

ROADMAP			
TITLE OF THE INITIATIVE	Commission Recommendation to the Council on the approval of the Euratom-Canada Agreement.		
LEAD DG – RESPONSIBLE UNIT	DG ENER/D.1	DATE OF ROADMAP	06 / 2015
<p><b>This indicative roadmap is provided for information purposes only and is subject to change. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content and structure.</b></p> <p><i>(This Roadmap is also applicable to the subsequent Commission Decision on Conclusion of the Agreement).</i></p>			

### A. Context and problem definition

- (1) What is the political context of the initiative?
- (2) How does it relate to past and possible future initiatives, and to other EU policies?
- (3) What ex-post analysis of existing policy has been carried out? What results are relevant for this initiative?

(1) Canada is the world's largest uranium producing country and for decades was the EU's principal supplier, having been edged out by Kazakhstan from the top spot only recently. (In 2013, Canadian supplies of natural uranium met 18.5% of EU demand). EU industry is a major shareholder in many of the uranium mines in Canada. Maintaining good relations with Canada makes an important contribution to the EU's energy security.

In addition, the Canadian nuclear industry is an important supplier of uranium conversion services and reactor technology to the EU. It is also the world's leading supplier of tritium and technology related to the use of tritium, which are essential for Euratom's own nuclear fusion research programme as well as for the international ITER fusion reactor project.

Nuclear cooperation between Euratom and Canada takes place in the framework of the 1959 Euratom-Canada agreement, which is still in force, but has been modified four times, most recently in 1991 to add tritium and related equipment for use in the Euratom nuclear fusion research programme. It became apparent that it would be necessary to consolidate, simplify and update the agreement. Canada requested, in addition, that transfer of nuclear technology be added to the scope.

(2) Under the procedure set out in Article 101 of the Euratom Treaty, "the Community may, within the limits of its powers and jurisdiction, enter into obligations by concluding agreements or contracts with a third State, an international organization or a national of a third State. Such agreements or contracts shall be negotiated by the Commission in accordance with the Directives of the Council; they shall be concluded by the Commission with the approval of the Council, which shall act by a qualified majority".

The Negotiating Directives were adopted by the Council in 2009, and by 2011 the negotiators on both sides had reached agreement on the text. July 2011, the Commission accordingly adopted the original Recommendation to the Council for the approval of the text of the agreement. However, comments raised in discussion of the text in the Council Working Party coupled with comments made on the Canadian side effectively led to the re-opening of negotiations. These negotiations are nearing their close, but important issues of principle remain to be agreed; depending upon the outcome of these discussions it may prove necessary to present a new Recommendation to the Council requiring its approval on the revised agreement.

The 1959 Euratom-Canada agreement does not cover cooperation in research and development, which are instead covered by the 1998 Euratom-Canada agreement on cooperation in the area of nuclear research. The European Atomic Energy Community has concluded a number of international agreements with other third countries, especially with important suppliers/customers of the European nuclear industry, such as Japan, the USA, and Australia.

This initiative complements the 1976 Framework Agreement on Economic Co-operation. This was the first formal agreement of its kind between what was then the EEC and an industrialised third country. EU-Canada relations are currently being upgraded through negotiations on a Comprehensive Economic and Trade Agreement (CETA) and a Strategic Partnership Agreement (SPA). CETA will provide for an extensive liberalisation of trade and investment relations. The SPA aims to advance EU-Canada foreign policy and sectoral cooperation, as well as to provide a platform for joint action on the international stage.

(3) N/A

What are the main problems which this initiative will address?

The cooperation will strengthen the relationship between the Community and Canada, in accordance with the

mutual needs and priorities of their nuclear programmes.
Who will be affected by it?
Euratom and its Member States; private stakeholders, mainly nuclear power plant and fuel cycle operators in the European Union.
Is EU action justified on grounds of subsidiarity? Why can Member States not achieve the objectives of the proposed action sufficiently by themselves? Can the EU achieve the objectives better?
The conclusion of a Euratom – Canada agreement will ensure the continuance of equal treatment for all Member States and their operators for the matters covered by the agreement. It would in particular provide a Community-level framework for managing administrative issues such as tracking, and retransfer of nuclear material, thereby complementing the trade provisions, which are covered by the World Trade Organisation's framework as well as CETA when it enters into force. The proposed agreement would also ensure respect of the internal market rules, particularly in respect of retransfers of items within the internal market, as well as a harmonised application of the export control guidelines of the Nuclear Suppliers Group (NSG) across all Member States.  Moreover Euratom agreements make an important contribution to the export of the EU's standards on nuclear safety, security and safeguards.

## B. Objectives of the initiative

What are the main policy objectives?
The conclusion of an agreement between Euratom and Canada for cooperation in the peaceful uses of nuclear energy will create a long-term and stable framework for both Parties and their governments and industrial operators, within which such co-operation could take place. It will ensure a corresponding level of physical protection, safeguards, and export control standards and will facilitate nuclear trade between the Parties.
Do the objectives imply developing EU policy in new areas?
No, all EU policies covered by the agreement have already been developed.

