



High Level Technical Meeting

EPAs: The Way Forward for the ACP

Protea Sea Point Hotel, Cape Town, South Africa 7-8 April 2008

Organised by the Commonwealth and ACP Secretariat

Outcomes

1. In response to requests from a number of ACP States, a ‘High Level Technical Meeting on Economic Partnership Agreements: The Way Forward’ was facilitated by the Commonwealth Secretariat in collaboration with the ACP Secretariat. The meeting was held in Cape Town, South Africa on 7-8 April 2008. The meeting was chaired by Hon R. Davies Deputy Minister of Trade and Industry of South Africa and attended by Ministers or their Deputies from Botswana, Namibia; Samoa, Tanzania and Trinidad and Tobago. Also in attendance was Sir John Kaputin Secretary General of the ACP Group of States and Lady Glenys Kinnock, Co-President of the ACP-EU Joint Parliamentary Assembly.
2. The objective of the meeting was to undertake a comprehensive stock taking of EPAs that have been concluded in order to provide countries with an objective and accurate assessment of the content, character and implications of the various agreements that will help guide and inform their policy choices:
3. The meeting benefited from participation by ACP regional EPA negotiators; renowned scholars, Senior Officials, Brussels and Geneva based Ambassadors and representative of the private sectors.
4. In its deliberations, the meeting was also informed by the outcome of the Conference of Africa Union Ministers of Trade and of Finance held in Addis Ababa from 1-3 April 2008, including the Declaration it adopted on EPAs.
5. The meeting recalled that the process towards meeting the deadline of 31 December 2007 was frantic for most ACP States due to time pressure with the

result that 35 out of 77 ACP States initialed interim and full EPAs. Most other ACP States were unable to initial due to the presence of clauses they considered contentious. As a result, there now exists a multiplicity of different trade regimes between the ACP and the EU, a phenomenon which is detrimental to the regional integration processes of the regions concerned, and contrary to the Cotonou objective that EPAs should prioritize regional integration.

6. Therefore, it was necessary to strategize on the way forward to address all issues that are pertinent to moving forward the EPA process.
7. Furthermore, it was agreed that the evaluation of the initialed EPAs, should be based on the general and specific objectives set out in the Cotonou Agreement.
8. The importance of ACP countries forging common positions within and across regions was underscored. Hence the need the urgent need for more coordination among the negotiating regions particularly as regards cross-cutting issues such as rules of origin; the MFN clause; safeguards; dispute settlement and new generation issues. Where possible these should be addressed at continental or all-ACP levels.
9. Although a legal agreement, an EPA should be understood and addressed in a political context where there is an unequal balance of forces in the negotiations.
10. Furthermore, the institutions being set up under EPAs should not undermine existing ones or lead to increased bureaucracy and duplication. Existing institutional arrangements such as the ACP-EU joint Parliamentary Assembly and regional secretariats have a role to play which should be recognized and retained.
11. The meeting was advised that whether States had initialed a full or interim EPA there is still legal space to negotiate resolution of the contentious issues. The meeting was strongly of the view that such an opening must be followed through, and that this should not prejudice the existing preferences granted by the EU.
12. There was general agreement that the development dimension of EPAs reaches beyond financial assistance and aid for trade support and includes all aspects impinging upon the ability of ACP governments and regions and other stakeholders to restructure their economies and to achieve underlying objectives with regard to employment creation, income growth and poverty alleviation.
13. Aid for trade must be additional to existing commitments, and cannot compensate for poorly conceived and hastily drafted provisions of EPAs which inhibit the ability of ACP countries to promote structural economic transformation, hence the need to review contentious clauses to ensure their consistency with national and regional development plans and aspirations.

14. Aid for trade support for production trade adjustments should be additional to existing aid commitments.
15. The meeting noted that the agreements initialed contain legally binding commitments on trade liberalization but they do not contain any commensurate and specific financial commitments for adjustment and trade-related requirements, and called for targeted programmes of assistance to support production and trade adjustments. The meeting further recognized the need for production and trade adjustments to be market-led and private sector based.
16. Full EPAs should lead to twin track process of addressing supply side constraints and other inhibitors to productivity, competitiveness and export led growth; as well as adopting the legislative and administrative measures to support the key production challenges and levels of competitiveness of ACP countries. Aid for trade commitments by EU Member States should focus on these challenges rather than on regulatory requirements. Aid for Trade resources provided on a sustainable and predictable basis by the EU Member States should adequately address these challenges as well as the issue of erosion of preferences.
17. In light of the vast disparity of the EU and ACP partners asymmetric treatment should not merely be in tariff liberalisation but should be given expression throughout the Agreements in areas such as safeguards.
18. Recognizing the increasing importance of these behind the border issues, the meeting reiterated the need for cooperation and capacity building to enable ACP States to put in place policies at national and regional levels that would assist in defining any negotiating positions in these areas.
19. It was generally agreed that ACP countries should take commitments which are WTO plus only in areas of interest to them, and avoid obligations which are administratively burdensome and costly as well as those which restrict policy space.
20. While noting that there is no WTO requirement to negotiate services as part of an EPA, the Cotonou Agreement stresses cooperation, not liberalization and that commitments should be based on experience gained on implementing MFN provisions.
21. Nonetheless, there is a common ACP interest to securing greater commitments in mode IV in the multilateral and EPA negotiations. However, care should be taken to ensure that concessions made in Mode Iv are not circumscribed by provisions which actually make them onerous or virtually impossible to meet. Moreover the concessions should be in areas where the ACP states should be competitive.

The way forward

22. There is a serious need for ACP regions to clearly define their product and trade adjustment needs in line with their wider development objectives.
23. A greater effort to seek understanding and support for ACP positions in the wider constituency of the European Union and other stakeholders in the ACP group such as parliamentarians.
24. To ensure that pro-development EPAs are concluded the EC and ACP regions concerned need to review and renegotiate contentious issues.
25. In compliance with its mandate, the ACP should ensure greater ACP cohesion and unity on EPAs, and in this regard convene an ACP, and Joint ACP-EC Ministerial Trade Committee to address, *inter alia*, the contentious issues as identified in paragraph 5 of the AU Ministers of Trade and Finance Declaration on EPAs of 3 April 2008.
26. The ACP Secretariat should investigate the possibility of creating a clearing house mechanism for sharing of information for different ACP regions.
27. The ACP Group should broaden its interlocutors among its partners in the European Union, including the International Trade and Development Committees of the European Parliament as well as the Directorates General of Trade and for Development.
28. Specific studies on particular issues identified useful to assist in the negotiations should be conducted.
29. The ACP Secretariat/ Commonwealth Secretariat should assist in organizing sensitization seminars for government officials and Parliamentarians and other stakeholders on EPAs and related issues.
30. There should be flexibility to engage the EU side at the appropriate political level (Heads of State and Government, EC Presidency, and EU Member States) to resolve contentious issues that are inhibiting progress in concluding the EPAs.