

ROADMAP

Title of the initiative: **Proposal for a Regulation implementing the Multiparty Trade Agreement (MTA) with Colombia and Peru accompanying the decisions authorising the signature of and concluding of the MTA.**

Type of initiative: Legislative (OLP)

Lead DG: DG TRADE

Expected date of adoption of the initiative: October 2010

Date of modification:

Version No:

Initial IA screening & planning of further work

A. Context and problem definition

(i) What is the political context of the initiative? (ii) How does this initiative relate to past and possible future initiatives, and to other EU policies?

The Multiparty Trade Agreement (MTA) is part of the EU's strategy to establish comprehensive political and trade relationships between the EU and Latin America countries under the umbrella of the EU-Latin American Strategic Relationship. The MTA represents the Free Trade Agreement (FTA) component of this relationship which also consists of the 2003 Political Dialogue and Cooperation Agreement between the EU and the Andean Community. The negotiations of the MTA were concluded on 1 March 2010. It is currently being prepared for initialling. The Regulation will aim at implementing into EU law certain substantive and procedural aspects of the Multiparty Trade Agreement.

What are the main problems identified?

The Multiparty Trade Agreement contains certain clauses, notably safeguard clauses, which require the appropriate mechanism for their application to be in place the time the MTA will enter into force.

Who is affected?

EU (and third countries) business, including manufacturers and traders, as well as consumers could be affected.

(i) Is EU action justified on grounds of subsidiarity? (ii) Why can the objectives of the proposed action not be achieved sufficiently by Member States (necessity test)? (iii) As a result of this, can objectives be better achieved by action by the Community (test of EU Value Added)?

The Multiparty Trade Agreement as well as the legislative acts concluding and implementing the agreement fall under the EU's exclusive competence.

B. Objectives of EU initiative

What are the main policy objectives?

Once the agreement is initialled, this initiative aims at accompanying the decisions concluding the Multiparty Trade Agreement (MTA) and implementing into EU law certain provisions of the MTA so that they can be applied and enforced by EU institutions and Member States.

Do the objectives imply developing EU policy in new areas or in areas of strategic importance?

No. The Multiparty Trade Agreement (MTA) is negotiated in the framework of the existing negotiating authorisation and the Regulation only aims at implementing aspects and procedures of the MTA.

C. Options

(i) What are the policy options? (ii) What legislative or 'soft law' instruments could be considered? (iii) Would any legislative initiatives go beyond routine up-date of existing legislation?

The only option is a Regulation as the appropriate instrument to implement provisions of the Multiparty Trade Agreement (MTA) as an international trade agreement to accompany the decisions to conclude the MTA.

Does the action proposed in the options cut across several policy areas or impact on action taken/planned by other Commission departments?

It is not expected that the Regulation will cut across other policy areas.

Explain how the options respect the proportionality principle.

Trade policy and the negotiation of international trade agreements are areas of exclusive EU competence. The negotiations were conducted in line with the negotiating directives.

D. Initial assessment of impacts

What are the significant impacts likely to result from each policy option (cf. list of impacts in the Impact Assessment Guidelines pages 32-37), even if these impacts would materialise only after subsequent Commission initiatives?

An analysis of the potential impacts was developed in the framework of the preparation of the negotiating directives and a Sustainability Impact Assessment (SIA) was carried out during the negotiations of the Multiparty Trade Agreement (MTA) providing an independent evaluation of the likely economic, social and environmental impacts of the future agreement. The process for the elaboration of the SIA included wide ranging consultations of stakeholders through seminars and through publishing the results and providing the possibility for comments. The SIA concludes that the EU, Colombia and Peru (Ecuador and Bolivia chose to remain outside the framework of the MTA for the moment) benefit from welfare gains and that the overall impact on sustainable development is positive. The Regulation would aim at providing a mechanism to ensure that rights and obligations deriving from the Multiparty Trade Agreement are respected.

Could the options have impacts on the EU-Budget (above 5 Mio €) and/or should the IA also serve as the ex-ante evaluation, required by the Financial Regulation?

No.

Could the options have significant impacts on (i) simplification, (ii) administrative burden or on (iii) relations with third countries?

Yes, as regards relations with third countries, the implementing Regulation as well as the decisions to conclude the Multiparty Trade Agreement will fundamentally change the nature of and improve our bilateral relationship with Colombia and Peru.

E. Planning of further impact assessment work

When will the impact assessment work start?

As an Impact Assessment and Sustainable Impact Assessment were already carried out for the Multiparty Trade Agreement itself, no further impact assessment is foreseen for the implementing Regulation.

(i) What information and data are already available? (ii) Will this impact assessment build on already existing impact assessment work or evaluations carried out? (iii) What further information needs to be gathered? (iv) How will this be done (e.g. internally or by an external contractor) and by when? (v) What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

N.A.

Which stakeholders & experts have been/will be consulted, how and at what stage?

Following the content of the Multiparty Trade Agreement, stakeholders, such as manufacturers, traders and consumers, NGOs, and civil society in general (in addition to Member States and Parliament) have been regularly informed and consulted during the course of the negotiations. They will continue to be involved at the time of drafting the respective implementing Regulation. A broad consultation of stakeholders also took place in the framework of the Sustainable Impact Assessment.