

## EXPLANATORY NOTE

### Secretariat's Proposal on next steps for the implementation of Rules on Energy Statistics in the Energy Community

Detailed, complete, timely and reliable statistics are essential to monitor the energy situation at a country level as well as at an international level. Energy statistics on supply, trade, stocks, transformation and demand are indeed the basis for any sound energy policy decision.<sup>1</sup>

#### **Background**

In parallel with implementation of the energy *acquis* defined in the Treaty establishing the Energy Community, the Energy Community recognized the need for sound and reliable energy statistics as a basic tool for monitoring effectiveness of energy policies. The Energy Community Secretariat (ECS) and the Contracting Parties were assigned a task to identify unified approach for statistics related to Energy Community activities<sup>2</sup> and to develop common concept for energy statistics for the purpose of the Treaty.

This platform was found in unified EUROSTAT /IEA / UNECE approach to collect annual statistics using a set of five joint questionnaires (oil, coal, gas, electricity and renewables) based on harmonised definitions, units and methodology. For energy market data, common platform was found in the EU requirements for transparency of gas and electricity prices and EUROSTAT methodology<sup>3</sup>.

Relying on the recommendations of experts for energy statistics from relevant institutions in the Energy Community during the previous two years, the Ministerial Council in the Work Plan of ECS for 2012-2013<sup>4</sup> conferred very explicit tasks to the Energy Community related to the energy statistics:

„In order to make its official energy statistics available for the purpose of the Treaty, particularly the market integration, the Energy Community shall consider for adoption in 2012 mandatory legal and administrative framework to harmonize its energy statistics with the EU, namely:

- Regulation (EC) No 1099/2008 of 22 October 2008 on energy statistics;
- Directive 2008/92 of 22 October 2008 concerning a Community procedure to improve the transparency of gas and electricity prices charged to industrial end-users (recast), or amendments thereto as they may occur until the adoption.

<sup>1</sup> Energy Statistics Manual, [http://www.iea.org/publications/free\\_new\\_Desc.asp?PUBS\\_ID=2367](http://www.iea.org/publications/free_new_Desc.asp?PUBS_ID=2367)

<sup>2</sup> Work plan of the ECS for 2008-2009, item I.4

<sup>3</sup> Permanent high Level Group on its 15<sup>th</sup> meeting confirmed its support to harmonized approach to energy statistics <http://www.energy-community.org/pls/portal/docs/488190.PDF>

<sup>4</sup> See part VI: <http://www.energy-community.org/pls/portal/docs/1084185.PDF>

To this aim, provisions of the Regulation 1101/2008 of 22 October 2008 on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities may also be considered for incorporation in its core aspects.“

### **Progress so far**

Operationally, all communication of ECS with Contracting Parties and Observers was made through their nominated contact persons. They were also expected to provide internal coordination and communication and ensure required input from their side.

–The European Commission and the International Energy Agency – ESD provided unparalleled support to the efforts of the Energy Community providing advice, training and consultation.

As a first step, ECS and Contracting Parties performed ad hoc assessment of the level of their energy statistics in a form of Questionnaire drafted by ECS and submitted by all Contracting Parties (at that time Moldova and Ukraine were not Contracting Parties). In cooperation with IEA and the European Commission and based on the supplied Questionnaires and previously published studies<sup>5</sup>, ECS prepared Stocktaking report<sup>6</sup> where the level of available energy statistics in Contracting Parties as of October 2009 was presented. The Report outlined the legislative, administrative and institutional framework of the Contracting Parties, as well as the level of cooperation with international statistical institutions. Following the agreed approach, Contracting Parties and Observers submitted their own action plan to harmonize their energy statistics with the common platform by April 2010.

In order to speed up the process, the expert service was outsourced to define the activities for individual Beneficiaries (Contracting Parties and Observers) and to design the road map on the Energy Community level within the defined timeframe.

Individual Action Plans were revised in order to ensure consistent and comprehensive approach to it, including timeframe that would cover the period until end 2012 for all Beneficiaries.

During this period, the plan was to develop energy statistics in the Energy Community in the following manner:

- To fully implement unified EUROSTAT/IEA/ UNECE methodology including submission of sets of questionnaires, as defined in this methodology with the target to have produced complete energy balances in the year 2012 by all Beneficiaries;
- To develop reporting structure capable to provide energy data for monthly monitoring of key energy supplies;
- To develop reporting structure capable to monitor gas and electricity prices

Based on the envisaged Road Map, synergy of joint efforts has been utilized during the implementation period to provide training and to share experience.

The European Commission and the IEA supported all efforts in the Energy Community in this direction, often with ECS as a facilitator, including combined efforts with their respective projects. Positive impact of their involvement and cooperation so far was decisive for obvious progress in energy statistics.

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<sup>5</sup> Good Governance Report” CARD Project 2005 “Facilitating and Implementing the Energy community in south East Europe”, 2007 and IEA study:”Energy in Western Balkans: the Path to Reform and Reconstruction”, 2008

<sup>6</sup> <http://www.energy-community.org/pls/portal/docs/450184.PDF>

Summarizing the overall outcome of the efforts taken in the Contracting Parties and ECS, progress was achieved in the following areas:

- Significantly improved coverage and completeness of available statistical data and the quality of data, particularly related to compilation of annual energy balances;
- Established official communication of relevant institutions of Contracting Parties with IEA – ESD related to annual energy data and significant progress in the scope of submitted data
- Capacity building in respective institutions
- Initiated communication with EUROSTAT, particularly in terms of gas and electricity prices.

### **Further steps related to energy statistics**

In terms of legislative framework as a basis to build institutional and administrative capacity, respective action plans of Contracting Parties have not been fully implemented. At the moment, key obstacle is insufficient legislative framework to adequately assign authorities and responsibilities in the area of energy statistics.

Another issue of serious concern in most Contracting Parties is lack of financial and technical resources to build a comprehensive system of energy statistics.

In addition, technical assistance, although available to certain extent, was not sufficient to cover all needs. It should be provided in a more targeted manner in accordance with the needs identified in the respective action plans. These needs have to be reviewed, taking the account of the accomplishments in the last two years.

Responsible institutions identified lack of permanent expert staff to meet the expectations. The overview of required resources have to be reviewed and updated.

It is the Secretariat's view that this year is critical to keep the pace and bring concrete implementation related steps to desired outcome. This means that:

1. formal commitment is needed to complete legislative, administrative and institutional framework, in compliance with the agreed common plan.
2. the agreed action plans need to be revised, primarily time wise. In consultation with relevant experts and officials from Contracting Parties, new timeline will constitute a part of the formal commitment.
3. National authorities should assure that efficient coordination of all activities, related to statistics in general and to the revision of the action plans and afterwards to coordinate assistance and support for implementation of the new elements of the *acquis* is in place.