

Trade Negotiations Insights

From Doha to Cotonou

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In This Issue

We bring you an NGO response to an earlier article from the Directorate General Trade of the European Commission (TNI Vol.3.Issue No.4). While that article argued that the so-called Singapore Issues should be negotiated in the EPAs, the lead article argues otherwise. Amidst the uncertainty and polarised views surrounding the EPAs, our second article highlights the importance of sharing information among ACP regions and countries. EPA update follows negotiations at the regional levels.

TNI would like to hear the views of private sector and civil society organisations, other institutions and experts based in ACP regions concerning the EPAs. In this respect, we would welcome contributions from our ACP audience for consideration as future TNI articles.

Why the European Commission is Wrong about EPAs

By Liz Stuart*

At first glance, it would appear that Karl Friedrich Falkenberg, director of the Directorate General Trade, European Commission (DG Trade), is in tune with Non Governmental Organisations (NGOs) from both the North and South ('EPAs and DDA – Parallelism or Crossroads?' TNI Vol 3. Issue No.4). He says the Singapore issues are essential subjects for development. Oxfam would agree. We would also agree that Economic Partnership Agreements (EPAs) are supposed to be about development.

He is undoubtedly correct when he says that the trading relationship between the European Union (EU) and the Africa, Caribbean and Pacific (ACP) countries has declined rather than burgeoned under the Lomé Conventions. But Falkenberg has cleverly hijacked the argument, claiming that free-trade EPAs are the best way for ACP countries to make economic and social progress.

We are more in agreement with Falkenberg's boss, Commissioner Mandleson, who has said that free trade is not a magic bullet for development, and stresses that developing countries must be given meaningful Special and Differential Treatment (S&DT), a view reinforced by the findings of the Commission for Africa.

And we agree with the UK government, which has recently come out with the very sensible position that each ACP regional group should make its own decision on the pace and sequencing, and product coverage of market opening, in line with national development plans. In addition, it's new policy is that within EPAs, the EU should make an upfront offer of complete duty and quota-free market access to each ACP regional group, with no strings attached.¹

This is why Oxfam, along with NGOs around Europe and the ACP countries, have signed up to the StopEPA campaign (<http://www.stopepa.org>), in a bid to reform the EU's current approach to these agreements, on which the economic future of sub-Saharan Africa is largely dependent.

We, in common with all other groups working on this issue, say that until it is obvious how the Cotonou Agreement's commitment to poverty reduction and sustainable development will be operationalised in an EPA, will strongly oppose the continued negotiations.

Regional break-up

First, the European Commission maintains that EPAs will lead to regional development. This is highly questionable. The clustering of LDCs and non-LDCs for the purposes of negotiations is likely to increase regional tensions rather than promote regional integration, because there are wide disparities between the costs and benefits of EPAs for different countries in the same group.

The East African Community (EAC) is a case in point. This includes Kenya, Uganda and Tanzania, which have long been committed to closer economic



collaboration, and are in the process of establishing a customs union and joint currency, having already established an East African Parliament. As LDCs, both Uganda and Tanzania already have duty-free and quota-free access into the EU market under the *Everything But Arms* initiative. Kenya's position, as the negotiating group's only non-LDC, is increasingly isolated.

Far from facilitating regional integration, in reality, EPA negotiations are adding to the already difficult task of collaboration within existing groupings, and may therefore help derail these fragile but vital processes.

Why EPAs should not address the Singapore issues

Next, the Singapore issues. Falkenberg's analysis of why they were thrown out at Cancun is wrong. It was, in fact, because they failed to take on the issue that really affects investment and competition in developing countries – the need for more effective regulation.

For the same reason, the issues should not be included in EPAs. Joseph Stiglitz has said that the imposition of the Singapore issues on developing countries would “almost certainly impede development.”² The UK government now says that they should be removed from the EPA negotiations, unless specifically requested by a regional grouping.

The Cotonou Agreement contains a strong commitment to ownership of local policies. It talks of cooperation frameworks and orientations being tailored to the individual circumstances of each country, and the promotion of ownership of economic and social reforms. It is difficult to see how this is compatible with the EU's proposals on the Singapore Issues.

Moreover, at the WTO and elsewhere the ACP opposed the inclusion of the Singapore Issues in the Doha Agenda. The ACP Group says that this area of disagreement with the EU was of a “fundamental nature”.³ It is hard to square this with a genuine commitment by the EU to ACP ownership of local policies.

Investment is the obvious example of the problematic nature of the Singapore issues. As Cambridge Economist Ha-Joon Chang has observed, it was Korea's ability to set its own domestic policy on

investment – insisting on upstream and downstream benefits, or spillovers – that allowed the country to develop a world-class economy. Singapore and Taiwan benefited in similar ways. Such policy instruments would be under threat in an investment agreement.

