



Brussels, 19.5.2015
COM(2015) 223 final

Recommendation for a

COUNCIL DECISION

authorising the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy to open negotiations and negotiate with the Republic of Armenia a Framework Agreement

EXPLANATORY MEMORANDUM

1. BACKGROUND

The present legal basis for the EU's relations with the Republic of Armenia is the Partnership and Cooperation Agreement (PCA), which entered into force on 1 July 1999 for an initial ten-year period and was automatically renewed, given that no Party requested otherwise. It is a comprehensive agreement covering all traditional areas of cooperation, including political dialogue, trade in goods and services (on a non-preferential basis), business, investment, etc. However, areas such as justice, freedom and security are only partially covered. There is also scope for deepening the relationship in traditional areas.

In the past decade, bilateral relations with Armenia have evolved in depth. Armenia has been included (as a Southern Caucasian country) in the European Neighbourhood Policy (ENP) since 2004. The EU-Armenia ENP Action Plan was adopted in 2006 and Armenia has also been included, together with the other two Southern Caucasus countries in the Eastern Partnership since 2009. Bilateral cooperation deepened in 2012, with the signature of the Protocol to the Partnership and Cooperation Agreement on the general principles for the participation of Armenia in EU programs. Furthermore, in 2014 the EU-Armenia Visa Facilitation and Readmission Agreements entered into force.

Based on their common endeavour to build upon the existing framework of cooperation, the EU and Armenia decided to revisit the basis for their relations and negotiations for an Association Agreement were finalised in July 2013. However, on 3 September 2013 Armenia informed the EU about its intention not to initial the negotiated text and to join instead the Eurasian Economic Union (EEU), which it did on 2 January 2015. The EU and Armenia have since reconfirmed their commitment to further develop and strengthen their cooperation in all areas of mutual interest within the Eastern Partnership framework, as stated in the Vilnius Joint Statement of 29 November 2013. To this end, the EU and Armenia are resuming their negotiations to conclude a new framework agreement compatible with the current international obligations of the parties.

2. NATURE AND SCOPE OF THE AGREEMENT

The aim of the negotiation is to conclude a Framework Agreement with the Republic of Armenia to replace the existing Partnership and Cooperation Agreement (PCA). It will be a comprehensive agreement covering only issues of EU competence, as defined in the Treaties, which reflects the existing wide range of cooperation in all areas compatible with Armenia's international obligations. Wherever possible, it will go above and beyond the existing commitments in the PCA.

The Agreement would provide for:

- dialogue on common values, notably democracy and rule of law, good governance, respect for human rights and fundamental freedoms, including the rights of persons belonging to minorities, a market economy and sustainable development;
- enhanced cooperation in foreign and security policy, non-proliferation and disarmament, counter-terrorism, conflict prevention;
- upgrading the existing trade related provisions of the PCA to obtain from Armenia a commitment to ensure the application and enforcement of fundamental WTO rules and principles in bilateral trade relations with the EU;

- enhanced cooperation in economic areas such as business and investment climate, public finance, macroeconomic stability, good governance in the tax area, sustainable development and employment and social policies;
- increased cooperation in the field of energy, with particular attention to issues concerning security and safety of energy supply;
- enhanced cooperation in other key sectoral policy areas, such as transport, agriculture, environment and public health, science and technology, education, youth and culture, and information society and media;
- enhanced cooperation in the field of Justice, Freedom and Security (JFS), covering the rule of law, data protection, migration, asylum and border management, money laundering and financing of terrorism, the fight against illicit drugs, the fight against corruption, organised crime and trafficking in human beings, and judicial cooperation;
- institutional structures building on and further developing the existing structures;
- legislative and regulatory convergence with the “acquis”, where this is compatible with Armenia's existing international commitments.

Attention should be paid to implementation issues, including timelines wherever possible and the establishment of an appropriate administrative and institutional infrastructure, so as to create a more predictable environment for economic operators. The EU's financial and technical support should be mobilised to help implement the provisions of the Agreement.

3. PROCEDURES

The negotiating team will be composed by the Commission and by the High Representative for Foreign Affairs and Security Policy.

It is suggested that the Council designate a special committee in consultation with which the negotiations must be conducted. The Trade Policy Committee (TPC) shall be consulted on the trade-related parts of the Agreement.

The European Parliament will be informed at all stages of the procedure, in line with Article 218 (10) of the Treaty on the Functioning of the European Union.

Recommendation for a

COUNCIL DECISION

authorising the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy to open negotiations and negotiate with the Republic of Armenia a Framework Agreement

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 218(3) and (4) thereof,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular the second paragraph of Article 101 thereof,

Having regard to the recommendation from the European Commission,

WHEREAS negotiations should be opened with a view to concluding a Framework Agreement with the Republic of Armenia to replace the Partnership and Cooperation Agreement between the European Community and its Member States of the one part, and the Republic of Armenia on the other part.¹

HAS ADOPTED THIS DECISION:

Article 1

1. The Commission and the High Representative of the Union for Foreign Affairs and Security Policy ("High Representative") are hereby authorised to negotiate, on behalf of the Union, a Framework Agreement with the Republic of Armenia ("the Agreement").
2. The Commission shall be the head of the Union's negotiating team.

Article 2

The negotiations shall be conducted on the basis of the negotiating directives of the Council set out in the addendum to this Decision.

Article 3

The negotiations shall be conducted in consultation with a special committee designated by the Council. The Trade Policy Committee shall be consulted on the trade-related parts of the Agreement.

Article 4

This Decision is addressed to the Commission and the High Representative.

¹ OJ L239 of 09/09/1999, p.3

Done at Brussels,

*For the Council
The President*