

EU ENERGY POLICY

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Jean Monnet Module on EU Foreign Policy



Lectures' content

- the main features of the EU foreign energy policy
- the role and function of the European Atomic Energy Community (EAEC or Euratom)
- the role of the EU in the Energy Charter Treaty
- external action instruments in the energy sector and local action support
- effects of the COVID19 pandemic to the EU energy policy
- web-sources and materials on EU energy policy



LECTURE N. 1

THE MAIN FEATURES OF THE EU FOREIGN ENERGY POLICY:

BRIEF RECAP

EU ENERGY POLICY

- Shared competence (Article 4 TFEU)
- Article 194 TFEU: ENERGY
 - *EU and MSs should ensure the functioning of the energy market;*
 - *Free choice of energy sources for MSs*
- **November 2016: Clean Energy For All Europeans**
(Communication of the Commission - COM/2016/0860 final)
 - *Package proposal*
 - *Reference to the Paris Agreement goals: «This package should be seen in the context of the EU leading the way towards [..the] implement[ion of] the Paris agreement»*

EU ENERGY POLICY: REGULATORY FRAMEWORK

- **September 2011:** *Roadmap to a Resource-Efficient Europe* (Communication of the Commission - COM(2011) 571)
- **May 2014:** *European energy security strategy* (Communication of the Commission - COM/2014/0330 final)
- **October 2014:** *2030 Climate and Energy Policy Framework* (European Council Conclusions)
- **February 2015:** *The Energy Union Strategy* (Communication of the Commission - COM/2015/080 final)
- **November 2016:** *Clean Energy For All Europeans* (Communication of the Commission - COM/2016/0860 final)
 - *Energy Performance in Buildings Directive* (19/06/2018 - Directive (EU) 2018/844)
 - *Renewable Energy Directive* (21/12/2018 - Directive (EU) 2018/2001)
 - *Energy Efficiency Directive* (21/12/2018 - Directive (EU) 2018/2002)
 - *Governance Regulation* (21/12/2018 - Regulation (EU) 2018/1999)
 - *Electricity Directive* (5/6/2019 - Directive (EU) 2019/944)
 - *Electricity Regulation* (5/6/2019 - Regulation (EU) 2019/943)
 - *Risk-Preparedness Regulation* (5/6/2019 - Regulation (EU) 2019/941)
 - *Regulation for the Agency for the Cooperation of Energy Regulators (ACER)* (5/6/2019 - Regulation (EU) 2019/942)

Paris Agreement (1)

[12 December 2015; in force: 4 November 2016; 184 ratifications out of 197 Parties to the Convention. – COP21]

[Preamble]

Recognizing the importance of the engagements of all levels of government and various actors, in accordance with respective national legislations of Parties, in addressing climate change

The agreement sets out a global action plan to put the world on track to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C.



PARIS2015
UN CLIMATE CHANGE CONFERENCE
COP21·CMP11



Paris Agreement (2)

Adaptation: Governments agreed to

*strengthen societies' ability to **deal with the impacts** of climate change;*

*provide continued and enhanced international **support** for adaptation to **developing countries**.*

Role of cities, regions and local authorities

*The agreement recognises the role of **non-Party stakeholders** in addressing climate change, including cities, other subnational authorities, civil society, the private sector and others.*



PARIS2015
UN CLIMATE CHANGE CONFERENCE
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United Nations Framework Convention on Climate Change (UNFCCC)

The UNFCCC entered into force on 21 March 1994 (currently, there are 197 Parties (196 States and 1 regional economic integration organization - European Union, from 1992))

- *The Treaty aims to get countries to reduce their greenhouse gas emissions and adapt to climate change.*

The **Conference of the Parties (COP)** is the supreme body of the UNFCCC Convention.

- *It consists of the representatives of the Parties to the Convention. It holds its sessions every year. The COP takes decisions which are necessary to ensure the effective implementation of the provisions of the Convention and regularly reviews the implementation of these provisions.*

Kyoto Protocol : adopted in 1997 and into force in 2005.

- *it introduced emissions trading, which allows countries that exceed their emission quotas to purchase emission credit from countries that are able to stay below their limits.*

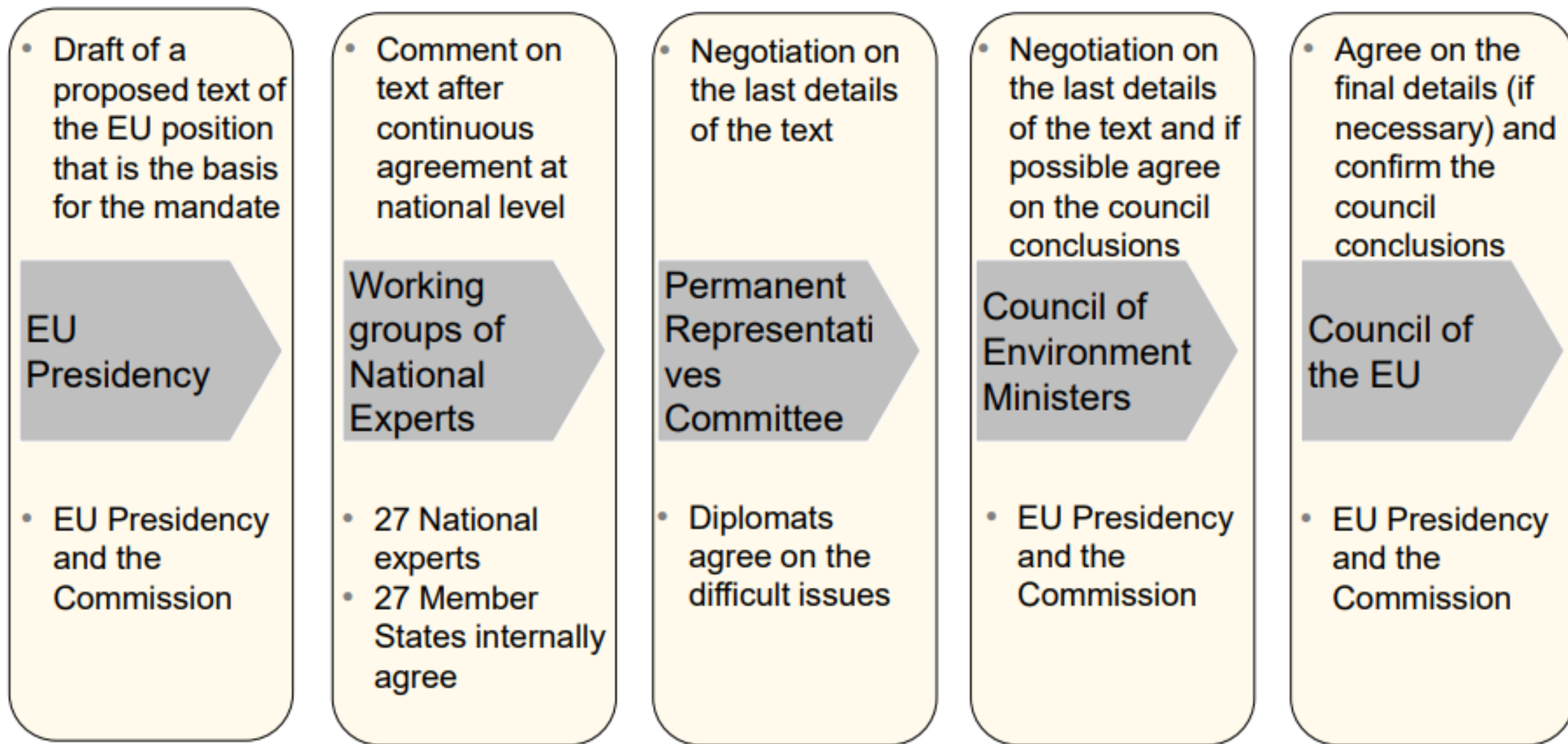


PARIS2015
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COP21·CMP11



THE EU IN THE UNFCCC

EU mandate for the EU's position in the UNFCCC negotiations



Trans-European Networks for Energy (1)

TITLE XVI TFEU: TRANS-EUROPEAN NETWORKS

Article 170 (ex Article 154 TEC)

1. To help achieve the objectives referred to in Articles 26 and 174 and to enable citizens of the Union, economic operators and regional and local communities to derive full benefit from the setting up of an area without internal frontiers, *the Union shall contribute to the establishment and development of trans-European networks in the areas of transport, telecommunications and energy infrastructures.*

2. Within the framework of a system of open and competitive markets, action by the Union shall aim at *promoting the interconnection and interoperability of national networks as well as access to such networks.* It shall take account in particular of the need to link island, landlocked and peripheral regions with the central regions of the Union.

Trans-European Networks for Energy (2)

Trans-European Networks - Energy (TEN-E) Regulation No 347/2013 (17 April 2013)

- policy focused on linking the energy infrastructure of EU countries; as part of the policy, **nine priority corridors** have been identified.

Priority corridors: cover different geographic regions in the field of electricity, gas and oil infrastructure. EU support for development in these corridors will connect regions currently isolated from European energy markets

- **Electricity corridors:** **North Seas offshore grid** (in the North Sea, Irish Sea, English Channel, Baltic Sea and neighbouring waters); **North-south electricity interconnections in western Europe** (between EU countries in this region and with the Mediterranean area including the Iberian peninsula); **North-south electricity interconnections in central eastern and south eastern Europe;** **Baltic Energy Market Interconnection Plan in electricity** (between Member States in the Baltic region)

- **Gas corridors:** **North-south gas interconnections in Western Europe;** **North-south gas interconnections in central eastern and south eastern Europe** (between and within the Baltic Sea region, Adriatic and Aegean Seas, eastern Mediterranean Sea and Black Sea); **Southern Gas Corridor** (from the Caspian Basin, Central Asia, Middle East and eastern Mediterranean Basin to the EU); **Baltic Energy Market Interconnection Plan in gas**

- **Oil corridor:** Oil supply connections in central eastern Europe

25.4.2013	EN	Official Journal of the European Union	L 115/39
REGULATION (EU) No 347/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009 (Text with EEA relevance)			
THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	(3)	The communication from the Commission entitled 'Energy infrastructure priorities for 2020 and beyond — A Blueprint for an integrated European energy network', followed by the Council conclusions of 28 February 2011 and the European Parliament resolution (*), called for a new energy infrastructure policy to optimise network development at European level for the period up to 2020 and beyond, in order to allow the Union to meet its core energy policy objectives of competitiveness, sustainability and security of supply.	
Having regard to the Treaty on the Functioning of the European Union, and in particular Article 172 thereof,			
Having regard to the proposal from the European Commission,			
After transmission of the draft legislative act to the national parliaments,	(4)	The European Council of 4 February 2011 underlined the need to modernise and expand Europe's energy infrastructure and to interconnect networks across borders, in order to make solidarity between Member States operational, to provide for alternative supply or transit routes and sources of energy and to develop renewable energy sources in competition with traditional sources. It insisted that no Member State should remain isolated from the European gas and electricity networks after 2015 or see its energy security jeopardised by lack of the appropriate connections.	
Having regard to the opinion of the European Economic and Social Committee (1),			
Having regard to the opinion of the Committee of the Regions (2),			
Acting in accordance with the ordinary legislative procedure (3),			
Whereas:	(5)	Decision No 1364/2006/EC of the European Parliament and of the Council (*) lays down guidelines for trans-European energy networks (TEN-E). Those guidelines have as objectives to support the completion of the Union internal energy market while encouraging the rational production, transportation, distribution and use of energy resources, to reduce the isolation of less-favoured and island regions, to secure and diversify the Union's energy supplies, sources and routes, including through cooperation with third countries, and to	
(1) On 26 March 2010, the European Council agreed to the Commission's proposal to launch a new strategy 'Europe 2020'. One of the priorities of the Europe 2020 strategy is sustainable growth to be achieved by promoting a			

Trans-European Networks for Energy

PAGE CONTENTS

Priority corridors

Priority thematic areas

Revision of the TEN-E policy

Documents

The Trans-European Networks for Energy (TEN-E) is a policy that is focused on linking the energy infrastructure of EU countries. As part of the policy, nine priority corridors and three priority thematic areas have been identified.