Ironically, Falkenberg chooses to use the example of European post-war reconstruction and the part played by private capital to illustrate why investment should operate on non-discriminatory lines. But he ignores Europe's past: it, as well as the US, strongly supported its national industries while they were growing. Japan recreated its post-war car industry and became the second-largest manufacturer in the world by restricting foreign investment and automobile imports.

Were investment to be negotiated as part of an EPA on a ‘non discriminatory’ basis as currently proposed by the EU, ACP countries would lose any similar right not only to protect their industries, but also more broadly to set their own industrial policy. While it is vitally important to encourage investment in sub-Saharan Africa, this must be done in a manner which allows regulation that maximises host-country benefits.

No to competition policy and government procurement

Falkenberg says that “enterprises in developing countries can stitch up markets at least as successfully as in developed countries.” While it is true that developing countries are frequently and expensively stung by cartels, it is unlikely that the Singapore competition proposals will have any real effect unless there is supranational corporate regulation and a serious commitment by home-country competition authorities to make it work.

In the absence of such regulation, while some developing countries have managed to assert force against anti-competitive behaviour by multinational companies – such as Zimbabwe at the time of the proposed merger of British American Tobacco and Rothmans – as another Cambridge economist, Ajit Singh, has observed, many poor countries would find it extremely difficult to prove, let alone take action against, multinational corporations using predatory pricing.

In addition, many ACP countries have such small private sectors that the costs

of implementing new competition laws would often not be commensurate with any potential benefits.

The same arguments apply to government procurement. As this represents a large tranche of GDP for many developing countries, it becomes an important policy tool. As part of national industrial policies, it is vital that governments are able to grant contracts to emerging sectors of their own economy. Again, reciprocity in procurement is likely in theory only: it is extremely difficult to imagine a Jamaican company making inroads into British government procurement rosters. The UK has said that where government procurement is put into an EPA, on the request of an ACP grouping, negotiations should be limited to transparency.

EPAs: Europe's offensive interests

There are other areas besides the Singapore issues where the European Commission is seeking to gain more ground at the bilateral level than has been achieved at the WTO. The EU is pushing offensive interests in the EPA negotiations, against the explicit wishes of the ACP and with no clear developmental benefits. The UK has now stated that it believes that Europe should not pursue its short-term commercial interests at the expense of development, and hopefully other member states will take a similar attitude.

Intellectual property rights and services

The first of these is services. The EU's negotiating mandate on EPAs is more aggressive than either Cotonou or the WTO, stating that negotiations on services should begin in all sectors by 2006 at the latest. This directly contradicts the list basis of GATS negotiations agreed at the WTO.

Falkenberg says: “In services, we should focus on the real needs and aspiration of the respective EPA regions and build a competitive economy.” We would argue that this is not what the EPAs will do. But in any case, in many instances, the ACP countries' aspirations are that their services not be liberalised too fast, and that they should be allowed to protect basic services such as health care and water provision.

In addition, the ACP countries have little capacity to analyse and negotiate on these issues.

Non-reciprocity

But there is a more fundamental way in which EPAs go beyond what has been agreed at the WTO. By demanding reciprocal liberalisation, they contravene the long-fought-for concepts of S&DT and non-reciprocity, which have been embedded at the WTO since the Punta del Este ministerial declaration. They also fly in the face of UK Prime Minister, Tony Blair's Commission for Africa's recently released recommendations (See list of resources at page 8 of this issue).

Although EPAs, as the offspring of Cotonou, are supposed to be about development, Europe seems to be ignoring this understanding that differentiating between economies at varying stages of maturity is essential to helping countries grow and alleviate poverty. Instead, EPAs will demand reciprocal market opening over a certain time period, currently understood to be up to 12 years.

"By demanding reciprocal liberalisation, EPAs contravene the long-fought-for concepts of S&DT and non-reciprocity, which have been embedded at the WTO Since the Punta del Este ministerial declaration."

Lacking the European producers' economies of scale or access to technologies, developing countries are unlikely to be able to compete on price or quality even given 20 years or more to modernise and catch up with their northern peers, and massive injections of aid. While exposure to competition might force them to become more competitive, there is a serious danger that it could make them go bust.

