



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 13.9.2007
COM(2007) 522 final

Proposal for a

COUNCIL DECISION

**on a Community Position to be adopted in the EC - Montenegro Interim Committee
on its Rules of Procedure including the Terms of Reference
and Structure of the EC-Montenegro sub-committees**

(presented by the Commission)

EXPLANATORY MEMORANDUM

A Stabilisation and Association Agreement (SAA) between the European Communities and their Member States, of the one part, and the Republic of Montenegro, of the other part, is planned to be signed in Luxembourg on the 15th of October 2007. It will enter into force on the 1st day of the second month following the date on which the Parties notify each other that their respective ratification procedures have been completed.

The Interim Agreement (IA) between the European Community and the Republic of Montenegro, signed on the same date to allow the early application of trade and trade-related provisions of the Stabilisation and Association Agreement (SAA), will enter into force on the 1st day of the second month following the date on which the Parties notify each other that their respective ratification procedures have been completed.

Article 43 of the IA establishes an Interim Committee which will supervise implementation of the same Agreement. This Committee has to adopt –as specified by Article 44 of the IA- its own rules of procedures. For the smooth functioning of the Committee, it is desirable to adopt these rules of procedure during the first meeting.

The proposed rules of procedure specify the duties of the Interim Committee and the practices which it will need to follow, in accordance with the IA, and take notably into account that the Committee has been conferred decision-making powers under the Agreement. The rules of procedure also create specific sub-committees, as provided for under Article 46 of the IA. The Commission proposes to streamline the structure of sub-committees by limiting the number of sub-committees to five, which would cover the different areas as indicated in the Annex to this Explanatory Memorandum. Stabilisation and Association Agreement areas not included in the IA will continue to be discussed in the framework of the Enhanced Permanent Dialogue¹ until the entry into force of the Stabilisation and Association Agreement.

The position to be taken by the Community within the Interim Committee with regard to the adoption of the rules of procedures of the Interim Committee shall be determined by the Council, on a proposal by the Commission.

It is therefore proposed that the Council approves the attached proposal.

¹ As described in the Commission Communication on the preparedness of Serbia and Montenegro to negotiate a Stabilisation and Association Agreement with the European Union, COM(2005)476 final.

ANNEX TO THE EXPLANATORY MEMORANDUM

EC – THE REPUBLIC OF MONTENEGRO INTERIM AGREEMENT ON TRADE AND TRADE-RELATED MATTERS <u>SUB-COMMITTEES STRUCTURE</u>		
Sub-Committees Titles	Issues	IA (SAA) References
I. Trade, Industry, Customs, Taxation and Cooperation with other candidate countries	Free Movement of Goods	Art. 3 (Art. 18)
	Industrial Products	Art. 4-8 (Art. 19-23)
	Commercial questions	Art. 19-33 (Art. 34-48)
	Taxation	Art. 22-23 (Art. 37-38)
	Rules of Origin	Art. 29 (Art. 44), Protocol 3
	Administrative assistance in customs matters	Art. 42 (Art. 99), Protocol 6
	Cooperation with other candidate countries	Art. 53 (Art.17)
II. Agriculture and Fisheries	Agricultural Products lato sensu	Art. 9, 11(1),12(1), 16, 17 and 20 (Art. 24, 26(1), 27(1), 31, 32 and 35)
	Agricultural Products stricto sensu	Art. 11(2)(3) and 12(2) (Art. 26(2)(3) and 27(2))
	Fisheries Products	Art. 14 and 15 (Art. 29 and 30)
	Processed Agricultural Products	Art. 10 (Art. 25), Protocol 1
	Wine and Spirit Drinks	Art. 13 (Art. 28), Protocol 2
	Protection of geographical indications for agricultural and fishery products and foodstuffs other than wine and spirits	Art. 18 (Art. 33)
III. Internal Market and Competition	Other questions related to Title III of the IA	Art. 36 and 37 (Art. 69 and 71)
	Competition	Art. 38 and 39 (Art. 73 and 74)
	State Aid to the Steel Industry	Art. 38(8) (Art. 73 (8), Protocol 5)
	Intellectual, industrial and commercial property	Art.40 (Art. 75)
	Public Procurement	Art. 41 (Art. 76)
IV. Economic and Financial Issues and Statistics	Capital Movements and Payments	Art. 35, 38 (7)(b) (Art. 62, 73(7)(b)),
V. Transport	Transit Traffic	Art. 34 (61.1) Protocol 4, Art: 3 (a) and (b) 11 (2), (3) and (5) 19 (1) and (2) 21 (1) and (2)(d)

