

# Energy Charter Treaty

How an obscure investment treaty endangers Europe's climate goals

# Energy Charter Treaty



# ECT | Main Findings I

- I. Fossil infrastructure protected by the ECT in the EU, UK and CH [is worth €344.6 billion](#) (more than twice the total annual budget of the EU; corresponds to 660 euros per resident)
- II. Three-quarters of the protected fossil infrastructure are gas and oil fields (€126 bn) and pipelines (€148 bn).
- III. Investors can sue not only for the value of their infrastructure but also for lost profit expectations. The actual sum of possible compensation claims could be much higher.
- IV. To water down climate laws, companies don't even have to sue. The mere fact that they can sue can be enough to influence climate measures. Sometimes companies even openly threaten governments.

# ECT | Main Findings II

- V. Although the Energy Charter Treaty was once intended to protect investments in states with uncertain legal situations, 74 per cent of the Energy Charter cases are now lawsuits brought by EU investors against EU states.
- VI. EU states are divided on how to deal with the Energy Charter Treaty – even if the commission has officially found a common position for a modernization push by mid-February. France and Spain had even argued for a withdrawal – and this option remains.
- VII. Even with a common EU line, it is unclear whether the Energy Charter Treaty could be ever modernized. This decision requires unanimity. Japan has already announced that it will block any changes.
- VIII. Leaving the ECT isn't easy. States can be sued up to 20 years after leaving. Italy left the ECT in 2016 and was sued by British oil company Rockhopper against the ban on producing oil and gas near the coast, claiming lost investment and future profits of 275 million US dollars.

# ECT | Main Findings III

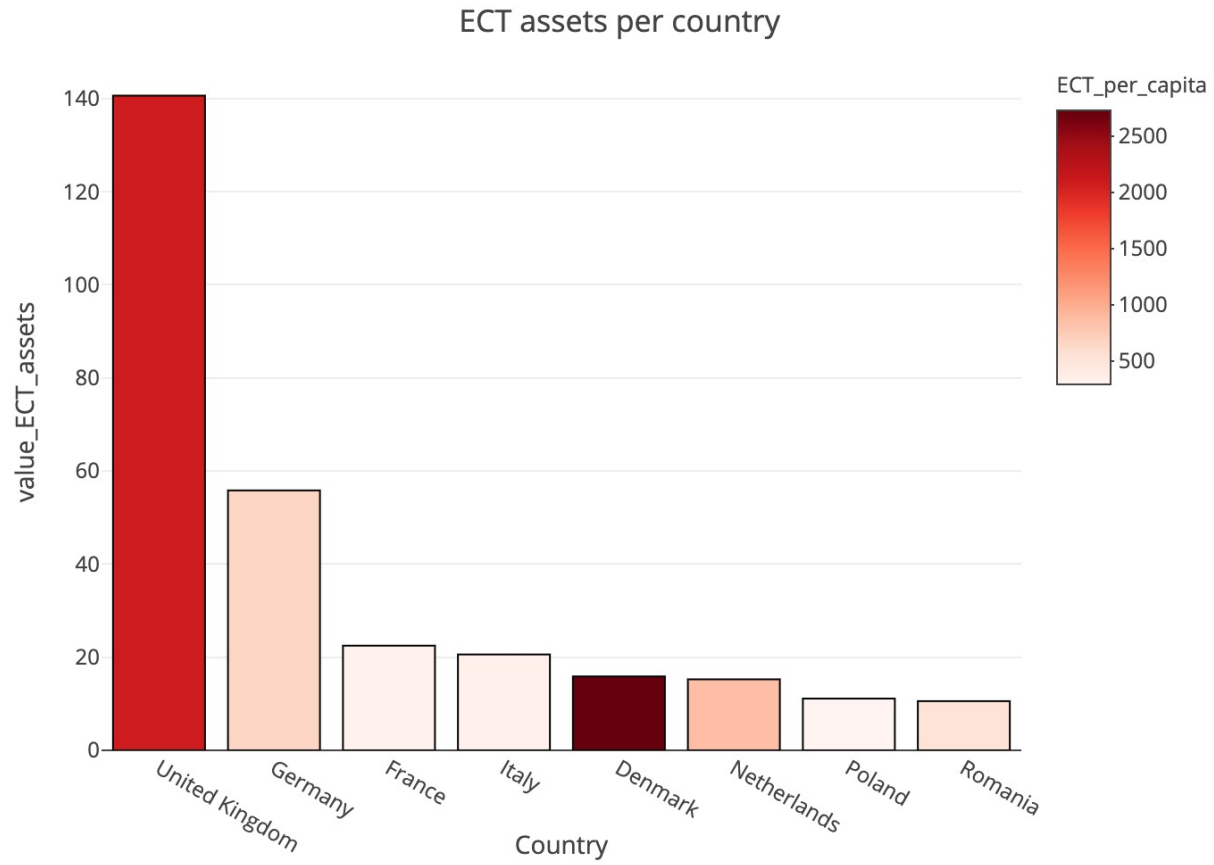
- IX. The system of arbitration tribunals are a closed club of arbitrators that act in multiple roles in a system that allows them practically unlimited fees (paid by public money)
- X. Lawyers are calling the system *“a Russian roulette”*, a *“historical mistake”*, or refer to the changing roles in arbitration as a *potential conflict of interest*
- XI. Leading personnel of the Energy Charter Secretariat (the administration of the treaty), has close ties to the fossil fuel industry

