



COMMISSION OF THE EUROPEAN COMMUNITIES

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RECOMMENDATION FROM THE COMMISSION TO THE COUNCIL

authorising the Commission to open negotiations on behalf of the Community and its Member States with Algeria, Egypt, Israel, Jordan, Lebanon, Morocco and Tunisia with a view to adjusting the Euro-Mediterranean Association Agreements and to open negotiations on behalf of the Community with the Palestine Liberation Organisation with a view to adjusting the Interim Association Agreement

EXPLANATORY MEMORANDUM

Ten new Member States will accede to the European Union on 1 May 2004. By Article 6(2) of the Act concerning the conditions of accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic to the European Union (hereinafter referred to as the "Act of Accession") and the adjustments to the Treaties on which the European Union is founded, the accession of the new Member States to the Euro-Mediterranean Association Agreements, whether concluded or provisionally applied, must be agreed by the conclusion of protocols to such agreements. Article 6(2) sets out a simplified procedure by which the protocols must be agreed unanimously on behalf of the Member States between the Council of the European Union and the abovementioned third countries. This procedure is without prejudice to the Community's own competences.

It is the Commission that negotiates the protocols on behalf of the European Community (regarding matters falling within the Community's jurisdiction) and on behalf of the Member States (regarding matters falling within their jurisdiction). The Commission conducts the negotiations in accordance with negotiating directives adopted by the Council - by qualified majority or unanimously - and in consultation with a committee of Member State representatives. The Commission then submits the draft protocols to the Council for conclusion. Article 2(3) of the Treaty of Accession requires the protocols to be negotiated and concluded prior to accession.

Under Article 6(2) of the Act of Accession, pending the conclusion of the necessary protocols, the new Member States are required to apply the provisions of any Euro-Mediterranean Association Agreements already concluded as from the date set for their accession.

The Euro-Mediterranean Association Agreements¹ require that, in the event of a third country acceding to the European Union, the Parties to the Association Agreements must hold consultations to ensure that account can be taken of the mutual interests of the Union and the Mediterranean countries in question.

Concerning the substance of such an enlargement protocol, it should be remembered that the non-EU Parties to the Euro-Mediterranean Association Agreements benefit from full trade liberalisation in respect of industrial products and very extensive liberalisation in respect of all other products - except for a few agricultural, processed agricultural and fisheries products for which there are Community tariff quotas. These countries apply reciprocal tariff quotas on certain categories of processed or unprocessed agricultural products and fisheries products. The quotas now need to be reviewed to take account of the fact that, after accession of the new Member States, the Mediterranean beneficiaries will have access to an internal market enlarged to 25 states. The Mediterranean countries in turn must take account of the ten new Member States in terms of access to their markets, and adjust their tariff quotas accordingly. The tariff concessions will be reviewed in the light of traditional trade flows between the new Member States and the Mediterranean Contracting Parties, the aim being to maintain future trade flows between the Mediterranean Parties and the enlarged internal market at a level at least equivalent to present flows.

¹ Article 19(2) of the Agreement with the PLO. Article 21(2) of the Agreements with Algeria, Egypt and Israel. Article 22(2) of the Agreement with Lebanon. Article 23(2) of the Agreements with Morocco and Tunisia.

In addition to the adjustments on trade, the protocols to the Association Agreements will include a number of purely technical adjustments rendered necessary by the accession of the new Member States to these Agreements and the increase in the number of official languages.

The Community and the Member States could also take this opportunity to formalise the transfer to the Commission of the chairmanship of the Association Committees, as decided under the Association Agreements with Egypt, Israel, Jordan, Morocco and Tunisia.

Concerning the timetable, the negotiations need to be completed rapidly so that the protocols adjusting the Euro-Mediterranean Association Agreements can enter into force shortly after the date set for the accession of the new Member States.

If the Association Agreements for Lebanon and Egypt have not yet entered into force by the date set for the accession of the new Member States, i.e. 1 May 2004, the content of the protocols could be adopted under the current Interim Agreements. The adjustments would subsequently be transposed into the Association Agreements.

If the Association Agreement for Algeria has not yet entered into force by the date set for the accession of the new Member States, i.e. 1 May 2004, and if no Interim Agreement is then in force, negotiations on a protocol covering the necessary adjustments will open after that date.

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