

Study on Tobacco Regulation and Building Legal Mechanism of Security Guarantee for SCO Energy Club

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Objectives: The Shanghai Cooperation Organization (SCO) region has complementary advantages in energy and resources and closely related interests in geopolitical energy security. Common interests and close cooperation led to the creation of energy cooperation arrangements among the SCO countries. Particularly, owing to the outbreak of COVID-19 epidemic, the states progressively incline to focus more on issues concerning tobacco control to promote sustainable environmental development. The establishment and improvement of the SCO energy club mechanism is an important way of SCO energy cooperation. This paper adopts the method of combining history with normative analysis, by analyzing the current of the SCO Energy Club running mechanism, proposes that the position and development target of the SCO Energy Club should be clear, the coordination of multilateral and bilateral and unilateral measures of energy function remains to be further play, contribution to the energy trade and investment disputes should be timely strengthen, then the SCO Energy Club could play a positive role in promoting the implementation of cross-border energy cooperation measures within the region. The paper proposes to use legal mechanism to construct SCO Energy Club so as to make it play the role of security guarantee mechanism more fully.

Key words: shanghai cooperation organization; tobacco regulation; security guarantee; legal mechanism
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The Shanghai Cooperation Organization (SCO), which originated from the Mechanism of the "Shanghai Five", was formally established on 15 June, 2001 in Shanghai, China, has become an intergovernmental international organization with increasing influence. At present, the SCO member states include China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Pakistan and India. The observer states include Afghanistan, Belarus, Iran and Mongolia. The

dialogue partners include Azerbaijan, Armenia, Cambodia, Nepal, Turkey and Sri Lanka.

Current Situation of Energy Resources in SCO Member States

Among SCO states, Russia, Kazakhstan and Uzbekistan are relatively rich in energy resources. In terms of energy supply, Russia is rich in energy resources, traditionally has been the main stable provider of natural gas for the EU. As early as 1994,

Russia and EU signed the Partnership and Cooperation Agreement to carry out the energy dialogue. Since energy is highly dependent on both sides, in the short to medium term, EU's oil and gas demand is highly dependent on Russian energy.¹ In 2003 and 2009, the Government of the Russian Federation promulgated the "Russian Energy Strategy until 2020" and "Russian Energy Strategy until 2030" respectively, defining the strategic goals in the energy field as: energy security, energy efficiency, budget efficiency and ecological security.² In the process of realizing the above strategic goals, Russia's national interests should be reflected in the increasingly formed world energy system, stable world energy market should be guaranteed, Russia's energy sales market and energy export product structure should be diversified, and its position as the world energy leader should be consolidated. As a typical representative of central Asian states, Kazakhstan has strong energy and geographical advantages. Kazakhstan is rich in mineral resources, ranking fifth in the world in total mineral reserves. Kazakhstan values its oil and gas resources and defines them as strategic resources. In energy policies and legal norms, emphasis is placed on energy exploitation, development and utilization of renewable energy. Uzbekistan is an ideal place to develop renewable energy such as solar energy, light energy and electricity due to its unique geographical location and long hours of sunshine. Uzbekistan attaches great importance to the development of green and new energy sources and encourages various measures to further develop alternative energy sources on the basis of existing solar energy applications.

Necessity of SCO Energy Cooperation

The imbalance in energy resources among SCO member states has led Russia, Kazakhstan and Uzbekistan to become energy consumers, while China, Tajikistan and Kyrgyzstan have long been energy consumers. Therefore, energy cooperation has become one of the focus issues among various cooperation issues within the SCO. In particular, with the intensification of the Eurasian integration process, the demand for

SCO energy cooperation in the context of globalization has become an inevitable trend for the SCO to realize its comprehensive strategic development.

Since its establishment, the Shanghai Cooperation Organization has actively sought new forms of international security cooperation, including dealing with traditional security issues and non-traditional security threats. On this basis, the SCO began to seek extensive cooperation in the economic field and encouraged the member states to promote common development through mutual strengthening of cooperation. In September 2003, the Program of Multilateral Trade and economic Cooperation of SCO Member States, adopted by the SCO Heads of Government meeting, proposed to strengthen cooperation in specific areas, with energy as the priority of cooperation. Research possibilities include: cooperation in the field of fuels and energy to improve the efficiency of existing energy production capacity and energy networks; expanding mutually beneficial cooperation in the development and processing of new oil and gas sources; strengthening tobacco control so as to ensure the objectives of peak carbon emissions and carbon neutrality;³ cooperation among SCO member states in the field of geological exploration and research, and develop mineral and raw material resources. In addition, on this basis, the SCO member states have decided on a plan of implementation measures, and made specific designs and plans on energy projects, energy prospects, standards of the natural gas transport system and pipeline transport capacity, tobacco regulation,⁴ access to the electricity market and development of non-traditional renewable resources.

