COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 22.04.2003
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2003/0069 (ACC)
2003/0070 (ACC)

Proposal for a

COUNCIL DECISION

on the signature on behalf of the Community of an Agreement amending the Protocol to the Europe Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Czech Republic, of the other part, on Conformity Assessment and Acceptance of Industrial Products

Proposal for a

COUNCIL DECISION

on the conclusion of an Agreement amending the Protocol to the Europe Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Czech Republic, of the other part, on Conformity Assessment and Acceptance of Industrial Products
- PECA -

(presented by the Commission)

EXPLANATORY MEMORANDUM

I. EXPLANATORY MEMORANDUM

On the basis of negotiating directives adopted by the Council on 21.9.1992 and of the specific decision issued by the Council in June 1997 addressing guidelines to the Commission for the negotiation of European Conformity Assessment Agreements with Central and Eastern European Countries, on 14 April 2001 the Council approved a Protocol to the Europe Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Czech Republic, of the other Part, on Conformity Assessment and Acceptance of Industrial Products[1] (hereinafter referred to as "PECA"). On the basis of the same negotiating directives as amended by the Council on 19.7.2002 the Commission has negotiated and initialled an Agreement amending the PECA with the Czech Republic (hereinafter "the Agreement").

The text of the Agreement is attached to this Communication. The following provides an assessment of the Agreement, and proposes that the Council authorises the signature of the Agreement and decides to approve its conclusion on behalf of the Community.

ASSESSMENT OF THE AGREEMENT

The PECA provides for an extension of certain benefits of the Internal Market in sectors already aligned. It thus facilitates market access by eliminating technical barriers to trade with respect to industrial products. To this end, it provides for two mechanisms, a) for the mutual acceptance of industrial products which fulfil the requirements to be lawfully placed on the market in one of the Parties, and b) the mutual recognition of the results of conformity assessment of industrial products subject to Community law and to the equivalent national law.

As originally drafted, Article 8: Origin, of the PECA provides that the PECA applies only to goods originating in the Parties according to non-preferential rules of origin.

The Agreement amends this provision to extend the coverage of the Protocol to industrial products irrespective of their origin. This will improve the alignment of the PECA with the position that will apply once the Czech Republic becomes a Member State of the Community, and will also further facilitate market access insofar as products originating outside the Community and the Czech Republic need only be certified in one to have access to the markets in both.

II. THE DRAFT COUNCIL DECISIONS

A proposal for two Council decisions is attached.

The first one is concerned with the signature of the Agreement. A signature is required by the Czech Republic for the adoption of this Agreement. It is accordingly proposed that the President of the Council be authorised to designate the person empowered to sign the Amendment on behalf of the Community, subject to conclusion later, on the basis of Articles 133 and 300 of the Treaty.

[1] OJ L 135, 17.5.2001, p.3

The proposal for a second decision is concerned with the adoption of the Agreement.

The Commission therefore proposes that the Council adopts the attached decisions on the signature and conclusion of the Agreement.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133, in conjunction with the first sentence of the first subparagraph of Article 300(2) thereof,

Having regard to the proposal from the Commission[2],

Whereas:

(1) The Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Czech Republic of the other part,[3] entered into force on 1st February 1995;

(2) The Protocol to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Czech Republic of the other part, on Conformity Assessment and Acceptance of Industrial Products[4] entered into force on 1 July 2001;

(3) The Agreement amending the Protocol to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Czech Republic, of the other part, on Conformity Assessment and Acceptance of Industrial Products has been negotiated by the Commission on behalf of the Community;

(4) Subject to its possible conclusion at a later date, the Agreement amending the Protocol to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Czech Republic of the other part, on Conformity Assessment and Acceptance of Industrial Products, initialled in Brussels on 20 November 2002, should be signed;

[2]OJ C , , p. .
[3]OJ L 51, 26.2.1999, p. 3.
[4]OJ L 135, 17.5.2001, p.3

HAS DECIDED AS FOLLOWS:

Sole Article

Subject to a possible conclusion at a later date, the President of the Council is hereby authorised to designate the person empowered to sign, on behalf of the Community, the Agreement amending the Protocol to the Europe Agreement with the Czech Republic on Conformity Assessment and Acceptance of Industrial Products.

Done at Brussels,

For the Council
The President

2003/0070 (ACC)

Proposal for a

COUNCIL DECISION

on the conclusion of an Agreement amending the Protocol to the Europe Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Czech Republic, of the other part, on Conformity Assessment and Acceptance of Industrial Products
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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 thereof, in conjunction with the first sentence of the first subparagraph of Article 300(2), and the first sentence of the first subparagraph of Article 300(3) thereof,

Having regard to the proposal from the Commission[5],

Whereas:

(1) The Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Czech Republic of the other part,[6] entered into force on 1st February 1995;

(2) On 26 February 2001 the Parties agreed a Protocol to the Europe Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Czech Republic, of the other part, on Conformity Assessment and Acceptance of Industrial Products ("hereinafter referred to as "the Protocol")[7];

(3) The Protocol in Article 8 restricted the application of the Protocol to industrial products that originate in the Parties according to non-preferential rules of origin;

(4) In order to improve trade between the Parties, to simplify the operation of the Protocol, and to improve alignment with the position that will apply after accession of the Czech Republic as a Member State, the origin restriction in Article 8 should be deleted by way of an Amendment to the Protocol;

(5) The Agreement amending the Protocol to the Europe Agreement establishing an Association between the European Communities and their Member States of one part, and the Czech Republic of the other part, on Conformity Assessment and Acceptance of Industrial Products signed in […] on […] should be approved;

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[5]OJ C , , p. .
[6]OJ L 51, 26.2.1999, p. 3.
[7]OJ L 135, 17.5.2001, p.3

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement amending the Protocol to the Europe Agreement with the Czech Republic on Conformity Assessment and Acceptance of Industrial Products (hereinafter referred to as "the Agreement"), is hereby approved on behalf of the European Community.

