The Government of Kosovo and UNMIK are pleased to note the progress made in implementing the Energy Community Treaty since its signature in October 2005. The Government of Kosovo and UNMIK remain committed to the goal of improving energy supply security in the wider Europe.

Kosovo, over the past year, has made particular progress as regards the development of new generation capacity in line with the recommendations of the GIS Report. The Call for Expression of Interest for the development of a new lignite mine and power plant was met by an impressive response, and four international consortia have been short listed for the further tender process. Finalisation of the tender and selection of a winning bidder are expected by the end of the year. The new Kosovo C power plant is expected to generate electricity from 2012-2014 onwards and will thereby contribute to closing the regional generation deficit.

The Government of Kosovo and UNMIK thank the Secretariat and the European Commission for their valuable guidance in the process of creating a single network energy market, and the Secretariat for preparing the Report on the Implementation of the Treaty. It deserves to be highlighted that the Report, inter alia, identifies the ITC mechanism as a minimum basis for electricity trading under a liberalised market regime and further states that “UNMIK remains yet to participate in this mechanism.”

Ministers are reassured that the undertaking legally established and licensed as TSO in Kosovo, KOSTT JSC, has expressed in the past and has renewed its willingness to participate in the ITC mechanism. The present “ITC Agreement June-December 2007” signed on 25 May 2007 in Cyprus between SETSO and ETSO members does not include KOSTT JSC while listing assets incorporated into and operated by KOSTT JSC as assets of another Signatory. This is not in line with UNMIK’s authority pursuant to UN Security Council Resolution 1244 (1999) and the applicable law in Kosovo. It also deprives KOSTT JSC of the revenue, which would be required for the essential maintenance to ensure network security and stability in Kosovo.

The Government of Kosovo and UNMIK appeal to Ministers to make this subject matter known to the undertakings being Signatories to the ITC Agreement so as to remedy this situation. The Government of Kosovo and UNMIK support the intention of KOSTT JSC to participate in any future ITC arrangement, with a view to establishing an all-inclusive mechanism for undertakings established as TSOs in the Energy Community.