The EU helps countries in priority corridors and priority thematic areas to work together to develop better connected energy networks, and provides funding for new energy infrastructure.

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LECTURE N. 2

THE ROLE AND FUNCTION OF THE EUROPEAN ATOMIC ENERGY COMMUNITY (EURATOM)

EU Treaties



1952

The European Coal and Steel Community

1958

The treaties of Rome:

- The European Economic Community
- The European Atomic Energy Community (EURATOM)

1987

The European Single Act: the Single Market

1993

Treaty on European Union - Maastricht

1999

Treaty of Amsterdam

2003

Treaty of Nice

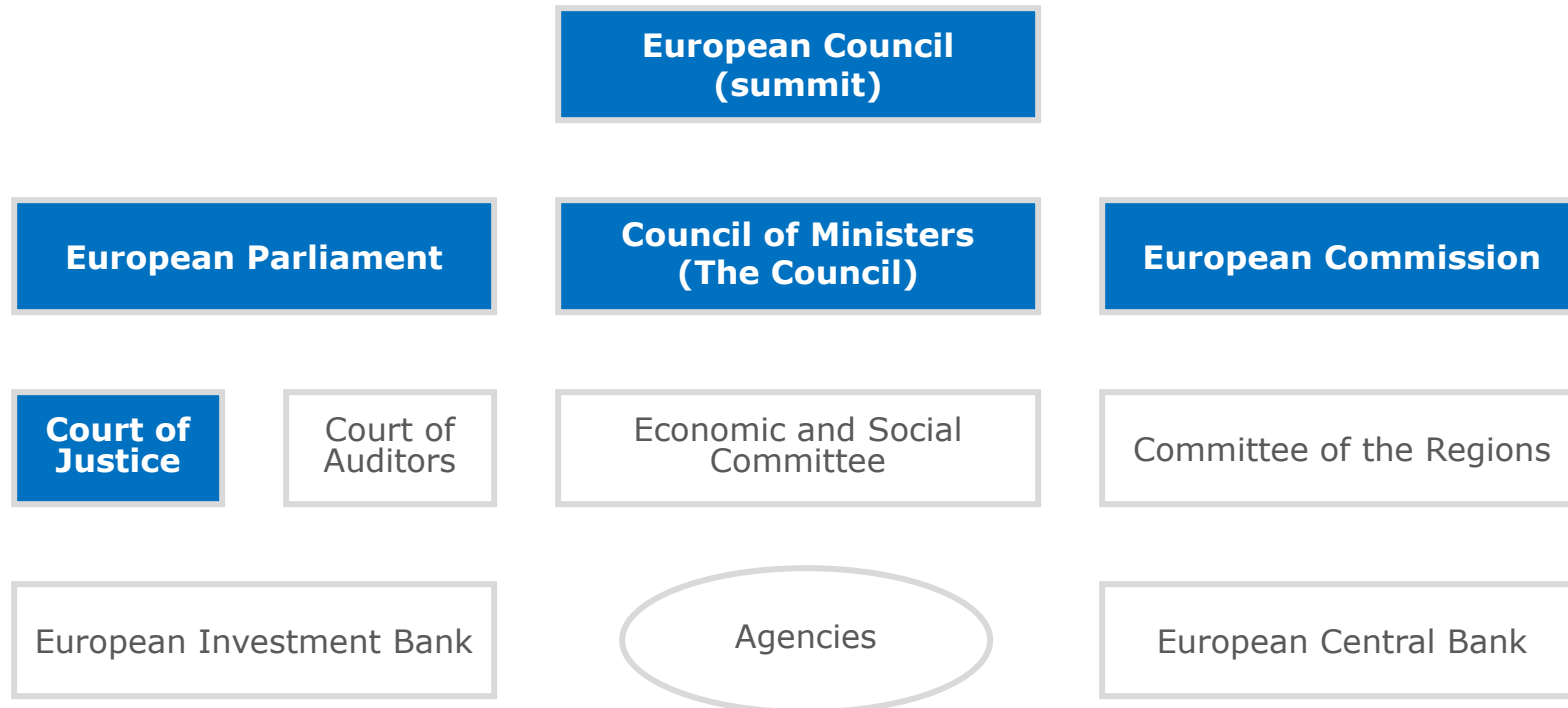
2009

Treaty of Lisbon

European Atomic Energy Community (Euratom)

- international organization established to form a common market for the development of the peaceful uses of atomic energy and facilitate the establishment of a nuclear-energy industry at the regional level
- Other aims of the community :
 - *coordinate research in atomic energy*
 - *encourage the construction of nuclear-power installations*
 - *establish safety and health regulations*
 - *encourage the free flow of information*
 - *establish a common market for trade in nuclear equipment and materials*
- *Euratom's control was not extended to nuclear materials intended for military use.*
- The **Common Market for Trade in Nuclear Material**, which eliminated import and export duties within the community, came into existence in January 1959
- Euratom shared a **Court of Justice and a Parliament** with the European Economic Community and the European Coal and Steel Community; in July 1967, also the executive bodies (the **Commission and the Council of Ministers**) of all **three communities were merged.**

Institutions of the European Union



EURATOM TREATY (1)

Article 1

By this Treaty the HIGH CONTRACTING PARTIES establish among themselves a EUROPEAN ATOMIC ENERGY COMMUNITY (EURATOM).

It shall be the task of the Community to contribute to the raising of the standard of living in the Member States and to the development of relations with the other countries by creating the conditions necessary for the speedy establishment and growth of nuclear industries.

CONSOLIDATED VERSION
OF THE TREATY ESTABLISHING THE
EUROPEAN ATOMIC ENERGY COMMUNITY

(2012/C 327/01)



EURATOM TREATY (2)

Article 52

1. *The supply of [...] source materials and special fissile materials shall be ensured [...] by means of a common supply policy on the principle of equal access to sources of supply.*

2. *For this purpose and under the conditions laid down in this Chapter:*

[...] (b) an Agency is hereby established; it shall have a right of option on [...] source materials and special fissile materials produced in the territories of Member States and an exclusive right to conclude contracts relating to the supply of [...] source materials and special fissile materials coming from inside the Community or from outside.

[...]

CONSOLIDATED VERSION
OF THE TREATY ESTABLISHING THE
EUROPEAN ATOMIC ENERGY COMMUNITY

(2012/C 327/01)



Euratom Supply Agency (ESA)

ESA focuses on enhancing the security of supply of users located in the European Union and shares responsibility for the viability of the EU nuclear industry

ESA's mandate is to exercise its powers and, as required by its Statutes, to monitor the market



II

(Acts adopted under the EC Treaty/Euratom Treaty whose publication is not obligatory)

DECISIONS

COUNCIL

COUNCIL DECISION of 12 February 2008

establishing Statutes for the Euratom Supply Agency
(2008/114/EC, Euratom)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 54 second subparagraph thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament ⁽¹⁾,

Whereas

(1) Title II, Chapter 6 of the Treaty provides for the creation of the Euratom Supply Agency (hereinafter referred to as the Agency), and sets up its tasks and obligations in guaranteeing a regular and equitable supply of nuclear materials to European Union users. The Statutes of the Agency were adopted on 6 November 1958 ⁽²⁾. Taking into account the increase in the number of the Member States as well as the need to apply modern financial provisions to the Agency and the need to fix its seat, these Statutes should be repealed and replaced.

(2) The new Statutes should contain financial provisions that are in line with Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾. At the same time the new Financial Regulation applicable to the Agency should be adopted in accordance to Article 183 of the Treaty. The capital of the Agency and the possibility, foreseen in the Treaty, to apply a charge on transactions, should be maintained.

(3) The new Statutes of the Agency should be adapted to the situation of an enlarged European Union. In particular, the size of the Agency's Advisory Committee should be changed in order to improve its operation and efficiency.

HAS DECIDED AS FOLLOWS:

Article 1

The Statutes of the Euratom Supply Agency, as set out in the Annex, shall be adopted.

Article 2

The Statutes of the Euratom Supply Agency of 6 November 1958 shall be repealed.

Article 3

This Decision shall take effect on the 20th day following its publication in the Official Journal of the European Union.

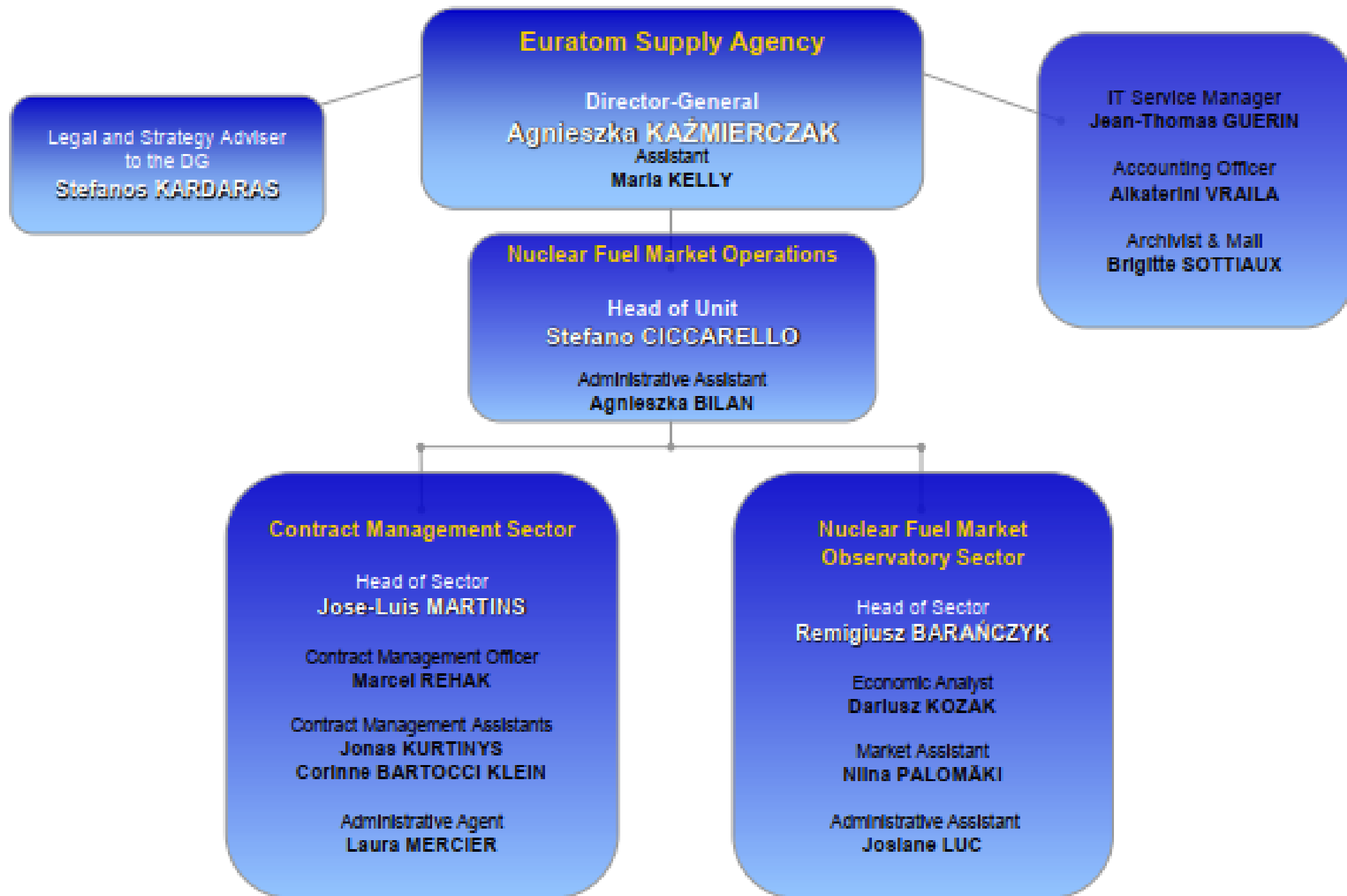
Done at Brussels, 12 February 2008.