METHODS

It is precisely because of the urgent attention of the SCO to energy issues and the strong willingness of the member states to cooperate that the development of the SCO energy cooperation model has become one of the main driving forces of its cooperation in the field of energy.

Traditional Energy Cooperation Model and Its Defects

From the perspective of sovereign states, energy cooperation mainly depends on the willingness and resource complementarity of partners. When the resource advantage is obvious, the cooperation mode associated with financing is often carried out, namely the traditional 'energy for loan' mode, which provides a certain amount of loan financing to a resource-rich state in exchange for the right to import a certain number of resources from the state.⁵ Among SCO member states, China and Russia have carried out such energy cooperation models. In 2008, the collapse of international oil prices made a number of Russian energy companies urgently seeking foreign aid. The loan from China could ease the short-term situation of the Russian oil fund, while also prompting the two sides to sign a broad framework agreement at the government level, covering a 300-million-ton oil supply plan.⁶ It should be said that this model from the perspective of sovereign states to reduce the risk of foreign exchange reserves, explore the model of win-win cooperation has a certain enlightenment. However, its defects are also obvious, for it is greatly affected by the fluctuations of international energy and financial risks, that is, the double blow of financial tsunami and international oil price has led to the emergence of such an emergency cooperation mode. Issues such as fairness and exclusivity in the process of exchange have also been concerned by all parties, and it took months of fierce fighting at the negotiating table for the two sides to reach a relatively unified general plan. It can be seen that the 'energy for loan' model is quite uncertain, even if China and Russia have already carried out cooperation, it is difficult to carry out large-scale cooperation in the future. Due to the uneven distribution of resources among the SCO member states, it is difficult to carry out the mode of 'energy for loan' comprehensively among the member states, making the traditional mode of energy cooperation unable to systematically improve the energy cooperation channels among the SCO member states.

The Creation and Innovation of Energy Club

The creation of the SCO Energy Club has gone through the following stages: As early as September 2004, the Russian Prime Minister put forward the idea of establishing the Energy Club at the SCO Prime Ministers' Meeting in Bishkek, Kyrgyzstan. Two years later, Russian President Vladimir Putin formally proposed the establishment of an energy club within the SCO framework at the sixth meeting of the SCO Heads of State Council in Shanghai, China in 2006. Later, during the Eurasian Economic Forum held in Xi'an, China in 2011, China, Russia, Kyrgyzstan and Tajikistan issued the Xi'an Initiative on Accelerating Cooperation in the field of Energy through consultations, which was regarded as a new stage in the preparatory work for the launch of the SCO Energy Club.⁷ On 13 September, 2013, the China proposed in Kyrgyzstan Bishkek on the 13th meeting of the Shanghai cooperation organization head of state council on energy club, in order to coordinate the organization within the framework of energy cooperation and establish stable relationship between supply and demand, ensure energy security, at the same time to increase energy efficiency and the development of new energy and other fields to carry out extensive cooperation. On 6 December of the same year, the memorandum on the establishment of SCO energy club was signed in Moscow by Russia, represented by Russia, Kazakhstan, Uzbekistan, energy producers as well as China, Tajikistan, Kyrgyzstan energy consuming states. It is established to promote regional integration, through a unified energy body. In September 2014, at the 14th Meeting of the Council of Heads of SCO Member States held in Dushanbe, Tajikistan, China further stressed that it should give full play to the role of the Energy club, strengthen coordination of energy policies and cooperation on supply and demand among SCO member states, strengthen cooperation on transnational oil and gas pipeline security, and ensure energy security.

