

CONCLUSIONS
7th PERMANENT HIGH LEVEL GROUP MEETING
17 DECEMBER 2007, BELGRADE

WELCOMING AND INTRODUCTORY REMARKS

1. The meeting was co-chaired by Mr. Miroslav Kukobat, on behalf of Serbia as Presidency in office, and Mr. Fabrizio Barbaso for the European Commission.

AGENDA ITEM ONE - DOCUMENTS FOR ADOPTION WITHOUT DEBATE

2. The PHLG took note of the 1st Report on the execution of the budget of the Energy Community presented in accordance with the requirement of article 75 of the Treaty. Upon discussions, the PHLG decided to submit the Report to the Ministerial Council for consideration.
3. The European Commission, according to Articles 74 and 88 of the Treaty, presented its proposal for a budget of the Energy Community for the period 2008-2009. It was decided to submit the draft budget to the Ministerial Council for adoption.

AGENDA ITEM TWO – ESTABLISHMENT OF A BUDGET COMMITTEE

4. The PHLG noted that, upon completion of all nominations, the Budget Committee had been regularly constituted. Consequently, the Budget Committee was considered to take up its duties immediately. The Chair of the Budget Committee informed about the necessity to proceed without delay to the consultation of the Budget Committee, by written procedure, concerning certain budget reallocation for 2007, as proposed by the Director. It was also noted that the Budget Committee will adopt its Internal Rules of Procedures.

AGENDA ITEM THREE – APPLICABILITY OF EASEEGAS RECOMMENDATIONS IN THE CONTEXT OF THE GENERALLY APPLICABLE STANDARDS

5. The PHLG thanked the Secretariat for the report on the issue and noted that EASEE-Gas Common Business Practices are not binding but of voluntary implementation. Considering the technical nature of the issue, the participation of the Secretariat in EASEE-Gas works was not considered as a priority.

AGENDA ITEM FOUR - IMPLEMENTATION OF THE TREATY

6. On the ground of the information distributed in advance to the PHLG members (Report on the implementation of the Acquis), the Secretariat presented its key findings. A reference was made to the updates of the Detailed Road Maps received by the Secretariat and their content.
7. The PHLG took note of the information presented by the Secretariat and by the Contracting Parties. Confirming again that enforcement remains the key target, the PHLG underlined that the efforts of the Contracting Parties to overcome the delays in implementing the Treaty shall be concentrated in a manner, which shall allow all of them to complete this process by 01.07.2008 at the latest. In this relation, the European Commission urged the Contracting Parties for compliance along the indicated overall deadline.
8. The Secretariat – recalling that enforcement of the Treaty is crucial - underlined its readiness for active support, indicating that the draft Work Programme envisages technical assistance as one of the key instruments in the relevant period of operations. The Secretariat informed the PHLG about its plans for provision of technical assistance in the above context in the beginning of 2008 (concrete dates have already been proposed). The basis for implementation will be the discussed and agreed Detailed Road Maps. Contracting Parties are invited to send to the Secretariat their draft laws/amendments or energy strategy documents in order to timely benefit from opinions and advice.
9. The PHLG noted that sufficient administrative capacity shall be dedicated to the implementation of the Treaty. The Commission reminded that Contracting Parties can, in particular, make use of the opportunities offered by the EU pre-accession instruments, such as TAIEX, SIGMA and the Transition Assistance and Institution Building component of the various programmes financed from IPA. For the latter, it was reminded that the contact point is the National IPA Coordinator (NIPAC). A workshop highlighting the various support possibilities shall be organized in the beginning of 2008.

AGENDA ITEM FIVE – EXTENSION OF THE ACQUIS

10. The Secretariat – making reference to Conclusion 5 of the 6th PHLG Meeting on a Decision for extension of the EU Acquis applicable – gave an overview of the contents and the key challenges in the process of implementing Directive 2005/89/EC before 31 December 2009, Directive 2004/67/EC before 31 December 2009 and Regulation (EC) n° 1775/2005 before 31 December 2008.
11. The PHLG thanked for the information and asked the Secretariat to prepare a report on the steps undertaken by the Contracting Parties on this implementation for the 8th PHLG, and the 4th Ministerial Council respectively.
12. The Secretariat informed the PHLG about its concrete plans for assistance to the Contracting Parties and stressed the necessity to use the roadmap

approach for the elaboration and implementation of the new acquis, giving the priority to Regulation 1775 due to the shorter time for implementation.

AGENDA ITEM SIX – INVESTMENT PROJECTS OF REGIONAL INTEREST

13. The Secretariat introduced the draft indicative list of infrastructure projects. The PHLG, taking note of the proposal, had an exchange of view, with the participation of EAR, WB, KfW and USAID, to prepare the discussion in the Ministerial Council. Besides, it was agreed to organize early 2008 a technical workshop to review the status of each project and the possibilities for further assistance from the Donors.
14. The Commission reminded that projects must in particular comply with the requirements of the directive on environmental impact assessment which foresees a public consultation procedure. It was suggested that the web link to the relevant consultation documents (in particular EIA studies), should be communicated to the Secretariat in order to be put on its website.

AGENDA ITEM SEVEN – ENERGY EFFICIENCY

15. The PHLG expressed its support to the Croatian proposal for the nomination of Mr. Igor Raguzin, Head of Division for Renewable Energy and Energy Efficiency, Ministry of Economy, Labor and Entrepreneurship of Croatia, as the Chair of the Energy Efficiency Task Force.

AGENDA ITEM EIGHT – SOCIAL ISSUES

16. The Secretariat made reference to the PHLG's agreement at its 6th meeting to establish a social platform to address the social issues, presented a brief follow-up on the activities in relation to the Social Memorandum (i.e. Belgrade Conference, 19-20 October 2007) and indicated the milestones envisaged in the Work Programme in this matter.

AGENDA ITEM NINE – ECRB BEST PRACTICE GUIDELINES ON THE PROTECTION OF VULNERABLE CUSTOMERS

17. The Guidelines on Best Practice for the Protection of Vulnerable Household Customers proposed by ECRB were presented and welcomed as a useful reference.

AGENDA ITEM TEN – ENLARGEMENT PROCESS

18. The European Commission provided information on the enlargement process of the Energy Community in preparation of the Ministerial Council meeting.

AGENDA ITEM ELEVEN – MISCELLANEOUS

19. The Secretariat presented its detailed plan on the implementation of the Energy Community work programme for the first half of 2008 and provided preliminary information concerning possible studies in relation with the work programme.
20. The Commission gave information on the steps taken in relation with the operation of the inter TSO compensation mechanism between UNMIK and the Serbian TSO. Parties have committed themselves to aim for a joint meeting in January with the presence of the Commission.
21. The Secretariat presented a summary on the development of the DRY RUN Coordinated Auction in SEE Study, indicating its role, status and next steps towards the implementation of the Coordinated Auction Office for the SEE Region. The Secretariat is requested to further inform the PHLG on the developments in this regard.
22. The Reimbursement Rules of the Energy Community, recently adopted by the Director of the Energy Community Secretariat, were presented for information.
23. The Secretariat presented the indicative calendar of meetings and events for 2008.

For the Energy Community



Presidency

Done in Belgrade on 18 December 2007