

DECLARATION



**To be adopted by the Energy Charter
Conference on the Occasion of the Tenth
Anniversary of the Founding of the Energy
Charter Process**

Brussels, 17th December 2001

1. We, the representatives of the Participating States in the Energy Charter Conference, and of the European Communities as a Contracting Party to the Energy Charter Treaty, met in Brussels on 17th December 2001, on the tenth anniversary of the founding of the Energy Charter process, to review the contribution made by this process over the last ten years to strengthening international energy cooperation and supply security, based on complementarities and mutual benefits, and to consider the future challenges that face us in these areas.
2. Over the past decade, the Energy Charter process has contributed to significant progress on energy-related legislation and policies in its member states, including in relation to market and regulatory reforms. This progress has stimulated their energy sectors through improving the framework for inward and outward investment and for trade in energy materials and products, and, through this, has furthered the integration of our economies. We will aim to deepen further this cooperation, in line with the goals set out in the European Energy Charter, signed in The Hague on 17th December 1991, which reflect our common desire to improve the security of energy supply and access to energy markets, maximize the efficiency of energy production and consumption, and minimize their environmental impact throughout the Energy Charter's constituency. The Energy Charter process provides a unique forum for policy and business dialogue aimed at strengthening cooperation between our states.
3. We reaffirm our commitment to implementation of the Energy Charter Treaty and the Energy Charter Protocol on Energy Efficiency and Related Environmental Aspects (PEEREA), signed in Lisbon on 17th December 1994. The Treaty and PEEREA (referred to collectively as "the Charter's legal instruments") serve as one of the foundations for cooperation between us on energy policy issues, in particular in promoting energy market reforms and market access compatible with sustainable development. We stress also the importance of ensuring that ratification of the Charter's legal instruments is completed by all of their Signatory States.

Strengthening Energy Supply Security

4. We share the view that strengthening the security of energy supply throughout the Energy Charter's constituency is a priority for our cooperation. In our efforts to achieve this goal, we will keep in mind the need for balanced rules to be established that take account of the interests of all member states. In this context, we reaffirm our commitment to finalise negotiations on and adopt an Energy Charter Protocol on Transit, aimed at establishing a transparent, non-discriminatory, operative legal framework on energy transit issues for the benefit of producers, consumers and transit countries.

Promoting Market Reforms

5. We consider that energy market reforms, oriented towards the opening of markets and competition among suppliers, are key factors in ensuring the efficient allocation and use of energy resources. At the same time, we acknowledge that energy market reforms can imply a challenging period of transition before their full benefits are realised. The Energy Charter process provides an important forum in which exchanges of experiences and policy recommendations can be held between governments, in order to ease these problems of transition.

A Stable and Favourable Climate for Energy Investments

6. The promotion and protection of investment in the energy sectors of Energy Charter states, based on a predictable and transparent legislative environment, remains a priority area of our cooperation. We reaffirm our commitment to creating and maintaining a favourable and non-discriminatory legislative environment for investors in our respective energy sectors. We will also continue our work towards extending the principle of non-discriminatory treatment on a legally-binding basis to the process of “Making of Investments” (i.e. access to investment opportunities, such as privatisations and licensing rounds), as foreseen by the Energy Charter Treaty.

Promoting Energy Efficiency and Protection of the Environment

7. Full account must be taken of the need to promote energy efficiency and environmental protection, including through the implementation of climate change policies, within the context of energy market reforms. We therefore welcome and support the role of the Energy Charter process as a forum for policy exchanges on reforming energy prices and incorporating energy efficiency objectives into national policies. We also welcome the endeavours of each individual country to achieve these goals. We shall strengthen our cooperation within the Energy Charter framework in order to reduce the energy intensity of our economies and improve energy efficiency in various sectors.

Liberalization of Energy Trade and Access to Markets

8. One of the Energy Charter Treaty’s primary goals is to promote open, competitive and sustainable energy markets. In this context, we underline the importance of full membership of the WTO for all Energy Charter member states, and we welcome the substantial progress achieved in this regard in recent years. We call on Signatory States to the Treaty to ratify the Trade Amendment to it, and agree that implementation of the Treaty’s trade-related commitments by non-WTO states within the Energy Charter’s constituency represents an important aspect of the process of their WTO accession. We recognize also the potential further benefits for consumers offered by increased energy trade between nations. Against this background, we will continue the Energy Charter’s work aimed at promoting competitive regional electricity markets and trade.

Relations with Non-Member States, other Organizations and Civil Society

9. We welcome the interest shown by several non-member states in cooperation with the Energy Charter, and will continue our efforts to increase the familiarity of such states, in particular those in the Asia-Pacific, North African and Middle Eastern regions, with the Energy Charter process. We will also aim to ensure appropriate coordination between the Energy Charter and other relevant inter-governmental bodies and regional organizations. To promote the involvement of business, labour and academic circles and relevant non-governmental organizations in the work of the Energy Charter, we shall strive for the maximum degree of transparency in the Energy Charter's activities for our respective populations.