

Trade Negotiations Insights

From Doha to Cotonou

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In This Issue

As the regional 'Economic Partnership Agreement' (EPA) negotiations swing into high gear across most of the ACP region, TNI brings you some perspectives from key regional actors on the challenges ahead. Along with our regular 'EPA Update', this issue includes viewpoints on various dimensions of the EPA preparatory processes from trade experts at the Secretariats of the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA). Forthcoming issues will continue to provide views from the regions, including in the next issue, from the Caribbean.

As always, we hope these contributions serve to help our readers in their ongoing work, and we welcome submissions or suggestions on future coverage.

Perspectives for EPA Negotiations – Challenges for the Eastern and Southern Africa Region

By Mark Pearson*

Since the start of the Economic Partnership Agreement (EPA) negotiations in September 2002, and immediately prior to this, there has been a healthy debate taking place on the costs and benefits of EPAs to African-Caribbean-Pacific (ACP) states. On the one hand there are those who hold the opinion that EPAs will, in principle, be detrimental to the economies of ACP States while, on the other hand, there are those who hold the opinion that EPAs could be a useful mechanism for accelerating the economic development and regional integration of the ACP regions.

Preparations are paramount

The eventual outcome of EPA negotiations, and how close EPAs will be to either of the above mentioned scenarios, will depend to a large extent on how well prepared the ACP side is for the EPA negotiations and how well they conduct these negotiations with the European Commission (EC). If ACP regions are internally well organised and utilise the resources they have in an efficient and cost effective manner, they will be better able to take advantage of the opportunities provided to them by EPAs and will be in a better position than they would have been if they simply utilised the provisions of Everything-But-Arms (for least developed countries (LDCs)) or the Generalised System of Preferences (for non-LDCs). If, on the other hand, ACP countries are not able to organise themselves adequately, they will surely lose opportunities they may have had under the EPA process to improve their economic position.

This is not to deny that there will be costs to ACP countries in negotiating EPAs. These include the institutional costs of taking part in the negotiations, the costs of adjusting domestic institutions and

policies, as well as possible revenue losses, higher competition and costs of fiscal adjustments that may be needed. However, unless an ACP country has opted not to implement economic liberalisation measures, these costs are inevitable. The challenge faced by ACP countries in the EPA process is how to make these adjustments under EPAs, and use the provisions of the Cotonou Agreement and the European Development Fund (EDF) to help pay for them, rather than to attempt them outside of the framework of EPAs and at a later date. A further challenge for the ACP is how to obtain additional funds over and above EDF resources to assist in financing the process of adjustment necessary if ACP states are to play a more meaningful role in the global economy.

The ESA perspective

The Eastern and Southern African (ESA) region has placed great emphasis on the fact that, in addition to promoting regional integration; preserving the Lomé *acquis*¹; and being World Trade Organisation (WTO) compatible; EPAs must be instruments for development that contribute to poverty eradication and the



integration of the ACP States into the world economy. In this context, it is imperative that capacity in a wide variety of domains should be built first, then markets enlarged through the removal of barriers to trade and through improving the predictability and transparency of the regulatory framework for trade. This could then in turn create the conditions for increasing investment and mobilising private sector initiatives as well as enhancing the supply capacity of the ACP States. To achieve this, the principle of asymmetry and sequencing should be in-built into an ESA EPA, and due account taken of specific economic, social, environmental and structural constraints in the ESA region, as well as of their capacity to adapt their economies to the EPA process. The EPAs also need to take account of the development policy objectives of the ESA region.

The ESA EPA configuration

In the Eastern and Southern Africa Region an intense and highly politicised debate has taken place over the configuration of countries participating in EPAs. The result is that there has been a split into two negotiating configurations, these being the ESA configuration (comprising Burundi, Comoros, DR Congo, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Uganda, Zambia and Zimbabwe)² and the Southern African Development Community (SADC) configuration (comprising Botswana, Lesotho, Swaziland and Namibia – which as members of the Southern Africa Customs Union are *de facto* part of the Trade Development and Cooperation Agreement (TDCA) negotiated between South Africa and the EC – as well as Tanzania, Angola and Mozambique).

