EU/Russia Agreement: administration of tariff-rate quotas applying to exports of wood; Protocol on technical modalities

2011/0322(NLE) - 09/12/2011 - Initial legislative proposal

PURPOSE: to conclude the Agreement in the form of an Exchange of Letters between the EU and Russia relating to the administration of tariff-rate quotas applying to exports of wood from the Russia to the EU and the Protocol between the EU and the Government of Russia on technical modalities pursuant to that Agreement.

PROPOSED ACT: Council Decision.

BACKGROUND: the Agreement in the form of an Exchange of Letters between the European Union and Russia relating to the administration of tariff-rate quotas applying to exports of wood from Russia to the European Union and the Protocol between the European Union and the Government of Russia on technical modalities pursuant to that Agreement, were signed and subject to their conclusion.

It is now necessary to approve the Agreement and the Protocol.

IMPACT ASSESSMENT: no impact assessment was carried out.

LEGAL BASE: the first subparagraph of Article 207(4) in conjunction with Article 218(6)(a) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: in the context of the process of its accession to the WTO, Russia has agreed to reduce its currently applied export duty rates on raw wood products. For certain types of wood, namely some **coniferous wood species**, Russia has agreed to open tariff-rate quotas for exports of those products and allocate a specific quota share to the EU. The quotas have been set at a level that is relatively large for the EU – at least in consideration of expected demand during the first periods of application. The export duty rates and tariff-rate quotas, as well as the share of those quotas allocated to exports to the EU, have been included in Russia's Schedule of Concessions, which will be annexed to Russia's WTO accession Protocol.

A bilateral agreement, in the form of an exchange of letters, negotiated between the EU and the Russian Federation establishes **general provisions on the implementation of the share of the tariff-rate quotas for exports of wood products concerned to the EU**. In particular, the Agreement provides that quantities of the EU share of the tariff-rate quotas shall be managed by the EU, and that the Russian Federation shall issue export licences based on the relevant import documentation issued by the EU.

The Agreement also provides for the elaboration by the EU and the Russian Federation of more detailed technical modalities on the management of the tariff-rate quotas by the entry into force of the Agreement. Such technical modalities are contained in a Protocol, negotiated between the EU and the Government of the Russian Federation (hereinafter referred to as the "Protocol"). The Protocol establishes the rules regarding the management of the export tariff-rate quotas and of exports within those quotas, including provisions on the cooperation of the competent authorities of the European Union and the Government of the Russian Federation necessary to ensure the adequate operation of the system.

In order to ensure the effective application of the management system provided for in the Agreement and the Protocol by the time of the accession of the Russian Federation to the WTO, the Agreement and the Protocol should be applied provisionally from the date of such accession.

Implementing provisions: in order to ensure uniform conditions for the implementation of the provisions of the Agreement and the Protocol regarding the management of the tariff-rate quotas applying to exports of wood from the Russian Federation to the Union, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers.

BUDGET IMPLICATION: the proposal has no implication for the EU budget.