

PRESS RELEASE

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Improved transparency on international energy contracts: stronger energy security

The Council adopted today without debate a decision on establishing an information exchange mechanism with regard to **intergovernmental agreements and non-binding instruments** between member states and third countries **in the field of energy**.

The aim of the decision is to correct shortcomings in the existing information exchange mechanism on energy contracts in order to enhance the transparency and consistency of the EU's external energy relations and to strengthen the EU's negotiation position vis-à-vis third countries.

Following three trilogues at the end of 2016, a compromise was found on the following key issues:

- the **definition of intergovernmental agreement**: addition of "international organisations" and "transit"
- the **scope of the *ex ante* assessment** of IGA's by the Commission: it will cover gas and oil with a standard review clause
- when departing from the Commission's opinion in its *ex ante* assessment **Member States should explain their reasons to the Commission in writing**
- **non-binding instruments**: subject to voluntary *ex post* notification

After being signed by the President of the European Parliament and the President of the Council, the legislative act will be published in the Official Journal of the European Union.

It will enter into force in the course of 2017 and, together with the regulation on the security of gas supply, it will play a major role in the implementation of the security dimension of the Energy Union Strategy.

"We are very pleased to adopt this important legislative act during our Presidency, the first one under the Energy Union. We want to thank the Slovak Presidency for all their preparatory work and the political agreement they achieved with the European Parliament during their Presidency. This decision will strengthen transparency in negotiations with third countries on energy agreements, ensuring that such agreements are fully compatible with Union law, thus contributing to energy security."

Konrad Mizzi, Minister for Energy of Malta

Background

As part of its "Winter Package" of February 2016, the Commission proposed that it examine international agreements in the field of energy before they are signed by member states. It argued that if certain provisions of an intergovernmental agreement ('IGA') are found to be incompatible with Union law (such as the Third Energy Package, competition law, public procurement rules), it is very difficult or even impossible for a member state to renegotiate the IGA with a third country.

The proposal also responded to the European Council's conclusions of March 2015 which called for full compliance with Union law of all agreements related to the purchase of gas from external suppliers.

The Council agreed on a general approach in June 2016 and reached an informal agreement with the European Parliament on 7 December 2016, which was confirmed by Coreper.

- [Decision on intergovernmental agreements between member states and third countries in the field of energy](#)
- [Commission proposal on intergovernmental agreements between member states and third countries in the field of energy](#)
- [Council general approach on intergovernmental agreements between member states and third countries in the field of energy](#)
- [Outcome of the Council meeting](#)
- [Energy Union Strategy](#)
- [European Council meeting, 19-20 March 2015](#)

Press office - General Secretariat of the Council of the EU
Rue de la Loi 175 - B-1048 BRUSSELS - Tel.: +32 (0)2 281 6319
press@consilium.europa.eu - www.consilium.europa.eu/press