



# ENERGY SUMMIT 2022

in Bosnia and Herzegovina



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Ministry of Foreign Trade and  
Economic Relations of BiH



State Electricity Regulatory  
Commission



Regulatory Commission for  
Energy of RS



Regulatory Commission for  
Energy in FBiH

UNDER THE AUSPICES OF

# **BOSNIA AND HERZEGOVINA'S COMMITMENTS ON ENERGY AND CLIMATE**

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# Bosnia and Herzegovina's Commitments

- BiH obligations on energy and climate mostly stem from the following international agreements:
  - **Paris Agreement on Climate Change (2015)**
    - Nationally Determined Contribution (NDC) of Bosnia and Herzegovina for 2020-2030
  - **Sofia Declaration on the Green Agenda for the Western Balkans (2020)**
    - Alignment of Western Balkan countries with the EU Green Deal
  - **Treaty establishing Energy Community (2006)**
    - New decisions of the Ministerial Council from 2021 -- Clean Energy for All Package

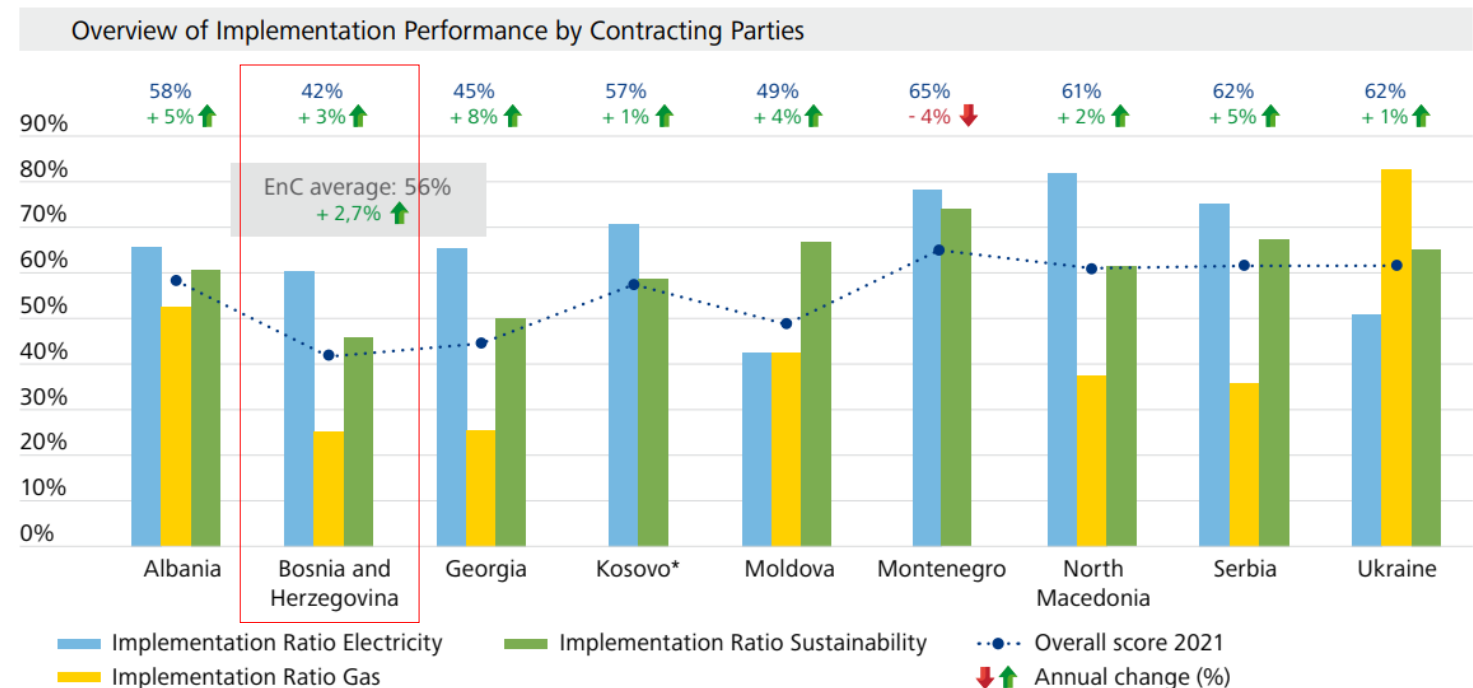


# Bosnia and Herzegovina's Main Commitments

- **Bosnia and Herzegovina has committed to transposing parts of the EU legal framework into its national legislation with the aim of:**
  - Establishing a common market,
  - Aligning its energy sector with EU rules,
  - Improving security of supply,
  - Incentivizing investments,
  - Protecting the environment...
- **Bosnia and Herzegovina is committed to working with the EU on achieving climate neutrality by 2050**

# Implementation Status

- The Energy Community currently has **9 open cases** against Bosnia and Herzegovina
- Cases at the stage of serious and persistent breach of Energy Community law
- Failure to meet obligations for years
- Bosnia and Herzegovina has not implemented the requirements even from the Second Energy Package



# And new obligations are coming...



- Implementation of the Fourth Energy Package in:
  - energy efficiency
  - renewables
  - energy union governance
  - electricity market organization
  - security of supply of electricity and natural gas
- Preparation of the National Energy and Climate Plan (NECP)
- Implementation of the ETS mechanism
- New targets in EE and renewables...

