

18th Ministerial Council

17 December 2020

1. The Ministerial Council meeting was welcomed by Prime Minister Zdravko Krivokapić and chaired by Minister Mladen Bojanić and co-chaired by Director Cristina Lobillo and Minister Zorana Mihajlović, 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 took note of the decision of Presidency and Vice Presidency that all agenda items proposed for the adoption shall be adopted by correspondence. The Presidency instructed the Secretariat to carry out the procedure in line with point VI.5 of the Rules of Procedure of the Ministerial Council within the shortest possible deadline in accordance with the Procedural Rules. With respect to the decisions in Case ECS-10/18 and Case ECS-13/17, the procedure shall be launched once the opinions by the Advisory Committee are available, and once the PHLG has acted in accordance with the 2015 Rules of Procedure on Dispute Settlement under the Treaty and in particular Article 33 thereof.

Treaty amendments

5. The Ministerial Council discussed amendments to the Energy Community Treaty and the Protocol on Denomination of Parties and other updates of the Treaty and thanked the Commission for all endeavours to bring the negotiations to a close. The Ministerial Council while acknowledging the progress made did not reach consensus on the text based on Annexes I and II. Albania, Bosnia and Herzegovina, Kosovo*, Serbia and Ukraine reminded the Ministerial Council of their positions related to either the Treaty amendments or the Protocol on Denomination and Other Updates of the Treaty. The European Union and remaining Contracting Parties expressed support to the amendments.

Green Deal for the Energy Community

6. The Ministerial Council discussed the challenges and opportunities of an Energy Community at the crossroads in times when decarbonisation and climate neutrality objective have substantially changed the agenda of energy policy in Europe and globally. The Ministerial Council welcomed the signature of the Sofia Declaration on the Green Agenda for the Western Balkans, and highlighted that it will serve as the cornerstone for a long-term vision in establishing a modern, climate neutral, resource-efficient and competitive economy.

7. The European Commission in cooperation with the Secretariat will launch preparatory work on developing a decarbonisation roadmap for the Energy Community until 2030 and beyond in the framework of the Energy and Climate Committee and its technical working group.
8. The European Commission presented its “Communication on an Economic and Investment Plan for the Western Balkans” and its benefits for the Contracting Parties in the region. It also reported about the launch of the study “Extension of the EU energy and climate modelling capacity to include the Energy Community and its nine Contracting Parties”. The study will allow to propose ambitious 2030 energy and climate targets based on the robust data.
9. The Ministerial Council congratulated Montenegro for the adoption of a Climate Law and took note of the contribution to the Green Agenda for Western Balkans prepared by the Montenegrin Presidency.
10. The Contracting Parties committed to strictly respect the requirements of the Large Combustion Plants Directive, and to apply the State aid rules to subsidies for existing and new coal-fired power plants.

General Policy Guidelines

11. Recalling the request for a proposal for 2030 targets in the Energy Community for renewable energy, energy efficiency and greenhouse gas emission reduction made at its meetings in 2017 and 2018, the Ministerial Council discussed the proposal for the “2020 General Policy Guidelines on 2030 targets and climate neutrality” which will be proposed for adoption by correspondence. The Guidelines will send a strong political signal for Contracting Parties’ commitment to decarbonisation, and include an invitation to the European Commission to propose for adoption the 2030 targets, together with the relevant elements of the Clean Energy Package (including Governance Regulation, Renewables and Energy Efficiency directives) in 2021.

Implementation of the Treaty

12. The Ministerial Council welcomed the 2020 edition of the Implementation Report and stressed its concerns regarding the increasing difference in the implementation status among Contracting Parties.
13. The Ministerial Council invited the Secretariat to assist the Contracting Parties in the implementation of the Renewables Directive, notably by tapping their renewables potential in the most cost-efficient manner, including through decreasing their specific country risks, through market-based support schemes and auctions (except in specific circumstances and for small scale renewables) and through developing a regional system of guarantees of origin. The potential for production, transport and consumption of hydrogen in the Contracting Parties should be explored as well.
14. The Ministerial Council welcomed the report on Fuel Quality, congratulated Montenegro and Serbia for transposition and implementation of the Fuel Quality Directive 98/70/EC, and invited other Contracting Parties to implement the remaining core elements of the Directive. The Ministerial Council discussed the opportunity to work on an incorporation of core elements, once identified, of the Fuels Quality Directive into the Energy Community acquis.
15. The Ministerial Council recalled the importance to rectify breaches of Energy Community law identified in line with Article 91 of the Treaty, before they become serious and persistent. The Ministerial Council regretted long-standing delays by several Contracting Parties. The Ministerial

Council discussed decisions on Cases ECS-8/11S, ECS-2/13S, ECS-6/16S against Bosnia and Herzegovina, Case ECS-1/18S against Ukraine and Case ECS-10/17S against Serbia under Art. 92(1) of the Treaty, to be adopted by written procedure. The Secretariat announced that it will adapt the draft Decisions in cases ECS-1/18S (art. 2.2) and ECS-8/11S, ECS-2/13S, ECS-6/16S (related to art. 3.1 of 2015/10 Decision).

16. The Ministerial Council thanked the Advisory Committee presided by Dr Wolfgang Urbantschitsch for its valuable work in accordance with Art 32 of the Dispute Settlement Rules and contribution to the rule of law and independent enforcement in the Energy Community.

New acquis

17. The Ministerial Council agreed on the incorporation by correspondence of Commission Regulation (EU) 2019/2146 of 26 November 2019 amending Regulation (EC) No 1099/2008 of the European Parliament and of the Council on energy statistics, as regards the implementation of updates for the annual, monthly and short-term monthly energy statistics and Commission Implementing Regulation (EU) 2019/803 of 17 May 2019 concerning the technical requirements regarding the content of quality reports on European statistics on natural gas and electricity prices pursuant to Regulation (EU) 2016/1952 of the European Parliament. Serbia didn't agree and proposed to change the deadline for implementation of the Regulation (EU) 2019/2146.

Infrastructure

The Ministerial Council welcomed the lists of projects of Energy Community interest as well as projects of mutual interest between Contracting Parties and Member States of the European Union in line with PHLG conclusions.

Done on 17 December 2020

For the Ministerial Council,

THE PRESIDENCY 

Additional separate statements by the European Union and Serbia

- The **European Union** expressed that it has taken note of Kosovo*¹'s request to amend the Energy Community Treaty regarding references, therein, to "United Nations Interim Administration Mission in Kosovo pursuant to the United Nations Security Council Resolution 1244". In this respect, the European Union expressed its readiness to work, in close cooperation with all Contracting Parties, towards addressing this issue.
- **Serbia** strongly disagrees with the request to amend the Treaty regarding changing term United Nations Interim Administration Mission in Kosovo pursuant to the United Nations Security Council Resolution 1244. For Serbia this is high-level political issue and Serbia wonders if the Energy Community is in charge to deal with it. For Serbia this is not just a matter of changing the name of existing Contracting Party but introducing a new Contracting Party. Serbia thinks the Energy Community is not the correct address to even discuss.

¹ This designation is without prejudice to positions on status, and is in line with UNSCR 1244 (1999) and the ICJ Opinion on the Kosovo declaration of independence.