The reasons the ESA Group wish to negotiate as one region include: to

“The principle of asymmetry and sequencing should be in-built into an ESA EPA, and due account taken of specific economic, social, environmental and structural constraints in the ESA region.”

ensure cohesion of the region so that the objectives of the African Union (AU) are promoted; to ensure the solidarity and cohesion of the ACP Group and to preserve the Lomé *acquis*; to avoid forcing countries into making unnecessary choices about membership of Regional Integration Organisations; to make optimal use of scarce resources (technical and financial) and remove duplication of effort; and to take advantage of the leverage a large group of countries can have. This reasoning assumes that the ACP countries in the Eastern and Southern Africa region, which are eligible to negotiate EPAs, have common attributes, including similar development needs. In the case of development priorities, all countries in the ESA Group have a common need for resources to develop infrastructure to reduce the cost of production so that their producers can become more competitive in all markets. In the area of trade, exports from the ESA countries into the EU are similar and include tourism; fish and fish products; horticultural crops and fresh vegetables; tea and coffee; cotton; textiles and apparel; and commodities covered by the commodity protocols (mainly sugar but also including some beef). Furthermore, with similarities in the structure of the economies of these countries, as well as in their market access constraints, it would seem logical for them to negotiate as a bloc with the EC, especially as the process of integration within the region is also being strengthened through the combined efforts of the Regional Organisations.

Lessons from Cotonou and Lomé

The ACP has a long track record of negotiating agreements with the EC, including the Lomé Conventions as well as the Cotonou Partnership Agreement (CPA). In the case of the CPA, at least, the negotiations were limited both in scope and participation. With the EC's 1996 Green Paper on the CPA, they took the initiative early on and set the agenda for the negotiations that followed. As a result, the CPA follows to a large extent the proposals made in the Green Paper, including an agreement to “conclude new World Trade Organisation (WTO) compatible trading arrangements” (Article 36.1), which is the basis for EPAs. The CPA negotiations were largely a Brussels-based affair, with little interest in the process being shown from the capitals. The fact that the lead on the CPA was taken by the EC, in combination with the lack of full

participation by ACP stakeholders, has led to the impression that the CPA was foisted onto the ACP by the EC.

“The ESA region, as an integral part of the ACP, should avoid repeating the mistakes of the past and should prepare itself to take a lead role in the negotiating process.”

A number of lessons can be learned from these past negotiating experiences, including the need to ensure that in the EPA negotiations, the lead initiative is not left solely to the EC to take, and that all stakeholders are involved in the negotiations. This implies a much higher level of organisation and capacity building on the part of the ACP than has been the case in the negotiations leading up to the Lomé Conventions and the CPA. Organisation of the ACP will need to be done on a number of levels, including how ACP regions prepare themselves for the actual negotiations as well as how regions are organised to ensure all stakeholders are included in the EPA negotiating process.

ESA negotiating structure

The ESA Group has opted to negotiate in six clusters (development issues; market access; agriculture; fisheries; trade in services; and trade-related issues). Negotiations with the EC will be done at two levels: at the level of Ministers and at the level of Ambassadors. The ESA Group has selected six Ambassadors (based in Brussels) and six Ministers to lead the negotiations at the two levels, with these Lead Spokespersons supported by technical teams drawn from the ESA region.

The choice of six Brussels-based Ambassadors as Lead Spokespersons in the EPA negotiations is a departure from the more normal practice of selecting a Chief Negotiator to act as spokesperson throughout the entire negotiating process and across all sectors. The advantage of a Chief Negotiator is the continuity provided throughout the duration of the negotiations and between sectors. A Chief Negotiator is in a position, within the mandate given to him, to make concessions in one sector in order to

consolidate gains in another. They are usually an experienced trade policy expert whereas Brussels-based Ambassadors, as diplomats first and foremost, usually have other qualities. However, the strength of the structure currently proposed by the ESA Group is that it has been determined by the ESA region itself to meet the specific needs of the region. There are a number of refinements that still need to be made, such as how to deal with issues of continuity over time and between negotiating clusters, but the structure will continue to evolve to take account of new challenges and the need to co-ordinate the negotiations. As the negotiating process is an evolutionary one, involving all the region's stakeholders, the process itself has already built trade capacity in the region. Consequently, the final outcome will be a strong negotiating structure that will be capable of serving the region not only in EPA negotiations but also in other arenas where required.

The ESA negotiating structure is built from the bottom up. Each ESA country either has established, or is in the process of establishing, a National Development and Trade Policy Forum (NDTPF) which is both multi-sectoral (agriculture, trade, investment, services, etc.) and representative of the public and non-state actors. The function of the NDTPF is to determine what the optimal development and trade negotiating position for that particular country would be and to prepare briefs outlining these positions, which would in turn be used by the representatives of the country in the Regional Negotiating Forum (RNF) in preparation of regional development and trade negotiating positions with the EC.

