PROGRAMME OF ACTION TO ADDRESS ENERGY POVERTY: FOCUS ON AFRICA

G8 Energy Ministers Meeting 2009

Rome

May 24-25, 2009

Energy Charter Secretariat

TABLE OF CONTENTS

1 – Executive Summary

The role of energy in promoting development has been widely acknowledged. To ensure the sustainable and equitable growth necessary to alleviate poverty and to overcome underdevelopment, states and communities require access to affordable, reliable and environmentally acceptable energy resources. The countries of Africa face a particular challenge in this respect. While the continent contains considerable energy resources, both in hydrocarbons and renewables, many countries are energy poor; lacking resources and energy infrastructure. Energy producer countries have received significant foreign investments but too often still struggle to provide their population with sufficient energy supplies. In many cases, only relatively small amounts of the energy from producer nations are available to their neighbours. In the future, with projections suggesting that Africa will face significant demand increases in the decades ahead, there is a clear case to consider how to meet the pressing energy needs of the continent.

Experience from around the world, and in particular in respect to the Energy Charter Treaty, points to the useful role that multilateral institutions working on the basis of legally binding provisions can play in promoting mutually advantageous cooperation between producer, transit and consumer countries. In the context of Africa, strengthening regional and sub-regional cooperation, notably in the area of electricity, could make a significant contribution to providing the energy necessary to achieve development goals.

The Energy Charter Treaty has over a decade of experience in promoting multilateral cooperation. The Treaty offers a balanced framework of international rules and principles that is already established, effective and

widely supported. The three 'pillars' of the Treaty – investment protection, dispute resolution and security of transit – offer an unrivalled legally binding framework for developing mutually advantageous approaches to the urgent energy challenges facing its member states. It also provides an opportunity for member states to maintain a dialogue with industry. Over fifty states are Contracting Parties to the Treaty and new observers and members continue to join. Indeed, the Treaty is open to all.

The ECT contains strong investment provisions which, if applied in African countries, would do much to enhance the continent's investment climate. Further, the Treaty's transit elements, and the practical work through the Energy Charter process to strengthen existing provisions, could provide an effective framework to manage efficiently the future development of energy transport and transmission infrastructure in the continent.

Enhanced cooperation amongst the countries of Africa in the area of electricity would offer important technical and commercial advantages. The establishment of large energy markets bound by shared rules would promote economies of scale in energy projects, the optimization of transmission networks and increased opportunities to employ environmentally 'clean' sources – notably hydropower and wind. Together these elements would promote efficiency, reliability and common energy security. The establishment of practical mechanisms for cooperation in the energy sphere has also had other benefits. The creation of regularized dialogue mechanisms serves as an important means to enhance transparency and to build trust and confidence.

A key aspect of the work of the Energy Charter is the ability to promote cooperative solutions appropriate to local and regional markets and demands. A good example of this is the support in recent years of the Energy Charter Secretariat for the creation and operation of the Regional Task Force on Electricity Cooperation in Central and South Asia. The Task Force brings together delegates from the countries of the region, representatives of international organisations and experts. The common aim of the group is to find effective and mutually agreeable ways to enhance the cross border trade in electricity and the creation of a regional electricity trade. The Energy Charter Secretariat has taken a leading role in developing Cross-Border Model Electricity Agreements to assist the work of the group.

Regional cooperation around the globe on energy issues suggests that there may be considerable scope and substantial advantage in the development of this type of approach to energy issues within Africa. The Energy Charter process is flexible, neutral and well established. A consideration of the experience of the ECT with a variety of sectors and issues can provide useful guidance on how energy cooperation could be advanced further in the countries of Africa.

2 – The Advantages of Multilateral Energy Cooperation for Africa

During the last two decades bilateral arrangements dominated the energy affairs of the African continent. The gas pipeline “Enrico Mattei”, in operation since 1983, presently transports 15bcm of natural gas to Italy per year. In 1996, the “Pedro Duran Farrell” pipeline crossed the Mediterranean Sea, delivering 11bcm of Algerian natural gas per year to Spain. “Green Stream” has been transporting 8bcm/year from Mellitah

(Libya) to Gela in Italy since October 2004, and two new fixed infrastructure projects are in the development phase, namely "MEDGAZ" to deliver 8bcm a year from Algeria to Spain and "GALSI" to deliver 8bcm a year of natural gas from Algeria to Italy and France.

