

ROADMAP

Title of the initiative: **Proposal for a Regulation implementing the EU-India Free Trade Agreement accompanying the decisions authorising the signature of and concluding the FTA**

Type of initiative: Legislative (OLP)

Lead DG/contact person/details: DG TRADE / Unit C3

Expected date of adoption of the initiative: March 2011

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 EU-India FTA is currently under negotiations which are expected to be concluded before the end of 2010. The Regulation will aim at implementing into EU law certain substantive and procedural aspects of this FTA.

What are the main problems identified?

It is expected that the future FTA might contain certain clauses, notably safeguard clauses, which require the appropriate mechanism for their application to be in place the time the FTA will enter into force.

Who is affected?

EU 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 EU-India FTA as well as the legislative acts concluding and implementing this FTA fall under the exclusive EU competence.

B. Objectives of EU initiative

What are the main policy objectives?

Once the FTA negotiations are concluded and the agreement is initialled, this initiative aims at accompanying the decisions concluding the FTA and implementing into EU law certain provisions of the FTA 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 FTA is negotiated in the framework of the existing negotiating authorisation and the Regulation only aims at implementing aspects and procedures of the future FTA.

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 FTA as an international trade agreement to accompany the decisions to conclude the FTA.

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

Although this depends on the ultimate content of the future FTA, 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 are being 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 authorisation and a Sustainable Trade Impact Assessment was carried out during the negotiations of the FTA proving an independent evaluation of the likely economic, social and environmental impacts of the future FTA. The SIA concludes that the EU and India benefit from welfare gains with India likely benefiting more. The Regulation would aim at providing a mechanism to ensure that rights and obligations deriving from the FTA 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 for third countries as the Regulation to implement as well as the decisions to conclude the FTA will be part of a 'package' concluding a trade agreement with India.

E. Planning of further impact assessment work

When will the impact assessment work start?

As an analysis of the potential impacts and a Sustainable Trade Impact Assessment were already carried out for the FTA 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?

Depending on the content of the future FTA, stakeholders, such as manufacturers, traders and consumers, might be consulted at the time of drafting the respective implementing Regulation.