



USAID REAP and Reform of the Energy Sector in BiH

USAID REAP

- Four year project (3/07-3/11), continuation of the two previous USAID projects.
- The goal of the project is to support the process of energy reform and integration of the electricity and gas sector in BiH into regional and EU market, in line with the Treaty on Energy Community and EU directives.

Reform of the Energy Sector in BiH

- Legal framework of the electricity and gas sector in BiH needs to be developed
- BiH needs investments in new capacities, estimates are that in 2012/2013 BiH will have an electricity deficit
- BiH signatory of the Treaty on Establishing the Energy Community (goal: to integrate BiH into regional market through reform of the sector and to attract investments)

What has been accomplished in BiH

- Primary and secondary legislation on electricity adopted
- Three regulators are established, ISO and Transco
- Unbundling the EP functions (generation, supply, distribution) – EPRS unbundled except DSO, EP BiH and EP HZHB have not started yet
- The RS Gas Law and Federation Gas Decree adopted, the State gas law in process of being written

Unfulfilled obligations, in line with the Action Plan and EC Road Map

- Adoption of the State gas law; harmonization and/or creation of the entity gas laws, regulations and their implementation
- To complete the unbundling process in EPs and their commercialization
- Market opening – design and implementation

Current USAID REAP Activities in Sector Reform

- **Internal Action Plan** - developed in detail all the tasks (steps and time frame) in the Road Map
- **Establishing the electricity market** – assistance in market design; proposed establishment of a task force to define policies on behalf of the governments
- **Assistance to ISO** in adequate positioning in the sector
- **The FBiH Law on Electricity** – REAP has commented on the proposed and suggested new amendments to the FBiH Law on electricity and forwarded them to the working group
- **The Gas Law** - prepared three laws with various options and analyses of each option; provided expert opinions on the RS Gas Law and FBiH Gas Directive; REAP is assisting the expert working group for the State gas law
- **Media and Public Information** – Provide technical information to parliamentarians, media and NGOs; Assistance to regulators and ISO, and ministries as needed, in planning and implementation of activities in informing the public and sector
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