Summary Implementation

Summary Indicators	Transposition Assessment	Implementation Status	Descriptions
Electricity	✓	60%	Implementation in the electricity sector of Bosnia and Herzegovina is moderately advanced.
Gas	✗	20%	Implementation in the gas sector of Bosnia and Herzegovina is still at an early stage.
Oil	~	10%	Implementation in the oil sector of Bosnia and Herzegovina is yet to begin.
Renewable Energy	~	40%	Implementation in the renewable energy sector of Bosnia and Herzegovina is moderately advanced.
Energy Efficiency	~	40%	Implementation in the energy efficiency sector of Bosnia and Herzegovina is moderately advanced.
Environment	~	44%	Implementation in the environment sector of Bosnia and Herzegovina is moderately advanced.
Climate	~	47%	Implementation in the climate sector of Bosnia and Herzegovina is moderately advanced.
Infrastructure	~	8%	Implementation in the infrastructure sector of Bosnia and Herzegovina is yet to begin.
Statistics	✓	90%	Implementation in the statistics sector of Bosnia and Herzegovina is almost completed.
Cybersecurity	~	20%	Implementation in the cybersecurity sector of Bosnia and Herzegovina is still at an early stage.

Overall number of cases: 9

ECS-1/15 Environment	Procedure by Article 91	Procedure by Article 92	ECS-8/115 Gas
ECS-5/17 Electricity			ECS-2/35 Environment
ECS-10/18 State aid			ECS-6/16S Third Energy Package
ECS-1/14 Energy efficiency			
ECS-3/18 Infrastructure			
ECS-9/21 Environment			

**The deadline for implementing new requirements from the Fourth Energy Package is the end of 2022 or 2023!**

# Consequences of failure to meet the obligations

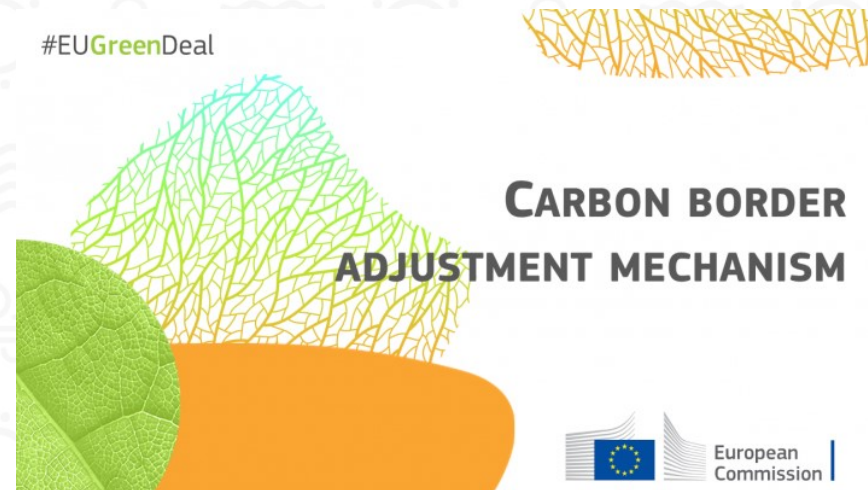
- Slow transition causes numerous problems:
  - non-competitive market and products,
  - slowed development of coal-reliant regions, etc.
- Security of supply issues
- Decreased investments
- Loss of status of net electricity exporter
- No access to funds and resources of the EU and other financial organizations
- **Progress toward the EU slowed or stopped**





# Important Emphasis – CBAM/EU ETS

- Cross-border CO2 tax for countries that do not implement a CO2 tax
- Includes products such as: cement, iron and steel, aluminum, artificial fertilizer, and **electricity**
- Comes into force in 2023, full implementation from 2026!
- Application of CBAM to electricity may be deferred to 2030, but only if a number of conditions are met!
- EU ETS or CBAM



**Activities to adopt EU regulations  
in the energy sector need to be  
intensified!**



## Next steps

- Speed up the drafting and adoption of documents (strategic policy and planning documents - NECP, studies, road maps, etc.)
- Speed up activities to develop, adopt and implement new legislation (state and entity laws)
- Create conditions for intensive investment in renewables
- Prepare the economy and the public for a new future
- **Ensure swift adoption of legislation in parliaments**

**THANK YOU FOR YOUR ATTENTION**