

14th Ministerial Council

Sarajevo, 14 October 2016

1. The Ministerial Council meeting was welcomed and chaired by Minister Mirko Šarović on behalf of Bosnia and Herzegovina as Presidency in office. It was co-chaired by Mr. Dominique Ristori from the European Commission and Minister Blerand Stavileci from Kosovo*¹ representing the Vice-Presidencies.
2. The Ministerial Council thanked the Presidency in office for its hospitality.
3. The Ministerial Council approved the agenda of the meeting.
4. The Ministerial Council adopted the A-points in Annex 1 in line with point IV.5 of its Rules of Procedure.
5. In relation to energy infrastructure, the Ministerial Council adopted a Decision on Projects of Energy Community Interest and a Recommendation on Projects of Mutual Interest.
6. Ukraine proposed to include the interconnector between the Khmelnytsky NPP in Ukraine to the electricity network in Poland in a future revision of the PMI list. Ukraine invited EU Member States to participate in this project.
7. Albania also suggested to review Regulation 347/2013 as incorporated in the Energy Community in the future to enable more projects between Contracting Parties and Member States to become PECEI.
8. Upon presentation by the Secretariat, the Ministerial Council asks the members of the Permanent High Level Group to identify, discuss and propose to the Ministerial Council amendments to the Energy Community Treaty under Article 100, necessary to ensure the Energy Community can fully fulfil its objectives and live up to the requirements of a Single Energy Market based on the effective implementation of the *acquis communautaire* in the Contracting Parties on equal terms with Member States of the European Union as well as on fair and equal conditions for access to markets and infrastructure. The PHLG shall present its proposals for Treaty amendments well ahead of the Ministerial Council at its meeting in 2017. The meetings of the members of the Permanent High Level Group shall take place at least bimonthly and follow the internal rules of procedure foreseen for PHLG. The work should be finalized before the summer break 2017.
9. Serbia underlined the importance of involving Ministers as early as possible in the process.

¹ This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence

10. In relation to environment, the Ministerial Council adopted two decisions on the update of existing Energy Community *acquis communautaire* (on environmental impact assessment and the sulphur content of liquid fuels), two decisions on the incorporation of new pieces of *acquis communautaire* (on strategic environmental assessment and environmental liability), one decision on the list of large combustion plants that are allowed to make use of the limited lifetime derogation option under Article 4(4) of Directive 2001/80/EC and one recommendation on the monitoring of greenhouse gas emissions.
11. Serbia and Bosnia and Herzegovina emphasized their difficulties with complying with the thresholds in the Sulphur in Fuels Directive (in particular with regard to the production of heavy fuel oil) and asked for an extension of the implementation deadlines. It was agreed that a discussion will be held on technical level between the Secretariat and DG Environment with these two countries, the outcome of which may be introduced in the process of negotiations for Treaty amendments.
12. Ukraine announced that it will provide a report on greenhouse gas emissions to the Secretariat by May every year. Ukraine also asked the Secretariat to provide official feedback to the draft of national emissions reduction plan.
13. The Ministerial Council took note of the Implementation Report presented by the Secretariat and urged the Contracting Parties to address the identified delays in the implementation of the *acquis* urgently.
14. The Ministerial Council adopted two decisions based on Requests by the Secretariat on the basis of Article 92(1) and 93 of the Treaty.
15. The Ministerial Council thanked the Advisory Committee presided by Dr Wolfgang Urbantschitsch for its valuable work and contribution to the rule of law and independent enforcement in the Energy Community, and committed to increased support to this body. The Ministerial Council appointed the members of the Advisory Committee established under Article 32 of the amended Dispute Settlement Rules based on the Secretariat's proposal.
16. The Ministerial Council expressed its support to the process initiated by the Commission and Secretariat targeting implementation of Third Package related gas network codes in the Contracting Parties. The Ministerial Council, however, underlined the need to ensure legally binding nature of reciprocal network codes application on gas system interconnection points between Contracting Parties and EU Member States. The Ministerial Council called on national regulatory authorities of Member States neighbouring Contracting Parties to commit to applying gas network codes on common interconnection points in a legally binding way, provided the Contracting Party concerned has transposed the relevant network codes.
17. The Ministerial Council welcomed the adoption of the Regional Electricity Roadmap and the Sustainability Charter under the so-called Berlin process and invited Georgia, Moldova, and Ukraine as well as neighbouring member States of the European Union to endorse these two documents. The Energy Community Treaty, by virtue of its Title III in

particular, today is the most advanced regional energy initiative in the wider European space.

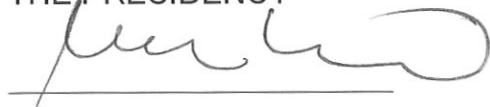
18. The Ministerial Council agreed on the accession of Georgia as a Party to the Treaty establishing the Energy Community under Article 100(iv) of the Treaty. The Ministerial Council recalled that the ratification by Georgia of the Treaty and its acquis as adapted by the Accession Protocol includes also all Measures, Procedural Acts and Guidelines adopted by the present Ministerial Council without any further modifications in terms of substance and timelines.
19. The Ministerial Council took note of the request of Belarus to become an Observer under Article 96 of the Treaty. The Ministerial Council will come back to this request by written procedure as soon as possible.
20. The Ministerial Council thanked the current Bosnia and Herzegovina Presidency of the Energy Community in the person of Minister Šarović. The Ministerial Council welcomed the Presidency for 2017, Kosovo^{*2}.
21. The Ministerial Council welcomed the priorities for the Presidency in 2017 presented by Minister Stavileci, which will focus on:
 - Enhancing the integration of the regional energy sectors as well as improving their sustainability based on the commitments made in the Berlin process to be incorporated into the Energy Community Treaty under its Title III based on proposals by the Secretariat; the proposals should take due account of the specific situations of the Contracting Parties;
 - Promoting and finalizing the discussions for amendments to the Treaty in 2017 which should focus in particular on better implementation, more sustainability and a truly integrated pan-European energy market based on equal rights and obligations.