It took nearly ten years for the SCO Energy Club to be put into practice. As the regional energy agency within the framework of SCO, the main responsibility is to coordinate policies and laws among member states, especially in regional energy investment, energy, trade, energy, transportation, import and export of energy balance, environmental protection, the internal energy, and energy dispute settlement

mechanism of regional policies and laws.⁸ It should be said that the SCO Energy Club has made a separate list of energy issues as one of the primary cooperation objectives pursued by the member states of the inter-governmental international organization. It is undoubtedly an innovation and breakthrough in the traditional mode of energy cooperation, whether from the perspective of security of supply of energy public goods or coordinated development within the region. Compared with the traditional single mode of 'energy for loan', the SCO Energy Club has made efforts to establish a multilateral energy coordination mechanism within the region, covering all aspects of energy security and economic and trade

cooperation. At the same time, the SCO Energy Club is established on the basis of multilateral cooperation mechanism, and does not exclude bilateral energy cooperation mechanism. It is possible to promote mutual cooperation and mutual benefit between energy supply member states and energy demand member states. From the perspective of traditional geopolitical theory, since World War II the most important public goods is security and stability.⁹ As a new multilateral mechanism for regional energy cooperation, the SCO Energy Club opens up the possibility of deepening regional energy cooperation in a comprehensive and systematic way.

MEASURES

The SCO Energy Club has put the issue of energy security on the development agenda of the organization and put forward higher requirements for the legal guarantee mechanism of energy security in the region. Therefore, in the operation and coordination of the SCO Energy Club, sufficient attention should be paid to the following legal issues concerning energy security.

Orientation and Development Goals of Energy Club in SCO

One of the major differences between an international organization and an international conference is the existence of a permanent body

with a series of continuing functions.¹⁰ The full participation of member states is achieved through the standing bodies of intergovernmental international organizations, such as deliberation and decision-making bodies, executive and competent bodies, administrative and management bodies, and auxiliary and working bodies. Therefore, it is urgent to clarify the position of the Energy Club in the SCO.

However, as far as the Articles of Association of the SCO Energy Club (hereinafter referred to as "AOA") is concerned, the member states only establish the Energy Club as a non-governmental consultative body in the field of energy.¹¹ The AOA consists of general provisions, tasks and work of the energy club, organization and operation methods of the energy Club, funds and supplementary provisions. The main functions of the Energy Club in the SCO are: to create an information exchange platform for member states to discuss their energy strategies in an all-round way and to formulate proposals to improve their energy security; discuss enhanced collaboration among energy producers, transporters and consumers in Central Asia and international energy markets; promoting effective cooperation among member States in the field of energy; realize the exchange of energy information and technology among member states, business and financial circles. Therefore, the energy Club will indeed play a certain role in promoting multilateral energy cooperation, but it is not enough to assume the functions of internal working institutions of international organizations, so it is difficult to give full play to the decision-making and executive functions of the energy club in the energy field of the SCO.

Therefore, in the development process of energy club, it is necessary to position its development goal as a permanent institution of intergovernmental international organization, so as to give full play to its development of promoting energy cooperation among member states, exchanging energy information and driving the development of regional energy market. At present, the SCO Energy Club, as a form of dual management of the SCO secretariat and the Council of National Coordinators, does not play a prominent role in the intergovernmental international organization, and it is difficult to effectively play its basic function of promoting regional energy cooperation and coordination. At present, the SCO has

seven working groups in the field of trade and economic cooperation, which are responsible for coordination and cooperation in various specific areas of cooperation. Russia leads the working groups on customs and energy. In terms of the development stage of the energy club, a gradual transition to the form of a permanent organization could be considered in the following ways. Firstly, give energy club promote each member for energy sector consultation function, set up information platform as the energy club member in energy technology, energy trading, energy security, the theme of the comprehensive study platform, each member shall be under the mode of energy club platform to discuss energy related all kinds of measures, To build the Energy Club into the only reliable platform for the exchange of energy information among members of the region and become an energy platform worthy of the name. Secondly, on this basis, the energy Club is added as a permanent body of the intergovernmental organization, and each member has the obligation to open and exchange energy information to the organization, discuss energy cooperation among themselves, decide on energy policy as a region as a whole and energy cooperation with other regions. For this reason, some scholars suggest that the SCO energy organization should take a two-step approach of establishing an SCO energy Forum and upgrading itself to an SCO energy organization at an appropriate time.¹²In the course of development of the energy club, the transformation from a single model to a comprehensive model, from a voluntary model to a voluntary model, is an important symbol to establish its status within the SCO.

Conflict and Coordination between Multilateral Energy Cooperation and Bilateral and Unilateral Energy Measures

It should be said that the senior goal of the Energy Club is to promote the regional multilateral energy cooperation. However, due to the sensitivity of the energy field and the huge interests hidden behind it, it is easy to trigger the issue of national sovereignty. Therefore, in the course of its development, the Energy Club will

inevitably involve the potential conflict between the multilateral energy cooperation and the current bilateral energy cooperation or even unilateral energy measures.

