EC/Montenegro Stabilisation and Association Agreement

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PURPOSE: to conclude the Stabilisation and Association Agreement (SAA) between the EC and their Member States, of the one part, and Montenegro, of the other part.

PROPOSED ACT: Council Decision.

CONTENT: The Commission presents two proposals, which constitute the legal instruments for the signature and the conclusion of the SAA: (i) proposal for a Council Decision for the signature of the Agreement; (ii) proposal for a Council and Commission Decision for the conclusion of the Agreement.

Having concluded from the Commission's Feasibility Report of April 2005 that Serbia and Montenegro were sufficiently prepared to negotiate an SAA, the Council decided to authorise the Commission to negotiate an agreement. The negotiations were launched on 10 October 2005. Following a referendum in May 2006, the Montenegrin Parliament adopted a Declaration of Independence and Montenegro withdrew from the State Union of Serbia and Montenegro. Consequently, new Negotiating Directives for Montenegro were adopted and the SAA was initialled on 15 March 2007.

The Stabilisation and Association Agreement focuses on the following main elements:

- provision for political dialogue with Montenegro;
- provisions on enhanced regional co-operation, including the perspective of establishing free trade areas between the countries of the region;
- the perspective of the establishment of a free-trade area between the Community and Montenegro within five years of the entry into force of the Agreement;
- provisions on the movement of workers, freedom of establishment, supply of services, current payments and movement of capital;
- the commitment by Montenegro to approximate its legislation to that of the EC, notably in key areas of the internal market;
- provisions on co-operation with Montenegro in a wide range of fields, including justice, freedom and security.
- provision for the establishment of a Stabilisation and Association Council which supervises the implementation of the Agreement, of a Stabilisation and Association Committee and a Stabilisation and Association Parliamentary Committee.

The SAA states that respect for international law principles, including full co-operation with the International Criminal Tribunal for the former Yugoslavia (ICTY) will constitute essential elements of this Agreement.

The Commission asks the Council to give its final approval to the text of the SAA and to engage the procedures for the signature and conclusion of this Agreement.

These procedures are different for the two European Communities (the European Community and the European Atomic Energy Community):

a) as regards signature, the EC Treaty provides for a separate Council Decision concerning the signing of the Agreement on behalf of the European Community; similar acts are not required under the EAEC Treaty;

b) as regards conclusion of the Agreement:

- the Council concludes the Agreement on behalf of the European Community, after having received the assent of the European Parliament, by virtue of Article 310 of the Treaty;

- the Council approves the Agreement on behalf of the European Atomic Energy Community by virtue of the second paragraph of Article 101 of the EAEC Treaty and the Agreement is then concluded by the Commission.