Operative part:

The Court:

1. Declares that, in failing to correctly transpose Articles 2(1) and 4 of Council Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment, as amended by Council Directive 97/11/EC of 3 March 1997, the United Kingdom of Great Britain and Northern Ireland has failed to fulfil its obligations under that directive;

2. Orders the United Kingdom of Great Britain and Northern Ireland to pay the costs.

Judgment of the Court (Fifth Chamber) of 12 January 2006 — *Commission* v *Luxembourg*

(Case C-69/05)

(Failure of a Member State to fulfil obligations — Regulation (EC) No 659/1999 — State aid in the agricultural sector — Submission of annual reports during 2000 and 2001 — Guidelines for the assessment of State aid)

1. *State aid — Examination by the Commission — Guidelines adopted by the Commission and accepted by the Member States — Binding effect (Art. 88(1) EC) (see para. 9)*

2. *Member States — Obligations under Community law — Failure to fulfil obligations — Justification based on national considerations — Not permissible (Art. 226 EC) (see para. 10)*

3. *Actions for failure to fulfil obligations — Examination of merits by the Court — Situation to be taken into consideration — Situation on expiry of the period laid down in the reasoned opinion (Art. 226 EC) (see para. 11)*

Re:

Failure of a Member State to fulfil its obligations — Failure to communicate, before 1 July 2001 and no later than 30 June 2002, annual reports on all existing State aid schemes during 2000 and 2001 in the agricultural sector — Article 88(1) EC and Article 21 of Council Regulation (EC) No 659/1999 of 22 March 1999 laying down detailed rules for the application of Article 93 of the EC Treaty (now Article 88 EC) (OJ 1999 L 83, p. 1) — Guidelines for State aid in the agriculture sector (2000/C/28/02) (OJ 2000 C 28, p. 2; corrected version OJ 2000 C 232, p. 19)

Operative part:

The Court:

1. Declares that, by failing to communicate, before 1 July 2001 and no later than 30 June 2002, annual reports on all State aid schemes in the agricultural sector existing during 2000 and 2001, the Grand Duchy of Luxembourg has failed to fulfil its obligations under Article 88(1) EC and Article 21 of Council Regulation (EC) No 659/1999 of 22 March 1999 laying down detailed rules for the application of Article [88 EC], as implemented by the Commission communication entitled 'Community Guidelines for State aid in the agriculture sector', published in the *Official Journal of the European Communities* of 1 February 2000;

2. Orders the Grand Duchy of Luxembourg to pay the costs.