


# Procedure file

Basic information	
NLE - Non-legislative enactments Decision	2010/0229(NLE) Procedure completed
EC/Egypt Euro-Mediterranean Association Agreement: Dispute Settlement Mechanism applicable to disputes under the trade provisions. Protocol See also <a href="#">2001/0092(AVC)</a>	
Subject 6.20.03 Bilateral economic and trade agreements and relations 6.40.05.02 Relations with the countries of the Great Maghreb and Maghreb	
Geographical area Egypt	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>INTA</b> International Trade	S&D <a href="#">SUSTA Gianluca</a>	28/09/2010
		Shadow rapporteur ALDE <a href="#">DE SARNEZ Marielle</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>AFET</b> Foreign Affairs	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Foreign Affairs</a>	<a href="#">3086</a>	13/05/2011
European Commission	Commission DG	Commissioner	
	<a href="#">Trade</a>	DE GUCHT Karel	

Key events			
09/08/2010	Preparatory document	<a href="#">COM(2010)0424</a>	Summary
12/10/2010	Legislative proposal published	<a href="#">13762/2010</a>	Summary
23/11/2010	Committee referral announced in Parliament		
16/03/2011	Vote in committee		Summary
18/03/2011	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A7-0068/2011</a>	
06/04/2011	Results of vote in Parliament		
06/04/2011	Decision by Parliament	<a href="#">T7-0133/2011</a>	Summary
13/05/2011	Act adopted by Council after consultation of Parliament		
13/05/2011	End of procedure in Parliament		
26/05/2011	Final act published in Official Journal		

Technical information	
Procedure reference	2010/0229(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consent by Parliament
Legislative instrument	Decision
	See also <a href="#">2001/0092(AVC)</a>
Legal basis	Treaty on the Functioning of the EU TFEU 207-p4; Treaty on the Functioning of the EU TFEU 218-p6a
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	INTA/7/03567

Documentation gateway					
Preparatory document		<a href="#">COM(2010)0424</a>	09/08/2010	EC	Summary
Legislative proposal		<a href="#">13762/2010</a>	12/10/2010	CSL	Summary
Document attached to the procedure		<a href="#">13975/2010</a>	12/10/2010	CSL	
Committee draft report		<a href="#">PE452.791</a>	13/12/2010	EP	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A7-0068/2011</a>	18/03/2011	EP	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T7-0133/2011</a>	06/04/2011	EP	Summary

Additional information	
National parliaments	<a href="#">IPEX</a>
European Commission	<a href="#">EUR-Lex</a>

Final act
<a href="#">Decision 2011/307</a> <a href="#">OJ L 138 26.05.2011, p. 0002</a> Summary

## EC/Egypt Euro-Mediterranean Association Agreement: Dispute Settlement Mechanism applicable to disputes under the trade provisions. Protocol

**PURPOSE:** to conclude a Protocol between the EU and Egypt establishing a Dispute Settlement Mechanism applicable to disputes under the trade provisions of the EU-Egypt Euro-Mediterranean Agreement.

**PROPOSED ACT:** Council Decision.

**BACKGROUND:** the Euro-Mediterranean Agreements contain provisions liberalising trade in goods, but the dispute settlement rules applicable to any disputes concerning these provisions rely mainly on a diplomatic approach which can be easily blocked by the party against which a complaint is lodged. In the context of a widening and upgrading of Euro-Mediterranean trade relations, it was opportune to create a dispute settlement mechanism applicable to trade disputes based on streamlined and effective procedures within firm time limits, and modelled on the dispute settlement mechanisms of the most recent agreements concluded by the European Union and on the World Trade Organization (WTO) Dispute Settlement Understanding. Such a mechanism will increase the security and predictability of our bilateral trade relations.

The Commission negotiated in regional and bilateral mode with several Mediterranean partners. Negotiations with Egypt progressed well and resulted in a draft Agreement that was initialled at the EU-Egypt Association Council held in Luxembourg on 27 April 2010.

**IMPACT ASSESSMENT:** no impact assessment was carried out.

**LEGAL BASIS:** Article 207(4), first sub-paragraph, in conjunction with Article 218(6)(a)(v) of the Treaty on the Functioning of the European Union (TFEU).

**CONTENT:** this Agreement follows the model of the dispute settlement chapter of current FTA negotiations, and is based on the WTO Dispute Settlement Understanding, adapted to a bilateral context.

The scope of the dispute settlement mechanism includes Title II of the EU-Egypt Association Agreement, with the usual exception of the Articles on trade defence.

The text also foresees:

- streamlined and effective procedures (including on the composition of the panel and compliance proceedings) with clear time-limits;
- opportunities to settle disputes before having to establish a panel, via consultations and mediation;
- rules on openness and transparency (open hearings, "amicus curiae" unsolicited submissions, publication of the panel report), as well as an article on the connection with the WTO Dispute Settlement Understanding.

It should be noted that in parallel, a separate proposal on the signature of this Agreement is also submitted. Following the conclusion of this Agreement by the European Union and the Egyptian authorities, this Protocol will be annexed to the Association Agreement.

