

## **SEE Parliamentarians Workshop**

### **"Parliaments – Support to Harmonized Energy Reforms in Southeast Europe"**

**Sarajevo, 15 December 2008**

## **Conclusions**

Parliamentarians from the parliamentary committees dealing with energy issues from South Eastern Europe (SEE) met in Sarajevo on 15 December 2008 at the invitation of the Regional Cooperation Council and the Parliamentary Assembly of Bosnia and Herzegovina who organized the workshop.

The workshop was opened by Mr. Branko Dokic, Chairman of the Committee for Transport and Communications, Parliament of Bosnia and Herzegovina which were hosting this event, Mr. Hido Bisevic, Secretary General of the Regional Cooperation Council and Mr. Vladimir Danchev, Head of the Regional Secretariat for Parliamentary Cooperation in South Eastern Europe.

In the first session, the International Energy Agency and UNDP representatives - authors of the publication ``Energy in the Western Balkans`` presented energy policies in the region, energy balances and key statistical data, energy poverty issues, oil and gas infrastructure plans.

The second session was dedicated to the Energy Community Treaty and its implementation. Energy Community Secretariat Director presented the role of the Energy Community for the overall European integration of the region, bottlenecks in Treaty implementation, upcoming challenges and investment prospects.

The third session the World Bank representative provided the opportunity for Parliamentarians to learn about the World Bank position on the regional energy sector and the support to its development. The World Bank representative gave a presentation on the Priorities in the Energy Community while underlining the need for action reform, good governance and increased transparency in order to build up momentum and investor confidence.

In the fourth session, the representative from the European Commission made comprehensive presentation on integrated energy and climate policy of the EU, major tools to ensure sound implementation of this policy and the EU position towards the region.

During the final, fifth session, representative of the United Nations Economic Commission for Europe delivered presentation on the energy efficiency as the tool for mitigating climate change, secure energy supply, increase competitiveness, new employment and moderate new energy investments.

Each session was followed by extensive discussion. As a result of these discussions the following conclusions were assumed:

- Cost-reflective energy prices are key for ensuring operational energy market, new investments and increased energy efficiency;
- Civil society inclusion and developing the social dimension are necessary in order to ensure comprehensive support and general acceptance for energy reforms;
- Regional approach and establishing stable and compatible national frameworks are prerequisites for reaching operational regional energy market and benefiting from the economies of scale;
- Taking into account increasing electricity deficit in the region speeding up the decision making process to construct new electricity generation facilities is of paramount importance;
- Fair, transparent and diligent public tendering procedures are necessary to gain investors confidence;
- It is necessary to promote mutual assistance and solidarity in the event of disruption of energy supply;
- Energy Community process demands more support to regional gas sector reform to compensate delay in relation to electricity sector developments;
- Coordinating efforts in the SEE region are necessary to bring more gas in the region through real diversification and Energy Community Gas Ring Concept development;
- Full support is expressed to the development of the Oil Dimension under Energy Community umbrella and expansion of the Energy Community geographical scope ;
- Efficient and sustainable implementation of the Energy Community Treaty is of high significance for the SEE countries.
- Energy efficiency and renewable energy resources were recognized as extremely important energy potential for the region.

The Workshop participants discussed broader context of the challenges SEE region is facing, namely:

- Global financial and economic crises;
- Volatility of energy (oil) prices;
- Climate change and increasing pressure to reduce emissions in the energy sector;
- Weak upstream investment as a source of decreased security of energy supply.

The need for accommodation to the new circumstances was pointed out and referred to the recently adopted EU Economic Recovery Plan.

It was also concluded that there is a need for intensifying regional parliamentary cooperation on the energy issue. While it was repeatedly stressed that the role of Parliaments is crucial with regards to the implementation of legislation. In this regard it was agreed that parliamentarians can offer support through:

- Ensuring political stability and political commitment;
- Backing and pushing their governments with regard to implementation of laws and regulations, social safety nets and cost-reflective tariffs, good governance and improved transparency;
- Supporting and promoting regional cooperation because SEE countries can best advance if they work together (in that respect, start with the Coordinated Auction Office was emphasized);

Energy efficiency is recognized as a huge regional energy potential. In that respect, the UNECE representative presentation is welcomed as well as UNECE work and work of other partners (RCC, NALAS, RENEUER, FEDRE) on the development of the project proposal that would include Energy Efficiency Market Formation in SEE. Role of the EC, IFIs and donor community for developing energy sector in the region is stressed as well as appreciation for their support so far.

It was agreed that National Parliamentarians Workshops dealing with actual energy issues should be organized. These workshops would contribute to raising the awareness on the needed energy reforms, facilitating law making process and supporting the parliamentarians to oversee their governments' activities especially with regards to overseeing the implementation of the National Action Plans. Additionally, it was discussed on institutional arrangements and mentioned that it would be useful to establish Working Group on Energy comprising the representatives from the SEE parliaments. Once these workshops on national level finalize a regional workshop could be envisaged where the key role of the Regional Secretariat for Parliamentary Cooperation is foreseen. In that respect, need to contact potential donors and supporters is accentuated. Some experience in cooperation with parliamentarians within the EU was mentioned and European Energy Forum was highlighted as the possible model for the SEE.