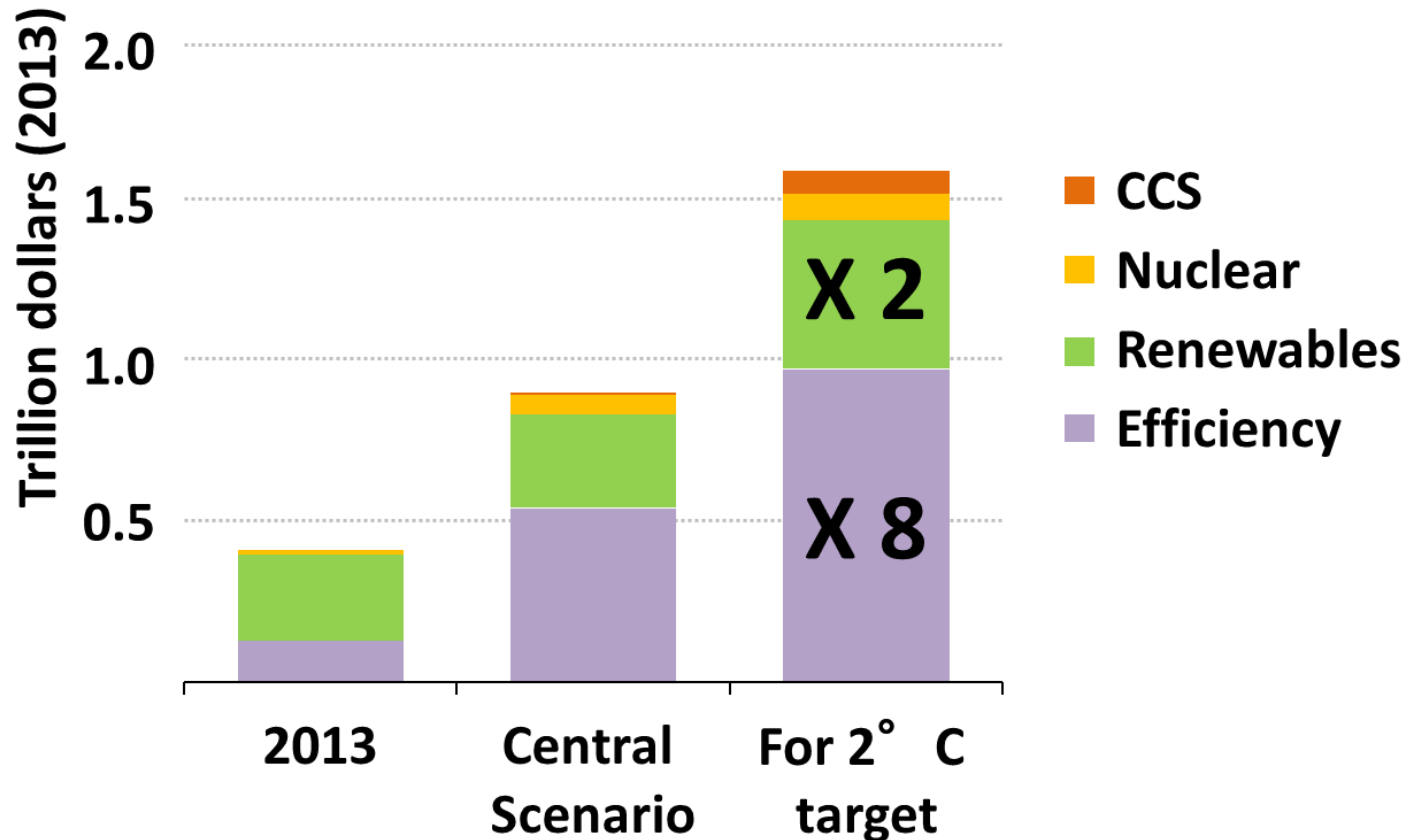
GHG emissions reduction by measure in the Bridge Scenario,
relative to the INDC Scenario, 2030



The measures in the Bridge Scenario apply flexibly across regions, with energy efficiency and renewables as key measures worldwide

...and the \$\$\$ needed

Average annual low-carbon investment, 2014-2040



Energy Charter Forum on Promoting and Protecting investments in Renewable energy and energy efficiency

Praia, September 2016



- The role of international cooperation
- National and regional experience in creating enabling environment
- Main drivers for investment supply and the role of technical assistance and capacity building

Thank you!

Any questions?

Get in touch with us!

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