

**24<sup>th</sup> MEETING OF THE ENERGY CHARTER CONFERENCE**  
**“15 YEARS (1998,2013) OF ENERGY INVESTMENT**  
**PROMOTION AND PROTECTION UNDER THE ENERGY CHARTER**  
**TREATY”**

*5-6 December 2013, Nicosia*

*Speech of H.E Dr. Omar Kettaneh*

*Chairman of Arab Ministerial Council for Electricity*

*Chairman of Palestinian Energy & Natural Resources Authority*

**Mr. Jambulat SARSENOV**

Vice-Chairman of the Energy Charter Conference

**H.E. Yiorgos LAKKOTRYPIS**

Minister of Energy, Commerce, Industry and Tourism, Republic of Cyprus

**H.E. Uzakbay KARABALIN,**

Minister of Oil and Gas, Kazakhstan

**H.E. Jaroslav NEVEROVIČ,**

President of the Council of the EU, Minister of Energy, Lithuania

**H.E. Sven ALKALAJ,**

Executive Secretary of the UNECE

**H.E. Mr. Urban Rusnak**

Secretary General of the Energy Charter

**Excellencies,**

**Heads and Members of delegations**

**Distinguished Guests**

**Ladies and Gentlemen**

I am pleased to express my thanks and appreciation to H.E. Yiorgos LAKKOTRYPIS and the Energy Charter Secretariat for the very kind invitation to address the Ministerial Session of the 24<sup>th</sup> Energy Charter Conference, I would like also to thank them for their efforts and hard work for organizing this important event, my sincere thanks as well to the Government of Cyprus for hosting the conference in this marvelous place .. here I feel honored to be visiting the Republic of Cyprus, one of the old friends of the Palestinian People.

The convening of this conference and the meeting of this elite group of officials, experts and specialists in our region and the world, demonstrates the importance we attach as the world for energy, particularly the major changes and challenges facing this very important sector, Our role – Should always be - to develop the means and technology to take advantage of all energy resources we have to achieve the most appropriate energy mix, least-cost and environmentally cleaner.

## **Excellencies / Ladies and Gentlemen:**

On our way towards rebuilding the Palestinian energy sector, after it caused by the occupation policies of destruction and sabotage, the Palestinian Energy & Natural Resources Authority, in support of His Excellency Mr. President and the Prime Minister, has restructured the energy sector in Palestine to fit the new structure with the policies of international practice in this area. We take into account the latest management and technical techniques in order to achieve the integration of governmental institutions operating in the energy sector and harmony of its plans, and building a comprehensive strategic plan for the development of energy sector and promotion of its components that enable withstanding the problems and obstacles imposed by the occupation authorities. During the last short period, the Energy Authority has been able to achieve many accomplishments, including:

- The Adoption of the General Electricity Law activated at the beginning of the month of May of 2009;
- The Establishment of the Council for Regulation of electricity sector in the month of February 2010;
- Delivery of electricity to residential areas and areas not electrified in remote villages through the construction of medium voltage networks; 99.5% of the Palestinian territories become electrified;
- the establishment of the Palestinian Energy and Environmental Research Center and the development of a range of specialized services under the Energy and Natural Resources Authority;
- as well as begin a series of projects aimed at achieving energy efficiency in Palestine in the various sectors and raising awareness on the use of renewable energy and its benefits;
- The Palestinian Initiative for Solar Energy has been established to encourage the investment and stimulate the deployment of renewable energy technology through which domestic consumers can install at least 5 MW of PV modules by the year 2015.

We started by the installation of 1,000 home systems in West Bank and 400 home systems in Gaza Strip.

- In addition, the feed in tariff system has been adopted by the Palestinian Cabinet that guarantees power purchase from the investor at a preferred price.
- And in March of this year, the Ministerial Resolution concerning the regulation of renewable energy utilization in Palestine had been issued, which

aims to increase the contribution of renewable energy in the total energy supply to 25% by the year 2020.

All of these laws and regulations were designed to develop renewable energy use in Palestine, and to facilitate for all those who wish to invest in this important sector.

Therefore, I invite all investors to invest in this sector in Palestine and you will touch the seriousness and flexibility in the laws, investment incentives and assistance that will be communicated to you all the time.....

This invitation will lead me to speak about the theme of our conference today ..

