



*“The creation of a regional energy market integrated into the European Single Energy Market not only strengthens the commitment of SEE countries to regional co-operation but also paves the way for eventual accession into the European Community. It ensures a sustainable and reliable supply of energy, which is a prerequisite for economic development and social stability in the region.”*

#### **BACKGROUND & KEY CHALLENGES**

- Restoring old energy infrastructure that suffered for years from inadequate maintenance and was further damaged by the conflicts of the nineties as well as constructing new infrastructure to meet economic growth
- Addressing investments needs estimated at EUR 20 billion in the most cost-efficient way in the context of the limited borrowing capacity of the SEE countries, competing demands for other infrastructure projects and decreasing donor grants
- Embracing the important geo-political opportunity to diversify the energy mix and supply routes for different forms of energy and reduce reliance on one or two sources of supply

#### **ROLE & STRATEGY OF THE INITIATIVE**

- Complementing the Commission’s leadership throughout the Athens Process by generating political consensus among SEE countries, bringing technical experts together and finally ensuring adhesion of all stakeholders to a common market-oriented legal framework
- Promoting the Athens Process and the resulting Energy Community Treaty to private financial investors and industrial energy companies
- Facilitating co-operation and co-ordination among Donors and seeking coherence in actions between IFIs and the Commission

#### **ACHIEVEMENTS TO DATE & THE WAY AHEAD**

- Entry into force of the Energy Community Treaty on July 1, 2006 and ongoing monitoring of the Permanent High Level Group. The Energy Community Secretariat commenced operations in February 2006;
- Stimulating private sector interest in investment opportunities created by the Treaty;
- Developing awareness of the social aspects of Treaty implementation;
- Encouraging better co-ordination and co-operation to lessen the impact of probable winter energy shortages.

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