



Economic Partnership Agreements (EPA)

Lucia BALOGOVA
European Commission
Directorate-General Trade

Overview

- *Background*
- *Ambitions and objectives*
- *Challenges*
- *Key development aspects*
- *EPA scope*
- *Alternatives*
- *State of play in Africa*

Background

- **Who?** *EU – African, Caribbean and Pacific (ACP) group of states*
- **What?** *Evolving trade and development partnership*
- **Where?** *Yaunde – Lome - Cotonou Agreements*
- **Why?** *Failure of unilateral preferences; WTO incompatibility*
- **When?** *EPA negotiations since 2002; temporary WTO waiver till end of 2007*

EU-ACP Ambitions

- *Replace unilateral preferences by reciprocal relations, based on diversified trade and international supply chains*
- *Anchor ACP economies into the world economy through trade and regional integration*
- *Establish a secure and sustainable relationship through WTO compliance*

EPA objectives

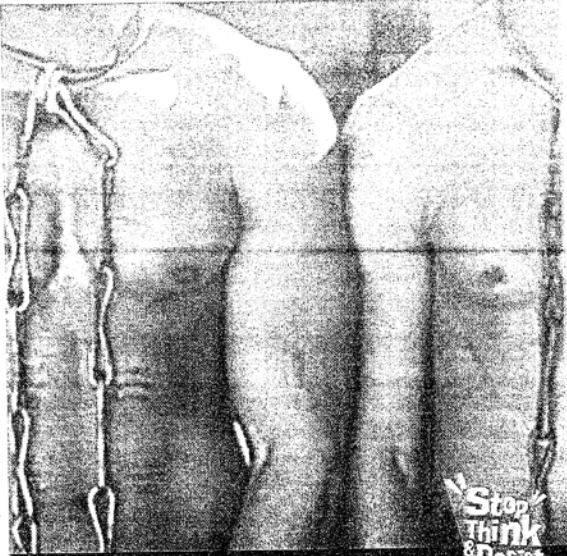
- *Diversification of ACP economies*
 - *Integration of ACPs into world economy; connection to value chains*
 - *Regional integration in ACP*
 - *Reforms in economic governance: business environment: investment, transparency of public procurement, competition, customs rules, etc.*
 - *Boosting competitiveness of local businesses*
 - *More, better and cheaper goods and services for ACP consumers and businesses*
- *Overall objective: sustainable development and poverty reduction - development-friendly trade regime*

Means to get there

- *Interim agreements initialled end 2007 by most ACP EPA regions/countries:*
 - **Coverage: goods, rules of origin, safeguards**
 - **Some regional (ESA, Central Africa, SADC); 2 individual (Ivory Coast, Ghana)**
 - **Market Access Regulation advanced DFQF access to EU market until ratification**
- *Goal: regional comprehensive EPAs, including services, investment, trade related rules, development cooperation...*

But regardless of good intentions...

EPA = RECOLONISATION OF KENYA. SAY NO TO EPA!



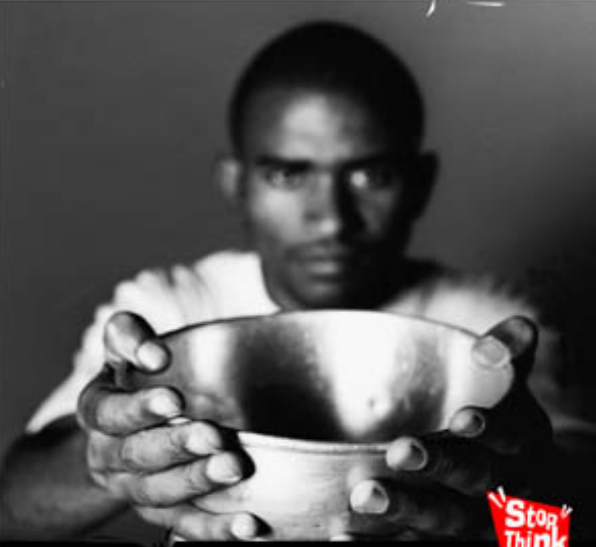
Stop Think & Resist

We are urging you to fight the ECONOMIC PARTNERSHIP AGREEMENTS (EPAs) which are threatening our African Economies, your livelihood and hindering efforts to build unity in our beloved continent. Our future is at risk and only YOU can put an end to what will be modern day slavery. For more information please contact us on 0753 629034 or 0722 264 487

What are our MPs doing to stop the EPA?
Make your voice heard. Get Up, Stand Up! Stop EPAs Now!

STOP THOUGHTS

YOU WILL. SOON BE BEGGING!



Stop Think & Resist

African governments are negotiating an Economic Partnership Agreement (EPA) with Europe. This is not the first time Africa is being offered development. This is not the first time Africa will be deceived. But this is the first time YOU CAN STOP THEM BEFORE THEY STARVE YOU. To find out how visit www.stopthinkresist.org

Anti-EPA campaign continues ...