The Regional Negotiating Forum is the body that prepares negotiating briefs for use by the Lead Spokespersons. The composition of the RNF includes representatives from the capitals of each country participating in the ESA negotiations (public and non-state actors), Lead Spokespersons from Brussels, representatives from one or more regional NGO involved in trade and development issues and representatives of the Regional Organisations involved in the negotiations³.

The ESA region will liaise continuously with the rest of the ACP region throughout the EPA negotiating process through the all-ACP follow-up mechanism and with the Africa Union. Co-ordination between COMESA, EAC, IOC and IGAD will be done through the

existing structure of the Inter-Regional Co-ordinating Committee (IRCC). Co-ordination with SADC will be done through both the IRCC and the SADC-COMESA Task Force mechanism (see chart on page 7 for group compositions).

There is also a need for co-ordination at the technical level between the ESA Group and the EC and this will be done through the ESA-EC Regional Preparatory Task Force (RPTF), the precise composition and functions of which are still to be decided on.

A roadmap and technical preparation

The ESA Group launched negotiations with the EC on 7 February 2004 in Mauritius⁴, with the official launch followed by the first meeting between the ESA Ministers and the EC Commissioner of Trade. This meeting agreed on a joint ESA-EC Roadmap, which among other things, set out the phases to be followed in the negotiations.

These include:

- I- Setting of Priorities and Negotiating Procedures (March-August 2004)
- II- Substantive Negotiations (Sept. 2004 to Dec. 2005)
- III- Continuation and Finalisation (Jan. 2006 to Dec. 2007)

In support of the EPA negotiations the ESA region has secured funding to allow the RNF to meet on a regular basis (the first meeting is scheduled for mid-April) and to finance the necessary technical work and studies needed to support the negotiations. In addition to adopting its Negotiating Guidelines and Mandate, the ESA Group has also adopted its internal Roadmap which sets out areas in which technical work needs to be carried out and defines objectives and terms of reference for this technical work, to be done, in a number of instances, in conjunction with other co-operating partners. The technical work, which will cover the six negotiating clusters mentioned earlier, will build on the all-ACP negotiations and take advantage of work done in other ACP regions as well as EPA and EPA-related work done by other institutions.

Building capacity and maintaining the momentum

In conclusion, it should be said that the process of EPA negotiations is as important as the outcome of the negotiations. This process should be used to build capacity in the region in all sectors (including human resource development, institution building, strengthening the regulatory environment, infrastructural development and strengthening fiscal and financial positions) so that ESA countries are better equipped to meet the regional integration and development objectives they have set for themselves.

The ESA region, as an integral part of the ACP, should avoid repeating the mistakes of the past and should prepare itself to take a lead role in the negotiating process. There is no doubt that the region has the personnel available to do this. What needs to be done is for the region to organise itself in such a way as to ensure that it makes optimal use of the resources it does have; that the process of negotiations is bottom-up and inclusive, taking into account all stakeholders, including the concerns of the most vulnerable economies and the non-state sector; and that the structure of the negotiations is the one which best suits the needs of the region. While a good start has been made in this process, the ESA region needs to ensure the momentum is maintained, especially by organising itself at the national level so that national concerns are adequately addressed at the regional level.

Endnotes

* Advisor Regional Integration, COMESA Secretariat. The views expressed reflect those of the author only.

¹ This refers to the relationship that underpins EU-ACP cooperation.

² This currently totals sixteen countries, but it should be borne in mind that the ESA configuration is based on the principle of inclusiveness and is open to all ACP countries in the Eastern and Southern Africa Region. It should also be noted that some countries in the region are still under political pressure to reassess their configuration options.

³ These being COMESA, EAC, IOC and IGAD, which act as the Secretariat for the RNF, with COMESA taking the co-ordinating role.

⁴ See http://www.comesa.int/news_archive/News_Item.2004-02-04.0802 and http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/04/169|0|RAPID&lg=EN&display

Perspectives for EPA Negotiations: SADC under Pressure

By Regine Qualmann*

At their latest meeting held on 27 February 2004 in Dar es Salaam, Tanzania, Southern African Development Community (SADC) Ministers of Trade and Industry approved the Negotiation Guidelines for SADC's negotiations of an Economic Partnership Agreement (EPA) with the European Union (EU), and proposed May 2004 as a date for the formal launching.¹ Whilst it was recognized that SADC was behind schedule compared to other regions that have already launched negotiations with the EU, Ministers stressed the need for SADC negotiators to enter the negotiations well prepared and with a clear structure and coordinated approach.

