

## Europe: Commission and Energy Ministers sign important infrastructure and regional cooperation agreements in Central and South Eastern Europe

European Commission Vice-President Maroš Šefčovič, Commissioner for Climate Action and Energy Miguel Arias Cañete and Energy Ministers from 12 EU and Energy Community countries and contracting parties in Central and South-Eastern Europe signed important infrastructure and regional cooperation agreements today in Budapest.

Cooperation under the European Commission Initiative on Central and South-Eastern European Gas Connectivity, launched in 2015, has produced tangible results.

At today's meeting the Bulgaria-Romania-Hungary-Austria Connecting Europe Facility Grant agreement of 179 million euros was signed. In addition Joint Statements were signed by the Governments and Transmission System Operators from Greece, Bulgaria, Romania and Hungary on cooperation on gas projects along the so-called "Vertical Corridor".

Furthermore a Memorandum of Understanding was signed by the TSOs from Ukraine, Romania, Bulgaria and Greece on reverse flows on the Trans-Balkan pipeline. Ministers also welcomed the imminent completion of the new interconnector between Bulgaria and Romania and the project to reinforce the Bulgarian network preparing it for further interconnections with neighbouring countries.

Looking ahead, the relevant Ministers committed to the rapid completion of four further priority projects: the LNG terminal in Croatia and connecting infrastructure towards Hungary, the Greece-Bulgaria interconnector and the Bulgaria-Serbia interconnector.

Commission Vice-President for Energy Union Maroš Šefčovič said: "Today's meeting is a milestone in regional cooperation and in advancing our plans for Energy Union. In working together, we can achieve heightened energy security and diversification in a region which has already experienced severe vulnerability to its gas supplies."

Commissioner for Climate Action and Energy Miguel Arias Cañete said: "I'm glad that our cooperation in the region has produced tangible results: Bulgaria now has access to LNG and Ukraine will soon have it too. But we want to go further including beyond cooperation in the gas sector. This is why we are also extending our cooperation to renewable energy and energy efficiency to help also boost energy security by lowering dependence on external energy suppliers."

The meeting also saw the adoption of an Action Plan on regulatory issues to smooth out the operation of existing and planned infrastructure in the region and to improve market functioning. Moreover, Ministers also decided to move the CESEC's cooperation into new areas aiming to create a regional electricity market as well as boosting renewable energy and energy efficiency in the region. The meeting was convened following the substantial progress achieved in one year of reinforced regional cooperation.

In 2014 the Commission's 'stress tests' revealed a region extremely vulnerable to a cut in



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gas supply by its largest, and often sole, supplier. Moreover, consumers have historically paid significantly more for their gas in this region compared to Central Western Europe. The main reasons were missing cross-border infrastructure and poor implementation of energy market rules that would allow reliable gas supplies from a diverse range of suppliers to be delivered at affordable prices to consumers.

Since its launch by the Commission in 2015, the CESEC Initiative has already resulted in rapid development of the infrastructure in the region and implementation of EU market rules which help ensure fairer prices for consumers and efficient functioning of competitive energy markets. The Energy Union aims at guaranteeing that all countries in Central and South Eastern Europe will have access to at least three different sources of energy in the future, and the Commission works intensively to make sure that all countries in the regions are well interconnected to the rest of Europe.

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