**BUDGETARY IMPLICATION:** the proposal has no implication on the EU budget.

## EC/Egypt Euro-Mediterranean Association Agreement: Dispute Settlement Mechanism applicable to disputes under the trade provisions. Protocol

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**PURPOSE:** to conclude a Protocol between the EU and Egypt establishing a Dispute Settlement Mechanism applicable to disputes under the trade provisions of the EU-Egypt Euro-Mediterranean Agreement.

**PROPOSED ACT:** Council Decision.

**BACKGROUND:** on 24 February 2006 the Council authorised the Commission to open negotiations with partners in the Mediterranean region in order to establish a dispute settlement mechanism related to trade provisions.

These negotiations have been concluded and an Agreement in the form of a Protocol between the European Union and Egypt establishing a dispute settlement mechanism applicable to disputes under the trade provisions of the EU- Egypt Euro-Mediterranean Agreement was initialled on 27 April 2010.

It is now necessary to conclude the protocol on behalf of the EU.

**IMPACT ASSESSMENT:** no impact assessment was carried out.

**LEGAL BASIS:** first sub-paragraph of Article 207(4), in conjunction with point (a)(v) of Article 218(6) of the treaty on the Functioning of the European Union (TFEU).

**CONTENT:** under this present Decision, the Agreement in the form of a Protocol between the EU and Egypt establishing a dispute settlement mechanism applicable to disputes under the trade provisions of the EU-Egypt Mediterranean Agreement is hereby approved on behalf of the Union.

The text of the protocol is attached to this Decision. For details of the content of the protocol, please refer to the summary of the previous initial legislative document dated 09/08/2010.

**BUDGETARY IMPLICATION:** this proposal has no implication for the EU budget.

## EC/Egypt Euro-Mediterranean Association Agreement: Dispute Settlement Mechanism applicable to disputes under the trade provisions. Protocol

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The Committee on International Trade adopted the report drafted by Gianluca SUSTA (S&D, IT) in which it recommends the European Parliament to give its consent to the conclusions of an Agreement in the form of a Protocol between the European Union and Egypt establishing a dispute settlement mechanism applicable to disputes under the trade provisions of the Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States, of the one part, and Egypt, of the other part.

## EC/Egypt Euro-Mediterranean Association Agreement: Dispute Settlement Mechanism applicable to disputes under the trade provisions. Protocol

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The European Parliament adopted a legislative resolution on the draft Council decision on the conclusion of an Agreement in the form of a Protocol between the European Union and the Arab Republic of Egypt establishing a dispute settlement mechanism applicable to disputes under the trade provisions of the Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Arab Republic of Egypt, of the other part.

Parliament gives its consent to the conclusion of the Agreement.

## EC/Egypt Euro-Mediterranean Association Agreement: Dispute Settlement Mechanism applicable

## to disputes under the trade provisions. Protocol

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**PURPOSE:** the conclusion of a Protocol between the EU and Egypt establishing a Dispute Settlement Mechanism applicable to disputes under the trade provisions of the EU-Egypt Euro-Mediterranean Agreement.

**NON-LEGISLATIVE ACT:** Council Decision 2011/307/EU on the conclusion of an Agreement in the form of a Protocol between the European Union and the Arab Republic of Egypt establishing a dispute settlement mechanism applicable to disputes under the trade provisions of the Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Arab Republic of Egypt, of the other part.

**BACKGROUND:** on 24 February 2006, the Council authorised the Commission to open negotiations with partners in the Mediterranean region in order to establish a dispute settlement mechanism related to trade provisions. Negotiations have been conducted by the Commission which resulted in the establishment of a dispute settlement mechanism applicable to disputes under the trade provisions of the Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States, of the one part, and Egypt, of the other part.

This Protocol was signed, on behalf of the European Union on 11 November 2010.

The Protocol should be concluded on the Union's behalf.

**CONTENT:** with this Decision on an agreement in the form of a Protocol between the European Union and Egypt establishing a dispute settlement mechanism applicable to disputes under the trade provisions of the Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Arab Republic of Egypt, of the other part (the Protocol) is hereby approved on behalf of the Union.

Its main provisions are as follows:

- the agreement is based on the model of the chapter on dispute settlement mechanisms that is included in the current negotiations on free trade agreements and is based on the WTO Memorandum agreement adapted to a bilateral context;
- the scope of the dispute settlement mechanism includes Title II of the Association Agreement between the EU and Egypt with the usual exception of articles on commercial defence;
- rationalised and effective procedures for the settlement of disputes (including what concerns the composition of the special group and the implementation phase), along with clear deadlines are provided for;
- the possibility to settle disputes before the establishment of a special arbitration panel, via consultations or mediation;
- the inclusion of rules on the openness and transparency (public hearings, amicus curiae communications, publication of the report of the special group);
- the inclusion of an article on the relation with the agreement on the WTO's dispute settlement mechanism.

**ENTRY INTO FORCE :** 13.05.2011.