EU/Georgia Association Agreement

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PURPOSE: to conclude the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: the Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: relations between the EU and Georgia are currently based on the Partnership and Cooperation Agreement which entered into force in July 1999. On 10 May 2010, the Council authorised the Commission to open negotiations for a new Association Agreement, including its **Deep and Comprehensive Free Trade Area (DCFTA)** part, to replace the old PCA.

Negotiations of this comprehensive and ambitious Agreement between the EU and Georgia were launched in July 2010. Negotiations on the DCFTA part of the Agreement were launched in February 2012.

The Association Agreement aims to accelerate the deepening of political and economic relations between Georgia and the EU, as well as to **advance Georgia's gradual economic integration with the EU Internal Market in selected areas**, notably through establishing a DCFTA.

On 29 November 2013 the EU and Georgia initialled the text of the Agreement.

The Agreement should now be approved on behalf of the EU.

CONTENT: this proposal calls on the Council to approve on behalf of the EU the Association Agreement between the EU and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part.

Objectives of the Association Agreement: the Agreement establishes an association between the Parties, aiming at **political association and economic integration** and leaving open the way for further progressive developments.

The overall aims of the association focus on:

- promoting a gradual rapprochement between the parties on the basis of common values;
- strengthening the framework for enhanced political dialogue;
- promoting, preserving and strengthening peace and stability in both the regional and international dimensions;
- promoting cooperation on peaceful conflict resolution ;
- establishing conditions for enhanced economic and trade relations leading towards Georgia's gradual economic integration with the EU internal market in selected areas;
- enhancing justice, freedom and security cooperation with the aim of reinforcing the rule of law and respect for human rights and fundamental freedoms, and
- establishing conditions for increasingly close cooperation in other areas of mutual interest.

Sectoral cooperation: the Association Agreement also provides for a wide range of sectoral cooperation, focusing on support to core reforms, economic recovery and growth, governance and sector cooperation in 28 areas, such as :

- public administration reform,
- management of public finances,
- energy and transport,
- environmental protection and direct action,
- industrial and small and medium enterprise cooperation,
- social policies,
- consumer protection,
- agriculture and rural development,
- cross-border and regional level cooperation,
- education and training,
- civil society cooperation and youth as well as cultural cooperation.

In all of these areas, enhanced cooperation starts from the basis of current frameworks, both bilateral and multilateral, with the aim of **more systematic dialogue and exchange of information and good practice.**

Gradual approximation of legislation: key to the sectoral cooperation chapters is gradual approximation with the EU acquis set out in the annexes to the Agreement. **Specific schedules for approximation and implementation by Georgia** of selected parts of the EU acquis will form the core of Georgia's domestic reform and modernisation agenda.

DCFTA: closer economic integration through the DCFTA will be a powerful stimulant to the country's economic growth. Approximation of Georgia with EU legislation, norms and standards, will be the method. As a core element of the Association Agreement, the DCFTA will create business opportunities in both the EU and Georgia and will promote real economic modernisation and gradual integration with the EU. Higher standards of products, better services to citizens, and above all Georgia's ability to compete effectively in international markets should be the result of this process.

Geographical indications: provision is made to **protect EU geographical indications**. A name protected under the Agreement may be used by any operator marketing agricultural products, foodstuffs, wines, aromatised wines or spirits conforming to the corresponding specification.

Institutional framework: the Agreement includes an updated institutional framework encompassing cooperation and dialogue fora. Specific decision-making roles are envisaged for Association Council, and by delegation for an Association Committee, which may also meet in a specific configuration to address trade issues. Space for civil society and parliamentary cooperation is also provided.

The Agreement also includes provisions on monitoring, approximation, fulfilment of obligations and dispute settlement (including separate provisions for trade-related matters).

Provisional application: in line with Article 429 of the Association Agreement, parts of the Agreement will apply provisionally. This provisional application will keep mutual economic interests and shared values in equilibrium, and reflects the common will of the EU and Georgia to start implementing the relevant parts of the Agreement in order to advance an early reform impact on sector specific issues before the conclusion of the Agreement.