Liberalised markets can bring economic benefits, but as the experience of China and India shows, domestic policies that foster economic growth are of overriding importance. Without these the benefits of liberalisation are debatable. As the Harvard economist Dani Rodrik has argued, there is no convincing evidence that trade liberalisation is always associated with subsequent economic growth. If market opening occurs, it should not be dictated by arbitrarily devised timetables, but according to the developmental priorities of the country

concerned. Developing countries must also retain the right to ringfence certain key food and livelihood security crops from liberalisation commitments, in line with the Special Products proposals for agriculture in the 2004 WTO July Framework Agreement.

Europe's unfair subsidies

It is even more manifestly unfair to expect African farmers to liberalise in the face of European farmers' continued protection in the form of the Common Agricultural Programme (CAP). The average EU farmer receives 100 times more in agricultural support than the average annual earnings of an African peasant farmer, their likely direct competitors.

The costs of EPAs

If EPAs were really to be pro-development, they would need to address the issues of lack of diversification in ACP countries. Under Lomé, sub-Saharan African exports to the EU were dominated by commodities, textiles and garments. If the EU were serious about developing the trade capacity of the ACP, with a view to development, they would address these concerns within the EPA.

In addition, if an EPA were to help countries develop, it would be ensured that the costs of liberalisation were met by aid. This aid would be needed to make up for shortfalls in the loss of government revenues and the costs of reallocating resources from producers displaced by cheaper inputs. The money would also need to be delinked from the trade negotiations or from economic policy conditionalities.

In spite of the Commission's promises that EPAs would be accompanied by more aid, it has failed to clarify where this money would come from. The EU is currently not offering any increase in overall levels of the European Development Fund money attached to Cotonou. Worse, while ACP countries have requested that any market access concessions must come only *after* increased levels of financial assistance has allowed them to address supply-side constraints, the EU insists that market access commitments must come in parallel with any development component.

Alternatives to EPAs

Currently it is difficult to assess precisely what the impact of EPAs will be.

However, whatever they look like once negotiations have finished, the EU has promised that an alternative will be offered to those countries which do not want to sign up to an EPA. To date, nothing has been done to honour this commitment. The Commission says that its energies are better spent ensuring that EPAs are negotiated as quickly as possible. However, developing country negotiating positions can only be properly informed if they know precisely what their alternative is. Without this, they are negotiating blindfolded.

There is a range of feasible alternatives to the EPA. The most viable at the moment is a reformed General System of Preferences (GSP): significantly, one of the express purposes of the GSP is to emphasise sustainable economic and social development. However, the EU recent proposed changes to the current GSP contain nothing that would improve its suitability as an EPA alternative.

In addition, the current Rules of Origin (RoOs) that govern the use of the GSP are overly onerous. They would need to be simplified to reduce the bureaucratic burden on exporters hoping to use the GSP. They would also need to be relaxed to allow global cumulation, that is to allow countries to source inputs to goods from anywhere in the world, without it affecting their duty-free exporter status.

But whatever the alternative, it is essential that this is developed in consultation with ACP countries, and alongside a vastly improved EPA. In addition, the WTO rules on Regional Trade Agreements must be reviewed so that future agreements do not insist on substantial reciprocity, avoiding the need for alternatives to be thrashed out each time.

Endnotes

* Liz Stuart is a trade policy adviser for Oxfam in the UK.

¹ Department for Trade and Industry (UK), March 2005, 'Economic Partnership Agreements: Making EPAs Delivery for Development', London, www.dti.gov.uk/ewt/epas.pdf

² Stiglitz, J (2004), 'An Agenda for the Development Round of Trade Negotiations in the Aftermath of Cancún', London, Commonwealth Secretariat

³ ACP Press Release Accompanying the Joint Report on the all-ACP – EC phase of EPA negotiations held in October 2003.

Sharing Information: A Survival Tool for EPA Negotiations

San Bilal and Vincent Roza – ECDPM

With all six ACP regions actively engaged in the preparation and conduct of their regional EPA negotiations with the European Union (EU), many unknowns remain as to the possible shapes that EPAs could take, let alone their specific content, and hence their effect on development. What should be included in an EPA and what accompanying measures are required for an EPA to foster development? While answers can be country and region specific, many common factors can be identified across the ACP. In this search for optimal EPAs, information is one of the sparest commodities. While a multitude of activities (meetings, conferences, studies, etc.) on EPAs are ongoing, it is often difficult to capitalize on this vital experience as information remains scattered. Given the serious capacity constraints of all ACP countries and regions, including in terms of expertise and consultation, the lack of coordination and transparency might be fatal to many ACP.

By regrouping key information, web information such as the renewed website acp-eu-trade.org intends to partially remedy this situation. It provides a common resource platform to respond to some of the information needs of those interested in the current EPA negotiations and their development dimension. The argument to improve and extend the access to information has many aspects and only grows in importance as the EPA negotiations take momentum.

