

## Basic information

2016/0005(NLE)

Awaiting final decision

NLE - Non-legislative enactments

EU/SADC EPA States Economic Partnership Agreement

### Subject

6.20.03 Bilateral economic and trade agreements and relations

6.40.06 Relations with ACP countries, conventions and generalities

### Geographical area

Botswana

Eswatini (ex-Swaziland)

Lesotho

Mozambique




Namibia

South Africa

## Key players



European Parliament	<b>Committee responsible</b>		<b>Rapporteur</b>	<b>Appointed</b>
	<b>INTA</b> International Trade		LAMBSDORFF Alexander Graf (ALDE)	15/02/2016
			Shadow rapporteur	
			MATO Gabriel (PPE)	
			SCHUSTER Joachim (S&D)	
			CAMPBELL BANNERMAN David (ECR)	
		FORENZA Eleonora (GUE/NGL)		
		KELLER Ska (Verts/ALE)		
	<b>Committee for opinion</b>		<b>Rapporteur for opinion</b>	<b>Appointed</b>
	<b>DEVE</b> Development		SILVA PEREIRA Pedro (S&D)	28/04/2016
	<b>ENVI</b> Environment, Public Health and Food Safety		The committee decided not to give an opinion.	
Council of the European Union				
European	<b>Commission DG</b>		<b>Commissioner</b>	

Commission	Trade and Economic Security	MALMSTRÖM Cecilia
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Key events			
Date	Event	Reference	Summary
22/01/2016	Preparatory document	COM(2016)0018 	Summary
20/06/2016	Legislative proposal published	10107/2016	Summary
07/07/2016	Committee referral announced in Parliament		
14/07/2016	Vote in committee		
19/07/2016	Committee report tabled for plenary, 1st reading/single reading	A8-0242/2016	Summary
13/09/2016	Debate in Parliament		
14/09/2016	Decision by Parliament	T8-0342/2016	Summary
14/09/2016	Results of vote in Parliament		

Technical information	
Procedure reference	2016/0005(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consent by Parliament
Legal basis	Treaty on the Functioning of the European Union TFEU 207-p4 Treaty on the Functioning of the European Union TFEU 209-p2 Treaty on the Functioning of the European Union TFEU 207-p3 Treaty on the Functioning of the European Union TFEU 218-p6a
Stage reached in procedure	Awaiting final decision
Committee dossier	INTA/8/05596

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE583.875	31/05/2016	
Amendments tabled in committee		PE585.472	22/06/2016	
Committee opinion	<span style="border: 1px solid red; padding: 2px;">DEVE</span>	PE580.693	12/07/2016	
Committee report tabled for plenary, 1st reading/single reading		A8-0242/2016	19/07/2016	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0342/2016	14/09/2016	Summary
Council of the EU				

Document type	Reference	Date	Summary
Document attached to the procedure	<a href="#">05730/2016</a>	23/05/2016	
Legislative proposal	<a href="#">10107/2016</a>	20/06/2016	<a href="#">Summary</a>
<b>European Commission</b>			
Document type	Reference	Date	Summary
Document attached to the procedure	<a href="#">COM(2016)0008</a> 	22/01/2016	
Preparatory document	<a href="#">COM(2016)0018</a> 	22/01/2016	<a href="#">Summary</a>

Additional information		
Source	Document	Date
EP Research Service	<a href="#">Briefing</a>	
European Commission	<a href="#">EUR-Lex</a>	

## EU/SADC EPA States Economic Partnership Agreement

2016/0005(NLE) - 22/01/2016

**PURPOSE:** to conclude the Economic Partnership Agreement between the European Union and its Member States, of the one part, and the SADC EPA 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 have been concluded and the Economic Partnership Agreement between the European Union and its Member States, of the one part, and the SADC EPA States (comprising **Botswana, Lesotho, Mozambique, Namibia, Swaziland (BLMNS) and South Africa**).

The negotiations were completed at the level of the Chief Negotiators on 15 July 2014 in Pretoria. The Agreement was initialled on 15 July 2014 in Pretoria.

It should be noted that:

- Botswana, Namibia and Swaziland currently benefit from preferential market access to the EU under the arrangements laid down in the Market Access Regulation (MAR) ;
- Lesotho and Mozambique currently benefit from the arrangements under the 'Everything But Arms' initiative, since they are classified among the Least Developed Countries (LDCs);
- trade between the EU and South Africa is currently governed by the Trade, Development and Cooperation Agreement (TDCA).

The SADC EPA will provide a uniform access regime for the BLMNS countries. For South Africa, the SADC EPA will replace the relevant provisions of Titles II and III of the TDCA, dealing respectively with trade and trade related issues.

It is now necessary to conclude this Agreement on behalf of the European Union.

**CONTENT:** with this proposal, the Council is called upon to adopt a Decision to approve, on behalf of the European Union and its Member States, the Economic Partnership Agreement between the European Union and its Member States, of the one part, and the SADC EPA States, of the other part.

**Scope and purpose of the Agreement:** the Agreement contains provisions on:

- cooperation,
- trade in goods,
- trade and sustainable development,
- customs and trade facilitation,
- technical barriers to trade,
- sanitary and phytosanitary measures,
- dispute settlement,
- geographical indications,
- rules of origin.

The Agreement also contains rendez-vous clauses on trade in services and investment, competition policy, intellectual property rights, and public procurement.

**Trade provisions:** the SADC EPA is a **development-oriented trade agreement**. It offers **asymmetric market access to the SADC EPA States**, which allows them to shield sensitive sectors from liberalisation; it provides a large number of safeguards and a clause for infant industry protection; it contains provisions on the rules of origin that facilitate exports; and **it eliminates the use of export subsidies** in trade between the Parties.

