

# The economic partnership agreements

2005/2246(INI) - 23/05/2007 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on the own-initiative report by Robert STURDY (EPP-ED, UK) on Economic Partnership Agreements (EPAs) with third countries, by 550 votes in favour to 59 against with 59 abstentions, and called for the Commission to make the conditions for the agreements less onerous for these countries. The report makes a number of recommendations: simplified, liberalised and more flexible rules of origin, full duty-free, quota-free market access for the ACP, workable safeguards, dispute settlement and monitoring mechanisms with transparent provisions and a real power to act in the event of changes caused by EPAs having a harmful effect on sectors of ACP economies. These positive aspects need to be correctly framed in negotiations.

Parliament reaffirmed its view that, if appropriately designed, EPAs represent an opportunity to revitalise ACP – EU trading relations, promote ACP economic diversification and regional integration and to reduce poverty in the ACP countries. By the end of the EPA negotiations no ACP country should, in its trade relations, find itself in a more unfavourable situation after 2007 than under current arrangements. Parliament stressed the need to ensure policy coherence for development. It expressed concern at the slow pace of the negotiations and the consequent lack of tangible progress, but called 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. The Commission was urged to show more flexibility towards ACP concerns. Parliament asked for greater transparency on the progress and substance of the negotiations. It asked the Commission, when requested, to provide ACP countries with additional technical assistance for trade negotiations, and assistance to ACP countries which decide to undertake fiscal reform programmes.

Parliament called for full duty-free, quota-free market access for the ACP 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 pace, timing and scope of liberalisation must be gradual and flexible in order to improve ACP regional integration and competitiveness, and to ensure that development objectives, such as the avoidance of adverse social impacts, particularly towards women, are given priority. The special case of the EU Member States' overseas regions and territories must be taken fully into account in the EPA negotiations, especially the outermost regions referred to in Article 299(2) of the EC Treaty.

It was essential to ensure that ACP countries preserve the right to protect some sensitive products. Parliament called for a transparent monitoring mechanism to be set up at both regional and national levels in order to follow the impact of EPAs with increased ACP ownership and broad stakeholder consultation. It noted the poor levels of revenue collection in many ACP countries and called for additional support for tax reforms and measures for the prevention of tax evasion. The impact of falling customs revenue on ACP budgets could entail public spending cuts in key sectors such as education or health, and Parliament called on the EU to help to set up the compensation mechanisms required to avert consequences of this sort.

It stated that it understood ACP reluctance to negotiate bilaterally on so-called Singapore issues which have been removed from multilateral negotiations and recognised that it is for ACP regional groups to judge the development benefits of any agreements on these issues. 77 poor countries opposed the inclusion of negotiations on Singapore issues in the DDA agenda. However, appropriately framed agreements on investment, competition and government procurement, accompanied by a credible regulatory environment, could contribute to shared aims of good governance and transparency, creating an environment that should enable greater private-public partnership, particularly in relation to key

infrastructure development. Parliament expressed disappointment at the fact that, so far, insufficient advantage has been taken of the opportunity provided by the review to involve parliamentarians and other stakeholders.

Parliament went on to ask the Commission to make proposals for development-oriented alternatives that offer more than mere market access, as is the case for Everything But Arms initiative and the special incentive arrangement for sustainable development and good governance (GSP+). It recalled that bilateral negotiations on trade in services must abstain from pressuring ACP countries into offering any liberalisation of basic public services, respecting the right of countries to regulate public services. It called on both parties to recognise that sound regulatory frameworks are an essential part of any liberalisation process.

The EU should not to include, in EPAs, provisions on intellectual property rights, since they constitute an additional barrier to access to essential medicines. The EPA system must be used to help ACP countries implement the forms of flexibility provided for in the Doha Declaration. Parliament pointed out that, by virtue of the 2001 Doha Declaration on the TRIPS Agreement and Public Health, the EU has undertaken to place public health before its trading interests.

Parliament stressed that the regional aspect of EPAs was essential for boosting not only North-South but also South-South trade. However, insufficient attention has been paid to that matter by the European side and achieving proper intra-regional integration might even be more important than launching a programme for inter-regional integration.

Lastly, Members call for the creation of a joint Parliamentary Trade and Development Committee within each Economic Partnership Agreement working with the ACP-EU JPA to publicly monitor and review the trade and development impact of EPA implementation, to design mechanisms to ensure accountability and to address EPA-related concerns from both regional and all-ACP perspectives.