



EPA Negotiations

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State of Play in August 2008

**ECDPM Trade and Economic Cooperation Team,
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1 Caribbean

After the initialling of a comprehensive EPA by the EC and all CARIFORUM countries, the signing ceremony has been postponed several times. This was due to different reasons, such as time needed for technical preparations of the final document, WTO negotiations that conflicted with the date of EPA signature, and recently the announcement of some Caribbean countries (Guyana, St. Lucia; Grenada also undertaking a review) to hold consultations before signing.

Currently, Caribbean Heads of Government are expected to meet on 8 September to discuss the signature of the EPA. (By this date, national consultations in Guyana are expected to be completed.) Signature might then take place later in September (previously announced to take place on 2 September.)

2 Central Africa

After initialling of the interim agreement by Cameroon only, negotiations with the EC towards a comprehensive EPA are being held at regional level.

The last negotiation round took place in July 2008.

On trade in goods, reportedly a joint text exists based on draft texts proposed by both sides, with outstanding issues including the MFN clause, export taxes, specific import taxes to finance the regional organisations, accompanying measures and safeguard clauses.

The market access offer tabled by Central Africa in July includes liberalisation of 71% of imports over 20 years with a 5 year preparatory period. The EC demands liberalisation of 80% over 15 years.

On trade in services, Central Africa has reportedly tabled a provisional market access offer. (It still needs to integrate lists from Equatorial Guinea or Sao Tomé and Príncipe and member states need to validate the offer). Central Africa submitted a request on services to the EC in May; the EC has asked the region to prioritise among the demands made.



The text of the development chapter was not discussed in detail in July due to lack of time. An RPTF held on 17 July reportedly made progress on the establishment of the regional EPA fund (FORAPE). The BDEAC will be charged with managing the FORAPE and is currently undergoing a process of reform.

The next technical negotiation round is scheduled for 29 September - 7 October 2008.

3 West Africa

After the initialling of individual interim agreements by Cote d'Ivoire and Ghana, negotiations with the EC towards one comprehensive regional EPA are taking place at regional level.

The last negotiation round took place in July 2008.

On trade in goods, sources indicate that a joint text exists with outstanding issues including the MFN clause, export taxes, specific import taxes to finance the regional organisations, EC agricultural subsidies and SPS measures. West Africa tabled a proposal on rules of origin in July; reportedly the EC would like to see several elements of this to be revised.

West Africa currently plans to finalise its market access offer in September. There have been delays in the definition of a regional list of sensitive products, due to the lack of availability of national lists, need to identify a methodology to aggregate national lists into a regional one and discussions on the ECOWAS CET, which is linked to the EPA market access offer.

West Africa is also advancing in defining its Aid for Trade programme and EPA development programme. Both are closely linked and due to be finalised by December. They should be integrated into the broader ECOWAS regional development programme, which is being defined. National studies are currently being carried out to take stock of existing projects and assess future needs.

The next negotiation round at technical and senior official level is scheduled for 20-24 October 2008 in Ouagadougou.

4 ESA

After the initialling of an ESA-EC interim agreement by 5 countries (with separate market access offers but a common text) and an EAC-EC interim agreement, negotiations with the EC towards a full agreement are taking place, both in the ESA and the EAC configuration. In March 2008, ESA countries had announced that they were going to continue negotiations with the EC as a collective body of 16 countries. Accordingly, EAC countries participate in ESA meetings, but they are holding separate EAC-EC negotiations in parallel.



The last ESA-EC negotiation round took place in June 2008.

Sources inform that on market access in goods, discussions are still taking place on liberalisation commitments, on which ESA is expected to submit a proposal. Other outstanding issues include the MFN clause, export taxes, standstill clause and bilateral safeguards. Detailed discussions are taking place on rules of origin and agriculture.

On services, negotiations are taking place based on text proposals by both parties.

On development cooperation, discussions focus on implementation of the development chapter in the interim agreement.

On trade related issues, negotiations are going on.

Reportedly, the next ESA-EC meetings are planned in the second half of September.

Next EAC-EC negotiations are scheduled for 16-18 September 2008.

COMESA, EAC and SADC are planning a tripartite summit in October to discuss the harmonization of trade in the region.

5 SADC

An interim agreement was initiated by Botswana, Lesotho, Namibia (BLNS), Mozambique and Swaziland, but not by South Africa that forms part of a customs union (SACU) with the BLNS countries. Negotiations towards a comprehensive EPA are taking place and include South Africa.

According to Namibia's chief negotiator (speaking in August), the negotiation climate in the SADC-EC EPA talks has improved and the EC appears to have a better understanding of the concerns of Angola, Namibia and South Africa.

The last technical and senior official negotiations took place on 30 June – 4 July 2008.

Reportedly, parties have almost reached agreement on the SACU market access offer that was presented to the EU on 27 June 2008, with some outstanding issues notably on agriculture. Outstanding issues further include an emergency safeguard mechanism, MFN and standstill clauses.

On services and investment chapters, the EC presented a draft text; SADC is still preparing for negotiations in these areas. SADC plans to liberalise one services sector per country and is in the process of identifying these.

Discussions on the concerns of Angola, Namibia and South Africa took place at the level of chief negotiators.

In parallel, the SADC Free Trade Area was launched at a SADC Summit on 17 August 2008.



6 Pacific

After the initialling of interim agreements with the EU by Papua New Guinea and Fiji, negotiations towards a full EPA are continuing at the regional level.

PACP leaders met on 19 August (before the Pacific Forum leaders meeting) and underlined their commitment to conclude a comprehensive EPA by the end of 2008 and stressed that the EPA should reflect the differing circumstances and economic interests of all the PACPS and deliver significant benefits to all of them.

An exchange of letters took place between PACP spokesperson Hans Joachim Keil and Commissioner Peter Mandelson in July. For EPA negotiations in 2008, Keil reportedly requested to focus on finalising outstanding issues including trade in goods, fisheries and development. Negotiations on trade in services and most trade-related issues should be suspended and addressed at a later stage in the future.

EU sources indicate that Mandelson continues to stress the importance of services and investment for development. However, the EU is aware that some PACP countries may not be able to make commitments in these areas. Mandelson, therefore, suggests continuing negotiations with all PACP countries on jointly agreed issues and allowing those which so desire to make commitments on services and trade related issues.

PACPs are currently preparing a response to Mandelson before the next negotiation meetings planned for 15-16 September 2008.

The conclusion of interim agreements (and the planned full EPA) with the EU is likely to trigger negotiations with Australia and New Zealand under PACER. An informal meeting of PACER trade officials in this respect took place in May.

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