2025 Informal Ministerial Council

Wrap-up document by the Secretariat

17 July 2025, Athens, Greece

Energy Community 20th Anniversary

1. In 2025, we commemorate the 20th anniversary of the Energy Community Treaty. Ministers have acknowledged the pivotal role the Treaty has played over the past two decades in facilitating the integration of the Contracting Parties into the European Union's energy and climate framework. They highlighted that the Energy Community continues to serve as a robust legal and institutional platform, fostering the objectives of accelerated integration with the EU and promoting efforts in decarbonization and energy security.
2. The Ministers sincerely thank the Government of the Hellenic Republic for hosting the commemorative event marking the 20th anniversary at Zappeion Megaron in Athens. The Energy Community Treaty was signed on this historic site in 2005. They expressed their gratitude to the European Union and its representatives, as well as to key energy stakeholders from both the EU and Contracting Parties, for their unwavering commitment and exemplary collaboration over the past two decades in advancing the objectives of the Treaty.

Market Coupling

3. The Contracting Parties reported on the progress in transposing the Electricity Integration Package (EIP), with tangible strides made by Serbia, North Macedonia, Montenegro, and Moldova. This process still needs to be completed as a precondition for market integration into the EU single market for electricity.
4. The European Commission reiterated that the EIP, consisting of nine legal acts as adopted by the Ministerial Council in 2022, constitutes the agreed legal basis for the market coupling. Its full and compliant transposition and NEMO designation, along with the approval of the Market Coupling Operator Integration Plan (MCO IP) by ACER, are preconditions for the Contracting Parties' electricity market coupling into the EU single day-ahead and intraday coupling (SDAC and SIDC).
5. The Contracting Parties noted that a minimum period of 18 months, based on fixed annual windows, is needed to ensure operational and contractual readiness for the go-live of market coupling.
6. The European Commission clarified that the 18-month preparation process for market coupling is triggered once the European Commission approves and the Secretariat notifies the full and compliant transposition of the Electricity Integration Package for market coupling by the respective Contracting Party. To this end, the Contracting Parties invited the European Commission and the Secretariat to establish the verification procedure in writing. The European Commission has committed to ensuring the verification process of EIP transposition will be conducted as a matter of priority.
7. Recognising that REMIT, once adopted in the Energy Community, will also be subject to the verification procedure, and that several other legislative acts subsuming the EIP are currently under revision in the EU, the Contracting Parties called for a swift adaptation

and adoption of the new legislation in the Energy Community framework. They expressed their commitment to ensure its smooth transposition to avoid legislative gaps.

8. The Contracting Parties recognised the importance of ensuring coordinated capacity calculation and allocation on all bidding zone borders for regional operational security coordination and security of supply. In that light, they welcomed the timely submission of the EU TSOs' proposal to amend the decision on CCR to ACER for approval.

9. The Ministers called for facilitating the subsequent steps upon adoption of the decision on CCRs, such as the establishment of Regional Coordination Centres (RCCs) and, subsequently, the operationalisation of appropriate System Operation Regions (SORs). They also called on TSOs to coordinate calculated capacities, commercial exchanges, and flows efficiently on the north-south profile of the Balkans area and other relevant profiles.

10. The Contracting Parties noted that electricity imports from the Contracting Parties will be subject to the financial adjustments under CBAM as of 1 January 2026, which are challenging.

11. The Ministers expressed concerns that CBAM cannot be applied to electricity markets coupled with the EU's internal market in the absence of a technical solution. However, no market coupling is expected to take place before 1 January 2027, one year after the definitive period of the CBAM has started.

12. The European Commission noted that Contracting Parties must fulfil all the conditions set out in Article 2(7a-f) of the CBAM Regulation, in case they would like to be considered for a time-limited exemption of electricity imports under the CBAM.

13. Following the Ministerial Council meeting in December 2024, the Contracting Parties and their stakeholders identified a number of unintended impacts of CBAM on electricity trade and renewable projects and outlined them in a joint letter sent to the European Commission on 22 January 2025. They elaborated on their position during the technical meeting with the Commission in Brussels on 1 July 2025.

14. Building on this, the Ministers underlined the unique opportunity for eliminating some of the unintended impacts via the clarification and further elaboration of the existing rules in the ongoing processes of developing delegated and implementing rules for the CBAM Regulation and invited the European Commission to explore and propose, within the limits of the current CBAM Regulation, constructive solutions to the most immediate unintended impacts, ahead of 1 January 2026. Ministers also expressed their interest to be able to provide feedback to the European Commission on the said refinements at an early stage.

15. The European Commission invited Contracting Parties to participate in the call for evidence titled "Carbon Border Adjustment Mechanism – downstream extension, additional anti-circumvention measures and rules for the electricity sector", which creates a significant opportunity to address the proper and high-impact implementation of CBAM rules in the electricity sector in a structured manner on the mid to long-term horizon.