In 2002, Presidents Olusegun Obasanjo of Nigeria and Abdelaziz Bouteflika of Algeria announced their willingness to promote a new trans-Sahara pipeline, NIGAL, which has the potential to link the Nigerian gas fields with reserves estimated at more than 5,000bcm, and the Algerian gas fields.

The hydrocarbon sector in Africa is dynamic with the presence of a great number of traditional majors (Exxon Mobil, Shell, Total, Chevron, Agip) as well as numerous smaller oil companies (Amerada Hess, Marathon, Devon Energy, Vauco, Kerr-McGee etc). The countries of major interest are Nigeria, Cameroun, Gabon, Congo , Angola, and Equatorial Guinea.

It is evident that investor interests in Africa have been focused in countries rich in hydrocarbon resources. The electricity sector, which offers the major potential for development in the region, has not followed the trends of oil and gas sector development. Over the last four decades, the gap between energy supply and demand in Africa has been growing[1]. Expert projections show that this gap will continue to grow, and the livelihood of more Africans will continue to be critically impaired by energy poverty, which will also seriously slow the socio-economic development of the continent. Energy has been supplied in insufficient quantity, at a cost, form and quality that has limited its consumption by the majority of Africa's population, making this continent the lowest modern energy consumer per capita of all regions of the world.

[1] UN-Energy/Africa Energy for sustainable development : policy options for Africa (CSD 15)

If the target to achieve is to deliver energy, especially electricity, to all the African countries, the most favourable solution will be the elaboration of regional cooperation, by integrating neighbouring countries into regional markets. Bilateral cooperation is not enough, as it primarily involves producer countries in Africa and therefore negates the need for a framework of shared rules.

3 - The Regional Approach

Electricity is a basic input for the economic growth of any country. With the rapid development of an economy, electricity demand also grows at a fast pace. To meet this growth in demand, matching generation capacity expansion is required. The electricity sector is capital intensive and it is therefore prudent that efforts for infrastructure development are extended beyond the physical boundaries of the country. Optimisation of resource potential in a region through taking advantage of peak diversity is a world-wide trend and several countries are already exchanging power with neighbouring countries. This has not only given a boost to the economy of these countries, but in some cases has also given an infrastructure for their sustenance. Thus, cross-border energy exchange results in optimal harnessing of natural resources and enhances trade as a potential alternative to mitigate the need for energy storage as well as to boost the economic growth of participating countries.

3.1 The Benefits of Cross-Border Electricity Trade

Some of the benefits that can be achieved through cross-border electricity trade/exchanges are discussed below:

The Need to Meet Growing Power Demand

The area/region wise surplus/deficit of power can be utilized for an effective exchange of power between two countries to meet growing demand. For this, the advantages of Peak Diversity as well as time diversity in inter-connected areas/countries can be exploited. In any power system, the generation capacity is provided to meet the peak power demand. So, during off-peak hours, surplus power is available for transfer to some other area. If there is a time diversity of the peak power demand between two power systems, the surplus power available in one system during its off-peak hours can be supplied to the other region during its peak hours. This results in optimized addition of generation capacity to meet peak load.

Concentration of Different Types of Energy in Different Countries

The concentration of various types of energy resources viz. coal, gas, hydro and so forth, varies in different countries. For an optimal hydro-thermal mix, an exchange of energy from different fuel sources is needed. The large scale trading of coal and natural gas is limited due to constraints in its handling and transportation. Hydroelectric energy can be traded through transmission networks only. Thus, transmission of power is the best solution for the exchange of the base load of both countries. Hydro generating plants can be used to meet the peak load of both countries. Thus, better load factor of thermal and gas machines can be obtained. This results in the optimal economic utilization of resources.

Economic Scale

Economies of scale can be achieved by setting up large sized generating plants to meet local demand as well as demand within the interconnected region.

Improved Security and Reliability

Any interconnection invariably increases the reliability of the whole system and the load demand can be met with a greater expectance and the continuity in supply of demand is improved. Further, interconnections in general provide flexibility to meet unforeseen energy demand.

Economic Benefit

Through cross-border power exchange, an exporting country can earn revenue by exporting power and the importing country can defer investment in additional generation capacity. Further, there would be a reduction in investment in both the interconnected countries due to reduced spinning reserve requirements.