Jumping into the unknown

During the first all-ACP phase of the EPA negotiations, considerable attention has been dedicated to the principles of EPAs, their development dimension (or lack of it) and their broad potential economic impact. ACP complained about insufficient support to their preparation, and the lack of analysis about EPAs and their effects.

In spite of their stringent capacity constraints, they initiated some studies, first at the regional level, then complemented by a number of national studies, often sponsored by the Programme Management Unit (PMU) that supports the preparation of the ACP to the EPA negotiations. Yet, many of the studies conducted, as well as the outcomes of the restitution and consultation seminars, remain confidential or have not been properly disseminated, leaving only a few in the public domain.

As a result, only a limited number of ‘insiders’ (key officials and experts) have a proper overview of the existing sum of knowledge on EPAs, leaving most actors concerned with fragmented or no information.¹ This is the more regrettable as EPA negotiations, once completed, are intended to thoroughly transform not only

the economic relationship between the ACP and the EU, but more importantly, the economic situation of the ACP regions and countries in a pro-development manner (at least in principle). The better and more accessible the information is, the greater will be the awareness about the significant effects this change of paradigm in the ACP-EU relations and the desirable policy orientations.

Technical negotiations

After the determination of the structure and broad framework of the regional ACP-EU trade negotiations, 2005 should mark the beginning of more substantial talks, both on the content of EPAs as well as on the specific characteristics of the accompanying development measures. To reach a development-oriented outcome, trade negotiators on both sides will have to carefully consider the impact of each of their proposition.

Most regions have already started their technical preparation. However, means are limited and progress is slow. One reason is the insufficient mobilization of local expertise. In addition, adequate support mechanisms to facilitate the preparation of ACP regions and countries are still lacking, due to procedural concerns or organizational constraints. Perhaps even more importantly, beyond the broad rhetoric, the political impetus is often limited and there is often no real sense of urgency at the national level.

Uncoordinated efforts

The trade arena remains dominated by the Doha Development Agenda (DDA), arguably rightly so. Yet, the inability by many ACP countries to translate their trade and development objectives into

specific policy positions to be pursued in a coherent and complementary manner between the WTO and EPA fora greatly limits their effectiveness. As a result, the parsimonious technical work on EPAs is generally disconnected from a broader trade policy agenda (and in particular the preparatory work for the DDA). Moreover, it is often conducted in an *ad hoc* manner, with little or no coordination with other countries and regional organizations jointly negotiating the regional EPA

This lack of coordination is worsened by the insufficient sharing of information (such as methodologies, terms of references, outputs, lessons, etc.) among countries of a common region. It follows that technical information remains scattered and access to regional and national expertise often limited. At the same time, regional bodies have taken a lead role in coordinating the technical preparation of EPAs. However, regional technical work is generally conducted by regional bodies and their consultants, often with little input from member countries (due to lack of capacity, interest or consultation). In addition, results tend to be insufficiently disseminated beyond key country representatives involved in the regional negotiation and consultation structures. Hence, while general information on EPAs is often insufficiently available, access to specific information such as technical studies is even more restricted, arguably reinforcing the discrepancy between the EC’s and the ACP regional capacity. Beyond restricted circles, few officials, let alone non-state actors, are aware or have access to technical studies.

ACP regions insufficient cooperation

Cooperation among ACP regions is still marginal. The first all-ACP phase of EPA

negotiations was disappointing: it did not bring about substantial results and the ACP failed to make significant progress in their preparation on technical issues of common interest. They did not manage to grasp the opportunity to generate a momentum across the ACP to exchange views, share information and identify common positions. The EC, eager to start negotiations with ACP regions, did not seem to strongly encourage a common ACP preparation process.

When regional EPA negotiations started from October 2003 onward, all regions seemed more preoccupied to initiate their own regional process than to push for strong cooperation among the ACP. After few months, however, some regions seem to have come closer together, aware of the potential synergies that can be created by sharing information on their respective EPA processes. New informal forms of technical exchanges between officials and experts seem also to have slowly emerged, including across continents. Informal meetings among officials of ACP regions are also taking place.²

Obviously, ACP regions would benefit from sharing more non-sensitive information with one another. By identifying common concerns, they could also create useful synergies, share their experiences and identify common lessons. Yet again, such exchanges, confined to key officials and experts, take place mainly on an *ad hoc* and mostly confidential manner. The broader community of policy makers, diplomats, experts and representatives of private sector and civil society has little access to technical work conducted at national, regional and common ACP levels.