At present, the energy cooperation mechanism within the SCO is relatively loose, so the main cooperation is still completed through bilateral cooperation. Taking China as an example, China has established a cooperation framework with Russia and Kazakhstan in the field of oil and natural gas based on strategic partnership. According to statistics, the SCO member and observer states account for about one quarter of global oil production, one third of natural gas production and one half of coal production.¹³The particularity of energy status in the SCO will further promote the process of energy supply and demand among SCO members as well as global energy development. At the same time, the strong will of energy supply and demand between the SCO member states and their observer states will facilitate the gradual development of bilateral energy cooperation within the SCO. In the field of global multilateral Energy, whether it is OPEC, IAEA or Energy Charter Conference, due to the incomplete inclusion of SCO member states and the emphasis of its adjustment content, The energy cooperation among SCO member states cannot be adjusted in a real sense. Therefore, the main driving force of SCO multilateral energy cooperation still lies within the organization. Whether multilateral or bilateral cooperation is adopted, the SCO member states and their observer states need to decide on bilateral or multilateral energy cooperation through bilateral or multi-party game.

Energy multilateral and bilateral cooperation in view of the SCO mainly depends on the organization's member states and observer states energy supply and demand and internal calls, and the member states and observer states themselves based on the principle of national economic sovereignty of energy in the field of control or decisions tend to produce energy unilateral measures with potential conflicts of multilateral or bilateral energy cooperation. For example, some energy suppliers are not inclined to adopt multilateral or bilateral energy cooperation mode based on the concept of sustainable development. Therefore, the SCO Energy Club was entrusted with the functions of advocating multilateral cooperation in the region, coordinating multilateral

and bilateral measures and unilateral measures at the very beginning of its establishment.

On specific coordination scheme, it can be based on the stability of the existing mode of bilateral cooperation to explore, consult the parties develop multilateral cooperation intention, and in determining the qualified third party to join conditions under the premise of gradually introducing suitable parties, thus bilateral energy cooperation mechanism will be established gradually transition to the possible multilateral energy cooperation model. In this process, the supply and demand of members and the willingness to cooperate are the most important considerations. On the basis of the function of energy information exchange platform, the energy Club should further expand its coordination function, realize the advocacy of regional multilateral energy cooperation, and commit itself to resolving potential conflicts between bilateral or multilateral energy cooperation and unilateral measures within member states and observer states. Therefore, the function of the energy club in the conflict and coordination between multilateral energy cooperation and bilateral and unilateral energy measures depends on the establishment of its basic position in the SCO.

Settlement of Regional Energy Trade and Investment Disputes

In the process of energy cooperation and coordination among SCO member states, sufficient attention should also be paid to the settlement of energy trade and investment disputes within the region. The Energy Club's settlement of energy-related disputes also focus on trade and investment.

In terms of the former, since energy trade mostly comes from the exchange of interests between sovereign states, energy trade disputes between states often start from international geopolitical turmoil, such as the changes in energy relations between Russia, EU and Ukraine since the Ukraine crisis. In general, considering the energy trade for both sides of supply and demand, energy trade disputes occur

with low probability. Few cases had been raised to the World Trade Organization (WTO),¹⁴ which has been categorized as the type of goods, focuses on the member of related measures. Even if energy trade disputes occur, they are usually solved by peaceful means such as negotiation, mediation, investigation, mediation and reconciliation to maximize mutual interests between sovereign states. Therefore, the energy Club still has a large space of activities in the prevention of energy trade disputes and coordination among the countries concerned.

Since the main body involved in energy investment disputes is usually foreign investors and the sovereign state of the host state, the mode of dispute settlement depends on their previous choices. With regard to the settlement of bilateral investment disputes, China has signed or re-concluded bilateral investment treaties with all SCO member states,¹⁵ in which disputes are settled through friendly consultation or by arbitration. This means that investment disputes between Investors and host states between China and member states will be handled through the dispute settlement method in bilateral investment treaties. On multilateral investment dispute settlement, Kazakhstan, Russia, Tajikistan, Kyrgyzstan and Uzbekistan are all members of the Energy Charter Conference, with China as an invited observer.¹⁶ The energy investment disputes among the first five states are likely to be settled by invoking the Energy Charter Treaty (ECT) to the International Investment Arbitration Tribunal under the International Centre for Settlement of Investment Disputes among State Investors, THE United Nations Commission on International Trade Law or the Stockholm Chamber of Commerce. The principle of exhaustion of local remedy is regarded as the precondition for the settlement of energy investment disputes between investors and host states. Therefore, the settlement of investment disputes in the region is closely related to the level of judicial and administrative law enforcement in each member state. The Energy Club should also put forward relatively uniform requirements and standards for domestic energy investment guarantee measures in order to promote the standardization of energy investment legal system. Due to the current inconsistency in the settlement of investment disputes among SCO member states, the Energy Club may consider the gradual unification of

