

# Energy: Strengthening solidarity between Central and South-Eastern European Countries

Cooperation under the Commission Initiative on Central and South-Eastern European Energy Connectivity (CESEC), launched in 2015, is yielding results by strengthening solidarity and enabling a safer and more affordable gas supply to citizens and business across the region. Today's fourth CESEC High Level Group Ministerial meeting [1] in Bucharest constitutes a landmark moment for the entire region, bringing new dimensions to the solidarity needed to address the energy challenges faced in this part of Europe.

Commission Vice-President for Energy Union Maroš **Šefčovič** said: *"Cooperation under the CESEC umbrella has turned into an exemplary success story, proving that solidarity is the solution. Given its rapid accomplishments in the field of gas, we are expanding the scope of the cooperation in the region to electricity, renewables and energy efficiency. It will therefore cover all dimensions of this project of European solidarity that is Energy Union. I am grateful to all those involved in making this cooperation come true. It is a positive and powerful message to citizens of the region, with benefits going beyond the energy systems."*

Commissioner for Climate Action and Energy Miguel **Arias Cañete** said: *"Thanks to the high level political commitment we have witnessed today, and to the smart mobilisation of EU funds, we will continue to complete the energy infrastructure the region needs. By extending CESEC's scope beyond gas, we will ensure effective access to alternative sources of energy, promote competition and lower prices, while also decarbonising the region's economies."*

The Ministers signed a Memorandum of Understanding (MoU), which complements the existing CESEC initiative. The MoU includes a joint approach on electricity markets, energy efficiency and renewable development. It also incorporates a list of priority projects to build an interconnected regional electricity market, as well as specific actions to boost renewables and investment in energy efficiency in a region with vast growth potential in these areas. National roadmaps for improving trading arrangements in the region were also agreed.

In addition, the Connecting Europe Facility Grant Agreement for the Krk LNG Terminal in Croatia was initialled. Looking ahead, Ministers reconfirmed their commitment to rapidly complete the remaining CESEC priority gas projects, and adopted an updated action plan on gas market and regulatory aspects setting out progress made since September 2016.

Finally, the meeting also saw the launch of two new working groups of the gas transmission system operators: one on the implementation of reverse flow on the Trans-Balkan pipeline system, and the other on the so-called "Vertical

Corridor” between Bulgaria, Greece, Romania and Hungary; both to be facilitated by the European Commission.,

## **Background**

In 2014 the Commission’s ‘[stress tests](#)’ revealed a region extremely vulnerable to a cut in 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. To solve these problems, the Commission launched the [CESEC](#) Initiative in 2015, with the aim of guaranteeing that all countries in Central and South Eastern Europe (Austria, Bulgaria, Croatia, Greece, Hungary, Italy, Romania, Slovakia and Slovenia) have access to a more varied mix of energy sources, and are properly interconnected to the rest of Europe. CESEC has proven instrumental in the process of integrating the region’s gas markets and has thus become a central channel for further consolidation across the energy sector.

The CESEC ongoing priority gas projects are: the Trans-Adriatic Pipeline (gas pipeline from Greece to Italy via Albania and the Adriatic sea); the Interconnector between Greece and Bulgaria; the Interconnector between Bulgaria and Serbia; the reinforcement of the Bulgarian transmission system; the reinforcement of the Romanian transmission system (part of the “BRUA” corridor); the LNG terminal in Krk, Croatia; and the LNG evacuation system towards Hungary. Other possible projects include: a connection of off-shore Romanian gas to the Romanian grid and enhancement of the national system; a new Greek LNG terminal; and the interconnection between Croatia and Serbia.

In September 2016, in Budapest, CESEC’s scope of cooperation was expanded further to include electricity, energy efficiency and renewable energies, recognising it makes no sense to address gas in isolation and that the key to security of supply in the region is a comprehensive energy strategy. Examples of electricity priority projects include: the enhancement of the transmission capacity between Bulgaria, Romania and Greece; the enhancement of the transmission capacity along the East-West corridor from Italy to Romania via the Balkans; electricity connections between Hungary and Serbia; and infrastructures supporting the integration of the Ukraine and Moldova power systems into the European electricity market. With regards to renewables in CESEC countries, an assessment of the renewable energy potential in the region by 2030 and 2050 will be carried out and best practices and financing tools for the development of renewable energies will be promoted. On energy efficiency, the focus will be on financing and the use of financial instruments to mobilise private financing as well as on ways to support the development of projects.

## **For more information**

[CESEC](#)

[Energy Union](#)

[1] The meeting brings together Ministers from 9 EU Member States (Austria, Bulgaria, Greece, Croatia, Hungary, Italy, Romania, Slovenia, Slovakia) and

from 8 Energy Community Contracting Parties (FYROM, Serbia, Ukraine, Albania, Bosnia and Herzegovina, Montenegro, Kosovo, Moldova).