For the Council
The President
A. BAJUK

⁽¹⁾ Opinion of 13 November 2007 (not yet published in the Official Journal).

⁽²⁾ OJ 27, 6.12.1958, p. 534.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as last amended by Regulation (EC) No 1525/2007 (OJ L 343, 27.12.2007, p. 9).



Legal Basis (2)

- [Treaty establishing the European Atomic Energy Community](#) (Euratom Treaty), in particular Articles 1, 2, 52-76, 80, 86-91, 171, 195, and 197.

- [Council Decision of 12 February 2008 establishing Statutes for the Euratom Supply Agency](#) (O.J. L 41, 15/02/2008 p.0015-0020).

[Council Regulation \(EU\) No 517/2013 of 12 May 2013](#) adapting certain regulations and decisions in the field of, among others, energy and in particular the Euratom Supply Agency's Statutes by reason of the accession of the Republic of Croatia (O.J. L 158, 16.06.2013, in particular Chapter 8, point 2 of its Annex)

- [Decision of the Commission](#) of 5 May 1960 fixing the date on which the Euratom Supply Agency shall take up its duties and approving the Agency Rules determining the manner in which demand is to be balanced against the supply of source materials and special fissile materials (O.J. P 32, 11/05/1960 p.0776).

- [Commission regulation](#) (Euratom) of 16 January 2006 exempting the transfer of small quantities of source materials and special fissile materials from the rules of the chapter on supplies (O.J. L 11, 17/01/2006 p.0006-0008).

- [Rules of the Supply Agency of the European Atomic Energy Community](#) of 5 May 1960 determining the manner in which demand is to be balanced against the supply of ores, source materials and special fissile materials (O.J. P 32, 11/05/1960 p.0777-0779).
modified by:

- [Regulation of the Supply Agency of the European Atomic Energy Community](#) amending the rules of the Supply Agency of 5 May 1960 determining the manner in which demand is to be balanced against the supply of ores, source materials and special fissile materials (O.J. L 193, 25/07/1975 p.0037-0038).



EURATOM SUPPLY AGENCY

European Commission > Euratom Supply Agency

ESA CORE ACTIVITIES

- [HOMEPAGE - NEWS](#)
- [MISSION STATEMENT](#)
- [ANNUAL REPORT](#)
- [ANNUAL ACCOUNTS](#)

LEGAL MATTERS

- [LEGAL BASIS](#)
- [PROCEDURES](#)

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- [ROLE AND TASKS](#)
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- [GENERAL PRESENTATION](#)
- [NEWS DIGEST](#)
- [PRICE TRENDS](#)
- [ESA DATA](#)
- [QUARTERLY REPORTS](#)
- [NUCLEAR FUEL CYCLE](#)
- [SUPPLY OF MEDICAL](#)

Ensuring ESA operations under exceptional circumstance following the COVID-19 (SARS-Cov-2) pandemic. [See document.](#)

This site contains information on subjects and key topics that come under our remit - [presentation of ESA](#) updated 09/2016.

A common nuclear market in the EU was created by [the Euratom Treaty](#). Article 2(d) and 52 of the Treaty established ESA to ensure a regular and equitable supply of nuclear fuels to EU users. To perform this task, ESA applies a supply policy based on the principle of equal access to sources of supply. [See more...](#)

Focus on

[... Previously focused](#)



Presentation of ESA Annual Report 2018

[Read more...](#)

News

[... More information](#)

April 22, 2020

Notice update

Ensuring ESA operations under exceptional circumstance following the COVID-19 (SARS-Cov-2) pandemic.

March 13, 2020

Notice

Ensuring ESA operations under exceptional circumstance following the COVID-19 (SARS-Cov-2) pandemic.





NUCLEAR OBSERVATORY

European Commission > Euratom Supply Agency > Nuclear Observatory

INFORMATION

GENERAL PRESENTATION

NEWS DIGEST

QUARTERLY REPORTS

SUPPLY OF MEDICAL
RADIOISOTOPES

FACTS AND FIGURES

NUCLEAR FUEL CYCLE

ESA PRICES

ANNUAL PRICE TRENDS

QUARTERLY SPOT PRICE

ALL USERS QU. SPOT PRICE

ESA DATA

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ESA HOMEPAGE

ESA average uranium prices

Hide/Show menu

Average Uranium prices for 2018:

ESA spot U₃O₈ price = EUR 44.34/kgU

ESA long-term U₃O₈ price = EUR 73.74/kgU

ESA 'MAC-3' new multiannual U₃O₈ price = EUR 74.19/kgU

ESA U₃O₈ prices

ESA publishes on an annual basis three EU natural uranium price indices, based only on deliveries made to EU utilities or their procurement organisations under natural uranium and enriched uranium purchasing contracts in which the price is stated.

The natural uranium delivery price stated in the purchase contracts concluded in recent years is mainly agreed using sophisticated price formulae, made up of uranium price and inflation indices, mainly for new multiannual contracts but also for a non-negligible percentage of the spot contracts.

ESA's price calculation method is based on the currency conversion of the original contract prices, using the average annual exchange rates published by the European Central Bank. The average prices are then calculated, after weighing the prices paid against the quantities delivered under each contract. A detailed analysis is presented in Annex 8 of our annual report 'Calculation method for ESA's average U₃O₈ prices' which is reproduced below.

COMMISSION USEFUL LINKS

DG ENERGY

EUROSTAT

OTHER USEFUL LINKS

OECD-NEA

IAEA

IEA

US EIA

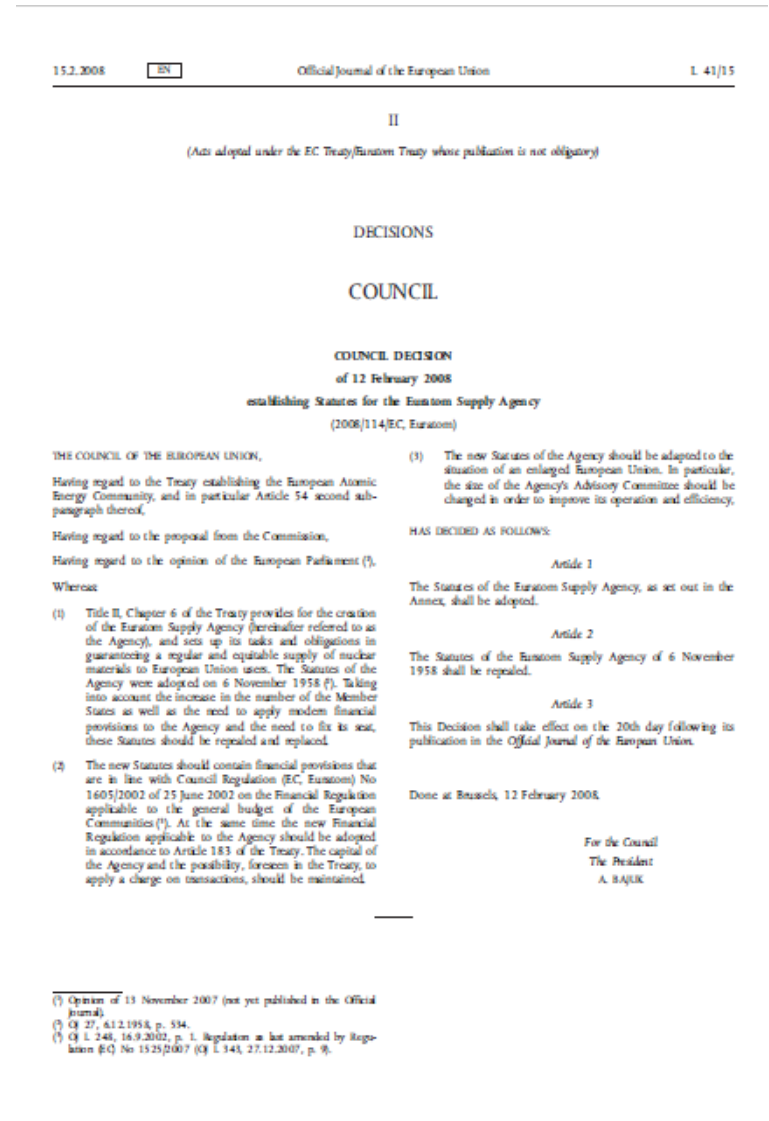
EU Nuclear Energy policy (1)

Nuclear power plants generate almost 30% of the electricity produced in the EU. There are 130 nuclear reactors in operation in 14 EU countries.

Each EU country decides alone whether to include nuclear power in its energy mix or not

The European Commission deals with nuclear activities from three angles:

- **nuclear safety** is about the safe operation of nuclear installations. It is complemented by radiation protection and radioactive waste management
- **nuclear safeguards** are measures to ensure that nuclear materials are used only for the purposes declared by the users
- nuclear security relates to the **physical protection** of nuclear material and installations against intentional malicious acts.



EU Nuclear Energy policy (2)

Nuclear safety

The EU promotes the highest safety standards for all types of civilian nuclear activity, including power generation, research, and medical use.

In July 2014, the EU amended its **Nuclear Safety Directive** from 2009, which establishes common safety rules for nuclear installations.