ACP cannot afford wasting capacity

So what? After all, trade negotiations are generally conducted behind closed doors. Why is there a sudden need for transparency? The answer is two fold. First, all ACP countries and regions suffer from extremely limited resources. At the same time, the task at hand is enormous:

- EPAs may have deep repercussions on the ACP economies and their development;

- EPA negotiations cover a broad scope of issues, from traditional market issues to trade-related matters, as well as parallel development considerations;

- the EC possess strong competence, technical capacity, resources and experience to conduct these negotiations, sharply contrasting with the problems faced by the ACP.

In these conditions, the ACP should mobilize as effectively as possible the limited capacity available for these negotiations. Identifying synergies among countries and regions, including by sharing information, becomes a critical instrument to cope with the sophisticated EPA agenda.

EPAs: not an exclusive club

Second, and more importantly, the sheer scope of these negotiations and their far reaching repercussions on the local economies call for a broad involvement of all key elements of the society at large and thorough public scrutiny. Information on the objectives, frame-work, timetable, but also technical content of the negotiations needs to be shared with all interested actors. This is a *sine qua non* condition for their meaningful consultation and participation to the development of their country.

Besides, trade negotiators and officials should draw upon the practical experience and knowledge of private sector and other non-state actors, which are often the best source of trade information, including to identifying concrete obstacles to trade and productions.

The need for sound analysis and assessment of policy options should also serve as an additional incentive for transparency with regards to the policy-making process. Access to public official documents and frequent comprehensive updates of the negotiations will greatly assist efforts by both scholars and civil society representatives.

On the abuse of confidentiality

Too often, trade officials and diplomats refer to the need for confidentiality. Indeed, it is sometimes necessary for the good conduct of negotiations, notably on strategic negotiation tactics and positions. However, the value of the retention of information should always be assessed in respect to the potential positive spillovers that increased information can bring. In too many cases information is perceived as power; confidentiality is thus just a political instrument to bring about greater clout for the bearer of information. In other instances, lack of concerted effort is at fault: too little attention is given to communication or information is only shared through a highly procedural system.

The merits of transparency

Unnecessary confidentiality is a great obstacle to the successful conduct of the

negotiations, whose legitimacy and effectiveness can be seriously limited. This is always the case at national level. It is even more so when negotiations are conducted at the regional level, where countries have to cooperate and reach a common position, as in the case of the regional EPAs.

Lack of transparency *de facto* also reduces the cohesion of the ACP Group. By more systematically promoting a transparent exchange of information and experience, ACP countries and regions will not only manage to avoid wasteful duplication of effort and repetition of potentially harmful mistakes, they would also increase the legitimacy of the determination of their new economic ‘partnership’ with the EU.

The treats of transparency: www.acp-eu-trade.org

www.acp-eu-trade.org offers a free platform to access various publicly available information in English and French on ACP-EU trade related matters. In particular:

An extended searchable **on-line library** provides instant access to the most recent documentation (on trade (-related) issues relevant for EPAs. Relevant documents to be posted on this database should be submitted to acpeutrade@ecdpm.org

A **news section** will offer regular updates on the status of the negotiations and related news.

An open **experts' database** will assist users in identifying the available expertise in the relevant fields for EPA negotiations. To this end, interested trade and development resource persons are invited to register on-line to the experts' database and submit relevant documents to be posted on the site to acpeutrade@ecdpm.org.

A **links database** identifies in a structured manner key websites with relevant information.

A **glossary** facilitates the understanding of technical jargon common in ACP-EU trade circles.

This non-partisan website is an independent initiative by ECDPM and EU-LDC Network, with the support of the Agence intergouvernementale de la francophonie (AIF) and the UK Department for International Development (DFID).

Endnotes

¹ It is to facilitate access to the publicly available information that an initial simple version of the www.acp-eu-trade.org website was launched in September 2002. Parallel initiatives, such as the EPAWatch.net website, were also developed to monitor and increase awareness on the EPA negotiations. Topical websites, such as www.cta.int on agriculture, also provide vital sources of information. For a more complete list, see the links section under www.acp-eu-trade.org

² E.g., see Trade events under www.ecdpm.org.

EPA Negotiations Update

By Melissa Julian, ECDPM

Establishing the Basis to Deliver EPA Development Objectives

Technical negotiations and discussions have started (or are about to start) in most ACP regions on the determination of the policies, instruments and capacity building support necessary for EPAs. EPAs could, if designed and implemented well, have a positive impact on ACP development. As such, the ACP, the EU and other non-state actors will be assessing all negotiators' proposals and their response in these negotiations in light of the fundamental development objectives of EPAs.