The pace of preparations has now substantially increased, but the region is faced with a number of challenges during the period of negotiations, including the need to build both analytical and negotiation capacity focussed on EPAs, to set up institutional structures to coordinate negotiations between SADC EPA Member States and with other EPA regions, and to mobilise the necessary resources for EPA negotiations.

Objectives of SADC EPA Negotiations

SADC Member States adhere to the general objectives and principles as stated in the Cotonou Agreement and the African-Caribbean-Pacific (ACP) guidelines for EPA negotiations. Given the current level of development and the importance of the poverty eradication objective in the SADC region, the ultimate aim of EPAs can only lie in their contribution to this goal. And while the view is generally accepted that trade liberalization has its role to play in achieving this goal, stakeholders throughout the region are equally convinced that, given the structural weaknesses of SADC economies, trade liberalization will by no means translate automatically into growth and sustainable development. EPAs must therefore define a holistic approach to incorporate both trade and development, one that addresses these weaknesses in a more meaningful way than under the Lomé Conventions, so as to help SADC economies build a more competitive and diversified production basis and overcome their numerous supply-side constraints.

With respect to a SADC specific approach to EPA negotiations, the SADC negotiation guidelines state that the EPA should complement – rather than substitute – for the region's own integration programmes, particularly the Regional Indicative Strategic Development

Plan (RISDP)², and assist the region in its efforts to fully implement the SADC Protocol on Trade and to move to a Customs Union. These statements are in line with the conviction that regional integration processes first need to consolidate in a number of areas, including the setting up of appropriate institutional and legal bodies in the region, before such arrangements are put in place vis-à-vis the EU within the EPA framework.

Negotiation Structure

With respect to the Parties to the SADC EPA, it was agreed by SADC Ministers that these are the current Member States that have chosen to negotiate an EPA as SADC, namely Angola, Botswana, Lesotho, Namibia, Mozambique, Swaziland, and Tanzania. South Africa, which is a qualified member of the ACP, has observer status in the SADC negotiations. It was, however, also decided to keep the door open for any other SADC Member State that may later choose to negotiate under the SADC EPA configuration. Ministers moreover agreed to ensure effective coordination and harmonisation between the SADC EPA negotiations and those of other EPA regions in line with decisions taken earlier at SADC, African Union (AU) and ACP levels.

The institutional set-up for SADC EPA negotiations will consist of a three-layer structure, namely Ministers, Senior Officials and Brussels-based Ambassadors, and the SADC Trade Negotiation Forum (TNF). The TNF is made up of Member States' delegations and comprises officials from trade and industry departments as well as representatives from the private sector and other non-state actors. Coordinated and supported by a newly established EPA Unit, the TNF has the task of preparing the work of SADC EPA negotiators throughout the negotiations.

Chief coordinators were designated at the ministerial and ambassadorial level, and a provisional road map for the negotiations was adopted. The final negotiation structure still needs to be set up, and there is an urgent need to assess the costs and resource implications of the negotiations. SADC EPA Member States have agreed to adopt a phased approach to negotiations, with each State taking on the responsibility for one of the identified priority areas. Stage one is to cover market access and development cooperation, and stage two to discuss trade in services and trade-related issues, as well as legal and institutional arrangements for the implementation of the agreement.

Challenges for SADC Capacity Building for Trade Negotiations

With the exception of South Africa, SADC Member States have not yet gathered much experience in multilateral trade negotiations. For most countries in the region trade has not ranked high among national priority objectives, and the resource base of trade ministries is still weak. Regional integration processes are not yet consolidated with respect to trade negotiations, and parallel to the preparation of EPA negotiations all countries are involved in ongoing discussions at the regional or bilateral level concerning the implementation of free trade areas (FTAs) or the establishment of a customs union. The unresolved issue of overlapping memberships in the region further complicates matters and adds to the fact that the scarce analytical and negotiation capacity of most countries is already being overstretched. The SADC Secretariat is currently recruiting additional staff for the coordination of negotiations but this cannot substitute for building capacity in Member States that will eventually have to lead the negotiations.

