

# EU/East African Community Partner States Economic Partnership Agreement

2016/0038(NLE) - 11/02/2016 - Preparatory document

**PURPOSE:** to conclude the Economic Partnership Agreement between the East African Community Partner States, of the one part, and the European Union and its Member States, of the other part.

**PROPOSED ACT:** Council Decision.

**ROLE OF THE EUROPEAN PARLIAMENT:** Council may adopt the act only if Parliament has given its consent to the act.

**BACKGROUND:** on 12 June 2002, the Council authorised the Commission to open negotiations for Economic Partnership Agreements with the African, Caribbean and Pacific Group of States.

The negotiations were completed at the level of the Chief Negotiators in Brussels on 14 October 2014. The Agreement was initialled on 16 October 2014 in Brussels.

The attached proposal for a Council Decision constitutes the legal instrument for the conclusion of the Economic Partnership Agreement (EPA) between the East African Community (EAC) Partner States, of the one part, and the European Union and its Member States, of the other part (EAC EPA). The EAC Partner States are **Burundi, Kenya, Rwanda, Tanzania and Uganda**.

It should be noted that:

- Kenya currently benefits from the scheme contained in the Market Access Regulation (MAR);
- the other countries of the region currently benefit from the 'Everything But Arms' initiative, since they are classified among the Least Developed Countries (LDCs).

The Agreement will provide a uniform access regime for the EAC Partner States as soon as it enters into force.

**CONTENT:** under this proposal, the Council is called upon to adopt a Decision aiming to approve, on behalf of the European Union and its Member States, an Economic Partnership Agreement between the East African Community Partner States.

**Scope and objective of the Agreement:** the EAC EPA contains provisions on:

- trade in goods;
- customs and trade facilitation;
- technical barriers to trade;
- sanitary and phytosanitary measures;
- agriculture;
- fisheries.

The provisions concerning cooperation for the implementation of the **development dimension** lay down the priority areas of action for the implementation of the EAC EPA, which are set out in the Regional Indicative Programme for 2014-2020.

The EAC EPA contains commitments relating to regional integration, which will support the implementation of the EAC custom union.

The EAC EPA also intends to continue the negotiations at regional level on:

- services;
- competition policy;
- investment and private sector development;
- trade, environment and sustainable development;
- intellectual property rights;
- transparency in public procurement.

**Trade provisions:** the EAC EPA is a **development-oriented trade agreement**.

It offers **asymmetric market access** to the EAC Partner States, which allows them to shield sensitive sectors from liberalisation.

It provides a large number of safeguards and a clause for **infant industry protection**, as well as provisions on the **rules of origin that facilitate exports**.

It eliminates the use of export subsidies in trade between the Parties. These provisions contribute to the objective of Policy Coherence for Development.

**Institutional provisions:** the institutional provisions of the EAC EPA foresee the establishment of an **EPA Council**, responsible for supervising the implementation of the EPA.

- The EPA Council shall be composed of the representatives of the Parties at ministerial level and will be assisted by a Committee of Senior Officials.
- A Consultative Committee will assist the Committee of Senior Officials with a view to promoting dialogue and co-operation between representatives of civil society, the private sector and social and economic partners.

Lastly, the EAC EPA shall be reviewed after every five years from the date of its entry into force.

**BUDGETARY IMPLICATIONS:** four out of five EAC Partner States are LDCs benefitting from the 'Everything But Arms' initiative which offers them duty-free quota-free market access into the EU. Kenya benefits from the Market Access regulation which also offers duty-free quota-free market access into the EU. Therefore, **there will be no budgetary implications** given that the Agreement will continue their market access into the EU on the same terms.