PROMOTION OF THE DIALOGUE WITH EXTERNAL PARTNERS

State of play of MEDREG’s external relations 2012-2014

Med14-18GA-4a INS
1. Background

The 13th MEDREG GA (November 2012) tasked the INS Working Group with the development of MEDREG’s external relations with institutional partners, these being not only institutions and research institutes, but also other stakeholders.

A list of institutions and organisations that are active in the energy sector in the Mediterranean area and which could be of interest for MEDREG was adopted by the 14th MEDREG GA (June 2013) and the INS WG developed an overview of existing relations with external partners of MEDREG members.

Furthermore, in November 2013 the 15th GA endorsed general principles of cooperation based on which guidelines for cooperation will be elaborated.

The purpose of this note is to have clear picture of what has happened over the past 2 years and provide a basis for the discussion on what remains to be done.

2. State of play of MEDREG’s external relations

Over the past 2 years the external relations of MEDREG were even more deepened. Several members of MEDREG helped intensifying exchanges and participated to external events on behalf of MEDREG. Moreover, all Working Groups contributed to set up joint workshops with other regulatory associations and are considering whether joint projects could be set up.

2.1. Relations with the European Commission

As the European Union is the main donor of MEDREG, relations are ongoing throughout the year following the implementation of the MEDREG III contract for the period 2013-2016 signed with the European Commission (EC). The Secretariat is in charge of dealing with the EC on these issues on a daily basis. The EC’s organisation will undergo some organisational changes which will not affect the follow-up of the contractual relationship with MEDREG.

Moreover, the EC is also a valuable partner to support MEDREG on policy issues, e.g. on the implementation of the IMME process were MEDREG alerted the EC that our work cannot be pursued if the Technical Committee, composed of ministry representatives from the three Maghreb countries, is not providing feed-back on the proposals made by MEDREG. The EC is trying to help unblock the situation.

Finally, the EC is actively involved in the consolidation of MEDREG’s institutional future, in the perspective of the evolution of the Association into a permanent organisation for regional cooperation in the energy sector.

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1 According to the MEDREG III contract the “Team leader” of MedReg i.e. the Director of the Secretariat is responsible for these issues.

2 Organisational changes like the setting-up of Directorate General for the Neighbourhood and Enlargement Policy (DG NEAR) as of January 2015 and also the nomination of the new college of commissioners for 2014-2017.
2.2. Relations with other regulatory associations

MEDREG has started establishing relations with other regulatory associations since its creation (CEER, ECRB,ERRA). Three joint events were organised on topics of common interest (e.g. institutional issues, gas tariffs, investments, consumer protection) which are the most concrete examples of how institutional cooperation could be pursued.

2.3. Relations with regional industrial associations

MEDREG is always eager to cooperate and exchange on common topics e.g. on investment issues. A first step to formalise the cooperation with Med-TSO was the signature of the framework cooperation protocol on 30 September 2013. However, the Memorandum of Understanding still needs to be put into practice.

In the absence of a Med-TSO for gas, MEDREG is in contact with GIE (Gas Infrastructure Europe) to see whether European gas TSOs, Storage System Operators and LNG Terminal Operators are interested in working on Mediterranean issues.

In the past two years MEDREG also cooperated on several occasions with the Desertec Industrial Initiative (e.g. on IMME, DII technical workshops). Furthermore, ad hoc cooperation took place notably with Medelec, MedGrid and PWMS. Cooperation with AUE is at present rather limited (exchange of letters) but could be deepened if there is proven interest on both sides.

2.4. Relations with scientific and research institutions

Besides training courses organised by other organisations (e.g. FSR) and subscribed by MEDREG or organised jointly with such institutions, MEDREG is in contact with RCREEE to set up a common work on renewable energies and energy efficiency.

2.5. Relations with financial institutions

MEDREG is in regular contact with high level EIB and EBRD representatives. At present it seems difficult to set up a joint project, due to the lack of visibility provided by EBRD; and it is considered more convenient to follow the ICER-EBRD cooperation (MEDREG is a member of ICER) which completed its first pilot project (on Russia).

2.6. Relations with regional governmental organisations

Political support is important to deepen cooperation not only at technical level but also accompany possible reforms which can help improve the regulatory framework. Therefore, MEDREG has an interest in the work carried out by the UfM and expressed its clear interest in contributing to the renewed cooperation process launched in November 2013, in particular on regulatory energy issues. MEDREG also stresses the strong interest in further developing the cooperation with PAM, through regular contacts and exchanges with Mediterranean MPs to be set up in close coordination with PAM Secretariat General.
3. Relations with single Mediterranean countries

MEDREG is not only concentrated on the development of its relations with stakeholders, but also with Mediterranean countries who are not yet members of the Association or who have difficulties for different reasons (e.g. budgetary constraints) to participate actively in MEDREG’s work. Despite the political turmoil several Mediterranean countries are going through, MEDREG is working on ensuring the largest participation possible.

3.1. Maghreb countries

MEDREG is working on getting Morocco and Tunisia back on board. Both countries indicated their willingness to create a regulatory authority in the next two years. Furthermore, Morocco is chairing the IMME technical committee and MEDREG has made considerable efforts to get the initiative back on track and completed its deliverables. However, the future of this initiative depends on the political will of the three Maghreb countries and the EC, who are members of the technical committee that provides policy orientations on market reforms.