Optimized Transmission Network

Sometimes the geography of two countries is such that the loads of one country are closer to generation facilities of the other country, as compared to its own generation/load centres. It is, therefore, easier and economical to meet these loads from neighbouring countries. Such arrangements result in reduced line length, thus reduced losses and less capital cost.

Increased Economic Efficiency in System Operation

With cross-border exchange, the generation of each of the interconnected countries has access to a larger market. This results in merit order

operation on a large scale and extends the opportunity to promote the operation of efficient power plants as far as possible, to achieve overall economic efficiency in system operation.

Reduced Environmental damage

Apart from economic benefits, the sharing of energy resources through cross-border power transmission interconnections helps in reducing adverse impacts on the environment. Renewable or “clean” energy, like hydropower, can be used more than other polluting energy sources. Thus, optimization in new capacity and optimum utilization of existing capacities could reduce greenhouse gas emissions.

3.2 The International Experience

The development of interconnections between large electric power systems is a worldwide phenomenon. This rapid development of transmission network interconnections between neighbouring countries has taken place due to the need to meet growing power demand, concentration of various types of energy resources in different countries, economies of scale, a decrease in operational costs through better resource management, the usage of renewable energy resources, and cutting investment cost by optimizing the spinning reserve. There are several trans-national interconnections already in existence in different parts of the world, *inter alia* America, Africa, Europe, Northeast Asia and Southeast Asia, which have provided substantial benefits to the interconnected countries.

NORDPOOL

Among many examples from Europe, NORDPOOL links Northern Europe through interconnections between Norway, Sweden, Finland and

Denmark. A common market between Norway and Sweden was established in 1996; Finland and Denmark joined later. A large number of HVDC interconnections are in place involving all countries in the region. Several new ones are being planed. NORDPOOL has a predominant hydro base, and is trading power with southern Europe, which is predominantly thermal based.

The Southern African Power Pool (SAPP)

The SAAP is a success story of international co-operation for mutual benefit in the electricity sector, which has been created within the framework of the Southern African Development Community[2]. SAPP consists of interconnections among the utilities of the 12 countries in Southern Africa viz. Angola, Botswana, Congo, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. These countries have a diverse mix of hydro and thermal power stations. SAPP partners have signed an Inter-Utility Memorandum of Understanding (MOU) regarding adherence to common standards, participation and operation of a regional power pool through the various committees. The primary objective of SAPP is to provide reliable and economic electricity supply to the consumers of each member country. Since its inception, SAPP has evolved from a co-operative pool to a

[2] The Southern African Development (SADC) has been in existence since 1980, when it was formed as a loose alliance of nine majority-ruled States in Southern Africa known as the Southern African Development Coordination Conference (SADCC), with the main aim of coordinating development projects in order to lessen economic dependence on the then apartheid South Africa. The founding States are: Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe. SADCC was formed in Lusaka, Zambia on April 1, 1980 following the adoption of the Lusaka Declaration – Southern Africa: Towards Economic Liberation. The transformation of the organisation from a Coordinating Conference into a Development Community (SADC) took place on August 17, 1992 in Windhoek, Namibia when the Declaration and Treaty was signed at the Summit of Heads of State and Government thereby giving the giving the organization a legal character. SADC was established under Article 2 of the SADC treaty by SADC Member States represented by their respective Heads of State and Government or duly authorised representatives to spearhead economic integration of Southern Africa.

competitive pool. Power trade is steadily increasing at an annual rate of 20%.

A number of bilateral agreements are being contemplated for interconnecting Ethiopia with Sudan, and Ethiopia with Djibouti situated in North Africa. An interconnection is also proposed between Sudan and Egypt.

The West African Power Pool (WAPP)

WAPP was created by Decision A/DEC.5/12/99 during the 22nd Summit of the Authority of ECOWAS Heads of State and Government in order to address the issue of power supply deficiency within West Africa.

The West African Power Pool was guided by a Steering Committee comprising Energy Ministers of ECOWAS[3] Member States, supported by a Project Implementation Committee, comprising Managing Directors of Members States utilities and Technical and Industrial Working Groups.

