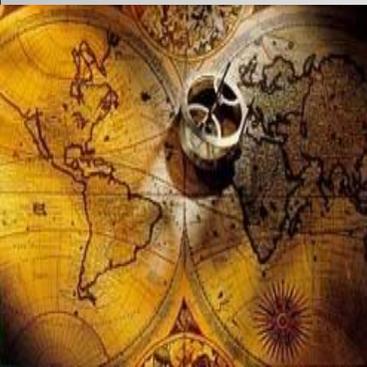




The Luanda Declaration: Towards an 'Atlantic Charter for Sustainable Energy'

Paul Isbell
Vicente Lopez-Ibor
4th EPG Meeting of the ABI
Veracruz, January 16, 2014





The Luanda Declaration

The Luanda Declaration was adopted on June 24th 2013 by the Eminent Persons Group of the Atlantic Basin Initiative.

The Luanda Declaration committed this group of private leaders and specialists from around the Atlantic Basin:

- to promote *freer movement of energy products* and services and to develop *efficient energy infrastructure* to facilitate the deepening of *market-based trade* in energy within the Atlantic space.
- to *extend access to modern energy services* to all people within the Atlantic Basin, taking account of the particular challenges posed by *climate-resilient sustainable development*.

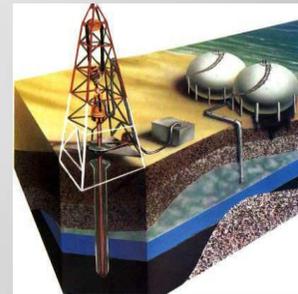




The Luanda Declaration: Goals

The Luanda Declaration called for **the creation of the Atlantic Energy Forum** (AEF) to be tasked with achieving four goals:

- To **facilitate and develop Atlantic Basin trade in energy**;
- To **promote more effective Atlantic energy cooperation**;
- To **improve energy efficiency and environmental protection** within the Atlantic Basin;
- To **facilitate the formation of an pan-Atlantic energy system** through joint or coordinated Atlantic Basin action.





The Atlantic Energy Forum (AEF)

The AEF will be a dynamic instrument, open to any major participants from all Atlantic Basin countries. The AEF aspires:

- to *promote the application of the Luanda Declaration principles*,
- to *facilitate particular private-private, or private-public collaborative energy projects* (Atlantic Action Alliance for the Reduction of Energy Poverty; Cooperative Atlantic Basin Initiative; collaborative programs to avoid resource curse in new Atlantic producers)
- To *recommend policies and collaborative projects to Governments* in order to achieve a more effective coordination of Atlantic Basin regulatory regimes.
- to *catalyze the drafting and adoption of an Atlantic Basin Charter for Sustainable Energy*





AEF Structure

- A High Committee, or '*Secretariat*': composed of four co-Chairs from the EPG (one from each continent), a Secretary General and three to five recognized experts to be appointed by the EPG.
- AEF Secretariat --supported by CTR (JHU SAIS) -- will be charged with *setting the agenda and supervising progress of the AEF*.
- The AEF Plenary: CEOs and Director Generals of the private companies, industry associations, NGOs and policy/regulatory bodies making up AEF membership.
- The Secretariat will *establish thematic working groups made up of qualified "sherpas"* – the expert representatives appointed by the members and/or the Secretariat.
- The AEF will be attended by the top-level executives of the (25-40) membership entities. *The objective is to draft and adopt an Atlantic Charter for Sustainable Energy.*





The Atlantic Charter for Sustainable Energy (ACSE)

To attain the objectives of the Luanda Declaration, the draft of the Atlantic Basin Energy Charter will need to detail coordinated actions to be taken in the following fields:

- Access to and development of energy resources;
- Access to markets;
- Liberalization of trade in energy;
- Promotion and protection of investment;
- Safety principles and guidelines;
- Research, technological development, innovation and dissemination;
- Energy efficiency and environmental protection;
- Education and training.