These Conclusions are adopted.

Done in Sarajevo on 14 October 2016

For the Ministerial Council,

THE PRESIDENCY



² This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence

in Case ECS-6/16	Title VI Chapter II)	
Decision 2016/08/MC-EnC on the failure of former Yugoslav Republic of Macedonia to comply with the Energy Community Treaty in Case ECS-9/16	Annex 14, 14a	For adoption Articles 91(1)(a), 81 EnCT (Title VII, Title VI Chapter II)
Decision 2016/09/MC-EnC on the failure of Albania to comply with the Energy Community Treaty in Case ECS-10/16	Annex 15, 15a	For adoption Articles 91(1)(a), 81 EnCT (Title VII, Title VI Chapter II)
Decision 2016/10/MC-EnC on the failure of Kosovo* to comply with the Energy Community Treaty in Case ECS-11/16	Annex 16,16a	For adoption Articles 91(1)(a), 81 EnCT (Title VII, Title VI Chapter II)
Letter by the Advisory Committee related to Cases ECS-6/16, ECS-9/16, ECS 10/16 and ECS-11/16	Annex 17	For information
Appointment of the Members of the Advisory Committee	Annex 18, 18a, 18b	For adoption Article 32 PA 2008/01/MC-EnC as amended Articles 87, 83 EnCT (Title VI Chapters V, III)
PHLG Conclusions (40th, 41st, 42nd, 43rd PHLG meetings)	Annex 19, 19a, 19b, 19c	For endorsement

Annex I

Appendix I: "A" points (no discussion)

Annual Report on the Activities of the Energy Community (ECS)	Annex 1	For adoption Article 52 EnCT (Title V Chapter I)
Audit Report as of 31 Dec 2015	Annex 2	For information
Budget Committee Report on Audit 2015 (Art. 81(5) of the Budgetary Procedures and of the Internal Rules of Procedures of the Budget Committee under item III.2.c)	Annex 3	For information
Director's Report on Execution of the Budget (Art. 75 of the Treaty)	Annex 4	For information
Decision 2016/01/MC-EnC on Financial Discharge of the Director of ECS	Annex 5	For adoption Article 83 PA 2006/03/MC-EnC as amended Articles 87, 83 EnCT (Title VI Chapters V, III)
Procedural Act 2016/01/MC-EnC on amending Procedural Act of the Ministerial Council 2006/02/MC-EnC of 17 November 2006 on "Rules for Recruitment, Working Conditions and Geographical Equilibrium of the Secretariat's Staff of the Energy Community"	Annex 6	For adoption Articles 87, 83 EnCT (Title VI Chapters V, III)
General Policy Guideline on the Roadmap on Implementation of Certain Deadlines of Council Directive 2009/119/EC in the Energy Community	Annex 7	For adoption Article 47(a) EnCT (Title V Chapter I)
Decision 2016/02/MC-EnC on the failure of Serbia to comply with the Energy Community Treaty in Case ECS-3/08	Annex 8, 8a, 8b,	For adoption Articles 91(1)(a), 81 EnCT (Title VII, Title VI Chapter II)
Decision 2016/03/MC-EnC on the failure of Bosnia and Herzegovina to comply with the Energy Community Treaty in Case ECS-2/13	Annex 9, 9a, 9b, 9c	For adoption Articles 91(1)(a), 81 EnCT (Title VII, Title VI Chapter II)
Decision 2016/04/MC-EnC on the failure of Serbia to comply with the Energy Community Treaty in Case ECS-4/13	Annex 10, 10a, 10b, 10c	For adoption Articles 91(1)(a), 81 EnCT (Title VII, Title VI Chapter II)
Decision 2016/05/MC-EnC on the failure of Ukraine to comply with the Energy Community Treaty in Case ECS-5/13	Annex 11, 11a, 11b	For adoption Articles 91(1)(a), 81 EnCT (Title VII, Title VI Chapter II)
Decision 2016/06/MC-EnC on the failure of former Yugoslav Republic of Macedonia to comply with the Energy Community Treaty in Case ECS-2/15	Annex 12, 12a, 12b	For adoption Articles 91(1)(a), 81 EnCT (Title VII, Title VI Chapter II)
Decision 2016/07/MC-EnC on the failure of Bosnia and Herzegovina to comply with the Energy Community Treaty	Annex 13, 13a	For adoption Articles 91(1)(a), 81 EnCT (Title VII,

in Case ECS-6/16	Title VI Chapter II)	
Decision 2016/08/MC-EnC on the failure of former Yugoslav Republic of Macedonia to comply with the Energy Community Treaty in Case ECS-9/16	Annex 14, 14a	For adoption Articles 91(1)(a), 81 EnCT (Title VII, Title VI Chapter II)
Decision 2016/09/MC-EnC on the failure of Albania to comply with the Energy Community Treaty in Case ECS-10/16	Annex 15, 15a	For adoption Articles 91(1)(a), 81 EnCT (Title VII, Title VI Chapter II)
Decision 2016/10/MC-EnC on the failure of Kosovo* to comply with the Energy Community Treaty in Case ECS-11/16	Annex 16,16a	For adoption Articles 91(1)(a), 81 EnCT (Title VII, Title VI Chapter II)
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