Resolution on the Interim Partnership Agreement between the EC and the Pacific States

2010/2851(RSP) - 19/01/2011 - Text adopted by Parliament, single reading

Following the debate which took place during the sitting of 17 January 2011, the European Parliament adopted by 540 to 120 against and 20 abstentions a resolution tabled by the Committee on International Development on the Interim Partnership Agreement (IEPA) between the EC and the Pacific States, to which Parliament will have to give its consent prior to the Agreement's entry into force in the EU, following the entry into force of the Lisbon Treaty in December 2009. It stresses that the IEPA is aimed at keeping the market open for exports from Papua New Guinea and the Fiji Islands and allowing negotiations on a comprehensive EPA if so desired by the states concerned. The latter two countries are the only members of the Pacific regional grouping to have entered into the agreement so far, with other members of that grouping choosing not to sign because of their lower levels of trade in goods with the EU. Members recall that, whilst the IEPA can be regarded as a first step in the process, in legal terms it is a completely independent international agreement that may not automatically lead either to a full EPA or to all the initial signatories of the IEPA signing the full EPA.

Parliament turns to fisheries and fisheries-related products, noting that **fisheries and fisheries-related industries** show significant potential for future export increase, provided fisheries are conducted in an environmentally sustainable manner. The EU and the ACP countries have negotiated new and more flexible rules of origin which will bring considerable benefits if implemented appropriately, in full accordance with the purpose of the agreement and with due regard for the reduced capacity levels of those countries. **The derogation from the rules of origin in the interim EPA** covers the entire production chain, from extraction of raw materials to processing, marketing and export. Members stress that the purpose of the specific provisions on rules of origin for fisheries products is to develop onshore fish processing capacity in the ACP Pacific states, so as to generate local employment and income. They point out that the interim EPA has paved the way for the development in Papua New Guinea of industrial projects such as the Pacific Marine Industrial Zone in Madang, which is expected to produce more than 400 000 tonnes of canned tuna over two years. Parliament is concerned and alarmed, in this context, by measures such as the Papua New Guinea authorities' recent review of environmental legislation, which in practice waives the requirement to submit environmental reports for such projects and hinders the claims process. It feels that the Commission should provide technical, political and financial assistance in order to improve employment opportunities for women in the Pacific states, bearing in mind that the fisheries industry as a primary source of employment for women in the Pacific region.

The resolution notes with concern that the Western and Central Pacific Fisheries Commission (WCPFC) has reported that third countries – in particular China – which have been investing in large-scale industrial projects in Papua New Guinea since the establishment of the new rules of origin have massively increased their fishing capacity in the area, and that this is set to continue, increasing the risk of over-exploitation of fish stocks, and the risk of illegal, unreported and unregulated (IUU) fishing and over-fishing, which are not conducive to the sustainable development of the local fisheries industry. Even though Papua New Guinea and Fiji have limited fishing capacity and therefore a limited supply of wholly obtained fish and limited on-land processing capacity, the derogation from the rules of origin for processed fishery products, which is being actively used by Papua New Guinea, has turned that country into a genuine hub for the processing of huge quantities of tuna from a variety of sources (including the Philippines, Thailand, China, the United States and Australia). Parliament draws attention to the fact that the derogation from the rules of origin may have a destabilising effect on the EU's fish processing and canning industry.

Accordingly, it calls on the Commission to present to Parliament as soon as possible **a report on these specific aspects of the Pacific states' fisheries sector and on the management of fish stocks in the Pacific**, including sustainable development practices. It calls on the Commission to initiate without delay the consultations provided for in Protocol II annexed to the IEPA, and to enact the suspension of the exceptional arrangements regarding the rules of origin in the event that the assessment report demonstrates a destabilising effect on the EU's fish processing and canning industry. Such a report on the implementation of the special rules of origin must be prepared in the course of 2011 and it must look at the economic, social and environmental impact of the global sourcing derogation on the population of Papua New Guinea, particularly coastal communities. Parliament asks for immediate information about the terms of reference of this report and as to whether all stakeholders and affected parties, including civil society organisations in Papua New Guinea, will be consulted.

It goes on to point out that the agreement may also have **implications for relations between the Pacific region and its closest and largest trading partners**, Australia and New Zealand, and that it must be ensured that the stipulations of the current agreement do not act as an impediment to future trade agreements with those countries.

Members also insist that the Pacific region receive an **appropriate and equitable share of the EU Strategy on Aid for Trade**, with a commitment to increase collective EU trade-related assistance to EUR 2 billion annually by 2010 (EUR 1 billion from the Community, and EUR 1 billion from the Member States). They stress that these funds should be additional resources, and not merely a repackaging of EDF funding.

Members express support for a comprehensive EPA between the EU and the Pacific states, and discuss the key issues that must be negotiated, which include intellectual property rights, government procurement and working visas.

Parliament also calls on the Commission, in view of the commitments made by the Council in September 2007 in connection with the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS) Agreement and access to medicines, **not to negotiate pharmaceutical-related TRIPS-plus provisions affecting public health and access to medicines in the EPA**, to refrain from requesting adherence to or acceptance of the obligations of the Patent Cooperation Treaty and the Patent Law Treaty, to refrain from incorporating the terms of Directive 2004/48/EC, and not to introduce disciplines such as non-original database protection into the EPA.