

TO THE MINISTERIAL COUNCIL OF THE ENERGY COMMUNITY
represented by the Presidency and the Vice-Presidency of the Energy Community

REASONED REQUEST

in Case ECS-12/23

Submitted pursuant to Article 90 of the Treaty establishing the Energy Community (hereinafter: "the Treaty") and Article 11(3) of Procedural Act No 2015/04/MC-EnC of the Ministerial Council of the Energy Community of 16 October 2015 on the Rules of Procedure for Dispute Settlement under the Treaty (hereinafter: "Dispute Settlement Rules"),¹ the

SECRETARIAT OF THE ENERGY COMMUNITY

against

REPUBLIC OF MOLDOVA

is seeking a Decision from the Ministerial Council that

by failing to adopt and apply the laws, regulations and administrative provisions necessary to comply with Directive 2004/35/EC of the European Parliament and of the Council of 21 April 2004 on environmental liability with regard to the prevention and remedying of environmental damage, as adapted and adopted by Ministerial Decision 2016/14/MC-EnC by 1 January 2021, and by failing to forthwith notify those measures to the Secretariat, the Republic of Moldova fails to comply with Articles 6, 12 and 89 of the Energy Community Treaty and Article 3 of Ministerial Council Decision 2016/14/MC-EnC.

The Secretariat of the Energy Community has the honour of submitting the following Reasoned Request to the Ministerial Council.

I. Relevant Facts

1. Introduction

- (1) In April 2004, the European Union adopted Directive 2004/35/EC on environmental liability with regard to the prevention and remedying of environmental damage² (hereinafter: "Directive 2004/35/EC").
- (2) Directive 2004/35/EC was incorporated in the Energy Community *acquis communautaire* by Decision 2016/14/MC-EnC of the Ministerial Council on amending the Treaty

¹ Procedural Act No 2015/04/MC-EnC of 16.10.2015

² OJ L 143, 30.4.2004, p. 56

establishing the Energy Community and adapting and implementing Directive 2004/35/EC of the European Parliament and of the Council (hereinafter: "Decision 2016/14/MC-EnC").³ Contracting Parties were under an obligation to transpose and implement Directive 2004/35/EC and notify the Energy Community Secretariat thereof by 1 January 2021.

2. Background

- (3) Following the adoption of Decision 2016/14/MC-EnC, the Secretariat initiated activities to assist the Contracting Parties with the transposition of the Directive 2004/35/EC in a timely manner.
- (4) The Secretariat presented the requirements of the Directive 2004/35/EC and the actions that needed to be taken by the Contracting Parties to transpose and implement its provisions at meetings of the Environmental Task Force held on 7 December 2021 and 13 June 2022.
- (5) In its annual Implementation Reports of 2021⁴ and 2022⁵, the Secretariat recalled that the deadline for the transposition of the amendments introduced by Directive 2004/35/EC had expired, and that the Republic of Moldova failed to take the necessary measures to transpose and implement them.
- (6) On 3 May 2021, the Secretariat sent a letter⁶ to the Ministry of Economy and Infrastructure of the Republic of Moldova, informing the Ministry that the Secretariat may open dispute settlement procedures for non-compliance with the Treaty, and in particular, the obligations stemming from Decision 2016/14/MC-EnC.
- (7) By a letter sent on 9 July 2021,⁷ the Ministry of Agriculture, Regional Development and Environment of the Republic of Moldova informed the Secretariat that Directive 2004/35/EC is not yet transposed into domestic legislation and that the Directive is proposed to be included in the updated Annex XI to the Association Agreement between the European Union and the Republic of Moldova. Draft legislation necessary to comply with Directive 2004/35/EC, however, has not yet been prepared.
- (8) To date, the Secretariat has not received draft legislation, let alone legislation in force, by which the Republic of Moldova aims to achieve compliance with Decision 2016/14/MC-EnC, and to transpose the provisions of Directive 2004/35/EC.
- (9) On that basis, the Secretariat decided to submit the present Reasoned Request to the Ministerial Council for decision.

II. Relevant Energy Community Law

- (10) Energy Community Law is defined in Article 1 of the Dispute Settlement Procedures as "*a Treaty obligation or [...] a Decision or Procedural Act addressed to [a Party]*". A violation of Energy Community Law occurs if "*[a] Party fails to comply with its obligations*

³ ANNEX 1

⁴ Annual Implementation Report of the Energy Community Secretariat, 1 November 2021, p. 108.

