

Development impact of Economic Partnership Agreements (EPAs)

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The European Parliament adopted by 340 votes to 225, with 13 abstentions, a resolution on the development impact of Economic Partnership Agreements (EPAs).

The text adopted in plenary had been tabled by the **EPP-ED** and **UEN** groups, pursuant to Article 45(2) of the Parliament's Rules of Procedure, in the form of a proposal for a resolution to replace the proposal for a resolution contained in the own initiative report tabled by the Committee on Development.

The resolution notes, above all, that the impact of the EPAs will take the following forms:

- the reduction of net customs revenues and its effect on the budgets of the ACP States;
- the improvement of the supply of ACP countries' economies;
- growing exports to the EU from ACP countries through improved Rules of Origin, which would lead to economic growth, more employment, and increased state revenue;
- regional integration in the ACP regions;
- the successful use of financing for Aid for Trade in connection with the EPAs;
- the implementation of reform measures in the ACP countries.

Moreover, the Parliament stresses that EPAs are an instrument to development which contribute to reducing poverty, achieving the Millennium Development Goals (MDGs) and respecting fundamental human rights such as the right to food or the right to access basic public services. It also recalls that neither the conclusion nor the renunciation of an EPA should lead to a situation where an ACP country may find itself **in a less favourable position** than it was under the trade provisions of the Cotonou Agreement.

Re-establish an atmosphere of confidence: the Parliament calls on the Council, the Commission the EU Member States and ACP countries to re-establish an atmosphere of confidence and constructive **dialogue** in so far as it has been damaged in the course of negotiations. It also calls on them to recognise the ACP states as **equal partners** in the negotiation and implementation process. In this respect, the Parliament stresses that any trade agreement between ACP and EU, affecting the livelihood of the population, should be the result of an **open and public debate** with full participation of ACP national parliaments.

Increase Development Aid in spite of the global financial crisis: the Parliament urges the Member States not to decrease Official Development Aid (ODA), even in this time of global financial crisis. On the contrary, it urges them to increase Aid for Trade, which contributes to the positive impact of the EPAs on development. However, the Parliament stresses that signing an EPA is not imposed as a precondition to receive Aid for Trade Funds and that the increases in ODA promised by the Member States should, as a priority, be used to redouble efforts to attain the Millennium Development Goals in those ACP countries which are hardest hit by the consequences of the global financial and food crisis.

Make best use of the funding available: the Parliament urges the Commission and the ACP countries to make best use of the funding available for Aid for Trade in order to support the reform process in areas essential for economic development, to improve infrastructure where it is necessary, to compensate the net loss of customs revenue and encourage tax reform so that public investments in social sectors are not reduced. The funds should also be used to invest in the production chain, to invest in training and provide support for small producers and exporters to meet EU sanitary and phytosanitary criteria.

Do not undermine regional integration: the Parliament stresses that EPAs concluded with individual ACP countries, or with a group of countries not including all countries within one region, run the risk of undermining regional integration. It therefore calls on the Commission to recalibrate its approach taking account of this risk, and ensure that concluding EPAs does not endanger regional integration. The agreements must also respect the **asymmetry in favour of the ACP countries** regarding both the range of products targeted and the transition periods. It also underlines that the EPAs must provide firm guarantees of protection for those sectors which the ACP countries identify as sensitive.

Revision clause: the Parliament calls on the Commission to give ACP negotiators sufficient time to evaluate the agreement and to make suggestions before adopting the relevant agreement. The EPAs should also incorporate a revision clause for **a revision 5 years after their signature**, to which national parliaments, the European Parliament and civil society must be formally associated. This period will enable a detailed evaluation of the impact of EPAs on the economies and regional integration of the ACP countries.

Good governance and monitoring by a parliamentary body: the Parliament urges the ACP governments to implement necessary reforms in order to realise good governance, in particular in the field of public administration, such as in public financial management, collection of customs duties, the tax revenue system, the fight against corruption and mismanagement. It also highlights the need for stronger **monitoring and evaluation** provisions in the EPAs which will determine the impact of the EPA on country and regional development and poverty reduction objectives. Moreover, it stresses the need to increase transparency in the negotiations and their outcomes in order to allow for public scrutiny by policy makers, parliamentarians and civil society representatives.

Protect forests: lastly, the Parliament stresses that it is crucial that forests, biodiversity and indigenous people or forest-dependent people are not put at risk. ACP countries should be allowed to implement rules that limit the export of timber and other unprocessed raw materials.