

Low Down on EPAs

Issue 6: October-December 2006

Welcome to the latest update from Traidcraft on all things new in the world of Economic Partnership Agreements. In this issue:

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European Commission further isolated over EPAs

"I think we know now that the member states and some MEPs are concerned that the Commission is not necessarily on the same wavelength that they are. [W]e have to continue by persuasive influence and intervention to move the European Commission to get more in line with the positions which are being taken by member states and by MEPs."

(Dame Billie Miller, Chair of the ACP Ministerial Trade Committee and Minister of Foreign Affairs and Foreign Trade for Barbados, Brussels 12th October 2006).

The focus of our logic now has got to be on member states to go and remind the Commission that they have got to go back to basics and back to the original mandate [...]."

(Kaliopate Tavola, Minister of Foreign Affairs and External Trade for Fiji Brussels 12th October 2006)

"All the expectations triggered by this Cotonou Agreement can be jeopardised and can be emptied of their significance if we are not vigilant. [...] If we are to take stock of our progress we are forced to admit that our development needs and concerns have not been taken on board as they ought to be by the European Union. Government officials, Members of Parliament, civil society increasingly agree that the EPAs ought to be challenged."

(Mamadou Diop, Minister of Trade for Senegal, Brussels 12th October 2006)

"EPAs will not bring substantial benefits to the ACP countries [...] On the contrary, those agreements will contribute to marginalising the ACP Group in an ever more competitive world." (Mozambican head of state and current ACP president Armando Emilio Guebeza at the 5th summit of ACP states, 7th December 2006)

"At no point in time was an EPA as a free trade agreement the first choice for the ACP. It was not. But we had no alternative ..."

(Sutiawan Gunessee, Ambassador of Mauritius in Brussels Brussels 12th October 2006).

"If 30 years of non reciprocal free market access into the EU did not improve the economic situation of ACP, how can a reciprocal trading arrangement achieve anything better? [...] There are fears that the liberalization of trade and investment by the gradual removal of trade barriers between the two economic blocs would further widen the gap between the two and probably destroy the little development that some ACP countries have managed to achieve over the past years." (Aliyu Modibo Umar, Minister of Commerce, Nigeria Brussels 12th October 2006)

"Obtaining a road map without prior assessment of possible EPAs' impact on our economies is nonsensical and still it is a fact. Committing to such an EPA is committing yourself to a blank cheque and committing your whole population to a blank cheque."

(Mamadou Diop, Minister of Trade for Senegal Brussels 12th October 2006)

The Joint Parliamentary Assembly "expresses its concern over the current EU proposals for free trade with ACP countries under the Cotonou EPAs leading to the liberalisation of trade including trade in agricultural products, and considers that this policy might cause problems to ACP countries development in particular food security and development of local industries (paragraph 9) [...] [C]alls on the Commission to examine all alternative possibilities including non-reciprocal arrangements as stated in Article 37(6) of the Cotonou Agreement, which

provision should be respected (paragraph 19)” (Resolution on EPA Negotiations adopted at the ACP-EU Joint Parliamentary Assembly, Barbados 20-23rd November 2006)

“We should make very clear that having no agreement is better than having a bad agreement, an agreement that will not serve solve the development aspirations of developing countries.” (Festus Fajana, African Union Commission, Brussels 12th October 2006)

ACP Ministers call upon EU Member States to take action

Trade ministers from across the ACP came together in Brussels in October for a high-level conference – EU-ACP Trade Relations: The Development Challenge of EPAs - hosted by the South Centre and NGOs including Traidcraft, Africa Trade Network and Caribbean Policy Development Centre. They raised their concerns about the development deficit in the EPA negotiations, to an audience of over 200 attendees, including members of the European Parliament, representatives from 12 European member state governments, ambassadors of ACP countries involved in the negotiations, academics, NGOs, farmers groups, trade unions and journalists.

Reflecting a groundswell of discontent among ACP governments and civil society groups, ministers expressed their disappointment at how far the current EPA negotiations had diverged from the development aspirations of Cotonou. Ministers pointed to deep flaws in the process so far, such as the lack of any proper prior assessment of the potential social and economic impacts of these deals. Senegalese Minister Diop said he was not prepared to commit to an EPA under such circumstances, which he characterised as ‘nonsensical’ and ‘putting the cart before the horse’.

Ministers stated that if not properly structured, sequenced and managed, the EPAs could actually undermine ACPs own efforts to transform their economies and build regional integration. Minister Miller from Barbados said the EU’s approach towards regional integration was based on “unrealistic assumptions”. Minister Tavola from Fiji further added that EPAs as currently proposed risk “overwhelming the industrial base we are trying to build”.

Ministers reflected that with so many disagreements and uncertainties, it is unlikely the EPA negotiations can be completed by the deadline of end-2007. Several participants called for the EU to act to have an extension of the present waiver in the WTO that allows preferential market access for ACP states to the EU market.