⁵ Annual Implementation Report of the Energy Community Secretariat, 1 November 2022 p. 100.

⁶ Ref. no. MD-MC/O/06/03-05-2021, ANNEX 2.

⁷ Ref. No. 02-10/2391, ANNEX 3.

*under the Treaty if any of these measures (actions or omissions) are incompatible with a provision or a principle of Energy Community Law”.*⁸

- (11) Article 6 of the Treaty reads:

The Parties shall take all appropriate measures, whether general or particular, to ensure fulfilment of the obligations arising out of this Treaty. The Parties shall facilitate the achievement of the Energy Community’s tasks. The Parties shall abstain from any measure which could jeopardise the attainment of the objectives of the Treaty.

- (12) Article 12 of the Treaty reads:

*Each Contracting Party shall implement the *acquis communautaire* on Environment in compliance with the timetable for the implementation of those measures set out in Annex II.*

- (13) Article 16 of the Treaty reads:

*The “*acquis communautaire* on environment”, for the purpose of this Treaty, shall mean (...)*

(vi) Directive 2004/35/EC of the European Parliament and of the Council of 21 April 2004 on environmental liability with regard to the prevention and remedying of environmental damage, as amended by Directive 2006/21/EC, Directive 2009/31/EC and Directive 2013/30/EU⁹ (...)

- (14) Article 94 of the Treaty reads:

*The institutions shall interpret any term or other concept used in this Treaty that is derived from European Community law in conformity with the case law of the Court of Justice or the Court of First Instance of the European Communities. Where no interpretation from those Courts is available, the Ministerial Council shall give guidance in interpreting this Treaty. It may delegate that task to the Permanent High Level Group. Such guidance shall not prejudice any interpretation of the *acquis communautaire* by the Court of Justice or the Court of First Instance at a later stage.*

- (15) Point 6 of Annex II of the Treaty¹⁰ reads:

Each Contracting Party shall implement Directive 2004/35/EU of the European Parliament and of the Council of 21 April 2004 on environmental liability with regard to the prevention and remedying of environmental damage, as amended by Directive 2006/21/EC, Directive 2009/31/EC and Directive 2013/30/EU by 1 January 2021.

- (16) Article 3 of Decision 2016/14/MC-EnC reads:

1. Contracting Parties shall inform the Energy Community Secretariat of the laws, regulations and administrative provisions brought into force to comply with the relevant provisions of Directive 2004/35/EU, as amended by Directive 2006/21/EC, Directive

⁸ Article 3(1) Dispute Settlement Procedures.

⁹ As amended by Decision 2016/14/MC-EnC.

¹⁰ As introduced by Article 1(2) of Decision 2016/14/MC-EnC.

2009/31/EC and Directive 2013/30/EU, in accordance with Article 12 of the Treaty establishing the Energy Community by 1 January 2021.

When Contracting Parties adopt those provisions, they shall contain a reference to this Decision and Directive 2004/35/EC, as amended by Directive 2006/21/EC, Directive 2009/31/EC and Directive 2013/30/EU, or shall be accompanied by such reference on the occasion of their official publication. The methods of making such reference shall be laid down by the Contracting Parties.

2. Contracting Parties shall communicate to the Energy Community Secretariat the text of the main provisions of national law which they adopt in the field covered by this Decision and Directive 2004/35/EC, as amended by Directive 2006/21/EC, Directive 2009/31/EC and Directive 2013/30/EU.

(17) Article 11(3) of the Dispute Settlement Rules reads:

Where the Secretariat initiates a dispute settlement procedure on the grounds that a Party has failed to fulfil its obligation to notify measures transposing a Decision addressed to it within the deadline specified in that Decision, the Secretariat shall submit a reasoned request to the Ministerial Council without preliminary procedure.