The Energy Charter Treaty (ECT) vs Atlantic Charter for Sustainable Energy

Different origins: ECT (*governments*); ACSE (*private, civil society initiative*)

Different dynamics: ECT is a *legally binding multilateral instrument*; Atlantic Charter for Sustainable Energy is *an open, flexible, inclusive process*. Not necessarily to end in an international treaty (although it could)

Different geographic scope: ECT, while aspiring to be a global treaty, has been *focused on the countries of the Eurasian landmass*; the ACSE embraces the countries of the *Atlantic Basin*

Different equilibrium between producers and consumers: ECT is *dominated by net importing countries*; ACSE has a *better balance between producers and consumers*







An Atlantic Charter for Sustainable Energy versus the Energy Charter Treaty: A Comparative Analysis





Distinct Origins: Governments vs Civil Society

1. The Energy Charter Treaty (ECT)

The origins of the ECT date back to a political initiative undertaken by the European Council) and other Governmental Entities. The Treaty was developed on the basis of a Declaration for international energy cooperation, the European Energy Charter of 1991. The Energy Charter Treaty was signed in 1994 by some 62 states.



2. A Future Atlantic Charter for Sustainable Energy Treaty

The origin of the Luanda Declaration and of the Atlantic Charter for Sustainable Energy comes from *a private civil society initiative* to pursue a cooperative process towards transnational energy governance in the Atlantic Basin, seeking the participation of Governments, and other private and public entities, in a dynamic creative process.





Different Dynamics: ACSE an 'open' process

1. The Energy Charter Treaty

The Energy Charter Treaty is *a legally binding multilateral instrument* originally aiming at the development of energy cooperation among the states of Eurasia, and focusing on the protection of foreign investments.



2. The Atlantic Charter for Sustainable Energy Treaty

The ACSE will foment *collaborative energy initiatives* in the Atlantic Basin, one of world's major reserves of natural resources, to promote the mutual benefit of Investors and Resources Owners, fomenting technology transfer and deployment of sustainable energy solutions, and fair corporate governance. While a treaty may or may not develop from this process, it is not assumed to be the only end goal.





Objectives & Principles (I)

1. The Energy Charter Treaty

The Energy Charter Treaty is a balanced framework for cooperation in the energy sector.

Resource producers: ECT helps to *attract inward FDI investment*, to *protect their interests downstream*, and to *ensure reliable transportation for their energy exports* to consumers.

Energy-importing countries: ECT provides protection for their outward energy investments, and mechanisms to promote security of supply. All countries benefit from measures to encourage the efficiency of energy production and use and to minimize their negative environmental impacts.





Objectives & Principles (II)

2. The Atlantic Charter for Sustainable Energy Treaty

The ACES (or 'Atlantic Energy') Treaty aims to establish closer, mutually-beneficial commercial relations, *through the AEF*, and promote energy investments by: a) promoting free movement of energy products and technology, b) developing an efficient international energy infrastructure, c) facilitating the development of market-based trade in energy.

The Treaty's provisions promote a new model for energy co-operation in the long term within the framework of a market economy and based on mutual assistance and the principle of non-discrimination; and within the framework of State sovereignty and sovereign rights over energy resources; and taking due account of environmental concerns.





Different Adoption Process

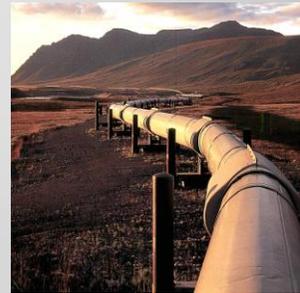
1. The Energy Charter Treaty

For each state or Regional Economic Integration Organization which ratifies, accepts or approves the Treaty or accedes thereto after the deposit of the thirtieth instrument of ratification, acceptance or approval, it shall enter into force on the ninetieth day after the date of deposit by such state or Regional Economic Integration Organization of its instrument of ratification, acceptance, approval or accession.



2. The Atlantic Charter for Sustainable Energy and AEF

The Atlantic Basin Countries and their agents will request the Government of Angola, the host government of the Third EPG of the ABI (or alternatively President Jose Maria Aznar, President of the EPG of the ABI), to transmit to the Secretary-General of the United Nations the text of the Luanda Declaration and the Atlantic Charter for Sustainable Energy.





Principles of the Energy Charter Treaty to be Considered

Some of the principles of the Energy Charter Treaty could be considered for incorporation into the ACES:

- Article 5. Trade-related Investment Measures
- Article 7. Transit
- Article 9. Access to Capital
- Article 12. Compensation
- Article 13. Expropriation
- Article 19. Environmental Aspects