solutions involving energy disputes in its development of advanced solutions. It is more feasible to determine alternative dispute settlement modes within regional organizations, such as investment arbitration, and give priority to existing investment dispute settlement modes represented by bilateral investment treaties and multilateral means represented by Energy Charter Treaties.

Implementation of Measures for Cross-border Energy Cooperation within the Region

The Region of the Shanghai Cooperation Organization is the second largest oil and gas resource intensive region in the world, second only to the Middle East. There are both resource-rich states and large energy consumers in the region, so it is entirely possible to realize complementarity between supply and demand in the region.¹⁷ It is fair to say that the SCO Energy Club was given a number of functions at the beginning of its establishment. The promoter represented by Russia, through the design of the AOA, entrusts Energy Club with the expectation of promoting energy information exchange and cooperation in an informal way, such as holding forums and exhibitions in the way of commercial operation, organizing seminars and symposia and other activities. In terms of the concrete implementation of cross-border energy cooperation within the region, Energy Club could continue to play its role in the following two aspects through the construction of legal mechanism.

On the one hand, it advocates transparency of relevant laws and regulations of member and observer states. In the development stage of energy cooperation, legal persons and natural persons of member states can further promote the willingness of in-depth cooperation through mutual energy investment. Especially in the pre-investment stage, all parties do not know much about the host state's investment accession laws and regulations, or even cannot be able to directly obtain relevant laws and regulations, so they might not make investment decisions in the energy field. Even if relevant investment decisions are made, they are often introduced due

to various uncertainties when entering the market of the host state, and they could only seek legal services by directly looking for law firms within the territory of the other state. In the process of cooperation, there is often a sense of distrust, which indirectly hinders the implementation of cross-border commercial energy cooperation plans. In addition, the lack of directly available legal basis creates uncertain investment risks, which often leads to the temporary interruption or postponement of some energy cooperation. Therefore, the Energy Club could play a corresponding role, such as guiding member states and observer states to realize the transparency of laws, regulations and relevant policies of the host country through regular compilation and exchange of legal information, which is one of the effective ways for the organization to implement measures for cross-border energy cooperation in the region.

On the other hand, it should warn against legal risks in the energy field. The upsurge of mergers and acquisitions in the energy field is rising all over the world, which has made great contributions to global direct investment, but also contains great legal risks. Since entering the new century, the field of overseas investment risk has been further expanded. In addition to the political and commercial risks in the traditional field, an increasing number of unpredictable factors begin to affect the flow and process of international direct investment. For example, unpredictable factors such as the partial rise of terrorist forces around the world, the increasingly obvious influence of unilateralism, the spread of avian flu and Ebola, and the increasingly tense international trade frictions lead to more uncertain risks of overseas investment. The diversification of overseas investment risks is the main problem facing international direct investment at present. No matter the investment risks are generated in investment projects, investment partners or host states, this phenomenon is particularly obvious in the field of energy investment. In the process of energy cooperation between SCO member states and observer states, the Energy Club should not only play a role of "bridge", but also provide a corresponding reminder of the legal risks inherent in the energy industry.

RESULTS

The Operation Mechanism of Energy Club Still Needs to be Confirmed by Legal Mechanism

The expectation of all parties to the Energy Club and the importance of energy information within the SCO will continue to promote the status of the Energy Club. However, in this process, the existing loose form of the Energy Club is difficult to maintain the orderly operation of the Energy Club in order to coordinate the conflicts between multilateral, bilateral and unilateral measures, promote the settlement of regional energy trade and investment disputes, and urge the implementation of specific energy cooperation measures. Within the framework of the current SCO, the Energy Club was established by the Business Council and has been an independent non-governmental organization. The energy sector, as a major area of cooperation, will show more potential in the future. Obviously, the status of the energy Club in the SCO and the establishment of its functions as a permanent organization in the future need to be confirmed through a corresponding legal mechanism.