16. The Ministers also expressed their strong interest in continuing the dialogue with the European Commission on CBAM in autumn 2025 as was envisioned in the Commission's letter to the Secretariat on 26 March 2025 in order to a) facilitate the feedback on the draft implementing and delegated acts to be issued in 2025 under the current CBAM Regulation and b) present the European Commission's main conclusions from the call for evidence, regarding the aspects and issues related to electricity trade between the EU and the Energy Community Contracting Parties.

Harmonization of decarbonization measures

17. Following the presentation of the Impact Assessment to the Ministerial Council in December 2024, the Contracting Parties submitted feedback through a dedicated carbon pricing questionnaire, outlining their preferences and positions on various carbon pricing options. A clear majority of the Contracting Parties expressed a preference for developing national carbon pricing systems tailored to their specific contexts.
18. The Ministers noted that Bosnia and Herzegovina and Ukraine are currently preparing national Emissions Trading Systems (ETS). At the same time, Montenegro already operates a national ETS and aims to further align it with the EU ETS as part of its EU accession process. North Macedonia and Moldova are considering introducing a carbon tax, while Serbia plans to introduce a carbon tax and change it to a national fixed ETS. Albania has an existing carbon tax and is planning to establish a national ETS. Georgia continues to explore available options, with an initial preference for integration into the EU ETS. Kosovo[1]*, which is not a party to the UNFCCC, indicated that it does not currently intend to introduce a carbon pricing instrument.
19. The European Commission stressed that reliable and transparent emissions data form the backbone of carbon pricing and are essential for ensuring environmental integrity, stakeholder confidence, and perspective of alignment with the EU ETS. The timely finalisation and operationalisation of the Monitoring, Reporting, Verification, and Accreditation (MRVA) framework for all Contracting Parties is therefore an urgent priority.
20. The European Commission reiterated that all Contracting Parties have adopted Reform Agendas that have incorporated MRVA into their plans, paving the way for possible financial support once alignment is achieved. Serbia advanced the transposition of MRVA, however, many Contracting Parties are delayed with respect to the agreed deadlines. The European Commission also noted that aligning with EU ETS will require additional efforts beyond the MRVA commitments made under the Reform Agendas and the Energy Community framework.
21. The European Commission recalled that full alignment with the EU ETS will be required for all Contracting Parties in case of accession. In this context, early preparation through gradual convergence with EU ETS requirements is strongly encouraged, with a focus on prioritising full alignment with the EU MRVA system.

[1] This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

22. The European Commission referred to its non-paper "On preparing to join the EU ETS" which it had shared with the Contracting Parties in May 2025. The non-paper suggests a range of potential actions that Contracting Parties may take in the run-up to EU accession and that would help prepare their administrations and operators for being part of the EU ETS upon accession to the EU.

23. The European Commission reiterated the importance of carbon pricing instruments in addressing domestic greenhouse gas emission reductions, generating domestic revenues that, together with EU, international financial institutions and donors support, can be used for climate and energy purposes, including to be reinvested in the green transition, and ensuring a level playing field for economic operators. Introducing domestic carbon pricing instruments becomes more relevant as, with the introduction of the CBAM definitive regime on 1 January 2026, goods imported in the EU will be subject to the same carbon pricing as those produced within the EU, and a carbon price effectively paid domestically will be deducted from the CBAM financial adjustment.

24. The European Commission and the Secretariat reiterated the benefits of coordinated approaches to carbon pricing. Harmonisation would help avoid asymmetric obligations for economic operators, prevent trade distortions—particularly within established electricity market zones—and reduce the risk of carbon leakage. A level playing field, underpinned by consistent carbon price signals, supports a competitive and sustainable business environment across the region.

25. Ministers discussed areas of potential coordination and harmonisation regarding carbon pricing, including: a common implementation timeframe, sectoral coverage, and/or the establishment of a minimum carbon price. Ministers encouraged the European Commission and the Secretariat to explore possible measures for such coordination, recognising that the Energy Community Treaty provides political and legal tools, such as general policy guidelines or measures of the Ministerial Council.

26. To support these efforts, the European Commission and the Secretariat reaffirmed their readiness to continue dialogue on the development of carbon pricing mechanisms in Contracting Parties that assist future accession to the EU ETS. National carbon pricing systems should facilitate alignment with Nationally Determined Contributions, 2050 climate targets, and long-term strategies and are essential for the preparation and submission of the second round of draft integrated National Energy and Climate Plans due by 1 January 2028.

27. The Ministers stressed that meaningful progress on carbon pricing implementation must go hand in hand with a structured dialogue on financing the just transition in the region. This includes the design of national mechanisms for the effective use of carbon revenues to support vulnerable groups and regions, and the mobilisation of financial support from international financial institutions and donors. Linking carbon pricing implementation with just transition financing on a national level will be critical to ensure public acceptability, social fairness, and the long-term sustainability of decarbonisation efforts.