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 300(2), second subparagraph thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) The Interim Agreement on trade and trade-related matters between the European Community, of the one part, and the Republic of Montenegro, of the other part² (hereinafter referred to as "the Interim Agreement"), that was signed on, entered into force on
- (2) Article 43 of the Interim Agreement provides that the Interim Committee set up by the Agreement shall supervise the application and the implementation of the Interim Agreement.
- (3) Article 44, second paragraph, of the Interim Agreement provides that the Interim Committee shall adopt its own Rules of Procedure.
- (4) Article 46 of the Interim Agreement provides that the Interim Committee may decide to set up sub-committees.
- (5) The designation, composition, Terms of Reference and Structure of the sub-committees should be laid down in the Interim Committee's Rules of Procedure.
- (6) The Community should determine the position to be taken within the Interim Committee with regard to the adoption of the Rules of Procedure,

HAS DECIDED AS FOLLOWS:

Sole Article

The position to be adopted by the Community within the Interim Committee referred to in Article 43 of the Interim Agreement on trade and trade-related matters between the European Community, of the one part, and the Republic of Montenegro, of the other part, shall be based on the draft Decision of the Interim Committee attached to this Decision.

Done at Brussels,

*For the Council
The President*

² OJ L,2007, p.

ANNEX

DECISION No 1/200.. of the EC – Montenegro Interim Committee

of ...

on its Rules of Procedure including the Terms of Reference and Structure of the EC-Montenegro sub-committees

THE EC – MONTENEGRO INTERIM COMMITTEE,

Having regard to the Interim Agreement on trade and trade related matters between the European Community, of the one part, and the Republic of Montenegro, of the other part (hereinafter referred to as "the Interim Agreement") that was signed on, and in particular Article 44 thereof,

HAS DECIDED AS FOLLOWS:

Article 1 Chairmanship

The Interim Committee shall be chaired alternately, for periods of 12 months, by a representative of the Commission of the European Communities on behalf of the European Community, hereinafter referred to as the "Community", and a representative of the Government of the Republic of Montenegro. However, the first period shall begin on the date of the first Interim Committee meeting and end on 31 December of the same year.

Article 2 Meetings

The Interim Committee shall meet regularly once a year in Brussels or Podgorica as agreed by both Parties. Special meetings of the Interim Committee may be convened by mutual agreement at the request of either Party.

The meetings are convened by the Chairman.

Unless otherwise agreed, the meetings of the Interim Committee shall not be public.

Article 3 Delegations

Prior to each meeting, the Chairman shall be informed of the intended composition of the delegation of each Party.

A representative of the European Investment Bank (EIB) may attend the meetings of the Interim Committee, as an observer, when matters which concern the EIB appear on the agenda.

The Interim Committee may invite non-members to attend its meetings in order to provide information on particular subjects.

The Member States of the Community shall be informed about the meetings of the Interim Committee.

Article 4
Secretariat

An official of the Commission of the European Communities and an official of the Republic of Montenegro shall act jointly as Secretaries of the Interim Committee.

Article 5
Correspondence

All correspondence to and from the Chairman of the Interim Committee shall be forwarded to both Secretaries. The two Secretaries shall ensure that correspondence is circulated, where appropriate, to their respective representatives in the Interim Committee.

Article 6
Agenda of the meetings

1. The Chairman and the Secretaries shall draw up a provisional agenda for each meeting not later than 15 working days before the beginning of the meeting.

The provisional agenda shall include the items in respect of which a request for inclusion has been received by the Secretaries not later than 21 working days before the beginning of the meeting, save that items shall not be written into the provisional agenda unless the supporting documentation has been forwarded to the Secretaries not later than the date of dispatch of the provisional agenda.

The agenda shall be adopted by the Interim Committee at the beginning of each meeting. Items other than those appearing on the provisional agenda may be included in the agenda if the two Parties so agree.

2. The Chairman may, in agreement with the two Parties, shorten the time limits specified in paragraph 1 in order to take account of the requirements of a particular case.

Article 7
Minutes

Draft minutes of each Interim Committee meeting shall be drawn up by the Party hosting the meeting. They shall indicate the decisions and recommendations taken and the conclusions adopted. Within the two months following the meeting, the draft minutes shall be submitted to the Interim Committee for approval. When approved, the minutes shall be signed by the Chairman and the two Secretaries and one original copy shall be filed by each of the Parties. A copy of the minutes shall be forwarded to each of the addressees referred to in Article 5 of this Decision.

