TO THE MINISTERIAL COUNCIL OF THE ENERGY COMMUNITY
represented by the Presidency and the Vice-Presidency of the Energy Community

REASONED REQUEST

in Case ECS – 23/21

Submitted pursuant to Article 90 of the Treaty establishing the Energy Community (hereinafter, the Treaty) and Article 11(3) of Procedural Act No 2015/04/MC-EnC of the Ministerial Council of the Energy Community of 16 October 2015 on the Rules of Procedure for Dispute Settlement under the Treaty (hereinafter, Dispute Settlement Rules), the

SECRETARIAT OF THE ENERGY COMMUNITY
against
REPUBLIC OF SERBIA

is seeking a Decision from the Ministerial Council that

by failing to adopt new legislation, or amend the existing regulation necessary to comply with Decision 2016/12/MC-EnC of the Ministerial Council adapting and implementing Directive 2011/92/EU of the European Parliament and of the Council, and amending the Treaty establishing the Energy Community, Republic of Serbia fails to comply with Articles 6 and 89 of the Energy Community Treaty as well as with Article 2 of Ministerial Council Decision 2016/12/MC-EnC.

The Secretariat of the Energy Community submits the following Reasoned Request to the Ministerial Council.

I. Relevant Facts

1. Introduction


---

1 Procedural Act No 2015/04/MC-EnC of 16.10.2015
2 ANNEX 1
2. Factual background

(3) Following the adoption of Decision 2016/12/MC-EnC, the Secretariat initiated activities to assist the Contracting Parties with the transposition of the Directive 2014/52/EU in a timely manner.


(5) In its Annual Implementation Reports of 2019 and 2020, the Secretariat recalled that the deadline for the transposition of the amendments introduced by Directive 2014/52/EU had expired and that the Republic of Serbia failed to take the necessary measures to transpose and implement them.

(6) As the Secretariat was informed, preparations for the transposition of Directive 2014/52/EU started in 2018 in the Republic of Serbia. However, no new legislation or amendments to existing legislation were adopted or drafted in order to transpose the provisions of Directive 2014/52/EU into national law.

(7) On 22 March 2021, the Secretariat sent a letter to the Ministry of Mining and Energy of the Republic of Serbia, informing the Ministry that the Secretariat may open dispute settlement procedures for non-compliance with the Treaty, and in particular, the obligations stemming from Decision 2016/12/MC-EnC.

(8) By a letter sent on 8 April 2021, the Republic of Serbia informed the Secretariat that the preparations for the transposition of Directive 2014/52/EU in the country had indeed started in 2018. Draft legislation necessary to comply with Directive 2014/52/EU, however, has not yet been prepared.

(9) To date, the Secretariat has not even received draft legislation, let alone legislation in force, by the Republic of Serbia aiming to achieve compliance with Decision 2016/12/MC-EnC, and to transpose the provisions of Directive 2014/52/EU.

(10) On that basis, the Secretariat decided to submit the present Reasoned Request to the Ministerial Council for decision.

II. Relevant Energy Community Law

(11) Energy Community law is defined in Article 1 of the Dispute Settlement Rules as “a Treaty obligation or to implement a Decision or Procedural Act addressed to it within the required period”. A violation of Energy Community Law occurs if “a Party fails to comply with its obligation under the Treaty if any of its measures (actions or omissions) are incompatible with a provision or a principle of Energy Community”.

(12) Article 6 of the Treaty reads:

“The Parties shall take all appropriate measures, whether general or particular, to ensure fulfilment of the obligations arising out of this Treaty. The Parties shall facilitate the achievement of the Energy Community’s tasks. The Parties shall abstain from any measure which could jeopardise the attainment of the objectives of the Treaty.”

(13) Article 89 of the Treaty reads:

“The Parties shall implement Decisions addressed to them in their domestic legal system within the period specified in the Decision.”

---

4 Annual Implementation Report of the Energy Community Secretariat, 1 November 2020 p. 174
5 ANNEX 2
6 Letter No. 337-00-159/2021-07 from April 8th 2021.
Annex I to the Treaty, entitled “Timetable for the Implementation of the Acquis on the environment”, reads:


Article 2 of the Ministerial Council Decision 2016/12/MC-EnC, reads:

1. Without prejudice to Article 3, Contracting Parties shall bring into force the laws, regulations and administrative provisions necessary to comply with Directive 2011/92/EU as amended by Directive 2014/52/EU by 1 January 2019 with the exception of the provisions referring to Directives not covered by Article 16 of the Treaty establishing the Energy Community. They shall forthwith inform the Energy Community Secretariat thereof.

2. Contracting Parties shall communicate to the Energy Community Secretariat the text of the main provisions of national law which they adopt in the field covered by this Decision.