The Association of the Mediterranean Regulators for Electricity and Gas (MEDREG)

MEDREG has been created to promote the achievement of a consistent, harmonized and investment-friendly regulatory framework aimed at providing the maximum benefits to energy consumers of the Mediterranean region. MEDREG's role is crucial to ensure the ongoing collaboration between the Energy Regulators of the EU, of the Energy Community Member States and those of the Mediterranean Countries.

[3] The Economic Community of West African States (ECOWAS) is a regional group of fifteen countries (Benin, Burkina Faso, Capo Verde, Cote d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togolese Republic) founded in 1975. Its mission is to promote economic integration in "all fields of economic activity, particularly industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial questions, social and cultural matters….."
The Institutions of the Economic Community of West African States (ECOWAS) are follows: the Commission; the Community Parliament; The Community Court of Justice; ECOWAS Bank for Investment and Development (EBID)

MEDREG, particularly, focuses on the promotion and exchange of know-how and expertise. Furthermore, it organises specialised training and studies in the field of energy regulation, notably in collaboration with the Florence School of Regulation (FSR), created by CEER and the European University Institute, and with the support of the European Commission. The countries of the African continent which are members of MEDREG are Egypt, Morocco, Algeria and Tunisia. Liberalisation measures must be taken, along with the institution of independent Regulatory Authorities charged with the protection of users and consumers.

EU Regulators consider that the implementation of a stable, harmonized, transparent and consistent regulatory framework for the electricity and gas sectors, inspired by EU rules, together with the development of regional markets, would greatly facilitate the financing of large infrastructure projects that are necessary in the region. Such a regulatory framework should aim at the gradual integration and opening of national markets. The achievement of these goals can only be based on shared regulatory, organisational and institutional knowledge and competencies among regulators. This is what MEDREG is trying to realize.

4 - The Rule of Law: How the Energy Charter Process Could Help Africa to Meet the Growing Demand for Electricity

In Africa, market structures are still generally oriented towards the development of the energy sector via public or state-owned enterprises. Because the budget of such enterprises is reaching its limits, Africa needs private investment. To attract this, we must create a legal and regulatory structure which offers sufficient security to sponsors and banks.

4.1 The Need for Legal and Financial Security

Thus, foreign investors have a particular need for legal and financial security to ensure that they will receive the benefit – or suffer the burden – of whatever industrial and commercial bargain they may have negotiated. At a basic level, investors require the certainty that the local counterparty – be it the host Government, a State agency or enterprise, or a privately-owned corporation – will be free to fulfil the contractual terms and, moreover, can be obliged to do so if it does not choose to do so of its own free will. Again, investors need reasonable assurances that they will not be subjected to punitive tax regimes or arbitrary exchange control measures which would result in the investors losing the financial benefit of an otherwise successful investment.

But contractual and financial security is not all. Investors need reliable dispute settlement mechanisms. The existence of reliable dispute settlement mechanisms is also immensely beneficial to host governments, for at least two reasons.

First, independent and impartial dispute settlement mechanisms serve as a check, or balance, to the arbitrary or unlimited use of government power. This is in itself inherently desirable. Many, if not most, proposed uses of government power, which would be sanctioned by an independent dispute settlement mechanism, are not in fact consistent with the ultimate interests of the country concerned, although they may be to the advantage of specific – and often vocal and powerful – interest groups within that country. Second, and of equal importance in the long term, reliable dispute settlement mechanisms increase the desirability of a State as a potential inward investment destination. By improving the competitive attractiveness of investment opportunities within a country, dispute settlement mechanisms enable that country to secure better investment

terms. The implicit cost of capital is reduced. A country can obtain the same energy flows, or export sales, at a lower price.

4.2 The Role of the Energy Charter Process

The Energy Charter Treaty (ECT) occupies a valuable and distinctive place in the international architecture of energy governance. The Treaty was initiated as an inter-governmental framework to provide legal stability for investments and to secure trade and transit of energy. The objective was to promote energy market reforms, structuring, commercialization, energy price reforms and to promote increased energy efficiency.

The Treaty demonstrates that it is possible to bring a large and diverse group of countries together within a legally binding international framework on the basis of common principles and mutual interest. Indeed, the ECT is unique in uniting producer, consumer and transit countries. This approach has been especially important for the promotion of regional cooperation in energy issues.