Based on the AOA of the SCO, the institutions within the SCO framework include the Council of Heads of State, the Council of Heads of Government, the Council of Ministers of Foreign Affairs, the council of heads of various departments, the Council of National Coordinators, the Regional anti-terrorism structure and the Secretariat. Due to its initial emphasis on combating terrorist forces, the regional anti-terrorist Structure was listed as an independent body, and its functions and working procedures were not determined by relevant regulations approved by the Council of heads of State. Therefore, the confirmation of the legal mechanism of the Energy Club needs to be realized through the continuous expansion of its own influence and the increase of internal attention to energy issues as a condition, and strive to establish the Energy Club as a formal organization within the organization through the decision of the heads of state meeting. Through the corresponding legal mechanism to determine

the scope of its activities such as regular consultation meetings, ensure the smooth operation of energy information exchange platform. At present, the leading body of the Energy Club is not clear, nor has it independently become a specialized organization within the SCO, therefore its role in the field of energy is greatly restricted. With the increasing attention of all parties to energy issues, the operation mechanism of Energy Club is expected to be confirmed through the legal mechanism of SCO, so as to better realize the function of energy club in leading regional energy cooperation and coordination.

The Scope of Energy Club Security is Not Limited to the Organization

It is precisely due to the multiplicity and complexity of the interests involved in energy resources that the United States, Japan, the European Union and other states and regions have shown interest in SCO energy cooperation, and some of them have already carried out energy cooperation with SCO member states to a certain extent. Other states and regions are also actively considering more extensive cooperation with the SCO and its member states in this field. In this way, the SCO Energy Club in the function of ensuring energy security has a long way, on the one hand, it is needed to ensure the security of energy supply and arrangement in the area of SCO to keep the stability of the internal cooperation in the energy field, on the other hand, it is needed to consider the way of regional external energy dialogue and its possible impact. To this end, the Energy Club will coordinate potential conflicts of interest within and outside the region, actively promote coordinated development within and outside the region, and give full play to the advantages of the SCO in the field of energy.

It is worth noting that article 14 of the SCO AOA specifies that the organization may establish relations of cooperation and dialogue with other states and international organizations, including in certain areas of cooperation. In the direction of cooperation, the two sides listed developing energy system and ensuring rational use of natural resources. Based on this judgment, the scope of the Energy Club in ensuring energy security is not limited to the SCO, but may involve other states and regions besides observer states and dialogue partners. SCO Energy Club in closely connected with the agencies within the organization on the basis of, still need to focus on

areas of external energy cooperation work plan and the corresponding coordination work, and to start reflection on responsibilities for inside and outside to regional energy related conference information data collection and analysis, so as to create more beneficial for member states and its partners reference function. Therefore, the status of the Energy Club in the SCO still needs to be enhanced, which will further provide legal support for the organization and operation mode of the energy club, and also create more possibilities for cooperation within and outside the region.

CONCLUSION

Energy is a key industry for states' economic development, national economy and people's livelihood, and an important part of global strategy. Since its establishment in 2001, the SCO mechanism has been in operation for 20 years. The establishment of the legal mechanism of the Energy Club has obvious practical motivation and obvious practical needs. The building of an open and inclusive new order will integrate the harmonious coexistence of countries with different cultures. Energy cooperation will create new opportunities and possibilities for maintaining regional peace and stability as well as economic, trade and people-to-people exchanges. With the increasing influence of the SCO, more attention should be paid to the construction of legal mechanism for the security of the energy club. Energy cooperation, as one of the key areas of concern of the SCO, embodies the interests of coordination among all parties. The birth of Energy Club brings the possibility of breaking through traditional energy cooperation and innovating multilateral energy coordination to a certain extent. In order to ensure the SCO's energy security, the legal rules of the Energy Club will be further clarified and improved in the course of continuous exploration and development, so as to achieve energy security for the SCO. Only with institutional norms, the SCO Energy Club will be able to take on more important responsibilities in, including a clear positioning and development

goals, coordinate with bilateral and multilateral energy cooperation unilateral energy measures, even solving area energy investment or trade disputes, and promoting the implementation of the regional energy cooperation measures. In this way, the 'Shanghai spirit' of 'mutual trust, mutual benefit, equality, consultation, respect for diverse civilizations and pursuit of common development' will be further brought into play.

Conflicts of Interest Disclosure Statement

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