Resolution on the stepping stone Economic Partnership Agreement between the EC and Central Africa

2009/2538(RSP) - 25/03/2009 - Text adopted by Parliament, single reading

Following the debate which took place during the sitting of 23 March 2009, the European Parliament adopted by 517 votes to 56 with 39 abstentions a resolution on the stepping-stone Economic Partnership Agreement between the European Community and its Member States, of the one part, and Central Africa, of the other part. The resolution was tabled on behalf of the Committee on International Trade. Parliament notes that, as it was not possible to conclude a regional agreement with all the countries of Central Africa before the end of 2007, the EC and Cameroon initialled a stepping-stone Economic Partnership Agreement on 17 December 2007. The Commission is still negotiating a parallel agreement with all the Central African States. Parliament also notes that there is so far limited competition between the EU and Cameroonian economies, as EU exports consist of goods Cameroon does not produce but needs either for direct consumption or as inputs for domestic industry. This is not the case with regard to trade in agricultural goods, where EU export subsidies represent a serious obstacle for ACP producers in the agricultural, livestock and dairy sectors, disrupting and often destroying both local and regional markets, and the EU should therefore phase out all kinds of export subsidies without delay;. The possible increase of EU exports to Cameroon following the Interim EPA (IEPA) should not hinder local production and infant industries, since EPAs should contribute to the diversification of ACP economies.

Members stress that these agreements cannot be regarded as satisfactory unless they achieve the following objectives: offering the ACP countries support for sustainable development; promoting their participation in world trade; strengthening the regionalisation process; revitalising trade between the EU and ACP countries; and promoting the economic diversification of ACP countries. They also stress the original raison d'être of these agreements, namely development, poverty reduction and contributing to the achievement of the MDGs. Achieving these objectives will require targeted protection of the ACP countries from certain possible negative consequences resulting from the implementation of EPAs.

Parliament considers that to demand 80% liberalisation by value of trade is an interpretation of the General Agreement on Tariffs and Trade (GATT) that does not take sufficient account of the fact that the EU is negotiating with some of the poorest countries in the world, which have differences in their level of development and sensitive sectors. However, it recognises the benefits that the signing of the IEPA has had for exporters, by expanding the possibilities for exports to the EU after the expiration on 31 December 2007 of the preferential tariff treatment provided for under the Cotonou Agreement, and therefore avoiding the damage which could have been caused to ACP exporters had they been obliged to operate under less favourable trade systems.

It goes on to consider that, in order to guarantee food security in Cameroon and in the region, a policy of long-term support for local agriculture needs to be put in place, including trade policy instruments which enable market regulation and the protection of sustainable family agriculture. The potential for State intervention in this area should not be restricted. Parliament stresses that these topics must be placed at the centre of the negotiations in order to guarantee the coherence of trade policy and all the EU's policies with regard to food sovereignty and the right to food.

The resolution criticises the use of the EDF as the primary source of financing for the Regional EPA Fund, when additional financing was anticipated. It points out that the amounts allocated under the National Indicative Programme for Cameroon and the Regional Indicative Programme are insufficient to

bring the Cameroonian economy up to standard, which the signing of an EPA would entail. EU financing must help both to bring ACP countries" economies up to standard and to offset the losses in customs revenue.

Parliament also made the following points:

- it encourages a further lowering of tariffs between developing countries and regional groups, which today account for 15 to 25 % of the value of trade, to further promote south-south trade, economic growth and regional integration;
- the future EPA with Central Africa must under no circumstances endanger the cohesion or weaken the regional integration of those countries;
- the uncertainties surrounding the outcome of the Doha Round and the settling of the dispute over bananas within the WTO require the EU to pay special attention and take priority action to safeguard the future of the banana sector in Cameroon and the Central African region;
- it underlines the need for a global-impact assessment of the EPA, after its implementation, by national parliaments, the European Parliament and civil society, and calls for the possibility of revising the liberalisation timetable if necessary;
- the EU should provide increased and adequate assistance to the authorities in ACP countries and to the private sector in order to facilitate economic transition following the signing of the IEPA;
- the regional EPA cannot simply transpose the IEPA with Cameroon. The latter is not representative of the diversity of the 8 countries in the region, which do not have the same priorities and needs with regard to liberalisation timetables, transition periods and lists of sensitive products. The regional EPA should be sufficiently flexible in order to take these specific features into account.

This resolution should be read in parallel with the EU-Central Africa stepping stone Economic Partnership Agreement which is the subject of a separate assent procedure (see AVC/2008/0139).