One important aspect of trade capacity building that has not yet achieved due attention is the urgent need for capacity to undertake independent analysis and assessment of the potential implications for SADC economies of the issues under discussion during all stages of the negotiations. Building such capacity, which includes the compilation and management of the respective databases in the region, is also a prerequisite for the evaluation and monitoring of the impact of EPAs, and of other trade arrangements, once they are implemented. Setting up such structures has only just begun within the regional context.

Mobilisation of Resources

To prepare for and conduct EPA negotiations will be extremely costly for the region. In addition to the capacity building and research requirements referred to above, a large amount of resources will be required simply to coordinate the approach to negotiations among SADC EPA Member States. This will involve a whole sequence of meetings at various levels in addition to the institutionalised SADC meetings, as these will differ in composition due to the specific EPA configuration. Country delegates will have to travel for negotiations or preparatory training and seminars within the region and including to Brussels during the entire period of negotiations. As the involvement of non-state actors should be part and parcel of EPA negotiations this may in some instances involve a large number of delegates per country.

Like other EPA regions, SADC has submitted a proposal to the European Commission (EC) to seek additional funding to cater for these needs. It is, however, quite difficult to estimate the total cost of negotiations at the current stage as there are only vague ideas so far on what this will involve.

Coordination and Harmonisation with other EPA Negotiation Processes

ACP countries had initially strongly defended the position that phase I of EPA negotiations should be conducted at an all-ACP level, resulting in a formal agreement on a number of crosscutting issues such as the rules of origin to be established under EPAs. This view was, however, rejected by the EC, and phase I will end in March 2004 without having reached an agreement on any of those issues. It is now entirely up to the EPA regions to establish a new coordination and follow-up mechanism between themselves in order to ensure that they

jointly defend common interests vis-à-vis the EU.

The need to harmonise positions is even greater in the Southern and Eastern African region where multiple memberships of countries in SADC and in other FTAs or even customs unions should defy the possibility to negotiate different tariff phase-ins with the EU. It would for instance be very complicated for Tanzania to reduce its tariffs towards the EU faster under the SADC EPA than its two partners in the envisaged East African Customs Union, Kenya and Uganda. In practical terms this would mean to apply different external tariffs and potentially other rules of origin to the region's main trading partner, the EU, within the customs union. That completely contradicts the idea of a customs union and would undermine the regional integration process.

Matters are further complicated for the SADC EPA group by the bilateral South Africa-EU 'Trade, Development and Cooperation Agreement' (TDCA). Like EPAs, the TDCA covers both trade and development issues. This FTA between the EU and South Africa will be fully implemented by 2012. This of course has implications for SADC, but in particular for South Africa's partners in the Southern African Customs Union (SACU), namely Botswana, Lesotho, Namibia and Swaziland (often called the "BLNS"). The latter did not participate in the negotiations on the TDCA but will be directly affected by reduced revenue collection on the side of South Africa through the SACU revenue sharing mechanism, and indirectly through increased competition in the South African market with EU products that will soon enjoy the same preferences as BLNS exports. Given the much lower level of development in all other SADC states including in the BLNS countries, a SADC EPA must ensure better market access in the EU than was given to South Africa under the TDCA, and also make greater concessions to SADC with respect to the asymmetry of the agreement. Yet, as was already described above, it will be very difficult to administer several agreements with different requirements within one region.

Alignment with WTO Provisions and the Doha Development Agenda

An additional challenge to be considered here – without implying that the list is exhaustive – is the difficulty faced by SADC Member states to ensure that negotiation positions under EPAs are

in line with current World Trade Organization (WTO) rules and regulations and also with the ongoing discussions in the context of the Doha Development Agenda (DDA). First, this again draws on scarce resources within SADC and calls for coordination between processes.

Second, and even more difficult to address is the fact that WTO discussions are open-ended and therefore prone to changes and uncertainty. What does the envisaged WTO compatibility of EPAs mean under these circumstances? A number of issues with particular importance under EPAs such as special and differential treatment of developing countries in trade arrangements are not clearly defined in the current framework and subject to discussion under the DDA. As a result, SADC Member States like other EPA regions find themselves in the uncomfortable position to negotiate a "pilot case" that might, whether they like it or not, become the model for other North-South trade arrangements. Particularly in the case of the parallel EPA negotiations, there is a fear that one region may establish an agreement with the EU that may appear unfavourable to others but give the EU a strong argument to establish similar conditions in all other regions.