## C. Options

(1) What are the policy options (including exemptions/adapted regimes e.g. for SMEs) being considered? (2) What legislative or 'soft law' instruments could be considered? (3) How do the options respect the proportionality principle?
(1) The international exchange of nuclear materials, equipment and technology is subject to restrictions arising from the nuclear Non Proliferation Treaty (NPT) and international controls on sensitive exports, notably those arising from UN Security Council Resolution 1540 and the guidelines on nuclear export control published by the International Atomic Energy Agency (INFCIRC/254). The policy objective is to incorporate these controls and government to government assurances into an instrument of international public law.  In addition to these security/non-proliferation related provisions in respect of the exchange of nuclear materials, equipment and technology and their retransfer within the Community, two additional policy options with regards to the content of this category of Euratom agreements need to be considered: i) should R&D be included? ii) should the agreement contain trade related provisions? Option i) is not applicable for the proposed agreement given that a specific Euratom agreement covering R&D already exists. Option ii) is only a consideration for partner countries which are not subject to the World Trade Organisation rules. Canada is a WTO party and thus all trade issues are dealt with under that framework as well as the soon to enter into force EU Canada Trade Agreement (CETA). Therefore this agreement will contain no trade related provisions.  (2) Article 101 Euratom Treaty only allows for international agreements. Internal legislation would not be effective, and, as the restrictions need to be given the force of international law, 'soft law' instruments are not possible.  (3) N/A

## D. Initial assessment of impacts

What are the benefits and costs of each of the policy options?
N/A
Could any or all of the options have significant impacts on (i) simplification, (ii) administrative burden and (iii) on relations with other countries, (iv) implementation arrangements? And (v) could any be difficult to transpose for

certain Member States?
<p>(i) The revised agreement will provide a stable framework, aligned with international requirements in which international nuclear transfers can take place. In the absence of the agreement MS seeking to participate in nuclear exchanges with Canada would either need to negotiate and bring into force a bilateral agreement with Canada, or at the very least agree ad hoc arrangements for the transfer through diplomatic channels. The agreement will thus continue to provide a ready-made framework for the use of any Member State.</p> <p>In addition to these security/non-proliferation related provisions in respect of the exchange of nuclear materials, equipment and technology and their retransfer within the Community, two additional policy options with regards to the content of this category of Euratom agreements need to be considered: i) should R&amp;D be included? ii) should the agreement contain trade related provisions? Option i) is not applicable for the proposed agreement given that a specific Euratom agreement with Canada covering R&amp;D already exists. Option ii) is only a consideration for partner countries which are not subject to the World Trade Organisation rules. Canada is a WTO party and thus all trade issues are dealt with under that framework as well as under the Canada-EU Free Trade Agreement when it enters into force. Therefore this agreement will contain no trade related provisions.</p> <p>(ii) The administrative exchanges accompanying nuclear transfers are carried out by the Commission's Safeguards services, thus there is no additional burden for Member States (the Commission benefits from economies of scale compared to implementation through 28 national authorities).</p> <p>(iii) Both parties have a great interest in updating and extending the existing cooperation agreement.</p> <p>(iv) The Commission represents the Euratom Community for the purposes of the implementation of this agreement. Most of the resulting administrative tasks will be executed by the Commission's Safeguards services.</p> <p>(v) N/A – the agreement is directly applicable.</p>
<p>(1) Will an IA be carried out for this initiative and/or possible follow-up initiatives?</p> <p>(2) When will the IA work start?</p> <p>(3) When will you set up the IA Steering Group and how often will it meet?</p> <p>(4) What DGs will be invited?</p>
<p>(1) The negotiation and conclusion of the proposed agreement does not involve making significant policy choices since the substance of the agreement needs to reflect the international control regime – principally the Nuclear Suppliers Group Guidelines. In addition, as explained above, there is no need to include R&amp;D and trade issues in the negotiations of the proposed agreement.</p> <p>(2) - (4) N/A</p>
<p>(1) Is any option likely to have impacts on the EU budget above € 5m?</p> <p>(2) If so, will this IA serve also as an ex-ante evaluation, as required by the Financial Regulation? If not, provide information about the timing of the ex-ante evaluation.</p>
No

### E. Evidence base, planning of further work and consultation

<p>(1) What information and data are already available? Will existing IA and evaluation work be used?</p> <p>(2) What further information needs to be gathered, how will this be done (e.g. internally or by an external contractor), and by when?</p> <p>(3) What is the timing for the procurement process &amp; the contract for any external contracts that you are planning (e.g. for analytical studies, information gathering, etc.)?</p> <p>(4) Is any particular communication or information activity foreseen? If so, what, and by when?</p>
N/A
Which stakeholders & experts have been or will be consulted, how, and at what stage?
N/A