The background of the slide is a dark blue globe with glowing blue energy lines and arcs connecting various points across the map, symbolizing a global energy network.

Implementation of the Energy Community Decarbonisation Roadmap

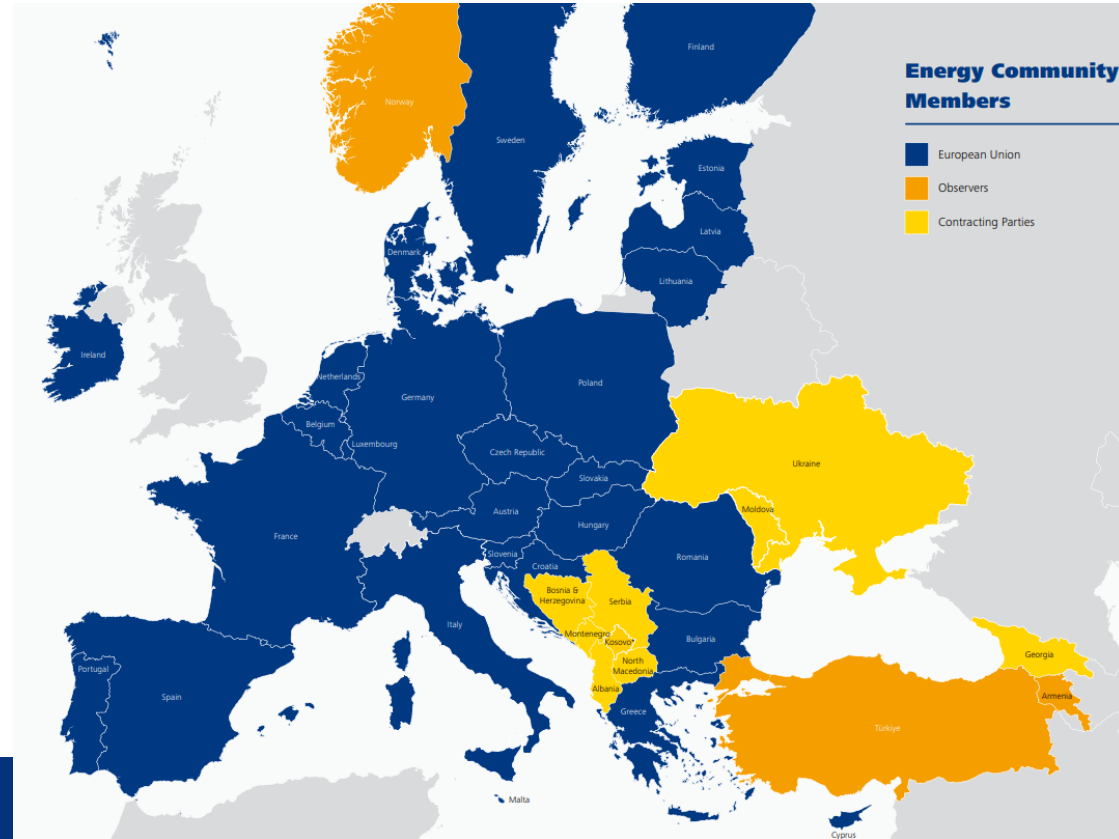
14TH EU ETS COMPLIANCE CONFERENCE

23 November 2023

Peter Pozsgai

The Energy Community framework

- Based on a legally binding international Treaty including the Western Balkans and the Eastern Partner countries;
- EU represented by the Commission;
- Historically focusing on integrating energy markets, but gradually extended to competition, environment and climate action;
- Supporting Contracting Parties to align selected parts of the EU *acquis communautaire* as preparation for the accession process



- **Energy Community Decarbonisation Roadmap:**

- ✓ adopted in November 2021 by the Ministerial Council in Belgrade – clear and predictable roadmap on introducing parts of EU acquis on decarbonisation;
- ✓ supporting the development and implementation of **2030 targets** in the EnC;
- ✓ Dialogue between the EU and Contracting Parties on **decarbonisation priorities, process, timeline**;
- ✓ Making progress on agreeing to a **carbon pricing system** for Contracting Parties of the Energy Community;
- ✓ Shared political messages on **coal phase-out and fossil-fuel subsidies**;

- **Reasons:**

- ✓ Significant **transboundary pollution** from coal plants in the Western Balkans region;
- ✓ **Slow progress** on implementing the polluters pay principle and introducing carbon pricing;
- ✓ **Carbon leakage**;

Developments in 2022

- **Adoption of the Energy Community MRVA package**
 - ✓ **MRR regulation** – Commission Implementing Regulation (EU) 2018/2066 on the monitoring and reporting of greenhouse gas emissions amended by Commission Implementing Regulation (EU) 2020/2085
 - ✓ **AVR regulation** – Regulation (EU) 2018/2067 on the verification of data and on the accreditation of verifiers amended by Commission Implementing Regulation (EU) 2020/2084
 - ✓ **ETS Directive (parts)** – Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC
 - Very close to the EU compliance cycle and framework, with adaptations to Contracting Parties (e.g. links to other acquis);
 - Legal obligation on Contracting Parties to **transpose (by 31 December 2023)** and **implement (tentative period between Jan 2024 and Jan 2026)**;

Developments in 2023

- **“EU Climate and Energy Diplomacy is a core component of EU’s foreign policy”**
– [Council conclusions on Climate and Energy Diplomacy “Bolstering EU climate and energy diplomacy in a critical decade”, No. 7248/23](#), 9 March 2023
- **“the Council invites the High Representative and the Commission to **build on ongoing initiatives** and to explore the opportunities for **increased cooperation with countries that rely heavily on fossil fuels, especially coal, in particular in the Western Balkans, the Eastern Neighbourhood...**”** – [Council conclusions on Climate and Energy Diplomacy “Bolstering EU climate and energy diplomacy in a critical decade”, No. 7248/23](#), 9 March 2023
- **Regulation (EU) 2023/956**

Next steps

- **Finish the transposition and start implementing the MRVA Package;**
- **Coordinate the efforts of Contracting Parties to comply with the exemption criteria of CBAM;**
- **Continued discussion on the possible design for a regional ETS;**
- **Ensure alignment between climate action and energy policies (NECPs and electricity market coupling).**



THANK YOU
FOR YOUR ATTENTION

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