# ECT | Data

- Goal: Numbers to illustrate what is at stake
- Raw data via collaboration with actors in the field (Global Energy Monitor, Oil Change International)
- Refine data within the team
- Make data easy to digest



# ECT | Data





# ECT | Publications



**KLASSEKAMPEN**

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REPORTER

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www.bastamag.net

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# ECT | Publications

IN EDICOLA / IL FATTO ECONOMICO

**Energia, il trattato Ect ingabbia gli Stati: guai a fermare i progetti**



di Maria Maggiore | 22 FEBBRAIO 2021



En lite kjent traktat laget etter Sovjets sammenbrudd, beskytter fossilinvesteringer for 3500 milliarder kroner:

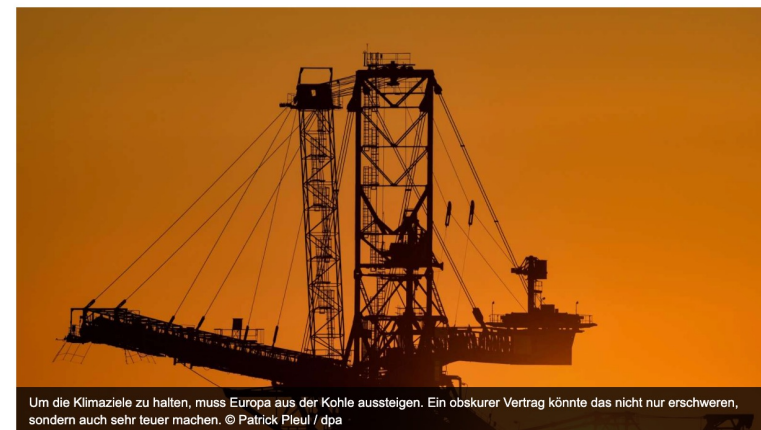
## ET VÅPEN MOT DET GRØNNE SKIFTET

EU | Ingeborg Eliassen, Investigate Europe

BuzzFeed > Recherchen

## Wie Schiedsgerichte Europas Klimaziele bedrohen

Erstellt: 23.02.2021 Aktualisiert: 23.02.2021, 12:35 Uhr



Um die Klimaziele zu halten, muss Europa aus der Kohle aussteigen. Ein obskurer Vertrag könnte das nicht nur erschweren, sondern auch sehr teuer machen. © Patrick Pleul / dpa

*Ein wenig bekannter Vertrag könnte die EU-Staaten in den kommenden Jahren hunderte Milliarden Euro kosten und den Kampf gegen die Klimakrise entscheidend verzögern. Das zeigen monatelange Recherchen von „Investigate Europe“ und BuzzFeed News Deutschland.*

Von Nico Schmidt, [Investigate Europe](#)

CLIMAT

## Cet obscur traité qui menace les objectifs climatiques européens et pourrait rapporter gros aux pétroliers

PAR LEILA MINANO 23 FÉVRIER 2021

# ECT | Impact I

**Avaaz** @Avaaz  
Replying to @Avaaz

According to [@investigate\\_eu](#), the Energy Charter Treaty provides undue protection to fossil investors & allows them to sue states under international arbitration. This is one of the (many) crazy treaties signed in the 1990s which need to go.

Read new findings from Investigate Europe on Energy Charter Treaty

ECT provides undue protection to fossil investors & allows them to sue states under international arbitration

This is one of the (many) crazy treaties signed in the 1990s which need to go



**Energy Charter Treaty - Investigate Europe**  
The Energy Charter Treaty could become a massive threat to Europe's climate goals, as corporations can sue governments for billions of €. [investigate-europe.eu](#)


**Tom Burke** @tom\_burke\_47  
[.investigate-europe.eu/en/2021/ect/](#) This is a report into one of the biggest threats there is to climate policy success. Inter State Dispute Settlement is also a stealth tool for the politically motivated destruction of environmental regulation of all kinds. Beware.

**Greta Thunberg** @GretaThunberg  
If you needed more solid proof that the climate- and ecological crisis can not be solved within today's systems, well here you go.

**Fridays for Future Germany** @FridayForFuture · Feb 23  
NEW research by [@investigate\\_eu](#):

- ⚠️ #EnergyCharterTreaty protects fossil infrastructure worth 344.6 billion €
- ⚠️ investors can (threaten to) sue European governments for climate measures
- ⚠️ deciding arbitration tribunals are obscure & undemocratic

Time to stop this madness.  
[Show this thread](#)



2:18 107.2K views ECT

1:07 PM · Feb 24, 2021 · Twitter Web App

# ECT | Impact II



**Take action to end the climate-killing  
Energy Charter Treaty**

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