

ENERGY COMMUNITY MINISTERIAL COUNCIL

MEETING CONCLUSIONS

Belgrade, 18 December 2007

1. The Ministers of the Energy Community thanked the Serbian Minister and his authorities for their hospitality.
2. The A-points in Annex 1 were adopted.
3. The Ministerial Council welcomed France as a Participant pursuant to Article 95 of the Energy Community Treaty and Georgia as an Observer pursuant to Article 96 of the Treaty.
4. The European Commission made an oral report on the state of play of the accession process with Ukraine, Moldova, Norway and Turkey, to the Treaty.
5. The Work Programme of the Energy Community for the period 2008 – 2009 was adopted.
6. The Ministers reviewed the state of play of the implementation of the Treaty establishing the Energy Community. Further to the achieved progress so far, the Ministerial Council noted some delays on the implementation of the acquis. Therefore, the importance of monitoring and enforcement of the implementation obligations was underlined again. The Ministerial took note of the roadmaps presented by the Contracting Parties on how to overcome the remaining difficulties by 01.07.2008.
7. The European Community stressed the importance of a quick completion of the legal obligations imposed by the Treaty and reminded that the Energy Community's aim is an integrated market anchored to the EU market and governed by legally enforceable rights and obligations. The importance to dedicate sufficient administrative resources to the implementation process was particularly stressed. Efforts should be done, in particular as regards the powers and independence from the Regulators, the transparent management of cross-border capacities allowing for real third party access and the transition to cost-reflective electricity prices with regulated prices limited to the protection of vulnerable customers. These elements are very important to attract the so much needed private investments in electricity generation.
8. The Secretariat is requested to focus on the follow-up of the road maps and to provide assistance to the Contracting Parties for the preparation of the necessary measures. The Secretariat will report on the matter at the next Ministerial Council meeting.
9. Further, in light of the regional electricity market development and integration with the EU internal market, the establishment of a Coordinated Auction Office (CAO) in the region is considered by the Ministerial Council as being of utmost importance. Therefore, the Ministerial Council encourages all stakeholders to enable a timely and smoothly implementation of the CAO by February 2009 and requests the Commission to report on the progress achieved by the actors involved at the next Ministerial Council meeting.

10. The Ministerial Council discussed the list of priority infrastructure projects in the Contracting Parties that was prepared upon its request. The Ministerial Council adopted the list as an indicative and non-binding tool to promote a more regionally oriented investment planning. Further, it was decided that:

- The list will be updated yearly and presented at each Winter Ministerial Council meeting;
- A technical workshop with the International Financial Institutions should be organized in Spring 2008 to review the status of each project and, where necessary, coordinate the support to preparatory activities;
- The compliance of the listed projects with the obligations of the Treaty, in particular as regards the environmental impact assessment, will need due attention. In this regard it was reminded that the relevant reports and documentation must be publicly available.

International Financial Institutions and Donors (EAR, WB, KfW and USAID) confirmed their strong support to investment projects in the region, highlighted in this regard the availability of important funds within the existing financial instruments and therefore the need for Contracting Parties to approach them with projects to make the best use of these resources.

11. The Ministerial adopted the Mandate of the Energy Efficiency Task Force as proposed by PHLG. Mr. Igor Raguzin from Croatia was elected as Chairman of the Energy Efficiency Task Force for the duration of its mandate.
12. The Ministerial Council had an exchange of views concerning the security of supply status for the winter 2007/2008.
13. With regard to the Social Dimension of the Energy Community, the Ministerial Council welcomed the signature of the Memorandum of Understanding on Social Issues in the Context of the Energy Community. The Ministerial Council encourages further concrete steps in line with the Memorandum and the Work Programme of the Energy Community in order to address social issues and promote social dialogue in the energy sector in the region. The Ministerial Council expressed support to the proposal made by the PHLG regarding the establishment of a social forum as a separate yearly event prepared by existing or ad hoc working groups.
14. The Ministerial Council thanked the current Presidency of the Energy Community – Serbia – and issued a welcome to the incoming Presidency – UNMIK. The Ministers concluded that the main priorities for the incoming Presidency are related to the further successful and timely implementation of the Treaty acquis, development of the social dimension of the Energy Community in line with the Social Memorandum and progress with energy efficiency.

These Conclusions are adopted.

For the Ministerial Council,

THE PRESIDENCY

Annex 1

- 1) The Ministerial adopts the Conclusions of the 6th and 7th Permanent High Level Group meetings.
- 2) The Ministerial Council takes note of the Director's report on the budget implementation submitted by the Director following the requirement of article 75 of the Treaty.
- 3) Pursuant to Article 74 of the Energy Community, the Ministerial adopts the Procedural Act on Budget of the Energy Community for the period 2008-2009 established in accordance with articles 73 and 74 of the Treaty.
- 4) The decision on the implementation of Directive 2005/89/EC, Directive 2004/67/EC and Regulation 1775/2005/EC was adopted.
- 5) The Ministerial adopts the Staff Regulations of the Energy Community and its annex with the effectiveness as of 01.01.2008.