### **Excellencies / Ladies and Gentlemen:**

The recent discoveries in the Levant Basin, a stretch of sea that extends from the coasts of Israel, Palestine, Lebanon and Syria and is estimated to contain 122 trillion cubic feet of gas, these huge reserves increased the challenges for the energy Sector in the region which is already full of other political challenges and conflicts, these challenges represent one of the most important security paradigms in the Mediterranean region in the absence of regional regulatory mechanisms to tackle the challenges in a multilateral way.

I strongly believe that all the countries in this region are looking for almost the same objectives : security and stable supply. But there are also big divergences and these divergences could be new sources of conflict and misunderstanding between the countries in the region

None of the countries in this region are self sufficient in terms of energy needs, and this should be leading them to cooperate and coordinate together to find the possible mechanisms to achieve common objectives,

In this context I would like to say that the Energy Charter Treaty, can be the best framework, under it the cooperation can be developed and a serious dialogue between the neighbors can take place ..

### **Having said that about developing the regional cooperation, I would like to elaborate on the investment under the ECT**

ECT provides extensive and comprehensive investment protections intended to create a “level-playing field” and reduce the non-commercial risks associated with energy sector investment to a minimum. With respect to the scope of application, its coverage of “investment” and “investor” is broader than other treaties. Its argued that the Treaty took a so far-reaching wide concept that it is very hard to envisage any commercial or financial assets which are not covered by the definition.

The core of the investment protection provisions lays in Part III, which includes a variety of protections and promotions of investment. General protections similar to those in many BITs, such as “fair and equitable treatment” ,” most constant protection and security” .. etc, are provided.

A distinctive feature of the Treaty is that pre-investment obligations are mixed with post-investment obligations. The existing obligations of pre-investment are provided in a soft-law formulation, thus words such as “shall” or” shall endeavor” are used when describing the Treaty obligations applying to the pre-investment phase.

Though ECT was only of a sectoral nature and not meant for universal membership, it is the first multilateral treaty containing substantive rules on foreign investment. In compatible with its broader coverage of protection, it has some sparkling advantages as follows:

- the Treaty can keep a balance between investment protection and national sovereignty. On the one hand, it guarantees investor’ s approach to natural resources, by protecting and promoting foreign investment with rules on fair and equitable treatment, non-discriminatory treatment, expropriation, transfer and most importantly, the investor-state dispute settlement. Once a foreign investment is made in accordance with a country’ s national legislation, the Treaty is designed to provide a reliable and stable interface between the investment and the host government. On the other hand, Article 18(1) of the Treaty provides recognition of the principle of national sovereignty over energy resources.
- Secondly, the Treaty may foster solutions to global warming and promote sustainable development. 54 It is noted that the application of the Treaty to climate change solutions is well based on its original intention and its provisions. It can play a role in solving the global warming problems, because accession to the Treaty by emerging nations would improve the investment climate in the energy sector by creating a more secure investment environment and lowering the cost of investments.
- Third, the Treaty may enhance consistency in international investment arbitration in the sphere of energy. 58 Without a multilateral investment agreement among the world, investment disputes are solved under a patchwork of mechanisms, thus uncertainty and inconsistencies are generated during the process of resolving investment disputes, which results in the “legitimate crisis” of international investment arbitration.
- And finally, With respect to investment promotion and protection, the road map provides three objectives: complementing the effectiveness of the relevant ECT provisions in view of major trends affecting investments into the energy sector; promoting a healthy investment climate (developing of a Model Investment Agreement); assessing the ECT provisions with regard to low-carbon investment.

Again , and In this context, I would like to say that a unique instrument like the Energy Charter Treaty, the only Multilateral international legally binding treaty can bring the investment protection, provide level playing field and other potential values which can help the countries in the region to agree on international common roles that provide fair measures and reliable values for current and futures regional cooperation and sector stability.

**Excellencies / Ladies and Gentlemen:**

After thanking the Preparatory Committee for this conference, I take this opportunity to recall my invitation to the Chairman and the Secretary General to visit Palestine , as well as my request that Palestine to subscribe to, and to sign the Energy Charter Declaration of 1991 as a first step for our full accession to the treaty, I would like also to thank the Conference and the Secretariat for taking in the last 3 years very good efforts towards the MENA region which is resulted in more awareness, more countries joining the process like Morocco and Yemen, and the internal consultations by many other countries to join the process or to develop their role towards the full accession.

Finally , I am sorry to be a little bit long, but the topic is really important..

**Thank You all for Kind attention**