Basic information

2023/0273(NLE) NLE - Non-legislative enactments	Procedure completed
Energy Charter Treaty: withdrawal of the Union **Subject** 3.60 Energy policy 3.60.15 Cooperation and agreements for energy	

Key players

European Parliament

Joint committee responsible	Rapporteur	Appointed
INTA International Trade	CAVAZZINI Anna (Greens/EFA)	21/03/2024
ITRE Industry, Research and Energy	BOTENGA Marc (The Left)	21/03/2024
	Shadow rapporteur CARVALHO Maria da Graça (EPP) HÜBNER Danuta Maria (EPP) GEIER Jens (S&D) RODRÍGUEZ-PIÑERO Inma (S&D) GRUDLER Christophe (Renew) VEDRENNE Marie-Pierre (Renew) NIINISTÖ Ville (Greens/EFA) KRASNODĘBSKI Zdzisław (ECR) BOURGEOIS Geert (ECR) MAUREL Emmanuel (The Left)	

Council of the European Union

European Commission

Commission DG	Commissioner
Energy	SIMSON Kadri

Key events

Date	Event	Reference	Summary
07/07/2023	Preparatory document	COM(2023)0447	Summary
07/03/2024	Legislative proposal published	06509/2024	
09/04/2024	Vote in committee		
10/04/2024	Committee referral announced in Parliament		
11/04/2024	Committee report tabled for plenary, 1st reading/single reading	A9-0176/2024	
23/04/2024	Debate in Parliament		
24/04/2024	Decision by Parliament	T9-0335/2024	Summary
24/04/2024	Results of vote in Parliament		
04/06/2024	Act adopted by Council after consultation of Parliament		
05/06/2024	Final act published in Official Journal		

Technical information

Procedure reference	2023/0273(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consent by Parliament
Legal basis	Rules of Procedure EP 59 Treaty on the Functioning of the European Union TFEU 218-p6 Treaty on the Functioning of the European Union TFEU 194-p2 Treaty on the Functioning of the European Union TFEU 207-p4
Stage reached in procedure	Procedure completed
Committee dossier	CJ49/9/15090

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE759.993	02/04/2024	
Committee report tabled for plenary, 1st reading/single reading		A9-0176/2024	11/04/2024	
Text adopted by Parliament, 1st reading/single reading		T9-0335/2024	24/04/2024	Summary

Council of the EU

Document type	Reference	Date	Summary

Legislative proposal	06509/2024	07/03/2024	

European Commission

Document type	Reference	Date	Summary
Preparatory document	COM(2023)0447	07/07/2023	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency

Name	Role	Committee	Date	Interest representatives
BOTENGA Marc	Rapporteur	ITRE	02/04/2024	Climate Action Network Europe

Final act

Decision 2024/1638
OJ OJ L 05.06.2024 — Summary

Energy Charter Treaty: withdrawal of the Union

2023/0273(NLE) - 07/07/2023 - Preparatory document

PURPOSE: to withdraw the Union from the Energy Charter Treaty.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: the Energy Charter Treaty was concluded by the Union by Council and Commission Decision 98/181/EC, ECSC, Euratom and entered into force on 16 April 1998. The European Union is a Contracting Party to the ECT, together with Euratom, 26 EU Member States (as of 8 May 2023), as well as Japan, Switzerland, Turkey and most countries from the Western Balkans and the former USSR, with the exception of Russia and Belarus.

In the absence of any substantial update of the Agreement since the 1990s, the Agreement became increasingly outdated. In 2019, the Contracting Parties to the Agreement engaged in negotiations aimed at modernising the Agreement in order to bring it into alignment with the principles of the Paris Agreement, the requirements of sustainable development and the fight against climate change, as well as with modern standards of investment protection.

The Contracting Parties concluded the negotiations on 24 June 2022. The negotiated outcome was meant to the adopted at the 33rd meeting of the Energy Charter Conference on 22 November 2022. Ahead of the meeting of the Conference, the Union was unable to find a common position on the modernisation of the Agreement.

In the absence of a Union position, the adoption of the modernised Agreement by the Energy Charter Conference is impossible. The current, unmodernised Agreement continues to apply to the Union, in spite of the fact that it is not in line with the Union's investment policy and law, including in particular the principle of autonomy of Union law, and with the Union's energy and climate goals.

With no alternative available, it is therefore necessary for the Union to withdraw from the Agreement.

CONTENT: the Commission's proposal concerns a Council decision on the **withdrawal from the Union of the Energy Charter Treaty** in accordance with Article 47.1 of that Treaty.