Article 11(3) of the Dispute Settlement Rules reads:

(3) Where the Secretariat initiates a dispute settlement procedure on the grounds that a Party has failed to fulfil its obligation to notify measures transposing a Decision addressed to it within the deadline specified in that Decision, the Secretariat shall submit a reasoned request to the Ministerial Council without preliminary procedure.

### III. Legal Assessment

(17) The present Reasoned Request concerns non-compliance of the Republic of Serbia with the obligation to adopt and implement the laws and administrative provisions necessary to comply with Decision 2016/12/MC-EnC by 1 January 2019 pursuant to Article 2(1) thereof, and to forthwith notify those measures to the Secretariat within the deadline specified in that Decision.

(18) The Reasoned Request is based on Article 11(3) of the Dispute Settlement Rules in force. In October 2015, the Ministerial Council amended the Dispute Settlement Rules and abolished the preliminary procedure in dispute settlement proceedings for non-transposition, i.e. in a case where a Party has failed to fulfil its obligations to notify measures transposing a Decision addressed to it within the deadline specified in that Decision. Hence, in cases such as the one at issue, the Secretariat submits a reasoned request to the Ministerial Council directly, without performing a preliminary procedure.

(19) As a Contracting Party to the Treaty, the Republic Serbia is under an obligation to implement, i.e. to transpose at a national level and to apply, the *acquis communautaire* on the environment, including Decision 2016/12/MC-EnC, as referred to in Article 12 of the Treaty and defined by its Annex II.7

(20) Article 2(1) of Decision 2016/12/MC-EnC requires Contracting Parties to bring into force the laws and administrative provisions necessary to comply with Directive 2014/52/EU and to apply them as from 1 January 2019.

(21) Article 2(2) of Ministerial Council Decision 2016/12/MC-EnC also requires Contracting Parties to communicate to the Energy Community Secretariat the text of the main provisions of national law which they adopt in the field covered by Decision 2016/12/MC-EnC of the Ministerial Council.

(22) Article 6 of the Treaty imposes upon the Parties the general obligation to take all appropriate measures, whether general or particular, to ensure fulfilment of the obligations arising out of the Treaty. Article 89 of the Treaty requires Parties to implement Decisions addressed to them in their domestic legal system within the period specified in the Decision.

---

7 As amended by Article 1 of Ministerial Council Decision 2015/09/MC-EnC.
(23) The time limit for the Republic of Serbia to take measures necessary to comply with Article 2 of Decision 2016/12/MC-EnC, as well as Articles 6 and 89 of the Treaty expired on 1 January 2019.

(24) Despite reminders and the assistance offered by the Secretariat, the Republic of Serbia to date has not taken the measures necessary to comply with its obligations. At the date of submitting this Reasoned Request, neither new legislation nor amendments to the existing legislation meant to transpose the Directive 2014/52/EU were adopted.

(25) Under those circumstances, the Secretariat submits that by failing to take the measures necessary to comply with the Article 2(1) of the Ministerial Council Decision 2016/12/MC-EnC, the Republic of Serbia has failed to fulfil its obligations under Articles 6 and 89 of the Treaty as well as Article 2(1) and Article 2(2) of the Ministerial Council Decision 2016/12/MC-EnC of 14 October 2016 adapting and implementing Directive 2011/92/EU of the European Parliament and of the Council, and amending the Treaty establishing the Energy Community.

**ON THESE GROUNDS**

The Secretariat of the Energy Community respectfully requests that the Ministerial Council of the Energy Community declare in accordance with Article 91(1)(a) of the Treaty establishing the Energy Community that:

by failing to adopt new legislation, or amend the existing regulation necessary to comply with Decision 2016/12/MC-EnC of the Ministerial Council adapting and implementing Directive 2011/92/EU of the European Parliament and of the Council, and amending the Treaty establishing the Energy Community, the Republic of Serbia fails to comply with Articles 6 and 89 of the Energy Community Treaty as well as with Article 2 of Ministerial Council Decision 2016/12/MC-EnC.

On behalf of the Secretariat of the Energy Community,

Vienna, 23 June 2021

Janez Kopač
Director

Dirk Buschle
Deputy Director / Legal Counsel
List of Annexes

ANNEX 1  Ministerial Council Decision 2016/12/MC-EnC

ANNEX 2  Letter by the Secretariat to the Deputy Prime Minister and Minister of Construction, Transport and Infrastructure of Republic of Serbia, dated 22.03.2021
DECISION OF THE MINISTERIAL COUNCIL
OF THE ENERGY COMMUNITY


THE MINISTERIAL COUNCIL OF THE ENERGY COMMUNITY

Having regard to the Treaty establishing the Energy Community, and in particular Articles 24, 25, 79 and Article 100(i) thereof,

Having regard to the proposal from the European Commission,¹

Whereas:

(1) Article 12 of the Treaty requires each Contracting Party to implement the acquis communautaire on environment in compliance with the timetable for the implementation of those measures set out in Annex II to that Treaty.


