

ENERGY COMMUNITY MINISTERIAL COUNCIL

MEETING CONCLUSIONS

Tirana, 11 December 2008

1. The Ministerial Council meeting was opened by H.E. Mr Genc Ruli, Minister of Economy, Trade and Energy of the Republic of Albania. The Ministerial Council thanked the Albanian Authorities for their hospitality.
2. The European Commission and the EU Presidency presented the key elements of its recently adopted Second Strategic Energy Review and the latest developments of the EU energy and climate policy.
3. Minister Ruli acted the approval of the agenda and the adoption by the Ministerial Council of the A-points as indicated in Annex 1 and then proceeded to the examination of the agenda items.
4. The Ministerial Council reviewed the state of play of the implementation of the Treaty establishing the Energy Community and exchanged about the latest legislative and regulatory developments. The progress achieved so far was welcomed; however, the necessity to explicit focus on the delayed performance of each of the Contracting Parties was noted. The Secretariat was invited to continue providing actively support to the Contracting Parties in the implementation process, particularly in the process of development of the relevant acquis and to continue reporting at each PHLG and Ministerial Council meetings on the open issues. The representative of the World Bank, speaking on behalf of the IFIs' community, insisted on the necessity to pursue active efforts to carry out certain delayed reforms and encouraged an efficient project management to successfully set-up the Coordinated Auction Office and the importance to follow-up on the political priorities expressed on this matter by the Ministerial Council.
5. The European Commission highlighted the recent agreement on the new directive on the promotion of renewable energy sources and the related investment opportunities in the Energy Community. The Ministerial Council welcomed the suggestion of the European Commission to launch a study in 2009 on the impact and modalities of a possible inclusion of this future directive in the Energy Community Treaty and to set up a Renewable Energy Task Force.
6. Recalling its political support to the establishment of a Coordinated Auction Office for cross-border capacity allocation and congestion management, the Ministerial Council took note of the progress report presented by the transmission system operators (SETSO). In particular, the Ministerial Council welcomed the principles and aims of the Memorandum of Understanding among transmission system operators.
7. The Ministerial Council expressed its support to the location of the Coordinated Auction Office in Montenegro. The Ministerial Council noted that the governance structure of the Coordinated Auction Office shall guarantee the representation of interests of each participating transmission system operator in a fair and proportionate manner and the best available professional skills.
8. The Procedural Act on Establishment, Composition and Functioning of Coordination Group on Security of Supply was adopted. In addition, the Ministerial Council had an exchange of views concerning the security of supply status in the region and the related infrastructure projects. It was particularly stressed that long term security of supply will depend on critical investments in generation and transmission.

9. The Ministerial Council adopted a Decision for the extension of certain provisions of the Treaty to the oil sector and for the establishment of an annual Oil Forum to take place in Belgrade. In this context, the European Commission informed about the recast of the EU directive on oil stocks and suggested that its possible implementation in the Energy Community could be examined by means of a study to be carried out in 2009.
10. The Ministerial Council reviewed the state of play on the development of priority infrastructure projects in the Contracting Parties and underlined the progress achieved during the year 2008, in particular as regards electricity interconnections. The Ministerial Council approved the updated version of the list of priority infrastructure projects – including the latest information provided by the Contracting Parties – and decided that it should further be updated annually. The European Commission stressed the key importance of transparent tendering and market procedures, environmental rules, and stable and predictable regulatory framework. The Secretariat informed about the preparation of the 2009 Investment conference to be organised by end of March in Sarajevo in cooperation with EBRD.
11. The Ministerial Council noted the information presented by the Secretariat on the first Social Forum held in November 2008 in Tirana. They underlined the importance of the initiative and welcomed the strong involvement of the social partners.
12. The Ministerial Council welcomed the progress achieved in the area of energy efficiency as reported by the Chairman of the Energy Efficiency Task Force. The Ministerial Council underlined their expectations that the Task Force shall complete its work along the prescribed mandate in due time. The Task Force was invited to present detailed report and proposals for next steps at the next Ministerial Council meeting in June 2009.
13. The European Commission informed the Ministerial Council about the first negotiation sessions held on 25 November 2008 with Ukraine and on 26 November 2008 with the Republic of Moldova concerning their accession to the Energy Community and indicated that, based on the constructive technical dialogue already initiated, formal negotiations with Turkey are expected to start early 2009.
14. The Ministerial Council thanked the current Presidency of the Energy Community – Albania – and issued a welcome to the incoming Presidency – Bosnia and Herzegovina. The Ministers concluded that the main priorities for the incoming Presidency are related to the further successful steps concerning: the implementation of the acquis, including the one on security of supply, the social dimension of the Energy Community, concrete results in the promotion of investments and progress with energy efficiency and renewables.

These Conclusions are adopted.



For the Ministerial Council,

THE PRESIDENCY

Annex 1

- 1) The Ministerial adopts the Conclusions of the 10th and 11th Permanent High Level Group meetings.
- 2) The Ministerial Council takes note of the Director's report on the implementation of the Work Programme of the Energy Community for 2008.
- 3) The Ministerial Council takes note of the Director's Preliminary Report on the implementation of the budget of the Energy Community for the period 01.01.2008-31.12.2008. Pursuant to Article 80 of the Procedures for the Establishment and Implementation of the Budget, Auditing and Inspection and on the ground of the respective consideration by the Budget Committee as of 24 September 2008 in its advisory role to the Director of the Energy Community Secretariat, the Ministerial Council agreed upon the proposed extension of the Terms of Service for appointment of an external audit company from one to three years, which shall be applicable from 2009 onwards.
- 4) The Ministerial Council adopts Annual report 2007 to Parliaments pursuant Article 52 EnC.
- 5) The Ministerial Council notes the ECS Report on the implementation of Generally Applicable Standards and requests further steps in this direction as proposed by the Secretariat.