Principles

States that become Contracting Parties to the Treaty are committed to common central principles. These are openness, non-discrimination and market orientation. The Energy Charter principles allow producer-states to increase their attractiveness to foreign investors, facilitate transit and also serve to bind together the interests of energy producing, consuming and transit countries.

Structure

The Energy Charter Treaty is unique in covering investment, trade, transit and efficiency in the energy sector. It offers an intermediary step towards WTO membership. It helps in facilitating the establishment of an inter-governmental forum to discuss energy cooperation issues.

Investment

The ECT is the only4 multilateral investment agreement. It provides for the energy sector the specific principles of non-discrimination/national treatment for established investments; best endeavour clause for investments in the making; confirms national sovereignty over natural resources and acts as a permanent discussion forum for energy-related investment issues

Trade and Transit

The ECT is the most recent comprehensive and binding international agreement dealing with the transit of energy products. It contains principles specific to transit such as:

- to take the necessary measures to facilitate transit of energy materials and products, consistent with the principle of freedom of transit and without discrimination as to the origin, destination or ownership of such energy materials and products;
- not to place obstacles in the way of establishing new capacity;
- not to interrupt, or reduce the existing flow of energy materials and products except where specifically provided for in a contract or other agreement;

[4] The North American Free Trade Agreement (NAFTA) is also technically a multilateral investment agreement but its restricted geographical scope (Can, US and Mex) makes it more a regional instrument.

- to have and enforce appropriate legislation to address unilateral and anti-competitive conduct in the energy sector.

The implementation of these principles is subject to legally binding arbitration under the rules of the United Nations Commission for International Trade Law.

The Energy Charter Process

On the basis of the Treaty, member states have established the Energy Charter Process (ECP). The ECP is designed to provide member states with the opportunity to work cooperatively to advance the implementation of the Treaty, and to develop common responses to emerging issues. There are three permanent working groups on Trade and Transit, Investment and Energy Efficiency. Exchanges of experiences take place between member countries in different stages of development with different policy strategies. Regular country reviews of investment climate, restructuring and privatization and energy efficiency policies are conducted.

The Charter supports the analysis of cooperation, trade, transit issues, transit tariffs and access conditions. Issues related to trade distortions, trade facilitation are dealt with and interaction with the private sector is encouraged. To add an industry perspective to the issues already mentioned, an Industry Advisory Panel was created in 2004.

Enlargement

There are currently 51 member states of the Energy Charter Treaty, and two Regional Economic Integration Organisations (The European Communities and Euratom). Within the Energy Charter Treaty, member

states actively support an enlargement of the Treaty. In recent years, the particular focus of this process has been on the countries of Asia and the Middle East, reflecting the growing integration of the energy markets in these regions with those of Eurasia. The Energy Charter Treaty also encourages observers, both states and international organizations.

4.3 Model Intergovernmental and Host Governmental Agreements for Cross Border Electricity Trade

In order to assist countries wishing to develop cross-border electricity co-operation, the Energy Charter Secretariat has developed, and is continuing to develop, a series of Model Agreements for cross-border electricity projects. At the present time, these Model Agreements include an Intergovernmental Agreement ("IGA") and a Host Government Agreement ("HGA"). The idea of devising model agreements is not a new one. Various intergovernmental organisations and other specialised private institutions (e.g. OECD,[5] UNCITRAL,[6] AIPN7 and FIDIC[8]) have been actively involved in devising and developing model laws and agreements that may be utilised in regulating a particular economic activity. Generally speaking, model agreements are developed for the purpose of assisting parties to negotiate a final agreement within a particular field of activity. A model agreement therefore is meant to provide a template of prescriptive clauses that are designed to reflect the generally accepted practices within a given field. Model agreements are evolutionary by design: they are designed to be revised and updated in due time in order to reflect the most recent accepted practices within their field of concern.

[5] Organisation for Economic Co-operation and Development.
[6] United Nations Commission on International Trade Law.
[7] Association of International Petroleum Negotiators.
[8] International Federation of Consulting Engineers.

An important feature of any successful model agreement is its underlying assumption of neutrality; it thus aims to reflect the various interests of the parties who will be using it as a starting point for their prospective negotiations. In identifying the crucial issues concerning a particular field of activity, a successful model agreement will contain relevant clauses aiming to maximize the optimal benefit of all parties concerned. Addressing these issues is essential in order to ensure that the resulting binding agreement will endure and continue to operate smoothly during its lifetime. It is with this understanding that the Energy Charter Model Agreements have been developed.

