



Brussels, 25.1.2021
COM(2020) 697 final/2

COM(2020) 697 final of 12.11.2020 downgraded on 25.1.2021

Recommendation for a

COUNCIL DECISION

**authorising the opening of negotiations on an agreement between the European Union
and Mongolia on geographical indications**

EXPLANATORY MEMORANDUM

The Commission proposes to negotiate a bilateral agreement on geographical indications between the European Union (EU) and Mongolia.

1. CONTEXT OF THE RECOMMENDATION

• Reasons for and objectives of the proposal

The protection of EU geographical indications at international level is a key element of the EU trade policy. The EU negotiates to protect EU geographical indications through either trade agreements or specific ‘standalone’ agreements.

The EU, its Member States and Mongolia are signatories to the Framework Agreement on Partnership and Cooperation (PCA), which entered into force on 1 November 2017. Article 27(1) of the PCA dealing with Intellectual property protection states that Parties agree to conclude as soon as possible a bilateral Agreement on Geographical Indications.

Geographical indications are known and well-established in Mongolia, where 20 geographical indications are currently registered at national level through a specific law. The country’s reputation for traditional products is an opportunity to derive substantial economic benefits from the use of geographical indications.

This initiative implements the obligation to conclude a bilateral agreement on geographical indications set out in the EU-Mongolia Partnership and Cooperation Agreement.

• Consistency with existing policy provisions in the policy area

The conclusion of the Agreement on Geographical Indications (GIs) with Mongolia fits into the overall EU strategy of promoting the EU GI policy. The initiative aims to provide a high level of direct protection to short lists of EU geographical indications in Mongolia and Mongolian geographical indications in the EU. The initiative will give producers of products bearing geographical indications a competitive advantage. In particular, small producers in Mongolia will gain better access to the very large EU market. The EU has exclusive competence related to geographical indications in protecting at EU-wide level agricultural products, such as foodstuffs, aromatised wines, wines and spirits, however there is currently no EU-wide system of protection for non-agricultural geographical indications.

• Consistency with other Union policies

The negotiation of a bilateral agreement on geographical indications with Mongolia is in line with the EU’s external actions and in particular with the Union objectives regarding the EU strategy of promoting the GI policy.

2. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

• Ex-post evaluations/fitness checks of existing legislation

Not applicable.

• Stakeholder consultations

Not applicable.

• Collection and use of expertise

Not applicable.

- **Impact assessment**

No impact assessment has been carried out for the initiative, as there are no alternative policy options. Notwithstanding the possibility that Mongolia could join in the future the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications, to which the EU is member, currently the most suitable policy option to reach the objective and implement the PCA is an agreement between the EU and Mongolia on Geographical Indications. The Roadmap on the “EU-Mongolia agreement on geographical indications” was published on 11 June 2019¹.

- **Regulatory fitness and simplification**

Not applicable.

- **Fundamental rights**

Not applicable.

3. LEGAL ELEMENTS OF THE RECOMMENDATION

- **Legal basis**

This initiative falls under the exclusive competence of the EU under Article 207(1) of the Treaty on the Functioning of the European Union (TFEU), as it is part of the common commercial policy, which relates inter alia to ‘the commercial aspects of intellectual property’, which include geographical indications.

- **Subsidiarity (for non-exclusive competence)**

Not applicable, exclusive competence.

- **Proportionality**

The decision is proportional to the objective.

- **Choice of the instrument**

The instrument is provided for under Article 218 of the TFEU.

4. BUDGETARY IMPLICATIONS

The Agreement will have no direct impact on the EU budget.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

Negotiations are expected to open in the second quarter of 2021.

- **Explanatory documents (for directives)**

Not applicable.

¹ https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2019-3719410_en

- **Detailed explanation of the specific provisions of the proposal**

The Commission recommends that:

- The Council should authorise the Commission to open and conduct negotiations for a bilateral agreement on geographical indications between the European Union (EU) and Mongolia;
- The Commission should be nominated as the EU negotiator on this subject;
- The Council should approve the negotiating directives annexed to this recommendation.

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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 Article 218(3) and (4) thereof,

Having regard to the recommendation from the European Commission,

Whereas:

- (1) The European Union, its Member States and Mongolia are signatories to the Framework Agreement on Partnership and Cooperation² (PCA), which entered into force on 1 November 2017.
- (2) Article 27(1) of the PCA provides that the Parties agree to conclude as soon as possible a bilateral Agreement on Geographical Indications, thus the conclusion of a bilateral agreement on geographical indications set out in the PCA is the implementation of that obligation,

HAS ADOPTED THIS DECISION:

Article 1

The Commission is hereby authorised to negotiate, with Mongolia, on behalf of the Union, an international agreement on geographical indications.

Article 2

The negotiating directives are set out in the Annex.

Article 3

The negotiations shall be conducted in consultation with the [name of the special committee to be inserted by the Council].

Article 4

This Decision is addressed to the Commission.

² Framework Agreement on Partnership and Cooperation between the European Union and its Member States, of the one part, and Mongolia, of the other part (OJ L 326, 9.12.2017, p. 7).

Done at Brussels, 25.1.2021

*For the Council
The President*