COUNCIL DIRECTIVE 2014/87/EURATOM
of 8 July 2014
amending Directive 2009/71/Euratom establishing a Community framework for the nuclear safety of nuclear installations

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Articles 31 and 32 thereof,

Having regard to the proposal from the European Commission, drawn up after having obtained the opinion of a group of persons appointed by the Scientific and Technical Committee from among scientific experts in the Member States,

Having regard to the opinion of the European Parliament ⁽¹⁾,

Having regard to the opinion of the European Economic and Social Committee ⁽²⁾,

Whereas:

- (1) Council Directive 2013/59/Euratom ⁽³⁾ establishes uniform basic safety standards for the protection of the health of individuals subject to occupational, medical and public exposures against the dangers arising from ionising radiation.
- (2) Council Directive 2009/71/Euratom ⁽⁴⁾ imposes obligations on the Member States to establish and maintain a national framework for nuclear safety. That Directive reflects the provisions of the main international instruments in the field of nuclear safety, namely the Convention on Nuclear Safety ⁽⁵⁾, as well as the Safety Fundamentals ⁽⁶⁾ established by the International Atomic Energy Agency (IAEA).
- (3) Council Directive 2011/70/Euratom ⁽⁷⁾ imposes obligations on the Member States to establish and maintain a national framework for spent fuel and radioactive waste management.
- (4) Council Conclusions of 8 May 2007 on nuclear safety and safe management of spent nuclear fuel and radioactive waste highlighted that 'nuclear safety is a national responsibility exercised where appropriate in an EU-framework. Decisions concerning safety actions and the supervision of nuclear installations remain solely with the operators and national authorities'.
- (5) The Fukushima nuclear accident in Japan in 2011 renewed attention worldwide on the measures needed to minimise risk and ensure the most robust levels of nuclear safety. Based on the European Council conclusions of 24-25 March 2011, the national competent regulatory authorities, together with the Commission in the frame-

EU Nuclear Energy policy(3)

■ Nuclear fuel supply security

- *The Euratom Supply Agency (ESA) ensures a regular and diversified supply of nuclear fuels to EU users. In particular, the ESA recommends that EU facilities operating nuclear power plants maintain stocks of nuclear materials and cover their needs by entering into long-term contracts with a diverse range of suppliers. It also monitors the EU nuclear fuel market.*

■ European Nuclear Energy Forum

- *In collaboration with the Czechia or Slovak Republic (in alternate years), the Commission co-organises the annual **European Nuclear Energy Forum** (ENEF), a platform for broad discussion of the opportunities and risks of nuclear energy.*

International cooperation on nuclear safety

The EU cooperates with non-EU countries and international organisations on nuclear safety.

In 2013, the European Commission signed a **Memorandum of Understanding with the International Atomic Energy Agency (IAEA)** to further strengthen the cooperation, including on expert peer reviews, emergency preparedness and response.

The IAEA and the Commission meet annually to review progress achieved from working together on a range of nuclear activities.



International Atomic Energy Agency
INFORMATION CIRCULAR

INF

IAEA - INF/CIRC/449
5 July 1994

GENERAL Distr.
Original: ARABIC, CHINESE,
ENGLISH, FRENCH, RUSSIAN,
SPANISH

CONVENTION ON NUCLEAR SAFETY

1. The Convention on Nuclear Safety was adopted on 17 June 1994 by a Diplomatic Conference convened by the International Atomic Energy Agency at its Headquarters from 14 to 17 June 1994. The Convention will be opened for signature on 20 September 1994 during the thirty-eighth regular session of the Agency's General Conference and will enter into force on the ninetieth day after the date of deposit with the Depository (the Agency's Director General) of the twenty-second instrument of ratification, acceptance or approval, including the instruments of seventeen States, having each at least one nuclear installation which has achieved criticality in a reactor core.

2. The text of the Convention as adopted is reproduced in the Annex hereto for the information of all Member States.

International Atomic Energy Agency (IAEA)

The world's central intergovernmental forum for scientific and technical co-operation in the nuclear field.

The Statute of the IAEA was approved on 23 October 1956 by the **Conference on the Statute of the International Atomic Energy Agency**, which was held at the Headquarters of the United Nations. It came into force on 29 July 1957.

In October 1957, the delegates to the First General Conference decided to establish the IAEA's headquarters in Vienna, Austria.



International Atomic Energy Agency
INFORMATION CIRCULAR

INF

INF - INF/CIRC/449 -
July 1994

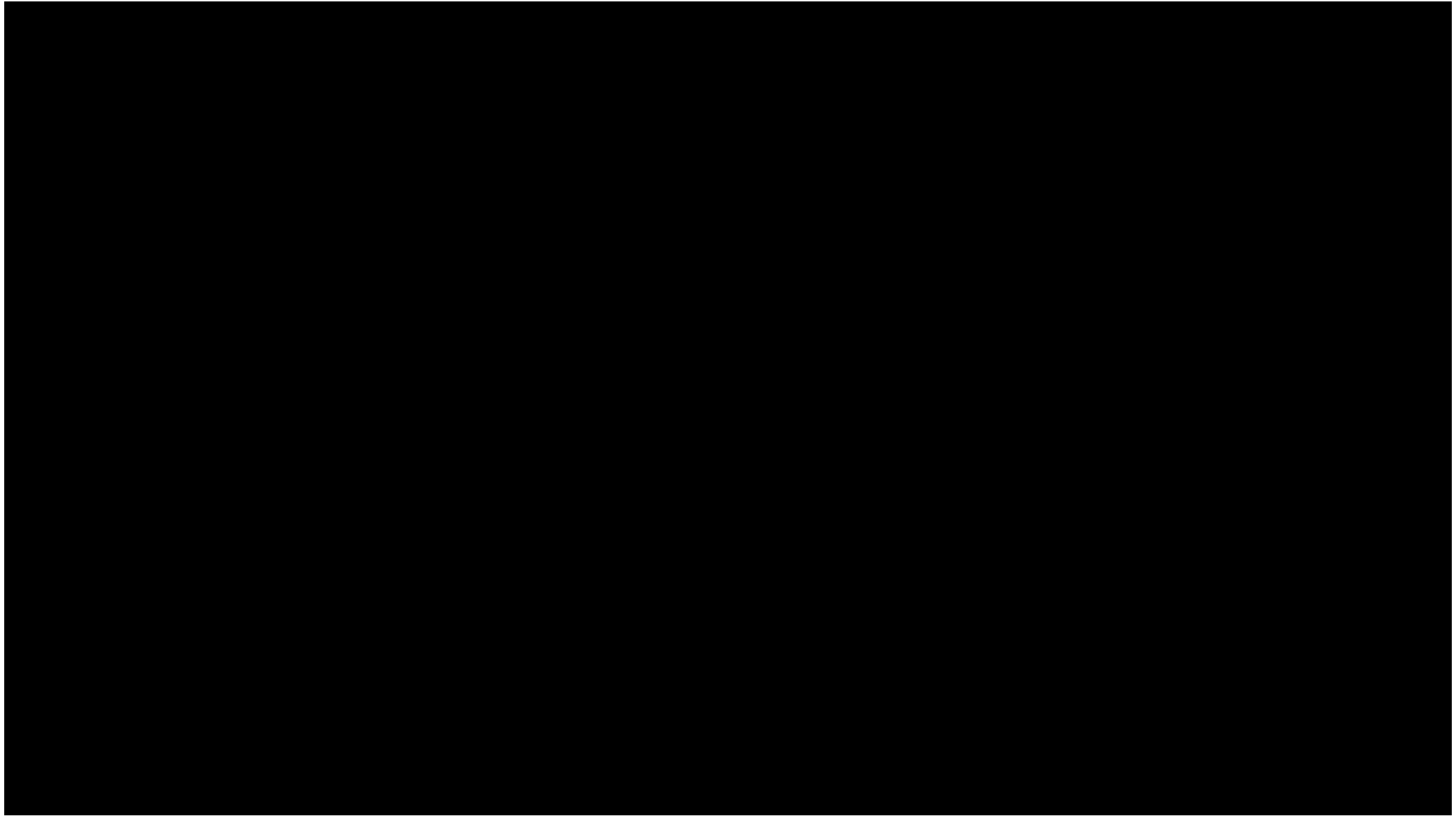
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<https://youtu.be/QeIFStw14U8>



Convention on Nuclear Safety

Convention on Nuclear Safety was adopted by a Diplomatic Conference convened by the International Atomic Energy Agency at its Headquarters from 14 to 17 June 1994.

Date of adoption: 17 June 1994

Date of entry into force: 24 October 1996

- The Convention on Nuclear Safety aims to commit participating States operating land-based civil nuclear power plants to maintain a high level of safety by establishing fundamental safety principles to which States would subscribe.
- The Convention is based on the Parties' common interest to achieve higher levels of safety that will be developed and promoted through regular meetings.
- It obliges Parties to submit reports on the implementation of their obligations for "peer review" at meetings that are normally held at IAEA Headquarters.

EURATOM acceded the Convention in 2000



International Atomic Energy Agency
INFORMATION CIRCULAR

INF

IAEA - INF/CIRC/449
5 July 1994

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LECTURE N. 3

THE ROLE OF THE EU IN THE ENERGY CHARTER TREATY



LATEST NEWS

The Energy Charter and Turkmenistan hold high-level meeting



On 28 April 2020, the Energy Charter **Secretariat**, headed by the **Secretary General**, held a video conference call with high representatives of the **Turkmenistan** government led by Mr Y Kakayev, Special Advisor to the President of Turkmenistan on oil and gas matters and by Mr Berdiniyaz Matiyev, Deputy Minister of Foreign Affairs. Other participants included Deputy Ministers of Finance, Justice, and...

[Energy Charter video-conference with Central Asian Ambassadors](#)

Azerbaijan assumes the Chairmanship of the Energy Charter Conference for 2020



As of 1 January 2020, **Azerbaijan** takes over the Chairmanship of the **Energy Charter Conference** for the year. The Conference works on an annual rotating basis, and each year a new country takes over leadership to direct the highest decision-making body of the **Energy Charter process**.

[EU4Energy Webinar – Energy Efficiency in Buildings, Armenia](#)



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Energy Charter Treaty (1)

*signed in December 1994
entered into force in April 1998.*

Sectorial agreement

54 members (including the European Union and Euratom)



**THE INTERNATIONAL ENERGY CHARTER
CONSOLIDATED ENERGY CHARTER TREATY**

with Related Documents

Energy Charter Treaty (2)

Objectives

The main idea behind the Energy Charter is to make available know-how, technology and financial resources of Western companies for the development and trade of energy resources in the eastern side of Europe.

The Energy Charter Treaty will establish a closer cooperation between the European Union and the East European countries. This cooperation will contribute to a sustainable economic and social development in the East European countries. **An efficient European energy market and security to investors are created.** It will also lead to greater security and a more environmentally sustainable supply and use of energy in Europe.



THE INTERNATIONAL ENERGY CHARTER
CONSOLIDATED ENERGY CHARTER TREATY

with Related Documents



Countries that adopted the International Energy Charter

* by 15 August 2015



INTERNATIONAL
ENERGY CHARTER



BOTSWANA



**BURKINA
FASO**



CAMBODIA



IRAN



ISRAEL



KYRGYZSTAN



LEBANON



NIGERIA



PHILIPPINES



**REPUBLIC OF
KOREA**



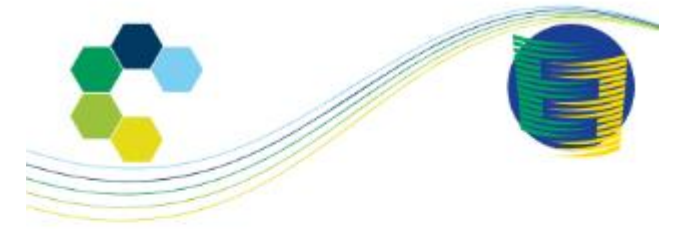
TAJKISTAN

Russia and ECT

Signed the ECT on 17 December 1991, BUT never ratified it

On 20 August 2009 the Russian Federation has officially informed the Depository that it did not intend to become a Contracting Party to the ECT

Such notification results in Russia's termination of its provisional application of the Energy Charter Treaty upon expiration of 60 calendar days from the date on which the notification is received by the Depository.