III. Legal Assessment

- (18) The present Reasoned Request concerns non-compliance of the Republic of Moldova with the obligation to adopt and implement the laws and administrative provisions necessary to comply with Decision 2016/14/MC-EnC by 1 January 2021 pursuant to Article 3(1) thereof, and to forthwith notify those measures to the Secretariat within the deadline specified in that Decision.
- (19) The Reasoned Request is based on Article 11(3) of the Dispute Settlement Rules in force. In October 2015, the Ministerial Council amended the Dispute Settlement Rules and abolished the preliminary procedure in dispute settlement proceedings for non-transposition, i.e. in a case where a Party has failed to fulfil its obligations to notify measures transposing a Decision addressed to it within the deadline specified in that Decision. Hence, in cases such as the one at issue, the Secretariat submits a Reasoned Request to the Ministerial Council directly, without performing a preliminary procedure.
- (20) According to the Treaty, the Republic of Moldova is under an obligation to implement, i.e. to transpose at a national level and to apply, the *acquis communautaire* on the environment, including Decision 2016/14/MC-EnC, as referred to in Article 12 of the Treaty and defined by its Annex II.
- (21) Article 3(1) of Decision 2016/14/MC-EnC requires Contracting Parties to bring into force the laws and administrative provisions necessary to comply with Directive 2004/35/EC and to apply them as from 1 January 2021.
- (22) Article 3(2) of Ministerial Council Decision 2016/14/MC-EnC also requires Contracting Parties to communicate to the Energy Community Secretariat the text of the main provisions of national law which they adopt in the field covered by Decision 2016/14/MC-EnC of the Ministerial Council.
- (23) Article 6 of the Treaty imposes upon the Parties the general obligation to take all appropriate measures, whether general or particular, to ensure fulfilment of the

obligations arising out of the Treaty. Article 89 of the Treaty requires Parties to implement Decisions addressed to them in their domestic legal system within the period specified in the Decision.

- (24) The time limit for the Republic of Moldova to take measures necessary to comply with Article 3 of Decision 2016/14/MC-EnC, as well as Articles 6 and 89 of the Treaty expired on 1 January 2021.
- (25) Despite reminders and the assistance offered by the Secretariat, the Republic of Moldova to date has not taken the measures necessary to comply with its obligations. At the date of submitting this Reasoned Request, neither new legislation nor amendments to the existing legislation meant to transpose the Directive 2004/35/EC were adopted.
- (26) Under those circumstances, the Secretariat submits that by failing to take the measures necessary to comply with Ministerial Council Decision 2016/14/MC-EnC, the Republic of Moldova has failed to fulfil its obligations under Articles 6, 12 and 89 of the Treaty as well as Articles 3(1) and 3(2) of Ministerial Council Decision 2016/14/MC-EnC of 14 October 2016 amending the Treaty establishing the Energy Community and adapting and implementing Directive 2004/35/EC of the European Parliament and of the Council.

ON THESE GROUNDS

The Secretariat of the Energy Community respectfully requests that the Ministerial Council of the Energy Community declare in accordance with Article 91(1)(a) of the Treaty establishing the Energy Community that:

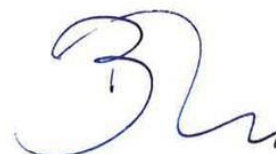
by failing to adopt and apply the laws, regulations and administrative provisions necessary to comply with Directive 2004/35/EC of the European Parliament and of the Council of 21 April 2004 on environmental liability with regard to the prevention and remedying of environmental damage, as adapted and adopted by Ministerial Decision 2016/14/MC-EnC by 1 January 2021, and by failing to forthwith notify those measures to the Secretariat, the Republic of Moldova fails to comply with Articles 6, 12 and 89 of the Energy Community Treaty and Article 3 of Ministerial Council Decision 2016/14/MC-EnC.

On behalf of the Secretariat of the Energy Community,

Vienna, 13 July 2023

A handwritten signature in blue ink, reading "Artur Lorkowski".

Artur Lorkowski
Director

A handwritten signature in blue ink, reading "Dirk Buschle".

Dirk Buschle
Legal Counsel/Deputy Director

List of Annexes

- ANNEX 1 Decision 2016/14/MC-EnC of the Ministerial Council on amending the Treaty establishing the Energy Community and adapting and implementing Directive 2004/35/EC of the European Parliament and of the Council
- ANNEX 2 Letter of the Secretariat to the Ministry of Economy and Infrastructure of the Republic of Moldova, dated 3 May 2021
- ANNEX 3 Letter of the Ministry of Agriculture, Regional Development and Environment of the Republic of Moldova to the Secretariat, dated 9 July 2021