The EMAs consist of an IGA to regulate the relationship between Governments and an HGA to regulate the relationship between the Host Governments and the Project Investor(s). A number of issues, relevant specifically to electricity transmission projects, would normally be dealt with in the IMA. These issues include:

- The interoperability of the electricity systems in the different control areas;
- Determination of available cross-border capacity;
- System quality and security (e.g. frequency and voltage control);
- Allocation of cross-border capacity;
- Scheduling of cross-border exchanges;
- Settlement of deviations;
- Cost and benefit allocation;
- The valuation of electricity in the different systems; and

- Conditions for access to the systems.

In general terms, both the IGA and HGA Models aim to assist in:

- Facilitating project-specific negotiations;
- Providing transparency regarding present practices in the areas of cross-border electricity project construction, operation and investment;
- Shortening lead-times for the mobilisation of project-specific investment;
- Reducing the cost of project implementation.

It is important to emphasise that neither of the Model Agreements is meant to be (i) exhaustive, in terms of the issues and provisions addressed within it, or (ii) legally binding until entered into by each of the parties thereto. Each Model represents a template and thus serves only as a guideline. Whether or not these Models will be used either in full or in part depends entirely upon the agreement of the parties who are in the process of negotiating a prospective agreement.

Basic Assumptions

The structure of the attached Second Edition of the IGA and HGA Models is based on the following assumptions:

- Both the IGA and HGA Models are designed to be used in respect of any specific, identified infrastructure project;
- Both Models are interdependent and are designed to represent a single 'package';
- The IGA represents a 'treaty model' which is governed by public international law;
- Both the project and the project investors are assumed to have been already identified;
- The entry into force of the HGA is conditioned on that of the IGA.

Both Models will be updated periodically in light of evolving practice in the field.

Structure

Together, the attached Second Edition of the two Models aims to identify key areas of interest to the parties involved in cross-border infrastructure projects whether state or private entities. It is also to be noted that the two Models have been structured with the aim of striking a reasonable balance between the obligations of a state wishing to attract essential and/or competitive investment and the rights of private investors prepared to invest. The underlying idea is therefore a sustainable allocation of risk and the equitable distribution of the overall benefits between public and/or private parties engaged in the project.

IGA Model

The IGA Model is a template for an international agreement or treaty among the states through whose territories an identified electricity project is to be constructed and operated. The IGA Model deals mainly with horizontal issues that concern the electricity infrastructure as a whole. It is therefore intended to facilitate the realisation of the project within the territories of the states collectively. Issues dealt with by the IGA Model include co-operation, the provision of land rights, the harmonisation of tax structures applicable to the project and issues relevant to the implementation of the project.

HGA Model

The HGA Model is a template for an agreement between each government within whose territory the electricity system is to be realised and the project investor(s). The HGA Model deals mainly with vertical issues that concern the project activity within the territory of each State. The HGA Model expands on some of the issues identified in the IGA

Model. Issues dealt with in the HGA Model include various governmental obligations, investor duties, environmental and other relevant standards, liability, termination and issues relevant to the implementation of the project in each specific territory.

Appendices

It is envisaged that both Models will contain a number of appendices, each of which (when applicable) is referred to in a specific Article in both Models. These appendices therefore constitute an integral part of the Models, and should be developed in light of the circumstances of each specific project. For this reason, it was impractical to spell out fully the contents of the appendices in a model of this nature. However, to facilitate the negotiations of their contents, each appendix identifies the main issues that may be included in similar appendices to the final agreement.

Conclusion

The operational value of the attached non-binding IGA and HGA is to facilitate the efficient realisation of prospective cross-border electricity systems. Furthermore, the Electricity Model Agreements will be revised and updated as necessary in order to reflect the ongoing developments in the field.

Brussels, 11 May 2009

ANNEX 1

MODEL INTERGOVERNMENTAL AND HOST GOVERNMENT AGREEMENTS FOR CROSS-BORDER ELECTRICITY PROJECTS

Model Intergovernmental and Host Government Agreements for Cross-Border Electricity Projects are omitted from this document as the relevant documents have not yet been finalised by the Energy Charter Conference. When finalised, they will be made available in the public section of the Energy Charter website.