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PROPOSAL

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 25 July 2019

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of
the European Union

No. Cion doc.: COM(2019) 347 final

Subject: Proposal for a COUNCIL DECISION establishing the position to be
adopted on behalf of the European Union in the EPA Committee set up by
the interim agreement with a view to an Economic Partnership Agreement
between the European Community and its Member States, of the one part,
and the Central Africa Party, of the other part, in connection with the
adoption of the rules of procedure for mediation, the rules of procedure for
arbitration and the code of conduct for arbitrators

Delegations will find attached document COM(2019) 347 final.

Encl.: COM(2019) 347 final



Brussels, 25.7.2019
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2019/0159 (NLE)

Proposal for a

COUNCIL DECISION

establishing the position to be adopted on behalf of the European Union in the EPA Committee set up by the interim agreement with a view to an Economic Partnership Agreement between the European Community and its Member States, of the one part, and the Central Africa Party, of the other part, in connection with the adoption of the rules of procedure for mediation, the rules of procedure for arbitration and the code of conduct for arbitrators

EXPLANATORY MEMORANDUM

1. SUBJECT MATTER OF THE PROPOSAL

This proposal concerns the decision establishing the position to be adopted on behalf of the European Union ('the Union') in the EPA Committee set up by the interim agreement with a view to an Economic Partnership Agreement between the European Community and its Member States, of the one part, and the Central Africa Party, of the other part ('the Agreement')¹, in connection with the envisaged adoption of the rules of procedure for mediation, the rules of procedure for arbitration and the code of conduct for arbitrators.

2. CONTEXT OF THE PROPOSAL

2.1. EU - Central Africa Economic Partnership Agreement

The aim of the Agreement is to establish an initial framework for a full regional economic partnership agreement in accordance with the Cotonou Agreement. The Central Africa Party is hitherto composed of the Republic of Cameroon. Since 4 August 2014, the Agreement has been applied on a provisional basis.

2.2. EPA Committee

The EPA Committee is the joint institutional body of the Agreement. Article 92 of the Agreement provides that the EPA Committee is to be responsible for the administration of all the fields covered by the Agreement and for the achievement of all the tasks mentioned therein. The EPA Committee is to reach its decisions by consensus. The operation of the EPA Committee is laid down in its Rules of Procedure².

2.3. Act envisaged by the EPA Committee

At its fifth meeting on [date], the EPA Committee must adopt a decision concerning dispute settlement procedures ('the envisaged act').

Article 80(1) of the Agreement provides that 'Dispute settlement procedures under Chapter 3 shall be governed by the rules of procedure and code of conduct to be adopted by the EPA Committee.'

Article 88 of the Agreement provides that 'The EPA Committee may decide to amend this Title and its Annexes.'

The purpose of the envisaged act is to lay down the rules and procedures for implementing the measures provided for in Title VI of the Agreement in order to avoid and settle disputes which may arise between the Parties. The adoption of these rules is an essential element for finalising the operational framework for the Agreement's provisions on dispute avoidance and settlement.

3. POSITION TO BE TAKEN ON THE UNION'S BEHALF

This proposal for a Council Decision establishes the position to be taken on behalf of the Union in the EPA Committee set up by the interim agreement with a view to an Economic

¹ OJ L 57, 28.2.2009, p. 2

² OJ L 17, 21.1.2017, p. 46

Partnership Agreement between the European Community and its Member States, of the one part, and the Central Africa Party, of the other part, concerning the laying down of rules of procedure for mediation, the rules of procedure for arbitration and the code of conduct for arbitrators.

The Parties to the Agreement have approved this proposal for a decision, initialled it at the fourth EPA Committee meeting on 18 and 19 February 2019 and, subject to the EU's decision-making procedures, should adopt it at the next EPA Committee meeting due to take place at the end of 2019.

This decision is essential for rendering operational the provisions of Title VI of the Agreement on dispute avoidance and settlement and hence for ensuring the smooth implementation of the Agreement.