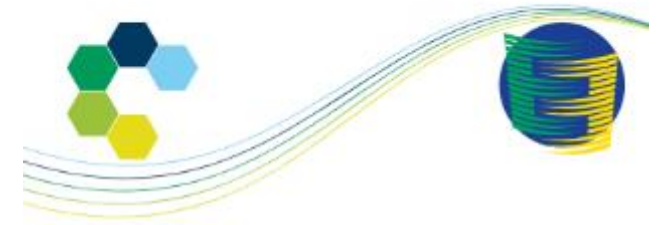
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Ukraine and ECT

signed on 17 December 1994

ratified on 6 February 1998



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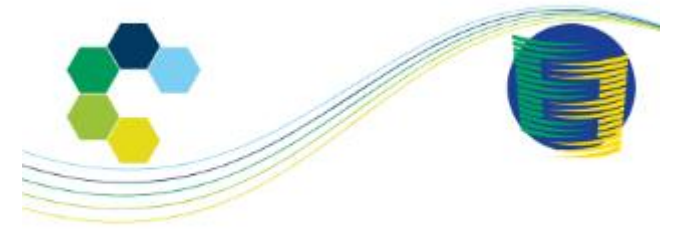
European Union and Euratom

1994 Energy Charter Treaty

signed on 17 December 1994

deposited on 16 December 1997

entered into force on 16 April 1998



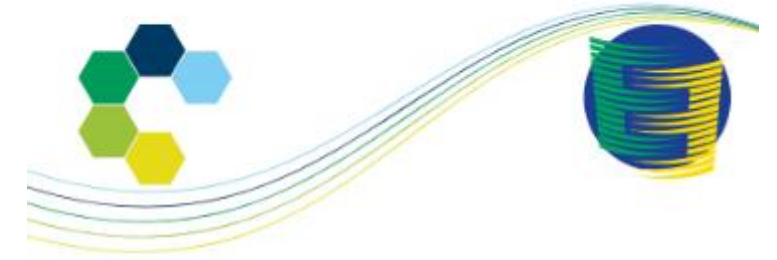
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ECT - Objectives

- *To attract private capital*
- *To facilitate cross-border projects*
- *To promote energy efficiency policies*
- *To develop technology transfer*
- *To encourage amicable settlements of disputes*
- *To be part of a constant and composite dialogue on cross-border energy issues among producer, transit and consumer countries*



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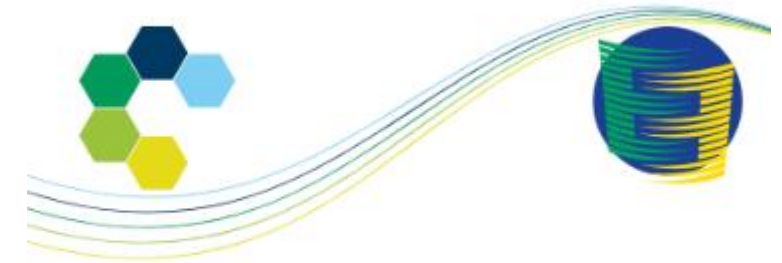
Structure of the ECT

Treaty: Preamble, 8 Parts, 14 Annexes

Institutional Structure

Energy Charter Conference → Governing Body

*Energy Charter Secretariat →
Administrative Body (monitoring
implementation of ECT)*



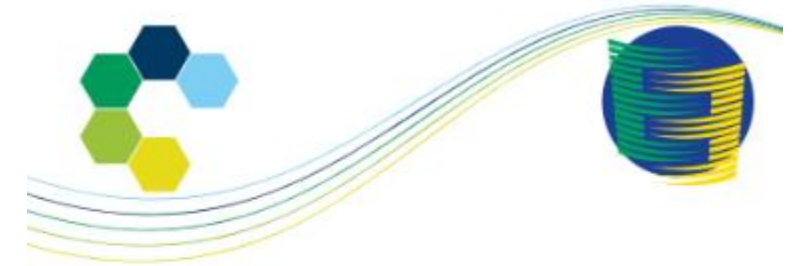
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Energy Charter Conference

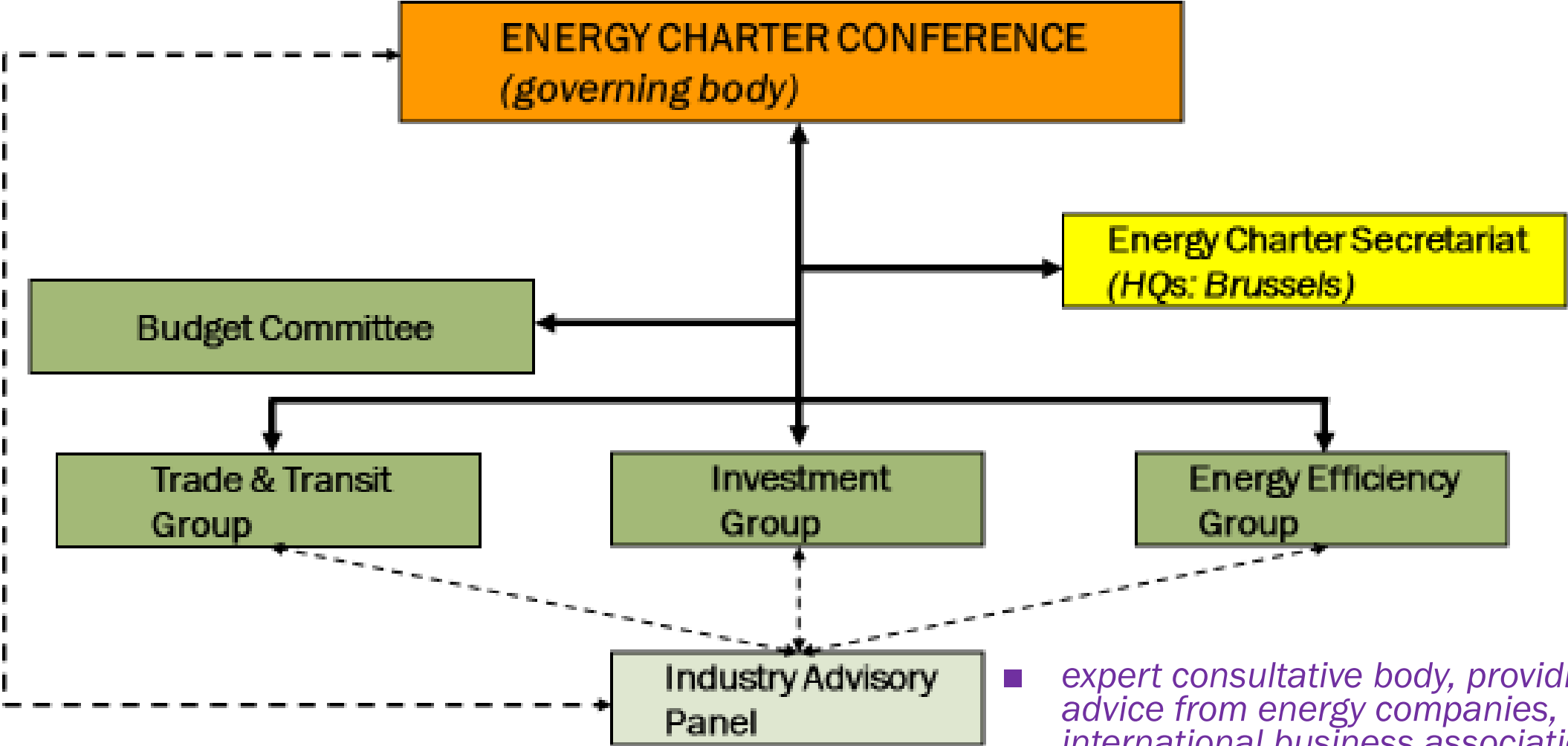
Governing and decision-making body of the Energy Charter process

All States parties to the ECT are members of the Conference, which meets on a regular basis to discuss issues affecting energy cooperation



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Energy Charter Process



■ expert consultative body, providing policy advice from energy companies, international business associations and financial institutions on energy investment and the functioning of energy markets.



COMPOSITION OF THE ENERGY CHARTER INDUSTRY ADVISORY PANEL (IAP)

MEMBERS AS OF 31 MARCH 2020:

COMPANIES

Germany

UNIPER SE

AHLUWALIA Kavita

Senior Vice President and Head of EU office Political & Regulatory Affairs

EWE AG

SCHULTE-DERNE
Sebastian

Head of Brussels Representative Office

Italy

Edison S.p.A.

PALMISANO Valeria

Head of EU Affairs

Enel S.p.A.

ZANGRANDI Roberto

Head of Institutional European Affairs

Eni S.p.A.

GIANSANTI Luca

SVP Head of European Government Affairs

ERG S.p.A.

GAZOLETTI Francesco

SVP International Affairs

Ukraine

Naftogaz of Ukraine	VOROCHEK Victoria	Deputy Head of Strategic Planning Department of NJSC
NEC "Ukrenergo"	BNO-AIRIIAN Mykhailo	Director of Communications and International Cooperation
NNEGC "Energoatom"	KUKHARCHUK Mykola	Director for International Cooperation
	TIURIN Andriy	Director of Brussels Office

United Kingdom

BHP Billiton	KILKENNY Carmel	Commercial Manager
BP	HUIJGENS Rutger	Director European Government Affairs
John Crane	MORTON John	Product Line Director
	LAIMINA Liene	Senior Manager Government Relations
The Prince of Wales's Corporate Leaders Group	KOEGLER Peter	Programme Manager

INTERGOVERNMENTAL ORGANISATIONS

CIS Electric Power Council	MISHUK Evgeny	Chair Executive Committee
European Bank for Reconstruction and Development (EBRD)	RASMUSSEN Eric	Director Natural Resources

ECT and Sovereignty over Energy Resource

ECT Article 18 (1)

“The Contracting Parties recognise state sovereignty and sovereign rights over energy resources...”

ECT Article 18 (2)

“... the Treaty shall in no way prejudice the rules in Contracting Parties governing the system of property ownership of energy resources.”