Despite their capacity constraints¹, what proposals will the ACP put on the negotiating table? Will they be based on well defined national development objectives, a real assessment of the potential impact of EPAs on these and a sophisticated negotiating strategy to address them? Will they go so far as to identify the specific costs associated with EPAs and include specific proposals on the way the EU can support the ACP through EPA or WTO trade policies and rules, as well as through financial support via other instruments to enhance production, supply and trading capacity and offset adjustment costs? Or do national and regional level capacity constraints and the apparent end of 2007 deadline to conclude EPAs mean that the ACP members with the main constraints to identify and defend their development needs (and which are also the neediest in terms of development) are not and will continue not to be able to be fully involved in the preparations for negotiations, thus preventing the ACP from putting forward proposals which can ensure the true development potential of EPAs is realised?

All eyes will be on the European Commission's (EC) response to the ACP's proposals. At the highest levels, the EC has been reaffirming the central development objective of EPAs, stating its willingness to be flexible in allowing the ACP to define trade provisions and support needs and promising to ensure coherence in EU and WTO policies and rules to work in the interest of ACP countries.² The specific reaction of the EC to the ACP proposals will be measured in relation to these statements. Will DG Trade ensure that their response is based on sound development assessments and

make concessions or change the rules in EPAs or the WTO if necessary? Will they ensure that other parts of the EC and EU Member States move with the same urgency as trade negotiators vis-à-vis the end of 2007 deadline to ensure the necessary changes in policies and the effective and timely delivery of support to increase production/competitiveness? Regardless of whether the issues are dealt with within or outside the formal EPA negotiations, they will determine the development success of EPAs.

In an encouraging move, the European Commissioner for development Louis Michel recently convinced EU Member States to at least maintain the current levels of ACP funding in the next financial envelope. He could usefully continue to press EU Member States to deliver an adequate final amount in light of EPA needs identified. The EC will revise its Financial Regulation this year, thus providing an opportunity to create the conditions for a better implementation of EU funding over the period of the next financial perspectives (2007-2013). EuropeAid could also push for changes in the rules to allow timely support to be provided for EPAs. Time and capacity constraints have so far often resulted in insufficiently elaborated ACP proposals which have not identified specific measures that would ensure that EPAs truly become development tools. How will the EC ensure more urgent and timely capacity support is provided? And in view of the heavy agenda, is more time needed? Some innovative ideas which deserve the serious EU's consideration have been suggested on how to deal with the WTO waiver expiry time constraint, set for the end of 2007. For instance, the Pacific region proposed a series of subsidiary EPA agreements approach designed to provide WTO compatibility and sufficient time and support for regional integration capacity building.

Some of these issues were discussed at a UNDP-ACP Secretariat sponsored workshop for ACP Ambassadors from Brussels/Geneva and negotiators from the six regions, held in Brussels in February³ and separately in a DG Trade-Civil Society consultation in March. The meetings included useful exchanges with civil society representatives, including from the Stop EPA Campaign (see lead article in this issue). ECDPM

also organised an informal meeting of ACP regions.⁴

EU Member States are increasing pressure on the EC to ensure the development objectives of EPAs can be realised. In March, the UK government issued a statement calling for EPAs to be designed to deliver long-term development, economic growth and poverty reduction in ACP countries and challenging the EC's negotiating positions in several areas.⁵ The statement draws heavily on the UK Commission for Africa Report's recommendations on trade and EPAs.⁶ It calls, inter alia, on the EU to ensure that the ACP makes its own decisions on the timing, pace, sequencing, and product coverage of market opening. There are indications that other EU Member States are working on similar positions and that there may be a like minded group of EU Member States which will work to increase the development scrutiny of the EPA negotiations.

Central Africa

Central African and EC negotiators are preparing for the first joint meetings of the Technical Negotiating Groups on Customs Procedures, Trade Facilitation and Border Protection; Technical Barriers to Trade (TBT) and Sanitary and phytosanitary measures (SPS); and the Regional Preparatory Task Force (RPTF) to be held from 21-23 March in Libreville.

West Africa

The first joint Senior Officials' level meeting was held in Brussels from 1 to 3 February. The two sides agreed to establish Technical Negotiating Groups on Customs Union and Trade Facilitation; Standardisation and SPS Measures; Trade-Related Issues; and Services and Investment. The two sides also agreed in principle to establish a fifth negotiating group to examine production sectors, but the precise objectives of this group must be further discussed. The West Africans, like the Central Africans, would like the issues of support for re-enforcement of capacity production and competitiveness to be included in the formal part of the EPA negotiations. The EC agrees that there can be sectoral analysis for products within the EPA negotiating framework, but that discussions on capacity building support are for the RPTF.