Way Forward

The region faces quite a difficult period. EPA negotiations will draw on scarce resources, both human and financial. They have also already increased the pressure to find economically viable solutions for the issue of double memberships in the region. EPAs were intended to build on and strengthen regional integration processes in the various sub-regions. If they are to accomplish that objective and not to undermine it, there is an urgent need for constructive ideas, and for simple structures and mechanisms to coordinate and harmonise negotiation positions within each EPA region – and between them.

Endnotes

* Trade Policy Adviser, SADC Secretariat. The views expressed reflect those of the author, who is grateful to Mr Fudzai Pamacheche for his comments on the initial draft.

¹ See http://www.sadc.int/index.php?lang=english&path=newscenter/mediareleases/&page=mr06_27022004

² See <http://www.sadc.int/index.php?lang=english&path=about/risdp&page=index>

EPA Negotiations Update: State of Play of the Negotiations

By Melissa Julian*

On 7 February 2004, countries from the Eastern and Southern Africa (ESA) region (comprising Burundi, Comoros, DR Congo, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Uganda, Zambia and Zimbabwe) launched their EPA negotiations with the European Union (EU).

The negotiations are broadly divided into three stages. The first, running up to August 2004, will deal with setting the priorities within the ESA region, decision-making with respect to the composition of technical teams, and coordination with the European Commission (EC) on a Regional Preparatory Task Force (RPTF). The second stage, from mid-2004 to December 2005, will cover the substance of the negotiations, while the last stage (2006-2007) will allow for their finalisation and the enactment of necessary legislation by all parties.

The overall organisational structure of ESA-EU negotiations partly mirrors that of the EU talks launched in October 2003 with Central and West African countries. Negotiations take place at two levels: the ambassador/senior official level and the Ministerial level. Prior to negotiating rounds, preparatory talks at the technical level will take place to coordinate positions.¹

First All-ACP Technical Follow-up Group meeting

The first meeting of the ACP Technical Follow-up Group for Phase II EPA negotiations was held in Brussels in January 2004. The establishment of this mechanism was agreed in October 2003, when the first regional negotiations were launched, in order to ensure circulation of information among the regions and coherence in the various negotiating processes. Despite efforts to stress the non-binding, consultative nature of the mechanism, tensions did arise between representatives of West and Central Africa and the other regions. Representatives from the former two regions, fearing possible attempts by the ACP Secretariat and other regions to place all-ACP conditionalities on regional level negotiations, devoted great attention to procedural aspects. As a result, the meeting focussed mainly on procedural issues to the frustration of many other participants who privately questioned the value of an all-ACP

mechanism that would not be embraced by all regional groupings. As a pragmatic alternative, the need to work along "like-minded" groups to stimulate informal exchanges among regions outside the official ACP framework has been increasingly voiced by regional representatives. Such groups would coordinate and collaborate on regional preparations and on strategic approaches towards EPA negotiations.

The Technical Follow-up Group meeting did agree, however, that the issues to be discussed at the all-ACP-EC level should be limited to: trade-related issues (excluding Singapore issues); rules of origin; dispute settlement; and the non-execution clause. Moreover, ACP regional bodies agreed to convey to the ACP Secretariat their resource requirements and their implementation constraints for EPA negotiations in order to facilitate the preparation of a joint approach for mobilising and accessing requisite resources.

The next meeting will be held in April to precede the first meeting of the ACP-EU Technical Monitoring Committee, Ministerial Trade Committee and Council of Ministers in May 2004.

Whereas the deadline for the conclusion of all-ACP-EU negotiations was set at the end of 1st quarter of 2004, there has been no such conclusion as yet. The EC expressed doubts about the usefulness of such all-ACP level discussions.

EPA resolution nearly not adopted by the Joint Parliamentary Assembly

The ACP-EU Joint Parliamentary Assembly (JPA) held its bi-annual meeting in Addis Ababa, Ethiopia, from 16-19 February 2004.² Some ACP Members of Parliament (MPs) and Members of the European Parliament (MEPs) were unhappy with the compromise EPA resolution that was finally adopted³, preferring the text of the resolution adopted in the Economic Committee the prior weekend. The European Christian Democrats, the

biggest group in the European Parliament were unhappy with the Committee's text and threatened to call for a "separate house" vote in the plenary unless certain wording was removed. A separate vote would have prevented the resolution from being adopted, as was the case with the WTO resolution in the previous JPA (see TNI 3.1). A main point of contention this time around was an article in the draft text calling on the EU to abandon negotiations on Singapore issues in the context of EPAs. The Christian Democrats argued that this contradicted earlier resolutions adopted by the European Parliament. The main groupings of MEPs and ACP MPs eventually worked out a compromise where the mentioned article was deleted, thus allowing for the full adoption of the resolution.