The EPA guarantees duty-free, quota-free access to the EU market for Botswana, Lesotho, Mozambique, Namibia, and Swaziland, with the exception of arms and ammunition.

South Africa will benefit from new market access additional to the TDCA, that currently governs its trade relations with the EU. The EU will obtain **meaningful new market access into the Southern African Customs Union (SACU)** and will have the security of a bilateral agreement with Mozambique, one of the LDCs in the region.

The EPA is designed to be compatible with the operation of SACU, in particular by **fully harmonising SACU's import trade regime**. SACU presents a single external schedule of tariffs and quota arrangements applied to imports from the EU.

The SADC EPA also contains a chapter on Trade and **Sustainable Development** that links the trade agreement to EU objectives in the field of labour, environment, and climate change.

**Institutional provisions and monitoring:** the Parties undertake to continuously monitor the operation and impact of this Agreement.

The institutional provisions establish a **Joint Council** at Ministerial level to be responsible for the operation and implementation of the Agreement and to monitor the fulfilment of its objectives. The Joint Council shall be assisted by a Trade and Development Committee.

Furthermore, the Agreement:

- establishes a Special Committee on Geographical Indications and Trade in Wines and Spirits with the purpose of monitoring the development of the Protocol on GIs and trade in wines and spirits;
- establishes a Special Committee on Customs and Trade Facilitation that will monitor the implementation and operation of the chapter on Customs and Trade Facilitation and the Protocol on rules of origin;
- contains a provision that allows each Party to request consultations regarding any matter under the Trade and Sustainable Development chapter. Dialogue and cooperation may include other relevant authorities and stakeholders.

**BUDGETARY IMPLICATIONS:** the proposal is without budgetary implications on Union expenditure but will have a budgetary impact on the revenue side. Thus, foregone duty is estimated to amount to EUR 33.3 million upon full implementation of the Agreement after ten years. This estimate is based on the average volume of imports over the period 2012-2014. With the exception of a number of products imported from South Africa, imports from the SADC EPA Group already enter the European Union duty free.

## EU/SADC EPA States Economic Partnership Agreement

2016/0005(NLE) - 19/07/2016 - Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade adopted the report by Alexander Graf LAMBSDORFF (ADLE, DE) on the draft Council decision on the conclusion, on behalf of the European Union, of the Economic Partnership Agreement between the European Union and its Member States, of the one part, and the SADC EPA States, of the other part.

The committee recommended the European Parliament to **give its consent** to the conclusion of the Agreement.

The committee recalled that the Economic Partnership Agreements (EPAs), which are trade and development partnerships between the African, Caribbean and Pacific (ACP) States and the European Union, are aimed at supporting trade, regional integration and the gradual integration of ACP countries into the world economy, along with fostering their sustainable development.

While insisting on the overall favourable effects of the SADC EPA, Members stated that it is important to strengthen the monitoring provisions in the agreement. They called for the establishment of a sustainable-development dialogue and relevant participative processes for monitoring. Members stressed their regret at the absence of a Joint Parliamentary Committee and a Joint Consultative Committee to improve this type of dialogue.

Overall, Members recommended giving consent to the SADC - EU Economic Partnership Agreement given that it has the potential to bring fundamental positive change and contribute to sustainable economic growth and deepened intra-regional trade and integration.

However, the trade and partnership agreement can only be a small part of a **larger strategy**. The SADC states should conduct trade and development-friendly domestic policies and pursue **structural reforms**. The regulatory framework that attracts investment is another element in the equation. These countries should also consider using the potential of the EPA by going beyond trade in goods only and also address **services** in the future.

According to Members, the EU should provide assistance in terms of capacity building and trade related assistance.

## EU/SADC EPA States Economic Partnership Agreement

2016/0005(NLE) - 14/09/2016 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 417 votes to 216, with 66 abstentions, a legislative resolution on the draft Council decision on the conclusion, on behalf of the European Union, of the Economic Partnership Agreement between the European Union and its Member States, of the one part, and the SADC EPA States, of the other part.

Parliament gave its **consent to the conclusion** of the Agreement given that it has the potential to bring fundamental positive change and contribute to sustainable economic growth and deepened intra-regional trade and integration between the SADC EPA States (Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland).

## EU/SADC EPA States Economic Partnership Agreement

2016/0005(NLE) - 22/01/2016 - Preparatory document

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## EU/SADC EPA States Economic Partnership Agreement

2016/0005(NLE) - 20/06/2016 - Legislative proposal

**PURPOSE:** to conclude the Economic Partnership Agreement (EPA) between the European Union and its Member States, of the one part, and the SADC EPA 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 have been concluded and the Economic Partnership Agreement between the European Union and its Member States, of the one part, and the SADC EPA States (comprising Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland ), of the other part, was initialled on 15 July 2014.

It is now necessary to conclude this Agreement on behalf of the European Union.

**CONTENT:** with this proposal, the Council is called upon to adopt a Decision to approve, on behalf of the European Union and its Member States, the Economic Partnership Agreement between the European Union and its Member States, of the one part, and the SADC EPA States, of the other part.

**Scope and purpose of the Agreement:** the Agreement contains provisions on:

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- customs and trade facilitation,
- technical barriers to trade,
- sanitary and phytosanitary measures,
- dispute settlement,
- geographical indications and rules of origin.

It also contains important trade provisions offering asymmetric **market access to the EPA States**, which allows them to shield sensitive sectors from liberalisation.

The Agreement includes institutional provisions and monitoring to ensure the correct application of the Agreement.

For further details on the proposal, *please refer to the summary of the Commission's initial legislative proposal from 22.1.2016.*