The draft indicative framework of a report on the state of regional integration and frame of reference for the EPA was also a major focus of discussion at the meeting. West Africa proposed revisions to the original EC draft proposal to include chapters for mobilising resources for measures for cooperation upgrading, reinforcing capacity in production, economic sectors. The EC maintained that the EPA agreement should be focussed on trade aspects alone, and that aspects relative to the improvement of competitiveness and capacity building support should be dealt with by the other Cotonou instruments to be discussed in the RPTF though some modalities could be found on how to refer to these issues in the EPA framework report. Discussions on this and the draft framework will continue at the next meeting of Senior Officials scheduled to be held in June-July.

Officials also agreed a draft 2005 workplan for negotiations. West African and EC negotiators are preparing for the first joint meetings of the Technical Negotiating Groups on Customs Procedures, Trade Facilitation and Border Protection and on TBT and SPS to be held from 17-19 March in Abuja.

Southern African Development Community

The Southern African Development Community (SADC) and EC negotiators are preparing for the first joint meetings of the Technical Negotiating Group on TBT and SPS to be held from 16-18 March in Gaborone. Negotiators will also examine a draft indicative framework of a report on the state of regional integration and frame of reference for the EPA. It is planned that other areas for negotiations may be included in due course. The RPTF will meet on 21 April in Angola just ahead of a meeting of Senior Officials.

Eastern and Southern African region

East and Southern African (ESA) countries are preparing an outline structure of its offer to the EU which will be discussed at the ESA Regional Negotiating Forum meeting in June. It will include specific proposals to put to the EC on the costs of implementing EPAs and the removal of supply-side constraints based on an analysis of the effects of EPA tariff reduction on revenues and the competitiveness of domestic industries in the region.

Caribbean

EC Trade Commissioner Peter Mandelson met with Caribbean trade

ministers in Guyana in January where he made clear that Europe accepted that further advances in global trade liberalisation must be developmental and must recognise the 'distinctive' development conditions of each developing country. He suggested that a "review mechanism" be established to keep EPA negotiations under constant review so as to ensure that the developmental aspects remain at the forefront.⁷ Caribbean representatives have privately noted that for this mechanism to be an effective tool linking EPAs to development, it must be tasked with marshalling all of the Cotonou development instruments and harnessing them for effective EPA implementation of the primary objective of poverty eradication, and not limited only to the delivery of trade related technical assistance.

The Caribbean region continues its work to identify its regional integration priorities to be supported by an EPA. Three Technical Working Group meetings are envisaged within the next quarter, namely on Services and Investment, Trade Related Issues and Rules of Origin. In addition, the CARICOM-Dominican Republic Joint Council is scheduled to meet at the end of March in order to address outstanding areas of implementation of the FTA and start negotiations on the Agreement's "unfinished business."

Pacific

EC-Pacific ACP countries' technical level officials held a meeting in Port Moresby, Papua New Guinea on 10-11 March to discuss principle and objectives of the EPA negotiations and the state of regional integration.

A meeting of the Ministerial level Pacific ACP Regional Negotiating Team (RNT) was held in Fiji in January, preceded by a meeting of the technical level Trade Experts Advisory Group (TEAG). The RNT considered studies on a Multilateral Fisheries Partnership Agreement and a possible Tourism Partnership Agreement. It also considered a draft regional study on investment and a possible Investment Promotion and Protection Agreement Plus for inclusion in a Pacific EPA.

The RNT considered the Terms of Reference of the Negotiating Groups (NGs) for EPA negotiations as well as the membership and composition of the NGs for the seven priority sectors identified and endorsed by the Pacific ACP States (PACPS) in September 2004. They appointed its Ministerial and Alternative

Ministerial Spokespersons and will decide at their next meeting, following further consultations with individual PACPS, on the composition of the various NGs and the lead negotiators for each NG. The RNT also reviewed the possible sequencing of negotiations on the priority sectors for regional EPA Negotiations proposed by TEAG.

Endnotes

¹ See TNI Vol 4, No. 1, January 2005.