Ministers sent a strong call to EU political leaders in the parliament and member states to rein in the Commission and to take action to put development at the core of EPAs or offer alternatives. Contrary to the European Commission’s persistent claims that ACP countries have not requested Alternatives to EPAs, this meeting issued a clear call for such Alternatives to be seriously considered as part of the 2006 comprehensive review process.

Speaking at the conference were Barbados Minister of Foreign Affairs and Trade Dame Billie Miller (who is also Chair of the ACP Ministerial Trade Committee and the lead CARICOM Ministerial spokesperson on EPAs), Senegal Trade Minister Mamadou Diop (who is also vice-chair of the African Union Trade Ministers), and Fiji’s Minister of Foreign Affairs and Trade Kaliopate Tavola (who is also the Pacific region’s lead Ministerial spokesperson on EPAs). A speech by Nigerian Trade Minister Aliyu Modibbo was also presented by his representative.

State of Play in the Negotiations

Southern Africa (SADC)

The EC has finally responded to SADC’s proposed EPA framework, which it submitted back in March 2006. SADC had proposed that the least developed countries (LDCs) should be exempt from reciprocal trade liberalisation. They had also stated their wish to exclude the trade-related issues of investment, competition policy and government procurement, because of the absence of regional policies on these issues and the associated risk of prematurely

entering into bi-regional agreements with the EU. At the same time SADC also requested for South Africa to be included in their EPA.

The EC's response to SADC's proposals – for which the Commission is now seeking endorsement from EU member states – seeks to attach a number of aggressive conditions to South Africa's inclusion in the SADC EPA. The Commission's proposals provides no guarantees to the SADC countries of any improvements in market access, putting its protectionist interests in a few sensitive products above market access for the SADC countries.

Moreover, it states that any improved market access would have to be negotiated and would depend upon acceptance of the trade-related issues of investment, competition and government procurement already rejected by these countries.

The EC proposal also states that SADC countries should accept the steep liberalisation commitments already negotiated with South Africa without them having had any part in the negotiations of this prior agreement and without any possibility of protecting their sensitive sectors. In contrast the European Union sets out several European 'offensive interests' where it wishes to see improved access for European exports into SADC – including in agricultural products that receive considerable levels of European subsidies.

West Africa (ECOWAS)

The regional ministerial committee monitoring the West African EPA negotiation has requested a three-year extension of the 2007 deadline. There remain serious divergences between the regions' own priorities and the EC position. ECOWAS, as with each of the other ACP regions, is concerned that there must be an upgrading of the region's competitiveness, which requires the injection of funds from EU. In this regard, the ministers urged the European party to ensure prompt disbursement of funds and coherence between development aid granted to ACP countries under the negotiations and those granted to the EU's own member states.

On investment and competition, the region has made no commitment to negotiate bi-regional rules with the EU, the focus instead being on building regional capacity. The region's ministerial committee has directed the ECOWAS Secretariat and its counterpart for the Economic and Monetary Union of West Africa (UEMOA) to continue their efforts to establish a regional framework on these issues.

Pacific

The Pacific has produced a draft EPA, a detailed analysis of which – conducted by Barry Coates of Oxfam New Zealand - is available on www.bilaterals.org/IMG/pdf/Key_issues_in_Pacific_trade_negotiations_with_the_EU.pdf But, once again the European Commission has been unfavourable in its response to the proposals put forward by the region. Currently there is little agreement between the EU and the Pacific region over any aspect of the region's EPA, beyond the basic architecture.

Notable in the Pacific's proposal is their innovative approach to investment, which seeks to balance the rights and responsibilities for governments and investors. The Pacific's proposals in this area outline an explicitly pro-development model for investment regulation in the region. What they propose is of a very different nature to existing investment agreements which prioritise rights of foreign investors and which restrict the powers of governments to regulate them. The Pacific proposal would provide safeguards for governments to give preferences to local companies and it would include requirements on foreign investors to maintain high environmental standards and labour rights. Part of the Pacific proposal also concerns reforms to the European Investment Bank (EIB)'s approach such that it re-orientates more support to the small and medium-sized enterprises of the region.

The EC has not yet made a full response to this proposal but has already sought to close down options by referring back to its own understanding of what Cotonou does and does not allow for, saying that "We will not be able to re-define what we already jointly agreed in Cotonou on investment related cooperation and the functioning of related institutions".

On fisheries – the region’s most important resource – the Pacific has proposed a regional fisheries agreement that aims to improve the terms that currently exist in bilateral fisheries agreements and strengthen regional cooperation. The EC will not consider a separate fisheries agreement as proposed by the Pacific; meanwhile the EU continues to negotiate bilateral fisheries agreements (it currently has three and it has just renewed its bilateral agreement with Kiribati) in a manner that the region regards as inconsistent with the regional integration efforts.