3.2. Balkans

MEDREG also encouraged the Balkan countries which have an interesting experience to share with other MEDREG members as their energy markets experienced considerable reforms within the Energy Community of South-East Europe over the past years. A presentation of MEDREG’s activities was given at the Athens Forum in 2012.

3.3. Libya

Libya joined MEDREG in 2013 as 24th member and the Ministry of Electricity asked for assistance in assessing the institutional situation in Libya in order to set up a regulator for electricity and gas in the coming years. A “peer review” is to be carried out by MEDREG under the responsibility of the INS WG to establish clear recommendations in this respect.

3.1. Lebanon

MEDREG’s president took also contact with Lebanese authorities to present MEDREG’s activities and underline the interest for membership, as Lebanon is not (yet) a member of MEDREG.

4. Further development of external relations

Each regulator has bilateral and multilateral cooperation with its counterparts, government and stakeholders. MEDREG can be of added value in such dialogue, if needed and requested by a MEDREG member. However, the main focus and added value of MEDREG is the development of regional cooperation. One important step will be the “Forum on energy regulation in the Mediterranean” to which many different partners and stakeholders will contribute and participate.

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3 A first Forum will be held on “Regulation & investments: Solutions for the Mediterranean Region” in Barcelona on the 26th of November 2014.
To have a clearer overview on recent evolutions and projects considered, the table provides a state of play of MEDREG’s external relations (see Annex 1).

The INS WG has a clear mandate “to develop a regular external dialogue” between MEDREG and its partners and follows the orientations of the GA. The INS WG also reports back to the Vice-Presidents and the SC and collaborates closely with the Secretariat. Several other WG are actively involved in making such cooperation a success and some regulators volunteered as being MEDREG’s contact point towards specific external partners. Internal coordination is crucial to have a coherent approach.

MEDREG adopted in June 2014 an ambitious strategy for 2020-2030 where the deepening of external relations is considered as a fundamental tool to help working towards a Mediterranean energy community. MEDREG is therefore open to cooperation with all interested institutions and stakeholders, keeping in mind the limited resources of the Association. The INS WG should further elaborate on how the orientations laid out in the strategy could be put into practice notably through the adoption of clear priorities.
## 5. Annex 1 Relations with regional organisations and institutions

<table>
<thead>
<tr>
<th>External partner</th>
<th>Form of cooperation</th>
<th>Latest developments.</th>
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<tbody>
<tr>
<td>AUE</td>
<td>tbd</td>
<td>Exchange of letters with AUE (spring 2014) to confirm interest in cooperation but yet to follow by concrete steps.</td>
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<tr>
<td>CEER</td>
<td>Ad hoc cooperation</td>
<td>A joint round table was organised in November 2013. CEER proposed to organise another one this year but due to many events MEDREG is already organising, this was not possible. A joint round table could be organised in 2015. Concrete cooperation on quality of electricity supply was envisaged as CEER is drafting its 6th report on quality of electricity supply. As the timing of the work in CEER and the ELE WG on this issue differs considerably, the cooperation was put on hold.</td>
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<tr>
<td>DII</td>
<td>Ad hoc cooperation</td>
<td>MEDREG and DII contribute mutually to their workshops (e.g. IMME organised by MEDREG, technical workshops organised by DII). This cooperation will be reconsidered in the light of the recent evolution of the initiative.</td>
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<tr>
<td>EBRD</td>
<td>Ad hoc cooperation</td>
<td>Meetings with EBRD representatives. Concrete cooperation takes places at present within the ICER-EBRD framework only.</td>
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<td>ECRB</td>
<td>Ad hoc cooperation</td>
<td>A joint workshop on energy investments and consumer protection was organised in September 2014. It was agreed to hold a joint workshop on a yearly basis. Possibility of joint training sessions, joint meetings of MEDREG’s and ECRB’s Working Groups and exchange of reports.</td>
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<tr>
<td>ERRA</td>
<td>Ad hoc cooperation</td>
<td>A joint workshop on gas regulation was organised in September 2014.</td>
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<td>Med-TSO</td>
<td>Memorandum of Understanding signed on 30 September 2013</td>
<td>Several meetings between representatives from MEDREG and Med-TSO to identify concrete joint activities. MEDREG invited Med-TSO to contribute to the work on investment and the IMME study on electricity tariffs (April 2014). The answer from Med-TSO is still pending.</td>
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<tr>
<td>OME</td>
<td>Ad hoc cooperation</td>
<td>Participation to workshops and punctual contribution to OME reports.</td>
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<tr>
<td>PAM</td>
<td>Ad hoc cooperation</td>
<td>Ad hoc meetings with PAM Secretariat. Periodical meetings and exchanges with members of PAM could be useful to enhance political support for MEDREG studies and recommendations.</td>
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<tr>
<td>RCREEE</td>
<td>Ad hoc cooperation</td>
<td>MEDREG proposed to RCREEE to cooperate renewable energy and energy efficiency. Since June 2013 exchanges with RCREEE are ongoing but concrete steps yet to follow.</td>
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<tr>
<td>UfM</td>
<td>Ad hoc cooperation</td>
<td>The UfM recently revised its working structure and work plan. MEDREG was invited to contribute and replied positively and is exploring the different ways to participate to UfM working group on Best Practices (Policy and Regulation) gathering all the interested stakeholders.</td>
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