



REPUBLIKA HRVATSKA
MINISTARSTVO GOSPODARSTVA

Croatia and the SE European Energy Bridge

Zagreb, October 10th 2014

**European key policy issues and the
Western Balkans energy markets**



European key policy issues and the Western Balkans energy markets



- ◆ **Energy Policy Framework**
 - Revision of Europe 2020 Strategy
 - New Climate and energy policy framework 2030
 - European Energy Security Strategy

- ◆ **The future of the Energy Community**

- ◆ **Regional Strategies**
 - European Strategy for the Danube Region
 - European Strategy for the Adriatic and Ionian Region



Energy Policy Framework

◆ Europe 2020 Strategy

- Early in 2010, the Commission proposed the Europe 2020 strategy which was launched as the **EU's strategy for smart, sustainable and inclusive growth**.
- The aim was **to improve the EU's competitiveness** while maintaining its **social market economy** model and improving significantly its **resource efficiency**.
- The strategy has served as a frame of **reference for action** at EU level in the areas of **the Single Market, the EU budget for 2014-2020 and the EU's external policy agenda**.

◆ Revision of the Strategy for the period 2015 – 2020 taking into account the financial and economic crisis of recent years



Revision of the Europe 2020 Strategy

- ◆ ***ENERGY TARGETS: Reducing greenhouse gas emissions by at least 20% compared to 1990 levels, increasing the share of renewable energy in final energy consumption to 20%, and moving towards a 20% increase in energy efficiency.***
- ◆ **The EU already achieved an 18% reduction in greenhouse gas emissions by 2012.**
- ◆ **From 7.5% in 2000, the share of renewables already reached 14.4% in 2012.**
- ◆ **Primary energy consumption fell by around 8% between the 2006 peak and 2012. A further reduction of 6.3% would be needed by 2020 to meet the target.**



◆ Proposals for new targets:

- An EU target of a **40% domestic reduction in greenhouse gas emissions** by 2030 compared to 1990 (based on principles of fairness and solidarity);
- An EU target for **share of renewable energy** consumed in the EU of **at least 27%** in 2030 compared to 1990;
- An EU target for **improvement in energy efficiency of 30%** in 2030 compared to projections of future energy consumption;
- Increasing the number of gas and electricity **interconnections** to be achieved via implementation of the PCIs.



European Energy Security Strategy

◆ Short term measures

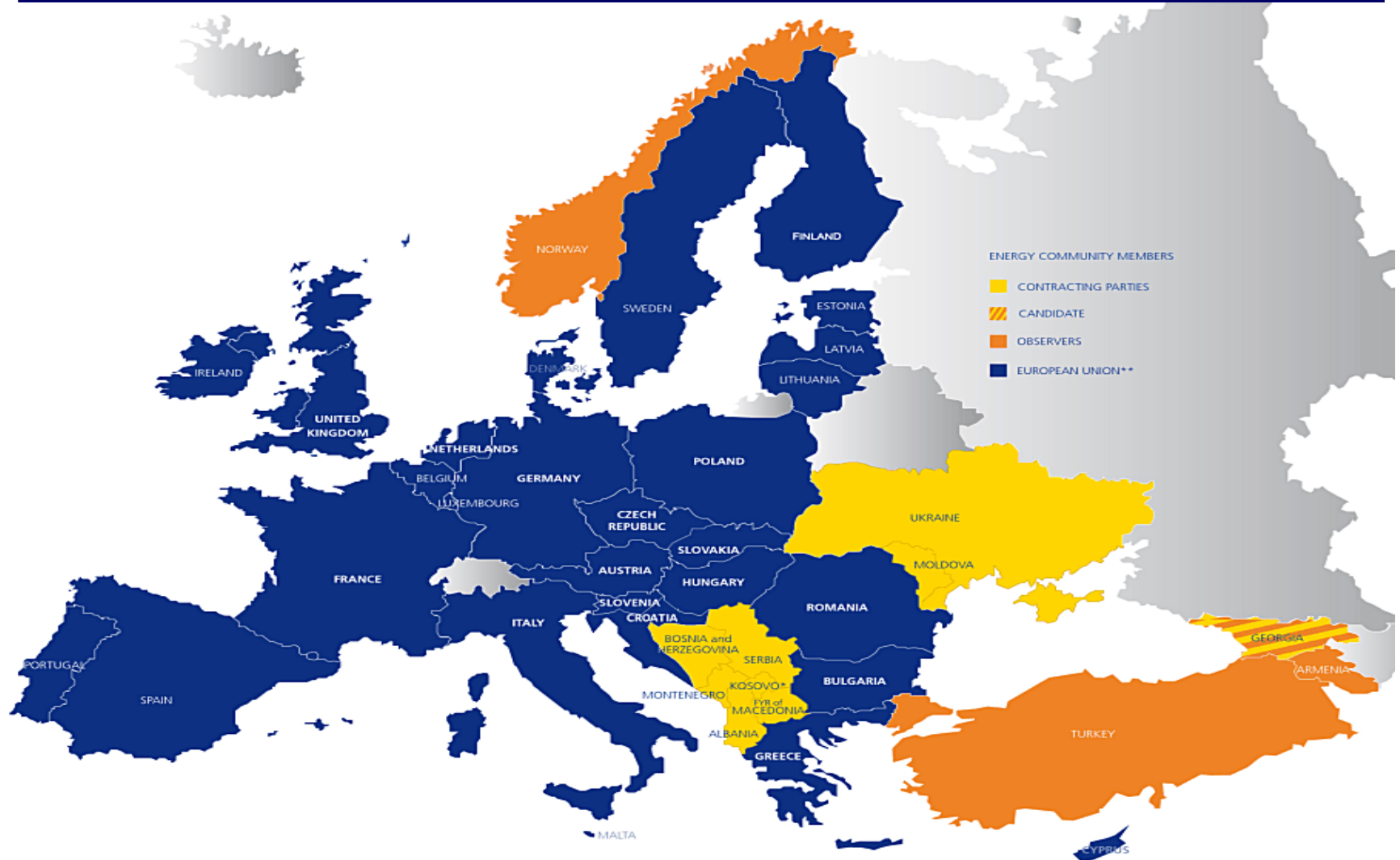
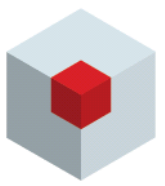
- Increasing **gas stocks**;
- Developing **emergency infrastructure** such as reverse flows;
- **Reducing short-term energy demand**;
- Switching to **alternative fuels**.