According to the Commission, remaining a Contracting Party to the current, unmodernised ECT is not an option for the EU or its Member States, as the current, unmodernised Treaty is not in line with the EU's investment policy and law and with the EU's energy and climate goals.

The provisions of the Treaty as regards investment protection, including the investor-to-State dispute settlement (ISDS) mechanism, are not in line with the EU approach to investment protection. In particular, the unmodernised ECT is incompatible with the principle of autonomy of Union law.

In addition, the protection granted to fossil fuels does not fit with EU objectives as defined in the European Green Deal, the REPowerEU Plan or the Climate Law – namely: to accelerate the shift away from fossil fuels and towards renewable energy, to achieve a greater energy independence, ensure the EU's energy security, and, not least, deliver on the commitment to cut emissions by at least 55% by 2030 and to reach climate neutrality by 2050.

Energy Charter Treaty: withdrawal of the Union

2023/0273(NLE) - 24/04/2024 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 560 votes to 43, with 27 abstentions, a legislative resolution on the draft Council decision on the withdrawal of the Union from the Energy Charter Treaty.

Parliament **gave its consent** to the withdrawal of the Union from the Energy Charter Treaty.

As a reminder, the Energy Charter Treaty (ECT) is a multilateral trade and investment agreement applicable to the energy sector that was signed in 1994 and entered into force in 1998. The European Union is a Contracting Party to the ECT, together with Euratom, 23 EU Member States, as well as Japan, Switzerland, Turkey and most countries from the Western Balkans and the former USSR, with the exception of Russia and Belarus which signed the agreement in 1994 but never ratified it.

Eleven Member States (Germany, France, Spain, Netherlands, Italy, Poland, Slovenia, Luxembourg, Denmark, Ireland, Portugal) and the UK, representing more than 70% of the European population, have already decided to exit the ECT. **The withdrawal of the EU is the next logical step**.

The proposed EU withdrawal from the Energy Charter Treaty is a result of years of mobilisation by numerous associations to exit a treaty that protects the financial interests of multinational fossil fuel corporations at the expense of regulatory autonomy and an effective social climate transition. In 2021, over 1 million European citizens called on EU countries "to pull out from the ECT". Climate activists, trade unions, scientists, academics, and a broad number of social movements joined voices to expose the dangers of this treaty and repeatedly called on countries to exit. In addition, the European Parliament called for the withdrawal from the Energy Charter Treaty in its resolution of 24 November 2022 on the outcome of the modernisation of the Energy Charter Treaty.

In the absence of any substantial update of the ECT since the 1990s, a modernisation process was initiated in 2018. However, the proposed text of the modernised ECT fails to align with the Paris Agreement, the EU Climate Law, or the objectives of the European Green Deal.

Therefore, Parliament considers that remaining a Contracting Party to the ECT is not an option and subsequently welcomes the Commission's proposal on the withdrawal of the Union from the Energy Charter Treaty.

Energy Charter Treaty: withdrawal of the Union

2023/0273(NLE) - 05/06/2024 - Final act

PURPOSE: to withdraw the Union from the Energy Charter Treaty.

NON-LEGISLATIVE ACT: Council Decision (EU) 2024/1638 on the withdrawal of the Union from the Energy Charter Treaty.

BACKGROUND: the Energy Charter Treaty (ECT) is a multilateral agreement that entered into force in 1998 and contains provisions on investment protection and trade in the energy sector. As this treaty is no longer in line with the Paris agreement and the EU ambitions regarding the energy transition, a process of modernisation has been initiated in 2018.

In the absence of any substantial update of the ECT since the 1990s, the ECT became increasingly outdated. In 2019, the Contracting Parties to the ECT engaged in negotiations aimed at modernising the ECT in order to bring it into alignment with the principles of the Paris Agreement, the requirements of sustainable development and the fight against climate change, as well as with modern standards of investment protection.

During an ad-hoc Conference on 24 June 2022, the Contracting Parties reached an agreement in principle on the modernised text, thus concluding the negotiations, without prejudice to the final assessment by the Contracting Parties. The negotiated outcome was meant to be adopted at the 33rd meeting of the Energy Charter Conference on 22 November 2022.

Ahead of the meeting of the Conference, the Union did not adopt a position on the modernisation of the ECT.

In the absence of a Union position, the Union is unable to vote on the adoption of the modernised ECT at the Conference.

CONTENT: with this Decision, the European Union will leave the Energy Charter Treaty. Several Member States have expressed their support for the proposed amendments to the ECT and have indicated their intention to remain Contracting Parties, subject to its modernisation. Those Member States should therefore be allowed, through a separate Council decision, to approve or not oppose the modernisation of the ECT at the Conference that will adopt that modernisation.

ENTRY INTO FORCE: 30.05.2024.