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2014/0058 (NLE)

Proposal for a

COUNCIL DECISION

on the position to be adopted, on behalf of the European Union, within the Joint Committee established by the Regional Convention on pan-Euro-Mediterranean preferential rules of origin as regards the request of the Republic of Moldova to become a Contracting Party to that Convention

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

The Regional Convention on pan-Euro-Mediterranean preferential rules of origin¹ (hereafter 'the Convention') lays down provisions on the origin of goods traded under relevant Agreements concluded between the Contracting Parties.

Article 5(1) of the Convention provides that a third party may become a Contracting Party to the Convention, provided that the candidate country or territory has a free trade agreement in force, providing for preferential rules of origin, with at least one of the Contracting Parties. Article 2(2) of the Convention provides that, for the purposes of the Convention, 'third party' means any neighbouring country or territory which is not a Contracting Party.

The Republic of Moldova submitted its written request for accession to the Convention to the depositary of the Convention (the General Secretariat of the Council of the EU) on 17 July 2013.

In its request, the Republic of Moldova indicated that it is a member of the Central European Free Trade Agreement between Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, the Republic of Moldova, Montenegro, Serbia and Kosovo². As a consequence, the Republic of Moldova has a free trade agreement in force with six Contracting Parties to the Convention and complies with the condition set out in Article 5(1) of the Convention to become a Contracting Party. In its request, the Republic of Moldova also indicated that joining the PEM Convention was a commitment made in the framework of negotiations of the deep and comprehensive free trade agreement (DCFTA) with the EU³ and that it had recently concluded negotiations of a free trade agreement with Turkey.

The request should therefore be submitted to the Joint Committee of the Convention in application of its Article 4(3)(b) for adoption of a Decision inviting the Republic of Moldova to accede to the Convention. The position to be taken by the EU within the Joint Committee should be established by the Council.

According to the Commission, the accession of the Republic of Moldova does not require any transitional measures as referred to in Article 4(3)(c) of the Convention.

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

The Contracting Parties to the Convention were informed of the request at the meeting of the Joint Committee of the Convention of 29 October 2013.

No recourse to external expertise has been necessary. Furthermore, it has not been necessary to conduct an impact assessment, since the accession of a third party to the Convention is only subject to the condition that it has a free trade agreement in force with at least one of the Contracting Parties to the Convention.

¹ OJ L 54, 26.2.2013, p. 4.

² This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

³ The DCFTA was initialled at the Vilnius Eastern Partnership Summit, on 28-29 November 2013.

3. LEGAL ELEMENTS OF THE PROPOSAL

The legal basis for the Council Decision is the first subparagraph of Article 207(4) in conjunction with Article 218(9) of the Treaty on the Functioning of the European Union.

The proposal falls under the exclusive competence of the Union. The principle of subsidiarity does therefore not apply.

Proposed instrument: Council Decision.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 207(4) in conjunction with Article 218(9) thereof,

Having regard to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin⁴,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The Regional Convention on pan-Euro-Mediterranean preferential rules of origin (the "Convention") entered into force on 1 December 2012.
- (2) Article 5(1) of the Convention provides that a third party may become a Contracting Party to the Convention, provided that the candidate country or territory has a free trade agreement in force, providing for preferential rules of origin, with at least one of the Contracting Parties.
- (3) The Republic of Moldova submitted a written request for accession to the Convention to the depositary of the Convention on 17 July 2013.
- (4) The Republic of Moldova is a member of the Central European Free Trade Agreement between Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, the Republic of Moldova, Montenegro, Serbia and Kosovo⁵. As a consequence, the Republic of Moldova has a free trade agreement in force with six Contracting Parties to the Convention and complies with the condition set out in Article 5(1) of the Convention to become a Contracting Party.
- (5) Pursuant to Article 4(3)(b) of the Convention the Joint Committee shall adopt by Decision invitations to third parties to accede to the Convention.
- (6) The position of the Union within the Joint Committee should be to vote in favour of a Decision inviting the Republic of Moldova to accede to the Convention,

⁴ OJ L 54, 26.2.2013, p. 4.

⁵ This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

HAS ADOPTED THIS DECISION:

Article 1

The position to be adopted by the European Union within the Joint Committee of the Regional Convention on pan-Euro-Mediterranean preferential rules of origin, as regards the request of the Republic of Moldova to become a Contracting Party to that Convention, shall be based on the draft Decision of the Joint Committee attached to this Decision.

Minor changes to the draft Decision may be agreed to by the representatives of the Union in the Joint Committee without further decision of the Council.

Article 2

After its adoption, the Decision of the Joint Committee shall be published in the *Official Journal of the European Union*.

Done at Brussels,

For the Council
The President