4. LEGAL BASIS

4.1. Procedural legal basis

4.1.1. Principles

Article 218(9) of the Treaty on the Functioning of the European Union (TFEU) provides for decisions establishing ‘the positions to be adopted on the Union’s behalf in a body set up by an agreement, when that body is called upon to adopt acts having legal effects, with the exception of acts supplementing or amending the institutional framework of the agreement.’

The concept of ‘acts having legal effects’ includes acts that have legal effects by virtue of the rules of international law governing the body in question. It also includes instruments that do not have a binding effect under international law, but that are ‘capable of decisively influencing the content of the legislation adopted by the EU legislature’³.

4.1.2. Application to the present case

The EPA Committee is a body set up by an agreement, namely the interim agreement with a view to an Economic Partnership Agreement between the European Community and its Member States, of the one part, and the Central Africa Party, of the other part.

The act which the EPA Committee is called upon to adopt is an act having legal effects. The envisaged act will be binding under international law in accordance with Articles 80 and 88 of the Agreement.

The envisaged act does not supplement or amend the institutional framework of the Agreement.

Accordingly, the procedural legal basis of the proposed decision is Article 218(9) TFEU.

4.2. Substantive legal basis

4.2.1. Principles

The substantive legal basis of a decision under Article 218(9) TFEU depends primarily on the objective and content of the envisaged act in respect of which a position is taken on behalf of

³ Judgment of the Court of Justice of 7 October 2014, Germany v Council, C-399/12, ECLI:EU:C:2014:2258, paragraphs 61 to 64

the Union. If the envisaged act pursues two aims or has two components and if one of those aims or components is identifiable as the main one, whereas the other is merely incidental, the decision under Article 218(9) TFEU must be founded on a single substantive legal basis, namely that required by the main or predominant aim or component.

4.2.2. Application to the present case

The main objective and content of the envisaged act relate to the common commercial policy. Therefore, the substantive legal basis of the proposed decision is Article 207 TFEU.

4.3. Conclusion

The legal basis of the proposed decision should be the first subparagraph of Article 207(4) TFEU in conjunction with Article 218(9) TFEU.

Proposal for a

COUNCIL DECISION

establishing the position to be adopted on behalf of the European Union in the EPA Committee set up by the interim agreement with a view to an Economic Partnership Agreement between the European Community and its Member States, of the one part, and the Central Africa Party, of the other part, in connection with the adoption of the rules of procedure for mediation, the rules of procedure for arbitration and the code of conduct for arbitrators

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union ('TFEU'), and in particular the first subparagraph of Article 207(4), in conjunction with Article 218(9), thereof,

Having regard to the interim agreement with a view to an Economic Partnership Agreement between the European Community and its Member States, of the one part, and the Central Africa Party, of the other part ('the Agreement')⁴,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The Agreement was concluded on behalf of the European Union ('the Union') by Decision 2009/152/EC⁵ and has been applied on a provisional basis since 4 August 2014.
- (2) In accordance with Article 80(1) of the Agreement, the EPA Committee lays down the rules of procedure and the code of conduct.
- (3) In accordance with Article 88 of the Agreement, the EPA Committee may decide to amend Title VI of the Agreement and its Annexes.
- (4) The EPA Committee, at its annual meeting on [date], is to adopt a decision establishing the rules of procedure for mediation and for arbitration and the code of conduct of arbitrators.
- (5) It is appropriate to establish the position to be taken on the Union's behalf in the EPA Committee, as the envisaged decision will be binding on the Union.

HAS ADOPTED THIS DECISION:

Article 1

The position to be taken on behalf of the Union in the EPA Committee shall be based on the EPA Committee's draft decision on the rules of procedure and the code of conduct, annexed to this Decision.

⁴ OJ L 57, 28.2.2009, p. 2

⁵ OJ L 57, 28.2.2009, p. 1

This Decision is addressed to the Commission.

Done at Brussels,

*For the Council
The President*