ECT Article 18 (3)

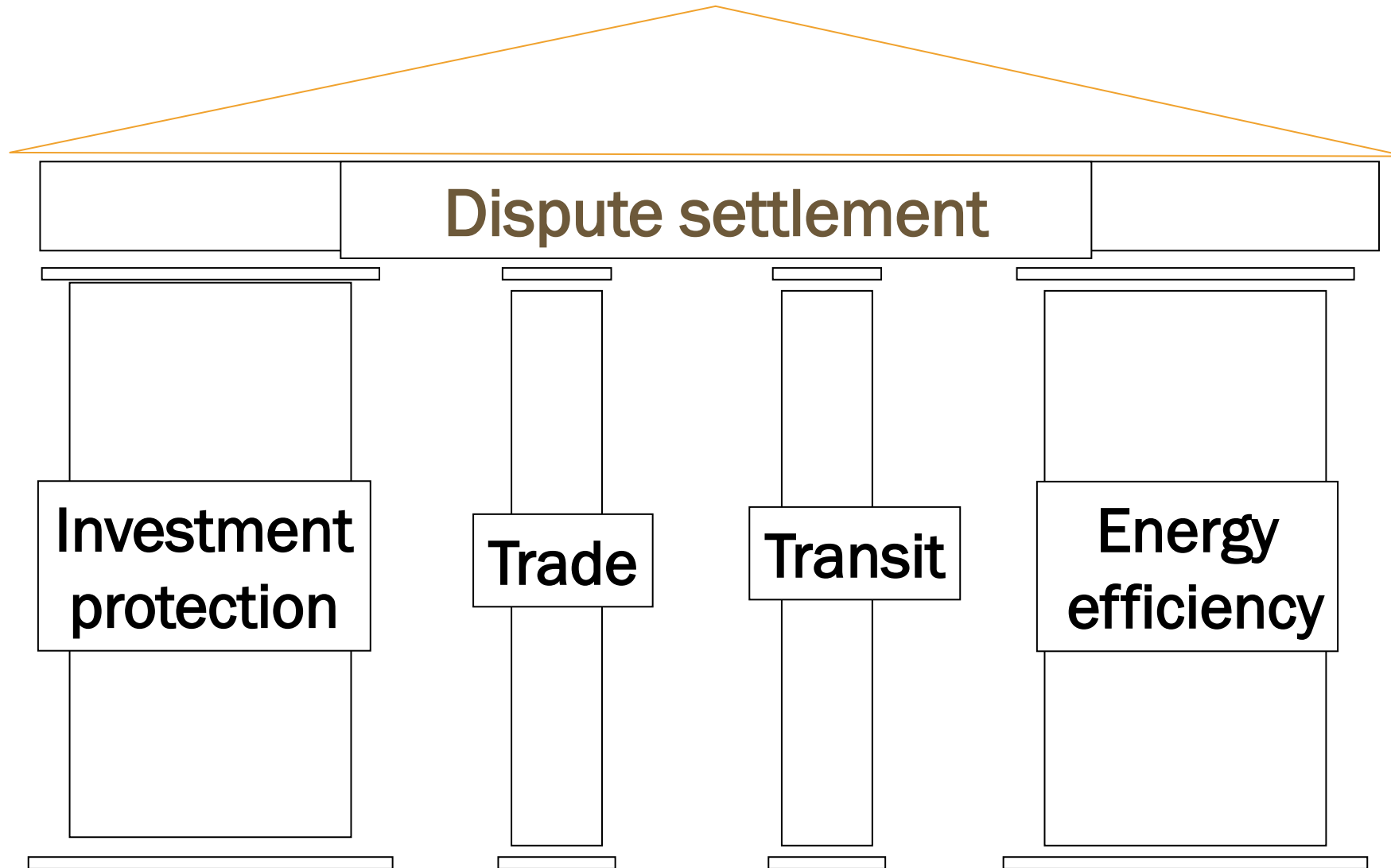
“Each state continues to hold in particular the rights to decide the geographical areas ... to be made available for exploration and development of its energy resources, the optimalization of their recovery and the rate at which they may be depleted or otherwise exploited, to specify and enjoy any taxes, royalties or other financial payments payable by virtue of such exploration and exploitation ...”



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The four pillars of the ECT



Freedom of transit

ECT Article 7 (1)

Each Contracting Party shall take the necessary measures to facilitate the Transit of Energy Materials and Products consistent with the principle of freedom of transit and without distinction as to the origin, destination or ownership of such Energy Materials and Products or discrimination as to pricing on the basis of such distinctions, and without imposing any unreasonable delays, restrictions or charges.



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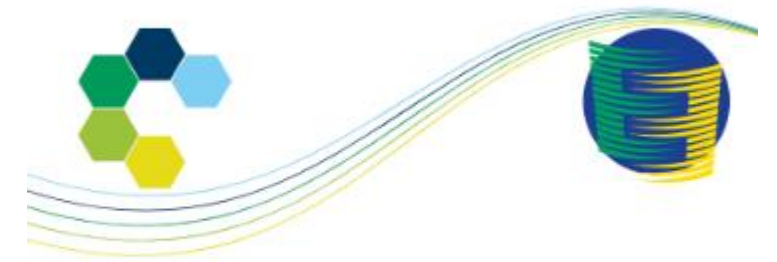
Transit

Freedom of energy transit

Non-discrimination as to origin, destination or ownership

Non-interruption of flow

Conciliation procedure for transit disputes



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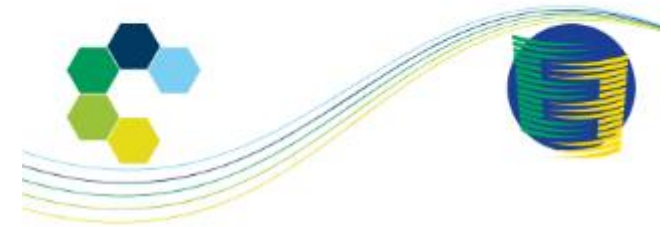
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Investment provisions of the ECT

Part III of the ECT ('Investment Promotion and Protection')

Standards of investment protection

Access to dispute resolution mechanisms



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HOST STATE

**BILATERAL
INVESTMENT
TREATY (BIT)**

HOME STATE

(State of nationality of the investor)



STANDARDS OF
PROTECTION of foreign
investments/investors

TODAY:
Around 2500 BITs

FOREIGN INVESTOR

- NATURAL PERSON
- JURIDICAL PERSONS (MNEs)

**What is an
investment?**
- Financial
contribution
- Certain duration
-Risk

HOST STATE



HOME STATE

State-to-State arbitration



ICSID

INTERNATIONAL CENTRE FOR SETTLEMENT
OF INVESTMENT DISPUTES

- State-investor arbitration
- Investor-State arbitration

FOREIGN INVESTOR

EU FOREIGN INVESTMENT POLICY

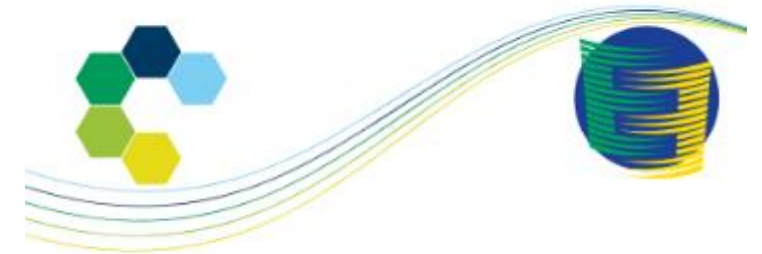
- **Before the entry into force of the Lisbon Treaty**
 - *freedom of establishment and the free movement of capital*
 - *Intra-MSs BITs and BITs concluded by MSs with third countries*
- **Lisbon Treaty** → exclusive competence on the CCP covers, among others, FDI

ECT: Definitions of “Investment” and “Investor”

ECT Articles 1 (6) and 1 (7)

Investment: Every kind of asset (e.g. shares, claims to money, intellectual property, licences, concessions) owned or controlled directly or indirectly by an Investor

Investor: natural persons of a CP (including permanent residents), and companies/organisations organised in accordance with the laws of a CP



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Article 1(6) ECT

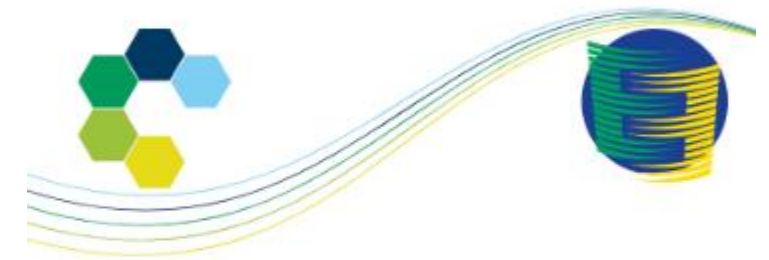
(6) “Investment” means every kind of asset, owned or controlled directly or indirectly by an Investor and includes:

(a) tangible and intangible, and movable and immovable, property, and any property rights such as leases, mortgages, liens, and pledges;

(b) a company or business enterprise, or shares, stock, or other forms of equity participation in a company or business enterprise, and bonds and other debt of a company or business enterprise;

(c) claims to money and claims to performance pursuant to contract having an economic value and associated with an Investment;

(d) Intellectual Property; [...]



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Article 1(7) ECT

(7) “Investor” means:

(a) with respect to a Contracting Party:

(i) a natural person having the citizenship or nationality of or who is permanently residing in that Contracting Party in accordance with its applicable law;

(ii) a company or other organization organized in accordance with the law applicable in that Contracting Party; 6

(b) with respect to a “third state”, a natural person, company or other organization which fulfils, mutatis mutandis, the conditions specified in subparagraph (a) for a Contracting Party.



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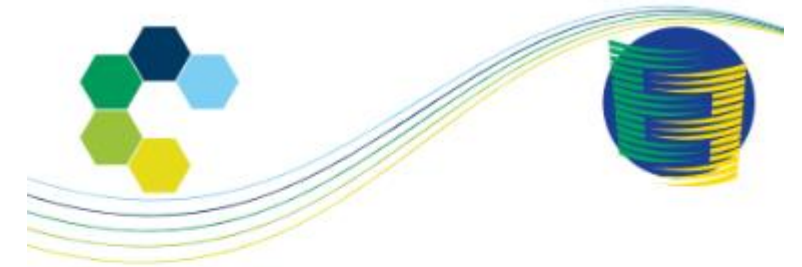
Strong Protection for Foreign Investment

Binding national treatment, elimination of quantitative restrictions

Freedom of investment-related capital transfers

Protection Against Political Risks

Expropriation and nationalization: prompt, effective and adequate compensation for any assets expropriated



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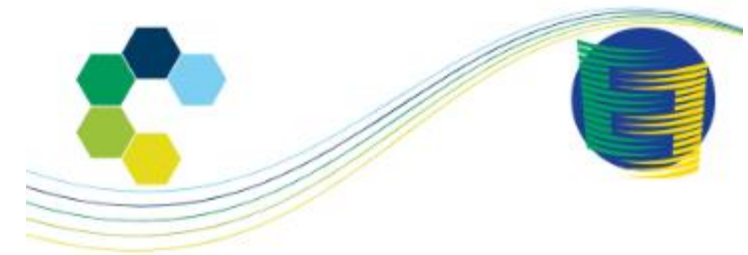
Dispute settlement mechanism in the ECT

Article 26 provides procedure on settlement of disputes between investor and a contracting party

Article 27 provides for a special procedure for disputes between contracting parties

Article 29 and Annex D include a mechanism for settling trade disputes over energy trade between member countries