² <http://trade-info.cec.eu.int/doclib/html/121094.htm> and http://europa.eu.int/comm/commission_barroso/mandelson/speeches_articles/temp_mandels_speeches_en.cfm?temp=spm013_en and <http://www.publications.parliament.uk/pa/cm200405/cmselect/cmintdev/uc390-i/uc39002.htm>

³ www.undp.org

⁴ www.ecdpm.org/Web_ECDPM/Web_Content/Content.nsf/vwNavNumbers/2.2

⁵ Economic Partnership Agreements : Making EPAs Deliver for Development, UK Department of Trade and Industry, 22 March 2005 <http://www.dti.gov.uk/>

⁶ Our Common Interest-Report of the Commission for Africa: <http://213.225.140.43/english/report/thereport/cfafullreport.pdf>

⁷ Mandelson's speech: <http://europa.eu.int/rapid/pressReleasesAction.do?reference=SPEECH/>

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Calendar		Resources
WTO Events		
11 April	Working Group on Trade and Transfer of Technology	For richer or poorer: Transforming economic partnership agreements between Europe and Africa , Christian Aid, forthcoming April 2005, www.christianaid.org.uk
11 April	Negotiating Group on Rules (AD/SCM, incl. FS)	International Trade Negotiations, Regional Integration and South–South Trade, Especially in Commodities , UNCTAD, 18 March 2005, http://www.unctad.org/en/docs/ditctnclmisc20043_en.pdf
13 April	Negotiating Group on Rules (AD/SCM, incl. FS)	Our Common Interest: Report of the Blair Commission on Africa , 11 March 2005 http://www.commissionforafrica.org/english/report/introduction.html
13 April	Negotiating Group on Agriculture	Economic and Welfare Impacts of the EU–Africa Economic Partnership Agreement by Stephen Karingi et al., UNECA, March 2005, www.uneca.org
18 April	Working Group on Trade, Debt and Finance	Economic Growth in Latin America and the Caribbean: Stylised Facts, Explanations and Forecasts . By Norman Loayza, Pablo Fajnzylber, and Cesar Calderon. World Bank, March 2005. http://publications.worldbank.org/e-commerce/catalog/product?item_id=4544835 .
19 April	Committee on Agriculture - Special Session	GSP reform: a long-term strategy (with special reference to the ACP) by Chris Stevens and Jane Kennan, Report for DFID, February 2005. www.acp-eu-trade.org
20 April	Dispute Settlement Body	The Development Dimensions of African Cotton . Briefing by the Development Co-operation Directorate (DAC), OECD, 28 January 2005 http://www.oecd.org/document/55/0,2340,en_2649_33721_34355575_1_1_1_1,00.html
20-22 April	WTO Public Symposium	The European Commission outlines its support to ACP Sugar Protocol countries , 24 January 2005. http://europa.eu.int/comm/trade/issues/bilateral/regions/acp/pr240105_en.htm
25-26 April	Negotiating Group on Market Access (The Group will not meet when the TNC is in session)	A Preference Erosion Compensation Fund – A new proposal to protect countries from the negative effects of trade liberalization by Sheila Page, ODI Opinions, January 2005, http://www.odi.org.uk/publications/opinions/35_preference_erosion_jan05.pdf
27-28 April	Negotiating Group on Market Access	Developing country proposals for the liberalization of movements of natural service suppliers . By L. Alan Winters. Development Research Centre on Migration, Globalisation and Poverty, January 2005 http://www.migrationdrc.org/publications/working_papers/WP-T8.pdf
28-29 April	Negotiating Group on Market Access	Risks and rewards of regional trading arrangements in Africa: EPAs between the EU and SSA , By Lawrence E. Hinkle and Richard S. Newfarmer. World Bank Conference Paper. 7 January 2005 http://siteresources.worldbank.org/INTABCEDEWASHINGTON2005/Resources/LawrenceHinklepaper.pdf
28-29 April	Services Symposium	Resource Book on TRIPS and Development . By the UNCTAD–ICTSD Project on Intellectual Property Rights (IPRs) and Sustainable Development, 2005. http://www.iprsonline.org/unctadictsd/ResourceBookIndex.htm
28 April	Sub-Committee on Cotton	
29 April	Integrated Framework Steering Committee	
29 April	Negotiating Group on Market Access	
2-4 May	Negotiating Group on Trade Facilitation	
<i>All WTO meeting take place in Geneva. Please contact the Secretariat for confirmation of dates (also available at http://www.ictsd.org/cal/).</i>		
ACP–EU Events		
18-21 April	Joint Parliamentary Assembly in Mali (Hearings on EPAs in Caribbean, Pacific and West Africa), Brussels	
9-11 May	ACP Council of Ministers in (Brussels)	
11-17 May	Africa Union Trade Ministerial (Cairo)	
Other Trade Events		
22 April	“WTO Compatibility and the Economic Partnership Agreements: Coherence for an ACP development agenda” - ICTSD, ECDPM and Christian Aid meeting. Room C1, World Meteorological Organization (WMO), Geneva. 11:30hrs - 15:30hrs	

Unless specified, meetings take place in Brussels.
 Contact ACP Secretariat, tel: (32 2) 743 06 00, fax: 735 55 73,
 e-mail: info@acpsec.org, Internet: <http://www.acpsec.org/>

