

The economic partnership agreements

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The Committee on International Trade adopted by a majority of its members the own-initiative report drafted by Mr. Robert **STURDY** (EPP-ED, UK) on Economic Partnership Agreements (EPAs) with third countries. Considering that EPAs must be designed as instruments for development and that they must contribute to increased economic growth, regional integration and the reduction of poverty, Members view EPAs as representing an opportunity to revitalise ACP-EU trading relations, promote ACP economic diversification and regional integration and to reduce poverty in the ACP countries. This is why they call on the Commission and the Member States to ensure greater policy consistency in agreements under negotiation according to the European Consensus on Development and to promote the principles of asymmetry and flexibility.

They urge ACP governments to implement good governance rules, drawing, inter alia, on the technical assistance provided for under the Aid for Trade instrument and call on EPA negotiators to increase their efforts to complete negotiations before the end of 2007.

Committee members call on the Commission not to exert undue pressure and - in the event of negotiations not being completed by 1 January 2008 - make efforts at WTO level to seek to ensure that disruption of existing ACP exports to the EU is avoided pending a final settlement. In this connection, they stress the need for greater **transparency** on the progress and substance of the negotiations and for parliamentarians and other stakeholders in the ACP countries and the EU to be consulted on the EPA negotiations.

Convinced that EPAs should be complementary to an agreement on the DDA and not an alternative and that a pro-development conclusion to EPAs could be a first step in a development-focused multilateral agreement, Members consider that flanking measures should be put in place to boost ACP countries' competitiveness. In this regard, Members call for:

full duty-free, quota-free market access **for the ACP countries** as well as simplified, liberalised and more flexible rules of origin in EPAs than is the case under EBA, taking into account the differences in the level of industrial development between the EU and the ACP countries as well as among ACP countries;

the pacing, timing and scope of liberalisation to be gradual and flexible in order to improve ACP regional integration and competitiveness, and to ensure that development objectives are given priority.

Measures are also called for to promote fair trade, reinforce food security and protect sensitive products. In particular, Members call for the establishment of a mechanism designed to monitor the impact of EPAs on ACP countries, as well as additional technical assistance to ACP countries involved in trade negotiations and for those undertaking fiscal reform programmes.

ACP countries are invited to put forward, with appropriate EU-assistance where required, detailed, costed proposals of how and for what additional EPA-related funds are needed, particularly with regard to regulatory frameworks, safeguard measures, trade facilitation, support in meeting international Sanitary and Phytosanitary and Intellectual Property standards and the composition of the EPA monitoring mechanism.

Recalling that ACP countries are often heavily dependent on primary commodities, Members call on the EU to develop more effective instruments of support to production adjustment and diversification, as well as the development of processing industries and SMEs in ACP countries.

In particular, the Committee asks the Commission, in accordance with Article 37(6) of the Cotonou Agreement, where non-least developed ACP countries are not in a position to enter into EPAs, to examine possible ways of offering those countries an alternative framework for trade, which is equivalent to the existing situation and which is in conformity with WTO rules. It calls upon the Commission to make proposals for development-oriented alternatives that offer more than mere market access, as is the case for EBA and GSP+.

The Commission is also asked to promote social standards and decent work in the EPA trade negotiations to simplify and to reduce the bureaucratic burden of EDF requirements.

Members call for the EU not to include in EPAs provisions that constitute an additional barrier to access to **essential medicines**.

Returning to the regional aspect of EPAs, Members call for practical intra-regional measures and a dispute settlement system for EPAs.

Other measures called for by the Committee include:

- the introduction of appropriate programmes to enable phytosanitary and other EU health and environmental standards to be reached in a timely fashion so that ACP exports to the EU are not hindered;
- the mobilization of international support for a revision or clarification of Article XXIV of the GATT Agreement with regard to the Free Trade Agreements between parties with different levels of development;
- a systematic analysis of the social impact of EPAs on the groups most at risk, including young people and women in the ACP countries;
- the creation of a Parliamentary Oversight Committee on EPAs - within the EU-ACP Joint Parliamentary Assembly – to publicly monitor and review the trade and development impact of EPA implementation, to improve policy coherence for development and to design mechanisms to ensure accountability and regular reporting of EPAs contribution to equitable and sustainable development.