Caribbean

The Caribbean has announced that it is ready to move to the final phase of negotiations with the aim of concluding ahead of the end 2007 deadline. At the same time the region has made clear that the date of completion will not be reduced to a mechanical issue and that, depending on the outcomes of the Review, more time *may* be required.

The Caribbean and the EU have drawn closer to an agreement on certain aspects including standards (SPS), technical barriers to trade (TBTs) and data protection. However, key divergences remain on the critical issues of market access, regional integration, liberalisation of services and investment and development assistance.

The region maintains its call for additional development assistance (on top of the EDF), while the EC continues to maintain that this is not possible. While the Caribbean appears to have secured agreement from the EC that a chapter on development assistance could be included in their EPA (which the EC had rejected in the case of the Eastern and Southern Africa region), the nature of this development chapter remains unclear.

Campaigning Update

Europe-wide

In November, civil society representatives from 9 different EU member states met in Amsterdam to plan for joint EPA campaigning activities in 2007. The meeting was intended to build on the success of the second day of the Brussels EPA conference in October, when civil society from all 6 negotiating regions came together to share information and make contacts.

In Amsterdam, the meeting aimed to transform these contacts into concrete plans and activities that could be carried out together by campaigns in Member States, in order to create concerted state-level pressure on the German EU Presidency and on the EC. The meeting was a significant success, with all 9 states agreeing to a series of actions including joint statements, press work, an email action and a simultaneous protest across Europe (and hopefully the ACP) – details are given below.

In addition, it was agreed to create a central website to act as a contact point for the different campaign platforms, new ones wishing to join, and to share quotes, materials and future plans. The website www.epa2007.org is currently under construction and is expected to be ready some time in January, but you can check out some of the pages now for an idea of what it will cover. Look out especially for the chance to receive regular email updates on the latest in EPA campaigning.

UK

In the UK this is being followed up with email actions over the next couple of months, which are aimed at Members of Parliament in order to raise their awareness of the EPAs process. UK agencies have also been using Parliamentary questions to reinforce this awareness and to prepare for further challenges to the UK government in 2007.

EPA campaigning is steadily growing, with tens of thousands of postcards already sent to Chancellor Merkel from UK NGOs.

Unions are increasingly interested and Traidcraft has just produced an EPA briefing aimed specifically at unions. In particular, we are hoping to reach out to the new International Trade Unions Confederation, with its 168 million members!

Other campaign activities across Europe:

- **Belgium** – Parliamentary question, lobby meetings, information sharing across Europe and support for Stop EPA international campaign
- **Germany** – 2700 postcards delivered in March, conferences and reports held, regular lobby meetings, preparations for German EU presidency and G8
- **France** – press and radio work, petition to the EC, postcards to Ministry of Trade, conference in French parliament
- **Denmark** – debates at universities, conference on EPAs
- **Italy** – national seminar, lobbying departments of European Relations and Development Co-operation
- **Netherlands** – lobbying politician and political parties, networking with unions

With apologies to everyone for whom we don't have information!

It has also been exciting to note that Via Campesina has recently released a strong statement against EPAs, calling for international mobilisation. For more details, please contact: (Caribbean) Juana Ferrer conamuca@yahoo.es (Africa) Ibrahima Coulibaly i_ibracoul@yahoo.fr / Diamantino Nhamossa diamantino.n@gmail.com (France) René Louail rene.louail@wanadoo.fr (Spain) Javier Sanchez uaga@uaga-aragon.com

Forthcoming Activities

- The **World Social Forum** is taking place in Nairobi, Kenya, from 20-25 January 2007. Activists from around the world will be coming together to hold workshops, meetings and seminars on different aspects of EPAs and their impacts, and we hope to make it THE hot topic for trade campaigning next year. Details of planned activities can be found at www.wsf2007.org
- There will be several joint campaigning activities across Europe in early 2007. In **January**, there will be a statement aimed at the German Presidency, along with associated media work. From **late January** there will also be a joint email action to Angela Merkel and the German trade and development ministers (to run through to June) with 11 Member states currently signed up. For more details contact Glen Tarman [glen@tjm.org.uk]
- In **March**, joint media work is being considered around key meetings of the EU-ACP Joint Ministerial Committee and the informal EU Development Ministers meeting.
- On **19 April**, a simultaneous protest targeting German Embassies is planned in as many EU Member States and ACP countries as possible. Secondary targets include the EC and the 'like-minded' group of Member States, which already have concerns about EPAs. We are hoping that the German government will be lobbied in a record number of countries across the world (via their embassies) on the same day. Please join in if you can – the more countries are involved, the more powerful the protest will be. More information at www.epa2007.org
- In **May**, there is again the possibility of joint media work around key meetings, and European campaigners will be meeting in Utrecht in the Netherlands to look at actions for the Portuguese presidency in the second half of the year.

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