Article 8
Deliberations

The Interim Committee shall take its decisions and formulate its recommendations by mutual agreement between the Parties.

During the inter-session period, the Interim Committee may take decisions or make recommendations by written procedure if both Parties so agree.

The decisions and recommendations of the Interim Committee within the meaning of Article 45 of the Interim Agreement shall be entitled respectively "Decision" and "Recommendation" and followed by a serial number, by the date of their adoption and by a description of their subject.

The decisions and recommendations of the Interim Committee shall be signed by the Chairman and authenticated by the two Secretaries.

The decisions taken by the Interim Committee shall be published by the Parties in their respective official publications. Each Party may decide on the publication of any other act adopted by the Interim Committee.

Article 9
Languages

The official languages of the Interim Committee shall be the official languages of the two Parties.

Unless otherwise decided, the Interim Committee shall base its deliberations on documentation prepared in these languages.

Article 10
Expenses

The Community and the Republic of Montenegro shall each defray the expenses they incur by reason of their participation in the meetings of the Interim Committee and of sub-committees, both in respect of staff, travelling and subsistence expenditure and of postal and telecommunications costs.

Expenditure in connection with interpretation, translation and reproduction of documents at meetings as well as any other expenditure relating to the material organisation of meetings shall be borne by the Party hosting the meetings.

Article 11
Sub-Committees

The Terms of Reference and the Structure of the Sub-Committees set up to assist the Interim Committee in carrying out its duties are set out in the Annex to this Decision.

The sub-committees shall be composed of representatives of both Parties. They shall be chaired alternately by the two Parties, according to Article 1.

The sub-committees shall work under the authority of the Interim Committee, to which they shall report after each one of their meetings. They shall not take decisions but may make recommendations to the Interim Committee.

The Interim Committee may decide to abolish any existing sub-committee, modify their Terms of Reference or establish new sub-committees to assist it in carrying out its duties.

Done at,

For the Interim Committee
The Chairman

ANNEX

Terms of Reference and Structure of the EC-Montenegro Sub-Committees

1. Composition and Chair

In accordance with Article 11, second paragraph of the Rules of Procedures, the sub-committees shall be composed of representatives of the European Commission and representatives of the Government of the Republic of Montenegro (hereinafter referred to as "Montenegro"). They shall be chaired alternately by the two Parties, according to Article 1 of the Rules of Procedure. The Member States shall be informed about the sub-committees meetings.

2. Secretariat

An official of the European Commission and an official of the Government of Montenegro shall act jointly as secretaries of each of the sub-committees.

All communications concerning the sub-committees shall be forwarded to the secretaries of the relevant sub-committees.

3. Meetings

The sub-committees shall meet regularly once a year, and whenever circumstances require, with the agreement of both Parties. Each meeting of a sub-committee shall be held at a time and place agreed by both Parties.

If both Parties agree, the sub-committees may invite experts to their meetings to provide the specific information requested.

4. Subject matters

The sub-committees shall discuss issues according to the multidisciplinary sub-committee structure below. Implementation of the Interim Agreement and the European Partnership, preparation for implementation of the Stabilisation and Association Agreement, and progress regarding the approximation, implementation and enforcement of legislation shall be assessed in all relevant fields. The sub-committees shall examine any problems that may arise in their relevant sectors and shall suggest possible steps to be taken.

The sub-committees shall also serve as fora for the further clarification of the *acquis communautaire*, and shall review progress made by Montenegro in conforming to the *acquis* in line with commitments made in the Interim Agreement.

5. Minutes

Draft minutes of each sub-committee meeting shall be established within the two months following the meeting. Once agreed by both Parties, a copy of the minutes shall be forwarded by the secretaries of the sub-committee to the secretaries of the Interim Committee.

6. Publicity

Unless otherwise decided, the meetings of the sub-committees shall not be public.

7. Sub-committees Structure

- 1) Sub-committee on Trade, Industry, Customs, Taxation and Cooperation with other candidate countries (IA, Art. 3, 4-8, 19-33, 42, 53),

- 2) Sub-committee on Agriculture and Fisheries (Art. 9, 11(2)(3), 10, 13, 12(2), 14, 15, 18),
- 3) Sub-committee on Internal Market and Competition (IA, Art. 36, 37, 38 with Protocol 5, 39, 40, 41),
- 4) Sub-committee on Economic and Financial Issues and Statistics (IA, Art. 35, 38 (7)(b)),
- 5) Sub-committee on Transport (IA Art. 34, Protocol 4 Art. 3 (a) and (b), 11 (2), 3) and (5), 19 (1) and (2), 21 (1) and (2)(d)