The next meeting of the JPA will take place on 18-25 November 2004 in The Hague and will consider the procedures and speed of assistance to address ACP supply side constraints to prepare for EPAs.

ACP Rules of Origin Meeting

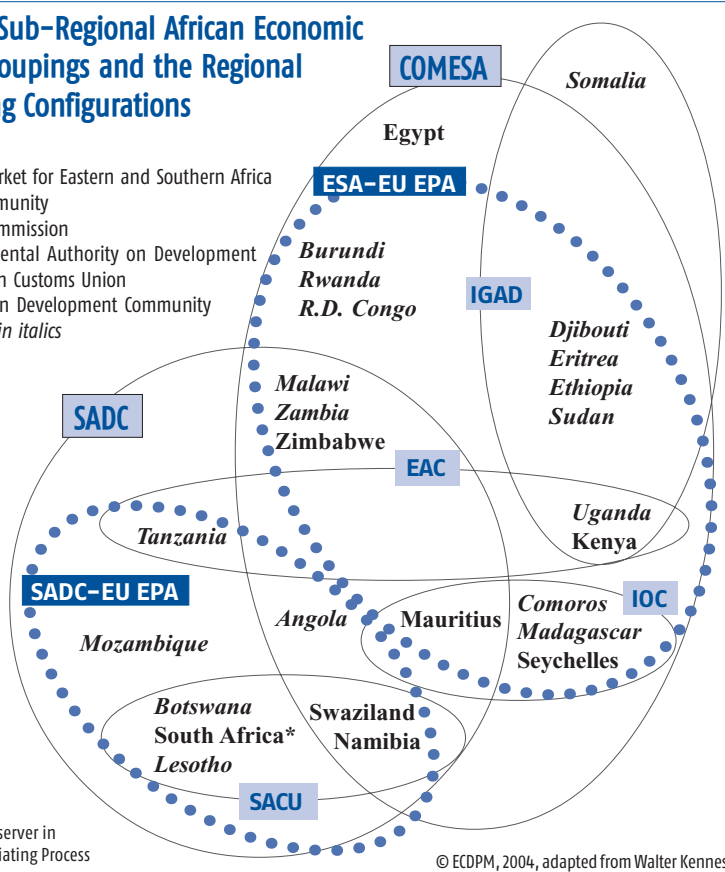
The ACP Secretariat hosted a week long experts meeting on rules of origin in Brussels from 23-27 February to inform the EPA negotiations and feed into the EC's consultation on the rules of origin applied under preferential trade arrangements.⁴

West and Central African Road Maps for Negotiations Remain Elusive

The West African Regional Negotiating Committee (technical level) met in February in Abuja to consider EC amendments to the roadmap agreed by ECOWAS Trade and Finance Ministers in November last year (see TNI 2.4). Positions between the two sides are now closer than at the launch of negotiations last October, but more discussion is still needed on how to frame development issues into the negotiations. West African officials maintained the position of their initial roadmap, calling for a specific EC

Regional and Sub-Regional African Economic Integration Groupings and the Regional EPA Negotiating Configurations

COMESA: Common Market for Eastern and Southern Africa
 EAC: East African Community
 IOC: Indian Ocean Commission
 IGAD: Inter-Governmental Authority on Development
 SACU: Southern African Customs Union
 SADC: Southern African Development Community
 LDC countries shown in *italics*



* South Africa is an observer in the SADC-EU EPA Negotiating Process

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commitment in EPA negotiations to help address West Africa's supply side constraints and increase its competitiveness in order to prepare for and benefit from EPAs. The EC is to reconsider its position, but has consistently indicated that as far as the question of additional resources is concerned, existing Cotonou resources should be sufficient, and that *a priori*, it does not want to commit itself to providing additional resources.

West African Trade Ministers will meet on 26 March 2004 to discuss primarily WTO issues, but also EPAs and the way forward for discussions with the EC. A joint technical level meeting of the Regional Negotiating Committee may also take place in March to agree on a joint road map and begin discussions on ways to support regional priorities.

