

EC/Eastern and Southern Africa States (ESA) agreement: interim agreement establishing a framework for Economic Partnership Agreement (EPA)

2008/0251(NLE) - 04/07/2012 - Legislative proposal

PURPOSE: to conclude the Interim Agreement establishing a framework for an Economic Partnership Agreement between Eastern and Southern Africa States, on the one part, and the European Community and its Member States, on the other part.

PROPOSED ACT: Council Decision.

BACKGROUND: on 12 June 2002 the Council authorised the Commission to open negotiations to conclude Economic Partnership Agreements with African, Caribbean and Pacific States (ACP States).

Negotiations for an Interim Agreement establishing a framework for an Economic Partnership Agreement between Eastern and Southern Africa States, on the one part, and the European Community and its Member States, on the other part (hereinafter referred to as the 'Interim EPA') were concluded on 28 November 2007 with the Seychelles, Zambia and Zimbabwe.

In accordance with the [Council Decision 2012/196/EC](#), the Interim EPA was signed with **Madagascar, Mauritius, the Seychelles and Zimbabwe** on 29 August 2009, subject to its conclusion.

The Interim EPA has been provisionally applied as from 14 May 2012, between the European Union and Madagascar, Mauritius, the Seychelles and Zimbabwe pending its entry into force.

The Interim EPA should be approved on behalf of the European Union.

IMPACT ASSESSMENT: no impact assessment was carried out.

LEGAL BASIS: Article 207 and Article 209(2), in conjunction with Article 218(6)(a) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: under this draft Agreement, it is proposed that the Interim Agreement establishing a framework for an Economic Partnership Agreement between Eastern and Southern Africa States, on the one part, and the European Community and its Member States, on the other part, be approved on behalf of the European Union

Main objectives of the Economic Partnership Agreement:

- contributing to the reduction and eventual eradication of poverty through the establishment of a strengthened and strategic trade and development partnership consistent with the objective of sustainable development, the Millennium Development Goals and the Cotonou Agreement;
- promoting regional integration, economic cooperation and good governance in the ESA region;
- promoting the gradual integration of the ESA region into the world economy, in conformity with its political choices and development priorities;

- fostering the structural adjustment of the ESA economies and diversification including value addition;
- improving the ESA region's capacity in trade policy and trade related issues;
- establishing and implementing an effective, predictable and transparent regional regulatory framework for trade and investment in the ESA region, thus supporting the conditions for increasing investment and private sector initiative and enhancing supply capacity, competitiveness and economic growth; and
- strengthening the existing relations between the Parties on the basis of solidarity and mutual interest. To this end, consistent with WTO obligations, the Agreement shall enhance commercial and economic relations, support a new trading dynamic between the Parties by means of the progressive, asymmetrical liberalisation of trade between them and reinforce, broaden and deepen cooperation in all areas relevant to trade and investment.

In trade terms, the specific objectives of this Agreement aim to:

- establish an agreement consistent with Article XXIV of General Agreement on Tariffs and Trade 1994 ("GATT 1994");
- establish the framework, scope and principles for further negotiations on trade in goods including **rules of origin, trade defence instruments, customs cooperation** and trade facilitation, sanitary and phytosanitary measures, technical barriers to trade, and agriculture, on the basis of the proposals already submitted; and
- establish a framework for and scope of potential negotiation in relation to other issues including trade in services, trade related issues as identified in the Cotonou Agreement and any other areas of interest to both Parties.

The Agreement also includes provisions to avoid and settle trade disputes between the Parties.

Institutional arrangements: institutional arrangements are provided including the establishment of an EPA Committee which shall be responsible for the administration of all matters under this Agreement, including development cooperation and for the fulfilment of any of the tasks mentioned in this Agreement.

BUDGETARY IMPLICATION: the proposal has no implications for the EU budget.