¹ C(2016) 1411 final, 11.3.2016
(6) It is therefore necessary to implement and adapt Directive 2011/92/EU as amended by Directive 2014/52/EU for the purposes of the Treaty establishing the Energy Community.

(7) It is also necessary to align the *acquis communautaire* on environment set out in Article 16 and the timetable for implementation set out in Annex II to the Treaty with the recent evolution of Union law concerning environmental impact assessment.

(8) The Treaty establishing the Energy Community should therefore be amended accordingly.

(9) The Environmental Task Force, at its meetings on 28 October 2015 and 12 May 2016, analysed the proposal in detail and recommended a number of adaptations to it which are reflected in this Decision.

(10) The Permanent High Level Group, at its meetings of 15 March 2016 and 22 June 2016 elaborated and proposed to adopt this Decision,

HAS ADOPTED THIS DECISION:

*Article 1*

The Treaty establishing the Energy Community is amended as follows:

(1) in Article 16, point (i) is replaced by the following:


(2) in Annex II, point 1 is replaced by the following:


*Article 2*

1. Without prejudice to Article 3, Contracting Parties shall bring into force the laws, regulations and administrative provisions necessary to comply with Directive 2011/92/EU as amended by Directive 2014/52/EU by 1 January 2019 with the exception of the provisions referring to Directives not covered by Article 16 of the Treaty establishing the Energy Community. They shall forthwith inform the Energy Community Secretariat thereof.

2. Contracting Parties shall communicate to the Energy Community Secretariat the text of the main provisions of national law which they adopt in the field covered by this Decision.

Article 3
For the purposes of the Treaty establishing the Energy Community the dates set in Article 3(1) and (2) of Directive 2014/52/EU shall be read as 1 January 2019.

Article 4
1. In case of projects of Energy Community interest, the Contracting Party in whose territory the project is intended to be carried out shall send the following information to the Secretariat as soon as possible and no later than when informing its own public:

(a) a description of the project, together with any available information on its impacts on the environment;

(b) information on the nature of the decision which may be taken for authorisation of the project.

2. The Secretariat shall ensure that the environmental impact assessments of the projects referred to in paragraph 1 of this Article fulfil the requirements of Directive 2011/92/EU as amended by Directive 2014/52/EU.

Article 5
For the purposes of the Treaty establishing the Energy Community, references to "Member States" and to "Commission" throughout Directive 2011/92/EU as amended by Directive 2014/52/EU shall be read as "Contracting Parties" and "Secretariat", respectively.

Article 6
This Decision shall enter into force on the day of its adoption.

Article 7
This Decision is addressed to the Contracting Parties to the Treaty establishing the Energy Community.

Done in Sarajevo, on 14 October 2016

For the Ministerial Council

Excellency,


The deadline for transposing Directive 2014/52/EU into national legislation by Serbia was 1 January 2019.²


Since 2009, no new legislation, or amendments to existing legislation was adopted or drafted in order to transpose the amending Directive 2014/52/EU by the Republic of Serbia.

This omission was mentioned in the 2019⁵ and 2020⁶ Implementation Reports and discussed during the last Environmental Task Force meeting⁷ in November 2020.

H.E. MS ZORANA MIHAJLOVIĆ
MINISTER OF MINING AND ENERGY
REPUBLIC OF SERBIA

---

¹ The initial EIA Directive 85/337/EEC and its three amendments have been codified by the Directive 2011/92/EU
³ Official Gazette of the Republic of Serbia No. 135/2004
⁴ Official Gazette of the Republic of Serbia No. 36/2009
⁵ Annual Implementation Report of the Energy Community Secretariat, 1 November 2019 p. 162
⁷ XXI Meeting of the Environmental Task Force 25 November 2020
We would like to recall that adoption of new legislation necessary to comply with Directive 2011/92/EU as amended by Directive 2014/52/EU is required by Article 2 of Ministerial Council Decision 2016/12/MC-EnC, as well as Articles 6 and Article 89 of the Energy Community Treaty. To avoid dispute settlement procedures under Article 91 of the Treaty, we would kindly like to ask your services to submit any information you may deem relevant to the above preliminary conclusions of the Secretariat as soon as possible, but not later than 22 April 2021.

For any questions, your services are invited to contact our Environmental Expert, Ms Aleksandra Bujaroska (aleksandra.bujaroska@energy-community.org).

Thanking you in advance for your cooperation, we remain sincerely yours,

Janez Kopač
Director

Dirk Buschle
Deputy Director / Legal Counsel