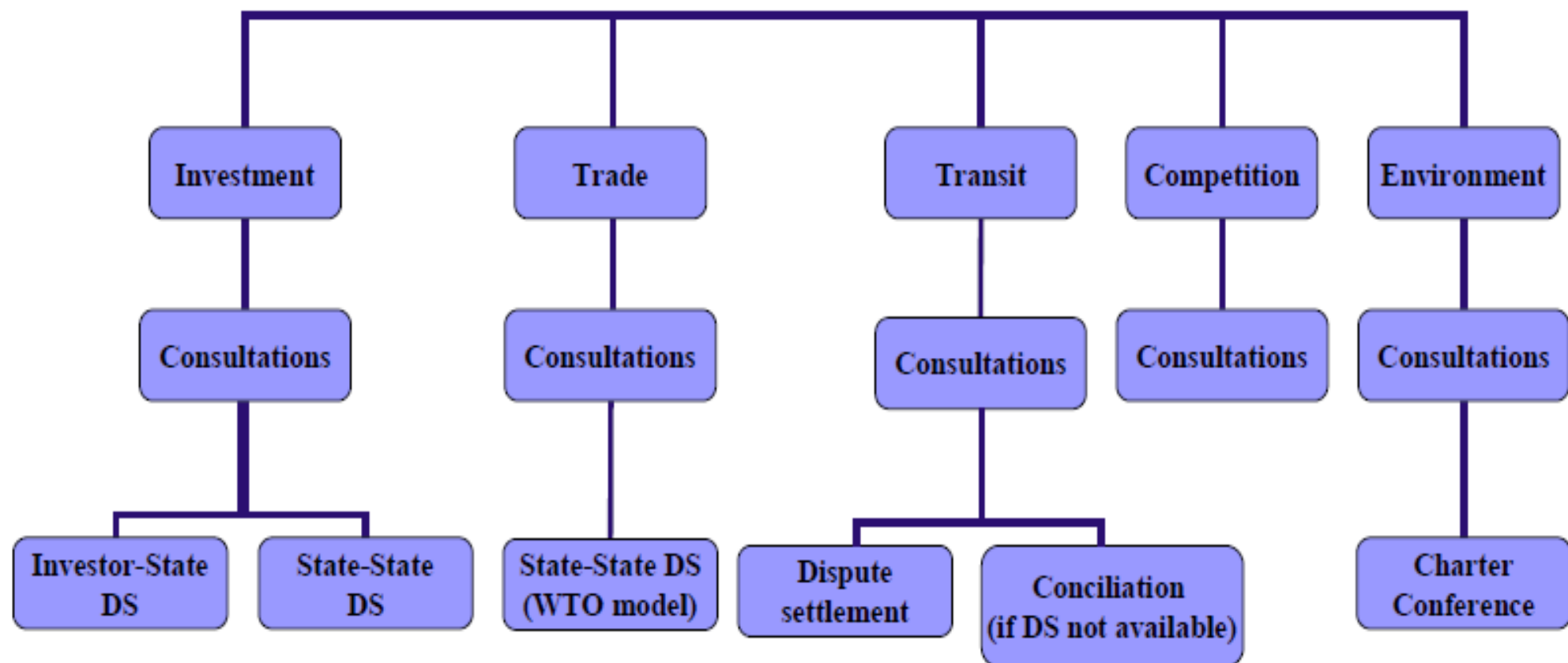
Article 7.7 provides a specialized mechanism for transit disputes



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Overview of dispute settlement under the ECT

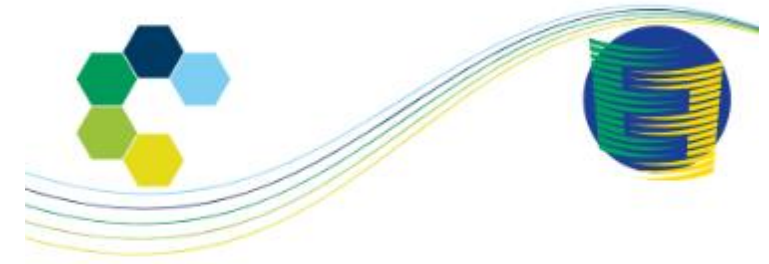


Investor-State Disputes (Art. 26)

Cooling-off period 3 months

Claimant's Option:

- (i) national courts;
- (ii) previously-agreed dispute settlement procedure; or
- (iii) treaty arbitration (e.g. ICSID)



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Article 26 ECT

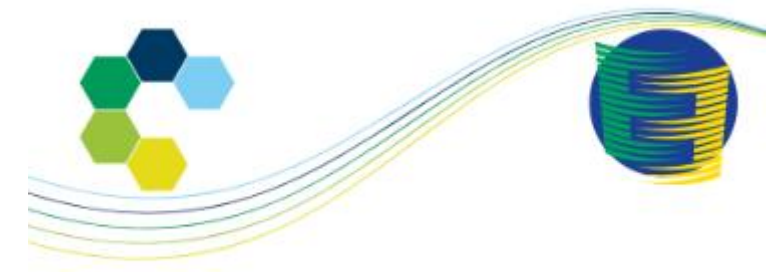
(1) Disputes between a Contracting Party and an Investor of another Contracting Party relating to an Investment of the latter in the Area of the former, which concern an alleged breach of an obligation of the former under Part III shall, if possible, be settled amicably.

(2) If such disputes can not be settled according to the provisions of paragraph (1) within a period of three months from the date on which either party to the dispute requested amicable settlement, the Investor party to the dispute may choose to submit it for resolution:

(a) to the courts or administrative tribunals of the Contracting Party party to the dispute;

(b) in accordance with any applicable, previously agreed dispute settlement procedure; or

(c) in accordance with the following paragraphs of this Article.



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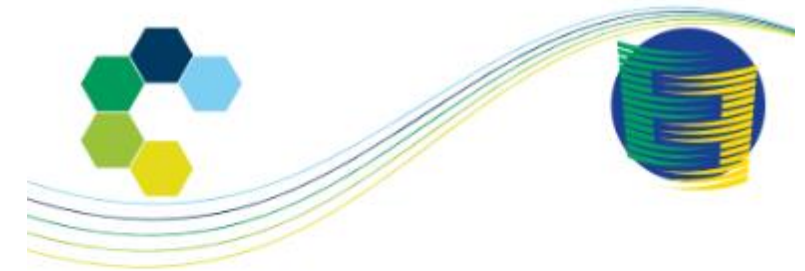
(3) (a) [...] each Contracting Party hereby gives its unconditional consent to the submission of a dispute to international arbitration or conciliation in accordance with the provisions of this Article. [...]

(6) A[n arbitral] tribunal [...] shall decide the issues in dispute in accordance with this Treaty and applicable rules and principles of international law.

[...]

(8) The awards of arbitration, which may include an award of interest, shall be final and binding upon the parties to the dispute. [...]

Each Contracting Party shall carry out without delay any such award and shall make provision for the effective enforcement in its Area of such awards.



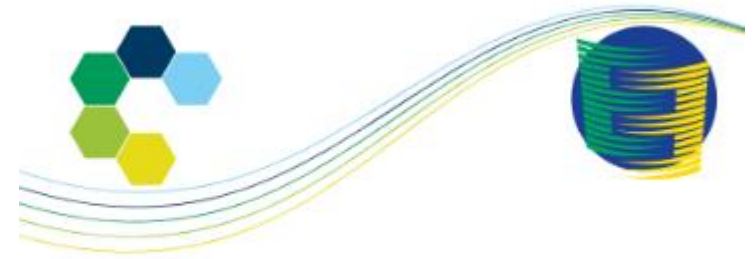
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ECT: Environmental aspects (Art. 19)

Minimise harmful environmental impacts

Take precautionary measures to minimize environmental degradation

Have particular regard to improving energy efficiency, to developing and using renewable energy sources, to promoting the use of cleaner fuels and technologies



**THE INTERNATIONAL ENERGY CHARTER
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Article 19: Environmental Aspects

(1) *In pursuit of sustainable development and taking into account its obligations under those international agreements concerning the environment to which it is party, each Contracting Party shall strive to minimise in an economically efficient manner harmful Environmental Impacts occurring either within or outside its Area from all operations within the Energy Cycle in its Area, taking proper account of safety. In doing so each Contracting Party shall act in a Cost-Effective manner. In its policies and actions each Contracting Party shall strive to take precautionary measures to prevent or minimise environmental degradation. The Contracting Parties agree that the polluter in the Areas of Contracting Parties, should, in principle, bear the cost of pollution, including transboundary pollution, with due regard to the public interest and without distorting Investment in the Energy Cycle or international trade. Contracting Parties shall accordingly:*

(a) *take account of environmental considerations throughout the formulation and implementation of their energy policies;*

(b) *promote market-oriented price formation and a fuller reflection of environmental costs and benefits throughout the Energy Cycle;*

(c) *[...] encourage cooperation in the attainment of the environmental objectives of the Charter and cooperation in the field of international environmental standards for the Energy Cycle, taking into account differences in adverse effects and abatement costs between Contracting Parties;*

(d) have particular regard to Improving Energy Efficiency, to developing and using renewable energy sources, to promoting the use of cleaner fuels and to employing technologies and technological means that reduce pollution;

(e) **promote the collection and sharing among Contracting Parties of information** on environmentally sound and economically efficient energy policies and Cost-Effective practices and technologies;

(f) **promote public awareness** of the Environmental Impacts of energy systems, of the scope for the prevention or abatement of their adverse Environmental Impacts, and of the costs associated with various prevention or abatement measures;

(g) **promote and cooperate in the research, development and application of energy efficient and environmentally sound technologies**, practices and processes which will minimise harmful Environmental Impacts of all aspects of the Energy Cycle in an economically efficient manner;

(h) encourage favourable conditions for the transfer and dissemination of such technologies consistent with the adequate and effective protection of Intellectual Property rights;

(i) promote the transparent assessment at an early stage and prior to decision, and subsequent monitoring, of Environmental Impacts of environmentally significant energy investment projects;

Protocol on Energy Efficiency and Environmental Related Aspects

negotiated, opened for signature and entered into force at the same time (16 April 1998) as the Energy Charter Treaty

Objectives:

1. Promotion of energy efficiency policies;
2. Creation of conditions through efficient energy markets;
3. Fostering co-operation in the field of energy efficiency

Through the implementation of PEEREA, the Energy Charter provides its member countries with a **menu of good practices and a forum** in which to share experiences and policy advice on energy efficiency issues.

ENERGY CHARTER PROTOCOL ON ENERGY EFFICIENCY AND RELATED ENVIRONMENTAL ASPECTS

(Annex 3 to the Final Act of the European Energy Charter Conference)

PREAMBLE

THE CONTRACTING PARTIES to this Protocol,

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; and in particular to the declarations therein that cooperation is necessary in the field of energy efficiency and related environmental protection;

Having regard also to the Energy Charter Treaty, opened for signature from 17 December 1994 to 16 June 1995;

Mindful of the work undertaken by international organisations and fora in the field of energy efficiency and environmental aspects of the energy cycle;

Aware of the improvements in supply security, and of the significant economic and environmental gains, which result from the implementation of cost-effective energy efficiency measures; and aware of their importance for restructuring economies and improving living standards;

Recognising that improvements in energy efficiency reduce negative environmental consequences of the energy cycle including global warming and acidification;

Convinced that energy prices should reflect as far as possible a competitive market, ensuring market-oriented price formation, including fuller reflection of environmental costs and benefits, and recognising that such price formation is vital to progress in energy efficiency and associated environmental protection;

Appreciating the vital role of the private sector including small and medium-sized enterprises in promoting and implementing energy efficiency measures, and intent on ensuring a favourable institutional framework for economically

EU's participation in the ECT's dispute settlement

The Declaration of Transparency

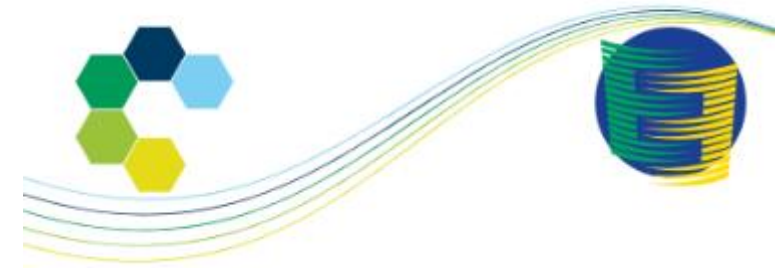
The EU establishes how the responsibility regarding the ECT should be apportioned:

“The European Communities and their Member States have both concluded the Energy Charter Treaty and are thus internationally responsible for the fulfilment of the obligations contained therein, in accordance with their respective competences.”