Challenges for Africa

- *Fears about EU flooding their markets and driving local firms out of business*
- *Fiscal impact - loss of tariff revenues*
- *Fears about losing policy space*
- *Supply side constraints*
- *Lack of experience and capacity in trade negotiations*
- *Regional issues...*

EPAs address development concerns

Different level of development between ACP and EU taken into account:

- *Asymmetrical liberalisation:*
 - **DFQF access for all ACP products to EU market**
 - **Long transition periods for ACP**
 - **Product exclusions for ACP**
- *Policy space and flexibilities for ACP: asymmetric safeguards, protection of food security and infant industry ...*
- *Improved Rules of Origin*

EPAs address development concerns

*EPAs include **development cooperation** provisions:*

- Aid for Trade, e.g. for dealing with net fiscal impact; regulatory reforms; private sector development; building productive capacity; competitiveness ...*
- Funding from European Development Fund (EDF); EU Member States and Regional Aid for Trade packages*

EPAs address development concerns

Making trade work for development:

- *Regional integration - larger markets; viable economic entities*
- *Stable, transparent and enabling business environment to attract investment*
- *Reform and trade diversification*
- *Sustainable development (labour, environment, governance)*

EPA scope

- **All EPAs** (interim and regional) cover: trade in goods; rules of origin; safeguards; customs and trade facilitation; agriculture and fisheries; TBT; SPS; development cooperation
- In **comprehensive** regional negotiations scope decided with partners – no one size fits all: may include also services, investment, trade-related rules (IPR, competition, procurement/ transparency)

Alternative

*Generous **Generalised Scheme of Preferences:***

- *General GSP: all DCs but UMICs from 1.1.2014*
- *GSP+: additional preferences to countries implementing 27 conventions on sustainable development*
- ***Everything But Arms (EBA)** for LDCs*

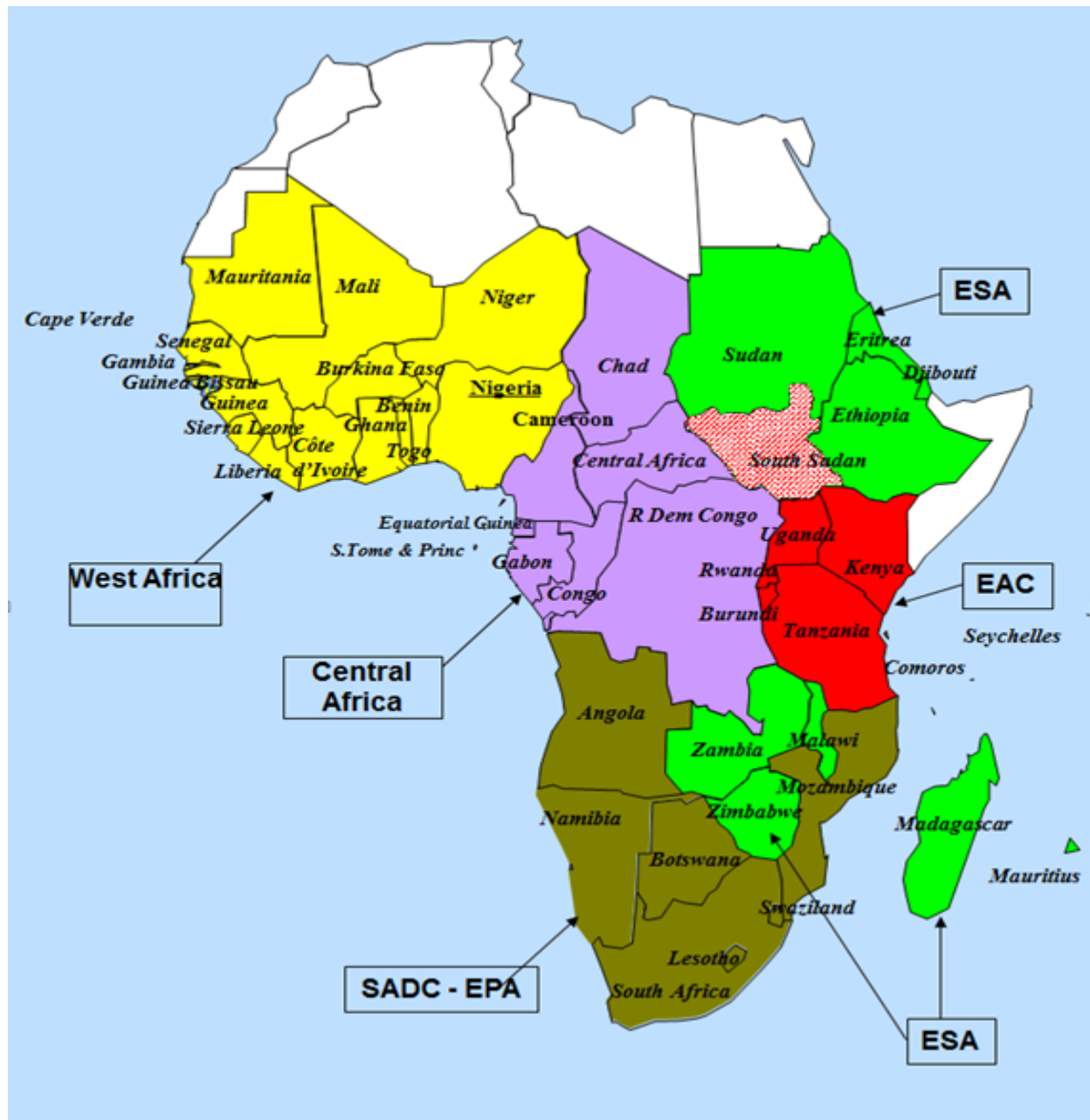
Up to ACP countries to decide whether they want a negotiated partnership or unilateral preferences

