EC/South African Development Community (SADC) States agreement: interim Economic Partnership Agreement (EPA)

2008/0177(NLE) - 18/09/2008 - Legislative proposal

PURPOSE: to propose the conclusion of an **Interim Economic Partnership Agreement** (EPA) between the European Community and its Member States, on the one part, and the SADC (South African Development Community) EPA States, on the other part.

PROPOSED ACT: Council Decision.

BACKGROUND: the SADC Interim EPA was negotiated in accordance with the objectives for EPAs set out in the Cotonou Agreement and the negotiating directives for the Economic Partnership Agreements with ACP States adopted by Council on 12 June 2002. Negotiations were concluded by the initialling of the EPA on 23 November 2007 before the expiry of the trade regime set out in Annex V of the Cotonou Agreement on 31 December 2007 and the World Trade Organisation (WTO) waiver covering that trade regime.

As a result all 5 SADC EPA States:

- Botswana,
- Lesotho,
- Mozambique,
- Namibia,
- Swaziland

were included in the list of countries in Annex 1 of the EPA Market Access Regulation adopted by Council Regulation (EC) No 1528/2007 on 20 December 2007andhave benefited from the Community market access offer made in the context of EPAs from 1 January 2008. Their inclusion on this list will become permanent following ratification of the Interim EPA by all parties. This will ensure a **harmonised trade regime** with the EU providing improved market access for several SADC EPA States, including Mozambique and Lesotho which are recognised as Least Developed Country by the United Nations.

The SADC EPA is an Interim EPA the scope of which will be extended by the outcome of negotiations for full EPA reached in 2008. It includes all the measures necessary to establish a Free Trade Area compatible with the provisions of Article XXIV of the GATT 1994 (General Agreement on Tariffs and Trade).

CONTENT: the Commission requests the Council to conclude the EPA on behalf of the Community.

The Interim EPA also contains provisions on:

- customs;
- trade facilitation,
- technical barriers to trade,

- sanitary and phytosanitary measures,
- current payment,
- capital movements.

Development provisions: development cooperation provisions are also provided for the implementation of the EPA.

Institutional provisions: the institutional provisions include a Joint SADC EPA-EC Council ("Joint Council") to supervise the implementation of the Interim EPA. The Joint Council shall be composed of representatives of the SADC EPA States as well as members of the Council and of the Commission. The Joint Council will be assisted by a SADC EPA-EC Trade and Development Committee.

Provisional application: pending the entry into force of the Interim EPA, the Agreement foresees the provisional application of the Agreement (refer to COM(2008)0562).

The European Parliament will be called upon to give its assent to the conclusion of the Interim EPA.