“The Communities and the Member States will, if necessary, determine among them who is the respondent party to arbitration proceedings initiated by an Investor of another Contracting Party. In such case, upon the request of the Investor, the Communities and the Member States concerned will make such determination within a period of 30 days.”

The EU would be responsible to the extent that it has competence over the issue.

In situation involving shared competence it could be assumed that the joint responsibility would apply.



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The International Energy Charter

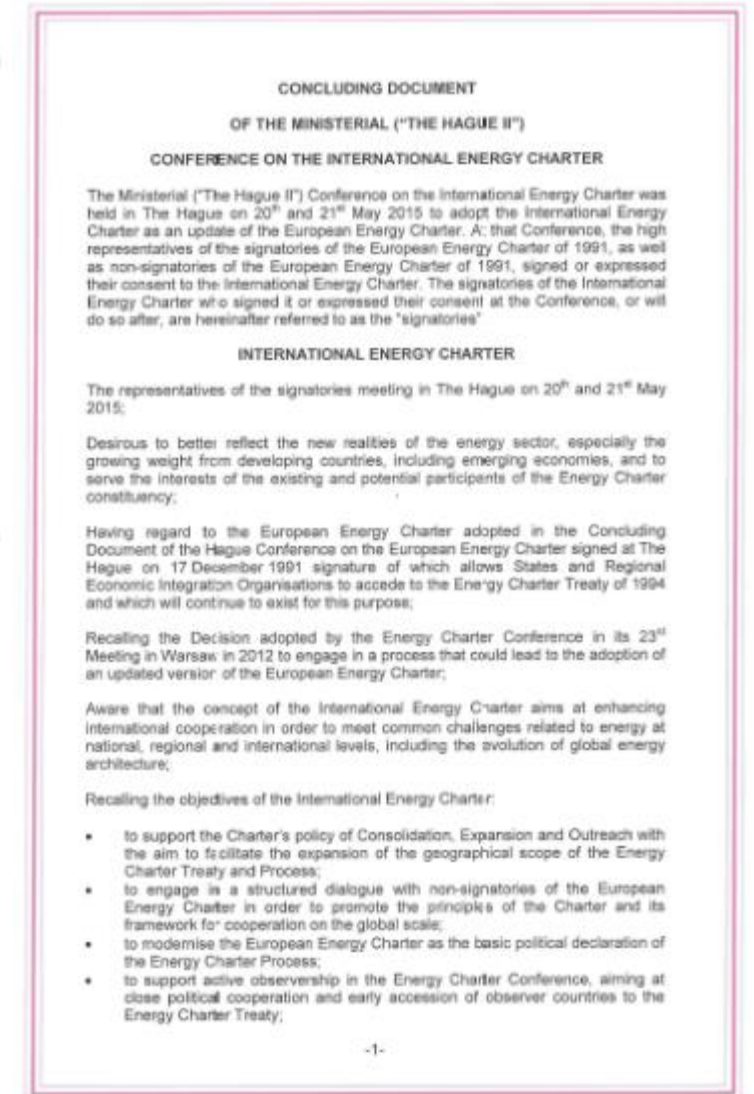
Declaration of political intention

Formally adopted and signed at the Ministerial Conference of 20-21 May 2015 (around 80 States took part in negotiations, which was promoted by the Energy Charter Treaty Secretariat)

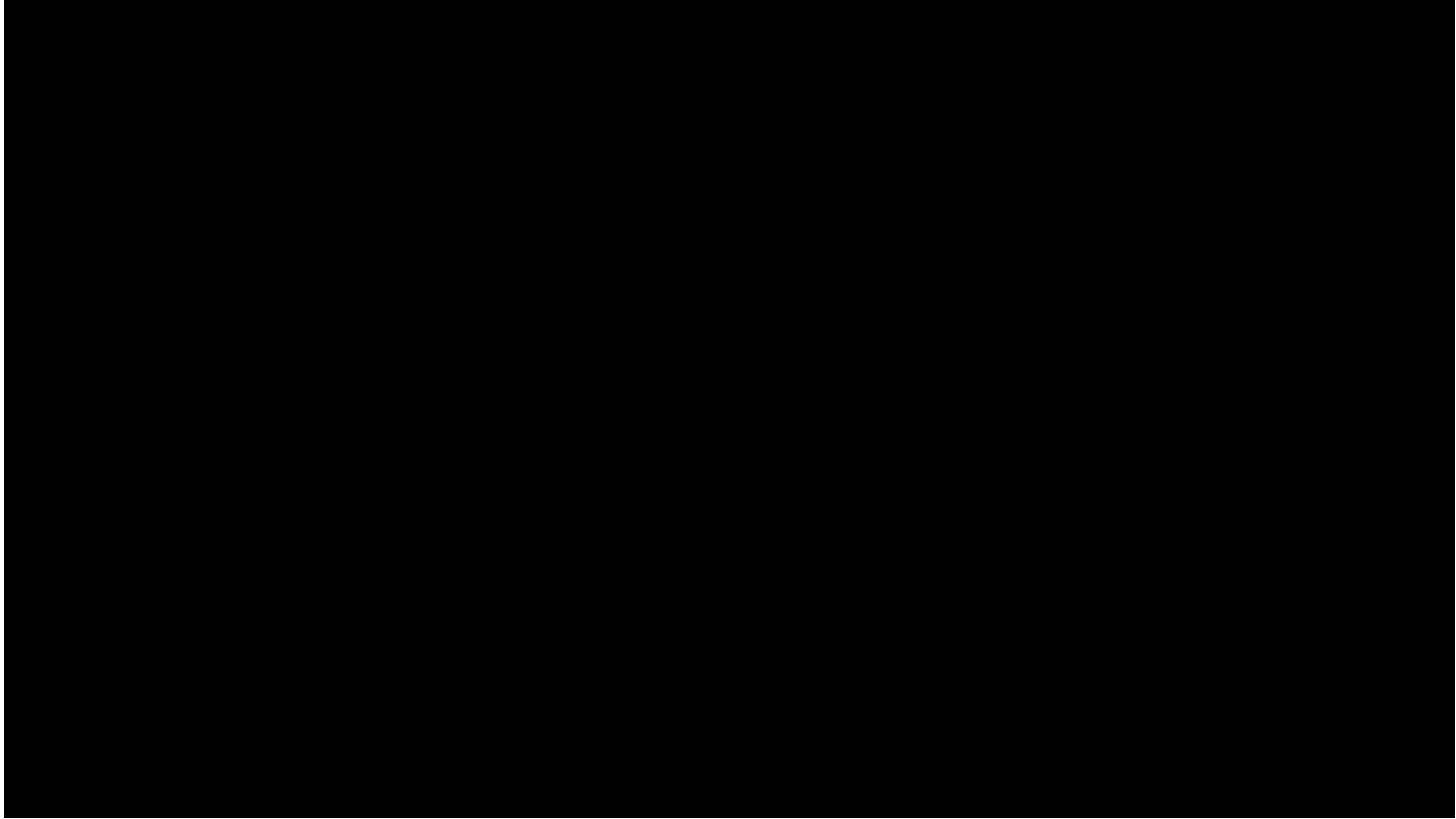
It maps out common principles for international cooperation in the field of energy

Promotes energy cooperation among nations for the sake of energy security and sustainability.

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



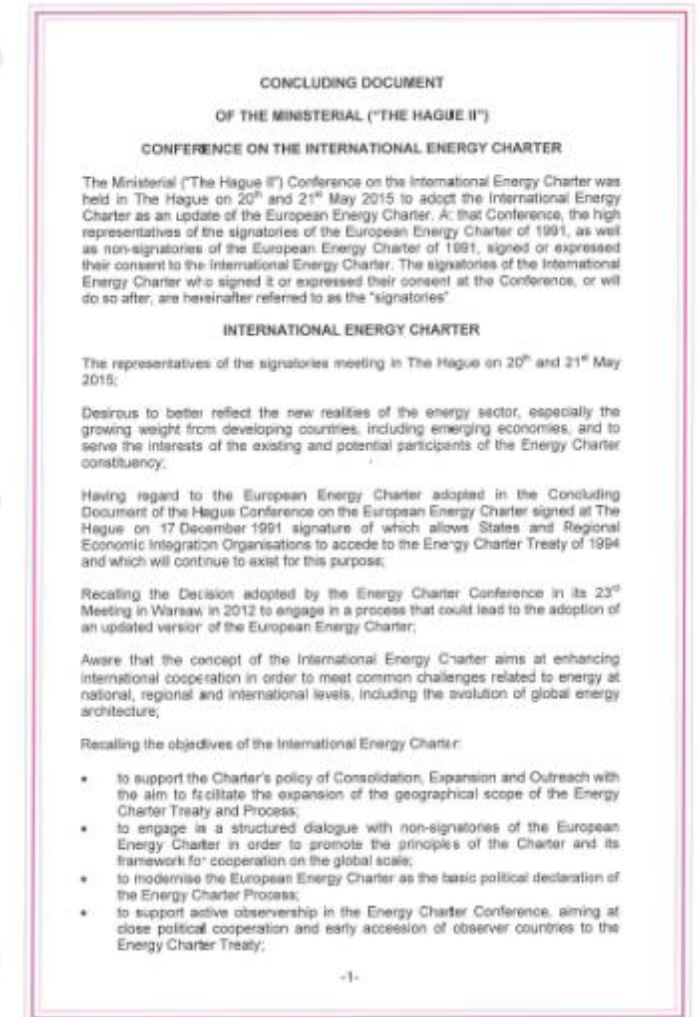
<https://www.youtube.com/watch?v=I2G6DFygVlo>



Signatories of the International Energy Charter

Afghanistan, Albania, Armenia, Austria, Bangladesh, Belarus, Belgium, Benin, Bulgaria, Burundi, Cambodia, Chad, Chile, China, Colombia, Croatia, Cyprus, Czech Republic, Denmark, Economic Community of West African States (ECOWAS), Estonia, **European Union and Euratom**, Finland, France, Georgia, Germany, Greece, Hungary, Ireland, Italy, Japan, Jordan, Kazakhstan, Kyrgyzstan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mauritania, Moldova, Mongolia, Montenegro, Morocco, The Netherlands, Niger, Norway, Pakistan, Palestine, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tanzania, The former Yugoslav Republic of Macedonia, Turkey, Turkmenistan, Uganda, **Ukraine**, United Kingdom, United States, Uzbekistan, Yemen

(68 Signatories)



Other Countries that adopted the International Energy Charter

11 other countries were present in the Hague on 20-21 May 2015 for the adoption of the International Energy Charter and adopted it officially. It is planned that these countries will sign the international Energy Charter in the future.

Botswana, Burkina Faso, Cambodia (signed on 19 October 2015), Iran, Israel, Kyrgyzstan (signed on 19 October 2015), Lebanon, Nigeria, Philippines, Republic of Korea, Tajikistan