Recent game changers

- *Amendment of **Market Access Regulation** 1.10.2014:*
 - *LDCs remain within DFQF through EBA*
 - *Non-LDCs need to ratify/apply an EPA to maintain DFQF access (Botswana, Cameroun, Ivory Coast, Ghana, Kenya, Namibia, Swaziland)*
- *Entry into force of **GSP reform** 1.1.2014:*
 - *UMICs no longer beneficiaries: will trade on MFN basis*
 - *Affected countries in SSA: Botswana, Namibia and Gabon*

State of play in Africa

- *1 interim EPA in application in **ESA** region with Madagascar, Mauritius, Seychelles, Zimbabwe*
- *1 interim EPA pending ratification in Central Africa with Cameroon*
- *3 regional EPA negotiations at advanced stage: West Africa, SADC, EAC*
- *2 regional EPA negotiations less advanced: larger ESA-group, Central Africa*



	EPA/MAR	EBA	GSP
West Africa <i>Non-LDCs are shown in bold</i>	<u>Interim EPA signed:</u> Côte d'Ivoire <u>Initialed, not signed:</u> Ghana	Benin Burkina Faso Gambia Guinea Guinea Bissau Liberia Mali Mauritania Niger Senegal Sierra Leone Togo	Nigeria Cape Verde (GSP+)
SADC <i>South Africa is not included as it has Trade and Development Cooperation Agreement (TDCA) with EU</i>	<u>Interim EPA signed:</u> Botswana Lesotho Mozambique Swaziland <u>Initialed, not signed:</u> Namibia	Angola	

	EPA/MAR	EBA	GSP
Central Africa	<u>Interim EPA signed:</u> Cameroon	Central African Rep. DR Congo (Kinshasa) Chad Equatorial Guinea São Tome	Rep. Congo (Brazzaville) [Gabon graduated from GSP on 1/1/2014]
Eastern / Southern Africa	<div> <u>EAC</u> Burundi Kenya Rwanda Tanzania Uganda </div> <div> <u>ESA</u> Comoros Madagascar* Mauritius* Seychelles* Zimbabwe* Zambia </div> <div> EAC: interim initialled but not signed ESA: *interim applied; Comoros and Zambia not signed </div>	Djibouti Eritrea Ethiopia Malawi Somalia Sudan	

Eastern and Southern Africa (ESA)

- *Interim EPA signed by Madagascar, Mauritius, Seychelles and Zimbabwe – Comoros and Zambia only initialled*
- *Implemented since May 2012*
- *Joint institutions review implementation – good progress reported*
- *Regional negotiations with broader ESA group coordinated by COMESA: 9 LDCs + 3 non-LDCs*
- *Slow progress in regional negotiations; current focus on implementation of interim EPA*

West Africa

- *16 African countries: 12 LDCs + 4 non-LDCs; coordinated by ECOWAS and WAEMU*
- *Negotiations concluded early February subject to political endorsement*
- *Covers trade in goods and development cooperation*
- *Rendez-vous clauses for services and trade-related rules*
- *Next steps: initialling, signature, ratification*

Eastern African Community (EAC)

- *5 African countries: 4 LDCs + 1 non-LDC (Kenya); coordinated by EAC*
- *Negotiations at an advanced stage*
- *Coverage: goods; development cooperation*
- *Rendez-vous: services, trade-related rules*
- *Settled so far: market access, SPS/TBT/TF, development cooperation, institutional issues*
- *Main outstanding issues: non-execution clause, export duties, MFN*

Southern African Development Community (SADC)

- *7 African countries: 3 LDCs + 4 non-LDCs; coordinated by SADC*
- *Special case of South Africa which has an FTA with EU since 1999*
- *Negotiations at an advanced stage*
- *Coverage: goods, GIs, sustainable development*
- *Parallel negotiations on services with 4 countries*
- *Rendez-vous: trade-related rules*
- *Main outstanding issues: agricultural market access with SA*

Central Africa

- *Cameroon to ratify interim EPA*
- *8 African countries: 5 LDCs + 3 non-LDCs*
- *Coverage of regional negotiations: goods, services, investment, trade-related rules, development cooperation*
- *Slow progress (political instability/conflicts; difficult region)*

Conclusion

- *Good recent progress*
- *Political will needed to conclude*
- *Implementation remains a challenge*