EUROPEAN
COMMISSION

Brussels, 28.6.2016
COM(2016) 426 final

2016/0196 (NLE)

Proposal for a

COUNCIL DECISION

on the signing, on behalf of the European Union, and the provisional application of the International Agreement on Olive Oil and Table Olives, 2015

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

The International Agreement on Olive Oil and Table Olives, 2005[1], which was due to expire on 31 December 2014, was extended until 31 December 2015. Article 47(3) thereof provides that the agreement will remain in force until the new agreement enters into force, provided that the period of such extension does not exceed 12 months. The existing agreement will therefore expire no later than 31 December 2016.

On 19 November 2013, the Council authorised the Commission to open negotiations on behalf of the Union in order to conclude a new international agreement on olive oil and table olives.

During the United Nations Conference for the Negotiation of a Successor Agreement to the International Agreement on Olive Oil and Table Olives, 2005, held at the *Palais des Nations* in Geneva from 5 to 9 October 2015, the representatives of 24 Member States of the United Nations Conference on Trade and Development (UNCTAD) and two intergovernmental organisations drew up the text of the new agreement.

The text of the agreement, which was negotiated in consultation with the Working Party on Commodities (PROBA), duly reflects the negotiating directives issued by the Council.

The new agreement will be open for signature at the United Nations Headquarters in New York until 31 December 2016 inclusive. It should enter into force on 1 January 2017, provided that at least five of the Contracting Parties accounting for at least 80 % of the participation shares have signed it definitively or have ratified, accepted or approved it, or have acceded thereto. If, on 1 January 2017, the new agreement has not entered fully into force, it may be applied provisionally in accordance with the requirements laid down in Article 31(2) and (3) of the new agreement.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

In the light of the above, the Commission proposes:

that, in accordance with Articles 207(4) and 218(5) of the Treaty on the Functioning of the European Union, the Council authorise the Commission to sign the agreement on behalf of the European Union, subject to its conclusion at a later date.

3. BUDGETARY IMPLICATIONS

The new agreement will require the European Union to contribute to the budgets of the IOC. That contribution is budgeted under item 05 06 01 of the EU budget (International agricultural agreements).

[1] [1]OJ L 302, 19.11.2005, p. 47.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 207(4), in conjunction with Article 218(5) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) On 19 November 2013, the Council authorised the Commission to open negotiations on behalf of the Union in order to conclude a new international agreement on olive oil and table olives[2].

(2) The text of the new International Agreement on Olive Oil and Table Olives was adopted on 9 October 2015 by the representatives of 24 Member States of the United Nations Conference on Trade and Development (UNCTAD) and two intergovernmental organisations during the United Nations Conference for the Negotiation of a Successor Agreement to the International Agreement on Olive Oil and Table Olives, 2005.

(3) The International Agreement on Olive Oil and Table Olives, 2005[3], which was due to expire on 31 December 2014, was extended until 31 December 2015 and will remain in force, in accordance with Article 47(3) thereof, until the new agreement enters into force, provided that the period of such extension does not exceed 12 months. The new agreement will be open for signature at the United Nations Headquarters in New York until 31 December 2016 inclusive.

(4) Article 31(1) of the agreement lays down the requirements for its entry into force on 1 January 2017. Article 31(2) and (3) thereof provide for the provisional application of the agreement, under certain conditions, if the requirements laid down in Article 31(1) are not met.

(5) In accordance with Article 31(2) of the agreement, and in order to avoid any interruption in the application of the rules laid down in the International Agreements on Olive Oil and Table Olives, provision should be made for the Union to provisionally apply the agreement if the procedure for its conclusion by the Union has not been completed before 1 January 2017.

(6) It should also be provided that the Union may provisionally apply the agreement, in accordance with Article 31(3), if the requirements for its final or provisional entry into force under Article 31(1) and (2) have not been met by 31 December 2016.

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[2] COM(2013) 646 final, 19.9.2013.

[3] OJ L 302, 19.11.2005, p. 47.

(7) Consequently, the agreement should be signed on behalf of the European Union, subject to its conclusion at a later date, and its provisional application in accordance with the requirements laid down in Article 31(2) and (3) thereof should be notified,

HAS ADOPTED THIS DECISION:

Article 1

The signing of the International Agreement on Olive Oil and Table Olives, 2015, is hereby approved on behalf of the Union, subject to the conclusion of the said agreement.

The text of the agreement is annexed to this Decision.

Article 2

The General Secretariat of the Council shall establish the instrument of full powers authorising the person(s) indicated by the negotiator of the agreement to sign the agreement, subject to its conclusion.

Article 3

The Union shall apply the agreement provisionally from 1 January 2017 if:

a) the conditions laid down in Article 31(2) of the agreement have been met and the procedure for its conclusion by the Union has not been completed,

b) the conditions laid down in Article 31(3) of the agreement have been met.

The provisional application of the agreement, under the conditions set out in the first paragraph, shall be notified, in accordance with Article 31(2) and (3) of the agreement, by the person(s) authorised to sign the agreement under Article 2.

Article 4

This Decision shall enter into force on the date of its adoption.

Done at Brussels,

For the Council
The President

<u>**LEGISLATIVE FINANCIAL STATEMENT**</u>

FINANCIAL STATEMENT	FF/2015/EM/ig/1766189 Rev1 agri.ddg2.c.2(2016) Ares(2016)1790690
	6.221.2016.1
	DATE: 18.5.2016

1.	BUDGET HEADING: 05 06 01 - International agricultural agreements	APPROPRIATIONS: 2017 EUR 8 105 849
2.	TITLE: Proposal for a Council Decision on the signing, on behalf of the European Union, and the provisional application of the International Agreement on Olive Oil and Table Olives, 2015	
3.	LEGAL BASIS: Articles 207 and 218 of the Treaty on the Functioning of the European Union.	
4.	AIMS: Signing of a new agreement which will enter into force on 1 January 2017.	

5.	FINANCIAL IMPLICATIONS	12 MONTH PERIOD (EUR million)	CURRENT FINANCIAL YEAR 2016 (EUR million)	FOLLOWING FINANCIAL YEAR 2017 (EUR million)
5.0	EXPENDITURE CHARGED TO - THE EU BUDGET (REFUNDS/INTERVENTIONS) - NATIONAL BUDGETS - OTHER		-	8.105
5.1	REVENUE - OWN RESOURCES OF THE EU (LEVIES/CUSTOMS DUTIES) - NATIONAL			

		2018	2019	2020	
5.0.1	ESTIMATED EXPENDITURE	8.105	8.105	8.105	
5.1.1	ESTIMATED REVENUE				

5.2	METHOD OF CALCULATION: --------	
6.0	CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?	YES
6.1	CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?	-
6.2	WILL A SUPPLEMENTARY BUDGET BE NECESSARY?	-
6.3	WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS?	YES

OBSERVATIONS:
Budget heading 05 06 01 finances EU contributions to several international agencies. One of these agencies will be the International Olive Council (IOC). Once the new IOC agreement has been signed, the EU's future contribution to the IOC will be financed using some of the appropriations allocated under this budget heading within the limits of the financial programming for the period 2017-2020.