Central African negotiators have met twice this year at technical and senior official levels to discuss their roadmap for EPA negotiations, which has yet to be formally agreed upon. Member States in the region continue to debate on how to deal with development issues in relation to EPA negotiations. As in the case of West Africa, they are seeking a specific commitment from the EC for additional financial support to help address supply side constraints should these arise. Central African Trade Ministers will meet in Malabo,

Equatorial Guinea, in March 2004 to further discuss these issues.

Key Debates to Come

There are also some important EU and ACP-EU debates in 2004 that will have a potentially profound impact on ACP development cooperation, EPAs and the crucial link between the two. The ACP Secretariat is organizing six Regional Workshops for ACP National and Regional Authorizing Officers (NAO/RAO), Non-State Actors, EC Heads of Delegations and Advisors, representatives of the European Commission, and the European Investment Bank to examine the following issues:

- The process of Mid-Term Reviews (MTR), which are set to start this year⁵;
- Capacity building at NAO and RAO levels and their role in EPAs negotiations;
- Establishment of a NAOs and RAOs Task Force;
- Enhanced participation and involvement of Non-State Actors;
- Adaptation of Country and Regional Support Strategies; and
- The Investment Facility.

The workshops will be facilitated by ECDPM and will take place during the

first half of 2004.⁶ A synthesis report will be compiled following the seminars for presentation to the ACP Council in May with a view to adopting formal ACP positions on these issues.

Negotiations on the Annex IV review are due to start in May 2004 and must be completed by the end of February 2005. The EC reportedly has suggested several amendments, which include the role and responsibilities of the NAO and of the EC.

Endnotes

¹ ECDPM. The author also provides a *Weekly News Update* on EU-ACP relations, available at <http://www.acp-eu-trade.org/news.php>.

² For more information, see the ESA-EU article in this issue.

³ See http://www.europarl.eu.int/intcoop/acp/60_07/default_en.htm.

⁴ See http://www.europarl.eu.int/intcoop/acp/60_07/pdf/resolution03_en.pdf.

⁵ See http://europa.eu.int/comm/taxation_customs/customs/consultations_en.htm for the forthcoming ACP input, as well as the EC Green Paper "The future of rules of origin in preferential trade arrangements".

⁶ See Frederiksen, J. (2003), "Mid-Term Reviews: Performance-based partnerships in ACP-EU cooperation", ECDPM InBrief No.5.

⁷ Dates can be found on the events page of <http://www.acp-eu-trade.org>.

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Calendar

WTO Events

26 March	Special Session of the Committee on Agriculture
29-30 March	Workshop on Domestic Regulation
29-30 March	Committee on Regional Trade Agreements
29-31 March	Negotiating Group on Market Access
31 March	Working Party on Domestic Regulation
1 April	Special Session of the Committee on Trade and Development
2 April	Special Session of the Council for Trade in Services
2 April	Committee on Market Access
7 April	Special Session of the Council for Trade-Related Aspects of Intellectual Property Rights
9 April	Good Friday (WTO Non-working day)
12 April	Easter Monday (WTO non-working day)
19 April	Committee on Safeguards
19 April	Special Session of the Committee on Trade and Environment
19-21 April	Textiles Monitoring Board
20-23 April	Committee on Anti-Dumping Practices
20 April	Committee on Trade and Environment
20 April	Dispute Settlement Body
22-23 April	Special Session of the Dispute Settlement Body
23 April	Committee on Government Procurement
27 April	Council for Trade in Goods
29-30 April	Committee on Subsidies and Countervailing Measures
5 May	Negotiating Group on Rules – Regional Trade Agreements
10-14 May	Geneva Week
11 May	Committee on Trade and Development
11 May	Special Session of the Dispute Settlement Body
17-18 May	General Council

All WTO meetings take place in Geneva. Please contact the Secretariat for confirmation of dates (also available at <http://www.ictsd.org/cal/>).

TNI is also available online:

-> <http://www.ictsd.org/tni>

-> <http://www.acp-eu-trade.org/tni.html>

ACP-EU Events

30 March	ACP Pacific Regional Workshop – Samoa (tbc)
31 March	Workshop for Representatives of the AU and Regional Mechanisms
1 April	Meeting of AU/EU Troikas at Ministerial Level – Dublin, Ireland
2 April	Joint ACP-EC Joint Committee of Ambassadors Meeting – Brussels, Belgium
3-7 May	ACP and ACP-EC Joint Council of Ministers – Gaborone, Botswana
8 May	ACP Southern Africa Regional Workshop – Botswana
21-24 June	4th ACP Heads of Government Summit – Mozambique

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>

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