

As a follow up to the Conference on the Western Balkans held in Berlin on 28 August 2014, we, the Ministers of Energy of the Western Balkans gathered in Vienna on 2 July 2015 in the presence of the European Commissioner for European Neighbourhood Policy & Enlargement Negotiations and the Director of the Energy Community Secretariat (EnC) and following consultations with the European Commissioner for Energy and Climate, have adopted the following Joint Statement in order to reaffirm our commitment to connectivity in energy, good neighbourly relations, regional cooperation and European integration:

1. We agree with the enclosed short list of investment projects prepared by the Energy Community Secretariat on the basis of the list of 35 Project of Energy Community Interest (PECI). We note that the short list will be proposed for inclusion in the IPA 2015 multi-country program, with funding from the IPA national envelope or other available sources and implemented through the Western Balkan Investment Framework. We will work to overcome the technical, administrative and regulatory obstacles (including compensation of asymmetry of costs and benefits) in order that these projects can be funded and implemented as soon as possible.

Additional PECI projects will be proposed for funding in subsequent years, and the list of PECI projects will be renewed in 2016. This process should be part of the implementation of the TEN-E Regulation to be adopted for the Energy Community as soon as possible. The parties will work to bring these projects to maturity. Work on gas projects will be carried out through the implementation of the Central and South-Eastern Europe Gas Connectivity initiative.

Ministers accept that respective National Investment Committees must establish without delay single project pipelines of priority investments. The sector pipelines should reflect the fact that PECI are an important part of our connectivity agenda as they are preconditions for receiving IPA II support for investment co-financing. .

Ministers agree to set up a regional power market initiative, which will consist of establishing a regional electricity balancing market, starting with national and cross-border balancing market, establishing national power exchanges (or using the service of existing one) and to maximise the existing Coordinated Auction Office in South-East Europe (to which we are all committed to join).

We ask that the Energy Community Secretariat develops this initiative and helps with its implementation, with a view to have it operational by the time of the summit in Paris in 2016.

Ministers agree to complete the work on a priority list of 'accompanying' measures in energy, covering specific national issues such as market opening and phasing-out of price

regulation, unbundling, regulator independence, , competition, state aid and permitting regimes. The list is consistent with the Third Energy Package and has been prepared by the Energy Community Secretariat in cooperation with the Energy Ministers. We will immediately start with and prioritise the implementation of these measures. The Energy Community Secretariat is invited to monitor the implementation and report before the Summit in Paris.

Priority interconnection projects for financing and implementation under IPA 2015

- Albania – the former Yugoslav Republic of Macedonia 400 kV Electricity interconnection (Elbasan – Bitola)
- Serbia – Montenegro – Bosnia and Herzegovina 400 kV Electricity interconnection (Bajina Basta – Pljevlja – Visegrad)
- Serbia – Romania 400 kV Electricity interconnection (Pancevo – Resita)
- Transbalkan corridor Kragujevac – Kraljevo (Serbia)
- Serbia-Bulgaria gas interconnection (Serbian section)

Source; Energy Community