

EU/Iraq Partnership and Cooperation Agreement

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PURPOSE: to conclude a Partnership and Cooperation Agreement between the European Union and its Member States, of the one part, and the Republic of Iraq, of the other part.

PROPOSED ACT: Council Decision.

BACKGROUND: on 23 March 2006 the Council authorised the Commission to negotiate a Trade and Cooperation Agreement with Iraq and issued negotiating directives in this regard. Negotiations were launched in November 2006 and progressed well with their conclusion in November 2009, after nine negotiating rounds.

At the seventh round of EU-Iraq negotiations, held in February 2009 in Baghdad, both Iraq and the EU agreed to enhance the status of the draft Agreement, by changing the title of the Agreement from "Trade and Cooperation Agreement" to "Partnership and Cooperation Agreement" and also through the creation of a Cooperation Council, meeting regularly at ministerial level. These changes were reflected in the negotiating directives approved by the Council.

The EU-Iraq Partnership and Cooperation Agreement will mark the first ever contractual relation between the EU and Iraq.

IMPACT ASSESSMENT: no impact assessment has been carried out.

LEGAL BASIS: Articles 207 and 209 in conjunction with Article 218 (6)(a) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the EU-Iraq Partnership and Cooperation Agreement provides a **legal framework** covering issues from regular political dialogue to trade relations and regulatory cooperation, and development assistance.

Aim: the aim of this Agreement, concluded for **10 years** (renewable), is to build a solid basis for strengthening ties between Iraq and the EU.

In particular, it aims to **enhance political dialogue** on bilateral, regional and global issues, improving the **trade arrangements between Iraq and the EU**, supporting Iraq's own vital reform and **development** efforts and facilitating its integration into the wider international economy. The Agreement underlines the EU's determination to play a significant role in Iraq's transition and will be the main vehicle for the EU's support to Iraq and further enhancement of EU-Iraq relations.

On a policy level, the main elements of the Agreement are the following:

1. Political dialogue and cooperation in the field of foreign and security policy;
2. Regular political dialogue, at ministerial as well as senior official level;
3. Clauses on human rights and countering proliferation of weapons of mass destruction, which are essential elements of the Agreement;
4. Clauses on combating terrorism, small arms and light weapons and the International Criminal Court.

Trade and Investments: the Agreement comprises a non-preferential trade agreement that incorporates basic World Trade Organization (WTO) rules, although Iraq is not yet a member of the WTO, and

provides for some substantial preferential elements, namely as regards public procurement and services and investments. The trade section also includes an efficient dispute settlement mechanism, featuring binding panel rulings and compliance procedures.

Provisions for cooperation in a number of areas, such as (non-exhaustive list):

- energy,
- transport,
- investment,
- human rights,
- education,
- science and technology,
- justice,
- freedom and security (including cooperation on migration and asylum),
- environment,
- regional or cultural cooperation.

Institutional provisions for the implementation of the Agreement, including a Cooperation Council meeting once a year at ministerial level and a Cooperation Committee to assist the Cooperation Council in its duties.

Provisional Application: pending the entry into force of the Agreement, certain parts of it should be applied on a provisional basis, as foreseen in Article 117 of the Agreement.

In the light of the significance of the Agreement, the Commission considers that the Council should send the notifications referred to in Article 117 only after a certain lapse of time so as to **allow the European Parliament to express its views on the Agreement**. The Commission is ready to work with the Council and the European Parliament so that the Agreement can be provisionally applied in the course of 2011.

BUDGETARY IMPLICATIONS: this proposal has no implications for the EU budget.