



**Speech of Director of the Energy Community Secretariat, Janez Kopač, at the 19th
Energy Community Ministerial Council in Belgrade**

(check against delivery)

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Dear Deputy Prime Minister prof. Mihajlović, dear Ms Wörsdörfer, dear Ministers, Deputy Ministers, Excellencies, friends, colleagues,

Let me start my speech with a joke with which I started my inaugural speech in Budva in the presence of Commissioner Oettinger nine years ago.

Two researchers went to explore the world in a balloon. A storm forced them towards the ground. They found themselves just above an unknown city and one of the two men saw somebody on the street below and said out loud: Where are we? The men on the street looked up and answered: In a balloon. The other researcher said: This was for sure a consultant from the EU. The first one asked why. The second one responded: Answer was fast, straightforward and self-confident, but didn't have any connection with the essence of the problem.

In Budva, I said that I promise we will not act like that consultant. I think I kept my promise. Commissioner Oettinger selected me because I had experience as Member of Parliament, as Minister and as Director General of the Energy Directorate to deal with practical problems in reforming the non-market based energy sector. I tried to be useful and pro-active.

Initially, the Secretariat of the Energy Community only commented draft laws and secondary legal acts. This we saw as too slow. Therefore, we started to draft them, and we drafted more than a thousand of them over the past nine years. We improved the implementation ratio of the acquis from a very low level to almost 60% on average. We strived to share the knowledge and hence established the Energy Community Regulatory School and Summer School, the European Energy Law Forum, jointly with the Florence School of Regulation and many other initiatives. We worked to establish new alliances to increase our influence by establishing strong connections with NGOs, by establishing the Parliamentary Plenum and by creating new bodies, like platforms for electricity and gas DSOs, where it turned out we were pioneers even a step ahead of the EU; platform of large electricity generators, of investors etc.

We worked to help in mediating disputes between investors and states by establishing the Energy Community Dispute Resolution Centre with many tangible results. I tried to be available for every journalist at every time of the day and was often undiplomatically outspoken but to the point. I am sure this was necessary in building respect and credibility, and to avoid using catchwords that Brussels was often associated with among our client countries.

When I took up this position nine years ago, the times were quite different. We were not only younger. In our Contracting Parties, there was much more enthusiasm and expectations related to future EU membership. The current energy crisis gave space to a non-market



approach in many places, also in the EU. Some major steps back were taken that annul our efforts that we built over several years.

The work of the Secretariat is much more challenging now. We cannot offer financial support, neither can we promise EU membership. We have one weak weapon – the infringement procedure and one strong weapon – trust from the Contracting Parties. This trust was built by being useful, visible, close. We speak languages of our Contracting Parties, we have built strong professional relations with the officials in our Contracting Parties, we have experts that do not rotate and are always there to help. Out of all, the most important is the independence of the Secretariat, its integrity and professionalism, irrespective of where the intervention comes from: Prime Minister, oligarch, lobby or somebody from Brussels.

It is my observation that over the nine years, the support from the Commission to the Secretariat has gradually declined, with our budget frozen already the third year in a row. On our Ministerial Councils we hosted Commissioners, I was regularly invited to Brussels, sometimes on a weekly basis, which indicated a certain weight of the Energy Community. However, over the past two, three years, the EU proceeded with the decarbonisation agenda very fast and it seems it has many internal problems. The gap between the EU and the Contracting Parties seems to be getting deeper and what I see necessary is a substantial change in attitude and support of the EU towards the Contracting Parties, to prevent the escalation of the problem. Some Contracting Parties will perhaps never overcome the gap that is emerging right now.

The biggest challenge for the Energy Community in the future is the non-existence of carbon pricing in the Contracting Parties. It is a pity that the European Commission didn't propose the Emission Trading Scheme Directive for transposition long ago. The Contracting Parties could be more active by themselves. Montenegro introduced a CO₂ price of 24 EUR per ton. Others are waiting for the EU to push them with legal action. The Decarbonisation Roadmap envisages the Emission Trade Directive in 2025. Too late, but at least it was adopted. It gives also new life to the Energy Community which would otherwise expire in 2026.

The second biggest challenge is the respect of the rule of law. I tried to strengthen this with launching Treaty amendments, penalty payments among them, back in 2013. In 2018, all Contracting Parties agreed with the changes but the momentum has been lost and now we are in a quite unpromising situation. The Energy Charter is, I'm afraid, such an unpromising example of a non-amendable Treaty and I believe we should do everything possible to avoid this situation that weakens the relevance of the Energy Community.

Let me conclude by first thanking all the colleagues from the Secretariat for their dedicated work, my work and achieved results would not be possible without such a good team. I would also like to thank all the colleagues from the Contracting Parties for excellent cooperation. And last but not least, to the Commission. There are many very knowledgeable and dedicated officials.

In particular, allow me to express my sincere thanks to the Serbian President Vučić, Deputy Prime Minister Mihajlović, North Macedonian Prime Minister Zaev, Montenegrin Prime Minister Krivokapić, Montenegrin Minister Bojanić, Kosovan Prime Minister Kurti, Bosnian Minister Košarac and Georgian Minister Turnava for their indispensable support for my candidacy for the position of the Director. It didn't soften the Commission's heart, but it means a lot to me.



Today, my nine years of passionate engagement in the Secretariat come to a close, and what intense nine years there were - many times during holidays, weekends and night hours - colleagues I apologize. Nine years is between 10 and 15% of an average human lifespan. It is also some 60% of current Energy Community's age. The next period of the Energy Community will be more challenging than the past one. I wish all the success to the new Director and of course to the Contracting Parties. I always said that we earn our salaries but our success is only when it is your success, the success of the Contracting Parties.

Thank you for giving me the opportunity for these wonderful nine reforming years of work in progress. I do not yet have solid plans for the future but I remain on the market, and if you need my services, let me know. Long live the Energy Community.