The text of the Agreement is attached to this Decision.

Article 2

The President of the Council shall, on behalf of the Community, transmit the diplomatic note provided for in Article 2 of the Agreement[8].

Done at Brussels,

For the Council
The President

[8]The date of entry into force of the Agreement will be published in the *Official Journal of the European Union* by the General Secretariat of the Council.

ANNEX

Agreement amending the Protocol to the Europe Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Czech Republic, of the other part, on Conformity Assessment and Acceptance of Industrial Products,

THE EUROPEAN COMMUNITY AND THE CZECH REPUBLIC, hereinafter referred to as "the Parties",

WHEREAS on 26 February 2001 the Parties agreed a Protocol to the Europe Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Czech Republic, of the other part, on Conformity Assessment and Acceptance of Industrial Products ("hereinafter referred to as "the Protocol")[9];

WHEREAS the Protocol in Article 8 restricted the application of the Protocol to industrial products that originate in the Parties according to non-preferential rules of origin;

CONSIDERING that in order to improve trade between the Parties, to simplify the operation of the Protocol, and to improve alignment with the position that will apply after accession of the Czech Republic as a Member State, the origin restriction in Article 8 should be deleted by way of an Amendment to the Protocol;

HAVE AGREED AS FOLLOWS:

Article 1

Amendment to the Protocol

The Protocol is amended as follows:

Article 8 is deleted and replaced with the following:

"*Article 8*

Origin

The provisions of this Protocol shall apply to industrial products irrespective of their origin."

Article 2

Entry into force

This Agreement shall enter into force on the first day of the second month following the date on which the Parties have exchanged diplomatic notes confirming the completion of their respective procedures for adoption of this Agreement.

[9]OJ L 135, 17.5.2001, p.3

This Agreement is drawn up in two originals in the Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Spanish, Swedish and Czech languages, each text being equally authentic.

FINANCIAL STATEMENT

1.	**Policy area(s): External trade relations, including access to the markets of non-Community countries** **Activit(y/ies): Conformity Assessment Procedures and Acceptance of Industrial Products**	APPROPRIATIONS:
2.	Agreement amending the Protocol to the Europe Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Czech Republic, of the other part, on Conformity Assessment and Acceptance of Industrial Products (PECA)	

There are no financial implications to this proposal.

IMPACT ASSESSMENT FORM

THE IMPACT OF THE PROPOSAL ON BUSINESS WITH SPECIAL REFERENCE TO SMALL AND MEDIUM-SIZED ENTERPRISES(SMEs)

TITLE OF PROPOSAL

Proposal for Council Decisions on the signature and conclusion of an Agreement amending the Protocol to the Europe Agreement between the European Community and the Czech Republic on Conformity Assessment and Acceptance of Industrial Products (PECA).

THE PROPOSAL

These decisions are necessary to conclude the Agreement amending the Protocol to the Europe Agreement between the European Community and the Czech Republic on Conformity Assessment and Acceptance of Industrial Products. The Commission negotiated the draft Protocol in accordance with the negotiating guidelines for the negotiation of European Conformity Assessment Agreement with the Central Eastern European Countries, adopted by the Council in June 1997.

THE IMPACT ON BUSINESS

The business sectors affected are machinery, lifts, electrical safety, electromagnetic compatibility, equipment and protective systems intended for use in potentially explosive atmospheres, hot water boilers, pressure equipment, gas appliances, and good manufacturing practice for medicinal products.

The PECA as originally agreed extends certain benefits of the Internal Market in industrial sectors already aligned. It permits certification of conformity with technical regulations on product safety, etc, to be conducted in the European Union for exports destined for the Czech Republic, and *vice versa*. This avoids the need for further certification by conformity assessment bodies before putting products onto the other party's market. The certification procedure and the technical regulations are the same. The PECA also envisages acceptance of industrial products that fulfil the requirements to be legally placed on one party's market by the other party without subject further requirement.

The Agreement as originally negotiated restricted its application to products originating on the territory of the Parties according to non-preferential rules of origin. The present amendment removes that restriction, and thus aligns the position with that which will apply after the Czech Republic becomes a Member State. This will improve trade since it will allow either Party's certification bodies to certify products according to common regulations and standards irrespective of their origin. It will also further facilitate market access insofar as products originating outside the Community and the Czech Republic need only be certified in one to have access to the markets in both.

By reducing certification costs which are the same for all firms, the agreement will benefit small and medium sized enterprises to a greater extent proportionately than larger firms.