◆ Medium to long-term challenges

- Increasing **energy efficiency** and reaching the proposed 2030 energy and climate goals;
- Increasing **energy production** in the EU and diversifying supplier countries and routes;
- Completing the **internal energy market** and building missing infrastructure links;
- Speaking with **one voice** in external energy policy;
- Strengthening **emergency and solidarity mechanisms** and protecting critical infrastructure.



Energy Community





Energy Community



Established in 2006

*"Energy Community is about **investments, economic development, security of energy supply and social stability**; but – more than this – the Energy Community is also about **solidarity, mutual trust and peace**. The very existence of the Energy Community, only ten years after the end of the Balkan conflict, is a success in itself, as it stands as the first common institutional project undertaken by the non-European Union countries of South East Europe."*

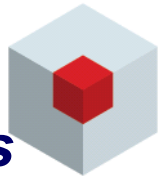
Today the Energy Community is bridge between EU and non-EU countries through harmonization of the regulatory framework in energy sector.

Future of the Energy Community?

Findings of the High Level Reflection Group chaired by Prof. Jerzy Buzek.



Future of the Energy Community – some proposals



◆ **Legal perspective**

- More flexibility in the scope and time of the adaptation of the acquis (no more copy pasting);
- Interconnectors between EU MSs and CPs to be considered interconnectors under 3rd Package;
- Broadening scope (fundamental freedoms, state aid, procurement rules).

◆ **Investments**

- Create an “investment-friendly area” (harmonization of permitting procedures and criteria, increasing transparency, reducing risks on the selling of energy within the territories of CPs);
- More bilateral and multilateral funding for technical assistance and investments (at least for PECIs) but binding conditional on acquis compliance;
- Create a single buyer agency.



Future of the Energy Community – some proposals

◆ **Geographical Scope**

- Declare interest in specific strategically important countries and/or regions (Eastern Partnership countries, Switzerland, Norway and Mediterranean countries);
- Be open to new members;
- Replace the current “one size fits all” approach by differentiating scheme to take into account specific country conditions.

◆ **New terminology:**

- Members (instead of Contracting Parties) for countries adopting full acquis;
- Associated Members for countries agreeing on a basic (minimum) level of implementation obligation;
- Observers (status kept);
- Participant category eliminated.



European Strategy for the Danube Region



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European Strategy for the Danube Region



The EU Strategy for the Danube Region (EUSDR) is a macro-regional strategy adopted by the European Commission in December 2010 and endorsed by the European Council in 2011.

The Danube Region Strategy addresses a wide range of issues; these are divided among **4 pillars** and **11 priority areas**. Each priority area is managed by 2 Priority Area Coordinators (PACs).

Priority Area 2 "To encourage more sustainable energy" is coordinated by Hungary and the Czech Republic.



European Strategy for the Danube Region





EU Strategy for the Adriatic and Ionian Region



Transnational Cooperation areas 2014 - 2020
ADRIATIC-IONIAN



European Commission





- ◆ **Communication on the EU Strategy for the Adriatic and Ionian Region (17 June 2014)**
- ◆ **Action Plan on the EU Strategy for the Adriatic and Ionian Region (17 June 2014)**
- ◆ **18 November 2014 Brussels
Launch Conference of the EU Strategy for the
Adriatic and Ionian Region**



EU Strategy for the Adriatic and Ionian Region



FIELDS OF INTEREST

◆ **Blue Growth**

- aiming at boosting innovative marine and maritime growth by promoting jobs and business opportunities in the Blue economy;

◆ **Connecting the Region**

- aiming at improving connectivity in terms of transport and energy;

◆ **Environmental quality**

- focusing on coastal and marine biodiversity and pollution of the sea, as well as on transnational terrestrial habitats and biodiversity; and

◆ **Sustainable Tourism**

- aiming at developing the full potential of the Region in terms of innovative quality tourism while boosting businesses and creating stable jobs



- ◆ **The two general objectives of the EUSAIR are:**
 - **to promote sustainable economic and social prosperity** of the Region through growth and jobs creation, by improving its attractiveness, competitiveness and connectivity, while **preserving the environment** and ensuring a healthy and balanced marine and coastal ecosystems.
 - **to contribute to the EU integration of the participating Western Balkan candidate and potential candidate countries**, by bringing together countries with much shared history and geography.