



**COUNCIL OF
THE EUROPEAN UNION**

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STATEMENT OF THE COUNCIL'S REASONS

Subject: Position of the Council at first reading with a view to the adoption of a Regulation of the European Parliament and of the Council amending Annex I to Council Regulation (EC) No 1528/2007 as regards the exclusion of a number of countries from the list of regions or states which have concluded negotiations
= Statement of the Council's reasons
- Adopted by the Council on 11 December 2012

I. INTRODUCTION

On 30 September 2011, the Commission submitted to the Council and the European Parliament its proposal for a Regulation of the European Parliament and of the Council amending Annex I to Council Regulation (EC) No 1528/2007 as regards the exclusion of a number of countries from the list of regions or states which have concluded negotiations¹.

The European Parliament adopted its position at first reading and the accompanying legislative resolution during the plenary session on 13 September 2012².

On 22 October 2012 the Council reached a political agreement on the text of the proposal³.

II. OBJECTIVE

Economic Partnership Agreements are conceived as instruments for promoting regional integration and economic development in the ACP countries; they are based on the principle of asymmetrical market opening and the provision of substantial financial resources to support economic policy reforms in the ACP countries. Economic Partnership Agreements replace the previous market access regime of unilateral preferences for ACP countries, following the expiry of a WTO waiver on 31 December 2007.

¹ Doc. 15025/11 ACP 188 WTO 338 UD 244 CODEC 1583.

² P7_TA-PROV(2012)0342.

³ Doc. 14646/12 ACP 195 WTO 322 UD 242 CODEC 2310

By the end of 2007 it was possible to initial a number of Economic Partnership Agreements, and on 20 December 2007, the Council adopted the Regulation (EC) No 1528/2007, which set the EU import regime for the African, Caribbean and Pacific countries that had negotiated, but not yet signed and ratified, Economic Partnership Agreements. The aim of the Regulation was to avoid a disruption in trade whilst the African, Caribbean and Pacific countries moved towards the ratification of the agreements. However, in 2011, eighteen countries had either not signed their agreement or were still not applying it. In the light of these developments and in an attempt to unlock the negotiations, the Commission adopted on 30 September 2011 a Proposal for a Regulation of the European Parliament and of the Council amending Annex I to Council Regulation (EC) No 1528/2007 as regards the exclusion of a number of countries from the list of regions or states which have concluded negotiations. Following the criteria set out in Article 2(3) of Council Regulation (EC) No 1528/2007, trade preferences granted to these countries should no longer be maintained. The draft Regulation aims at amending the list of countries that benefit from trade preferences in the Regulation (EC) No 1528/2007, by withdrawing those countries that have not yet taken the necessary steps towards ratifying the Economic Partnership Agreements with the EU.

III. ANALYSIS OF THE COUNCIL'S POSITION AT FIRST READING

General

The Council supports the Commission proposal with a technical adjustment related to the insertion of Zimbabwe in Annex I to Council Regulation (EC) No 1528/2007. At the time when the Commission submitted its proposal, eighteen countries, including the Republic of Zimbabwe, had not taken the necessary steps towards ratifying the Economic Partnership Agreements. However, in spring 2012, Zimbabwe notified the deposit of the instrument of ratification of the Interim Economic Partnership Agreement.

EP amendments

On 13 September 2012, the European Parliament adopted its position at first reading introducing an amendment regarding the postponement of the date of entry into force of the Regulation from 1 January 2016 instead of 1 January 2014. The Council shares the Commission approach that the initially proposed timetable gives those potentially affected countries the time to implement an Economic Partnership Agreement and thus maintain their current access to the EU. Consequently the Council could not accept amendment 4.

As for the powers conferred on the Commission, the European Parliament has emphasised the need to be duly involved in preparation and implementation of delegated acts by limiting the delegation of power conferred on the Commission for a period of five years, and asking the Commission to draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The European Parliament suggests that the delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council oppose such extension not later than three months before the end of each period. The European Parliament also suggests that the European Parliament and Council should have four months (rather than two) to object to a delegated act. The Council shares the Commission approach regarding the powers conferred on the Commission and in this context the Council could not accept amendments 1-3.

IV. CONCLUSION

The Council welcomes and supports the Commission proposal as useful and appropriate, and can accept it with a technical adjustment in order to reflect the introduction of Zimbabwe in Annex I to Council Regulation (EC) no 1528/2007. The Council believes that its position at first reading represents a balanced package. It looks forward to constructive discussions with the European Parliament at second reading with a view to the early adoption of the Regulation.
