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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 10.7.2008
COM(2008) 441 final

2008/0137 (AVC)

Proposal for a

COUNCIL DECISION

concluding the stepping stone Economic Partnership Agreement between the European Community and its Member States, of the one part, and Ghana, of the other part

(presented by the Commission)

EXPLANATORY MEMORANDUM

The attached proposal constitutes the legal instrument for the conclusion of a stepping stone Economic Partnership Agreement (EPA) between the European Community and its Member States, of the one part, and Ghana, of the other part: Proposal for a Council Decision concluding the stepping stone EPA.

As announced in the Communication to the Council and the European Parliament dated 23 October 2007, the stepping stone EPA has been negotiated with Ghana in order to avoid disrupting trade between this country and the Community on the expiry on 31 December 2007 of the trade provisions set out in Annex V of the Cotonou Agreement and the WTO waiver that covered them, and pending the completion of a comprehensive EPA with the whole West African region¹. Following the initialling of this Agreement respectively on 13 December 2007, Ghana was added to the list of countries benefiting from an EPA trade regime established by Council Regulation (EC) No 1528/2007, adopted on 20 December 2007. This Regulation provided for an advance application of the EPA trade regime. Following the initialling of a stepping stone EPA on 7 December 2007, Côte d'Ivoire was also added to this list. As Least Developed Countries (LDC), all other West African countries, except Nigeria and Cape Verde, are subject to the Everything But the Arms (EBA) initiative since the 1st January 2008 which offers duty free quota free access to the EC market for all products except arms. Cape Verde was graduated on 1st January 2008 to the status of non-LDC but has been granted a three-years extension during which it will still benefit from the EBA regime, as foreseen by Council Regulation No 980/2005 of 27 June 2005 applying a scheme of generalised tariff preferences (GSP). Nigeria, which is a non-LDC, was offered the possibility of negotiating a stepping stone EPA equivalent with those negotiated with Côte d'Ivoire and Ghana but decided not to do so. Consequently, they are subject to the regular GSP regime since the 1st January 2008.

The negotiation of a full EPA with the whole West African region continues, consistently with the negotiating directives for EPAs with the ACP States adopted by Council on 12 June 2002.

The stepping stone EPA contains provisions on Trade in Goods, Customs and Trade Facilitation, Technical Barriers to Trade and Sanitary and Phytosanitary Measures. There are also Development Cooperation provisions setting out priority areas of action for the implementation of the EPA. Each individual substantive chapter of the Agreement includes specific areas of cooperation and a Development Cooperation declaration establishes the link with the EU Aid for Trade strategy and recalls the Commission's and Member States' intention to contribute to a regional development fund. The Agreement also foresees the continuation of negotiations at regional level on investment, services and trade related issues and provides that the full regional EPA will supersede it once concluded.

Pending the entry into force of the stepping stone EPA, the stepping stone EPA foresees the provisional application of the Agreement.

– The Commission requests the Council

¹ The countries of this region are Benin, Burkina Faso, Ivory Coast, Guinea Bissau, Mali, Niger, Senegal, Togo, Cape Verde, Gambia, Ghana, Guinea, Liberia, Nigeria, Sierra Leone and Mauritania.

- to conclude the stepping stone EPA on behalf of the Community.

The European Parliament will be called upon to give its assent to the conclusion of the stepping stone EPA.

The Member States are also parties to the Agreement, which therefore need to be ratified by them according to their internal procedures.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 133 and 181 in conjunction with the second subparagraph of Article 300(3) thereof,

Having regard to the proposal from the Commission²,

Having regard to the assent of the European Parliament³,

Whereas:

- (1) On 12 June 2002 the Council authorised the Commission to open negotiations of Economic Partnership Agreements with ACP countries.
- (2) Negotiations of a stepping stone Economic Partnership Agreement (hereinafter referred to as the 'stepping stone EPA') have been concluded with Ghana and the Agreement has been initialled on 13 December 2007.
- (3) The stepping stone EPA has been provisionally applied since [...] pending its entry into force.
- (4) The stepping stone EPA should be concluded on behalf of the Community.

HAS DECIDED AS FOLLOWS:

Article 1

The stepping stone Economic Partnership Agreement between Ghana and the European Community and its Member States is hereby concluded on behalf of the Community.

The text of this Agreement is attached to this Decision.

² OJ C [...], [...], p. [...].

³ OJ C [...], [...], p. [...].

Article 2

The President of the Council shall give the notification referred to in Article 75 of the Agreement on behalf of the Community.

Done in Brussels, [...]

For the Council
The President
[...]

**LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS HAVING A
BUDGETARY IMPACT EXCLUSIVELY LIMITED TO THE REVENUE SIDE**

1. NAME OF THE PROPOSAL:

COUNCIL DECISION on the conclusion of a stepping stone Economic Partnership Agreement between the European Community and its Member States, of the one part, and Ghana, on the other part,

2. BUDGET LINES:

Chapter and Article: 12/120

Amount budgeted for the year concerned: **16 431 900 000 (Budget 2008)**

3. FINANCIAL IMPACT

- ☒ Proposal has no financial implications
- ☐ Proposal has no financial impact on expenditure but has a financial impact on revenue – the effect is as follows:

4. ANTI-FRAUD MEASURES

In order to protect the Communities' financial interests against fraud and other irregularities, the Commission may carry out on-the-spot checks and inspections in accordance with Article 21 of the stepping stone Economic Partnership Agreement. Where necessary, investigations shall be conducted by the European Anti-Fraud Office (OLAF) and these shall be governed by Regulation (EC) No 1073/1999 of the European Parliament and of the Council. The Commission will conduct regular document-based and on-the-spot checks.

5. OTHER REMARKS

All remaining customs tariffs on products originating in those ACP regions or states that concluded negotiations on Economic Partnership Agreements or agreements including WTO compatible trade arrangements were removed by the adoption of Council Regulation 1528/2007. There is, therefore, no additional financial impact associated with this proposal.