

## **EPAs News Update - April 2009**

The EPA negotiations with West Africa are close to a conclusion. A round of Technical and Senior negotiations is scheduled from the 28th April to the 7th May and further negotiations are foreseen in May on a date yet to be determined. It is apparently the intention of both the EU and the Western African countries to conclude the negotiations by June. Thus far in the West African region only Ghana and Ivory Coast have signed stepping stone EPAs. Currently 12 West African countries are considered Least Developed Countries (LDCs) and benefit from free access to the EU market under the Everything but Arms (EBA) program of the EU.

West Africa seems willing to accept the soft wording proposed by the EU on agricultural subsidies. At the last negotiation round in February West Africa asked for a longer timeframe for liberalization than the EU was willing to concede. On services the EU asks for greater reciprocity and openness than currently proposed by West Africa. On Intellectual Property Rights the West African Proposal is limited to what is foreseen in the TRIPS, whereas the EU wants to go further. Great divergences still exist on the Most Favoured Nation (MFN, meaning that the receiving nation will be granted all trade advantages that any other nation also receives) clause, strongly supported by the EU and on West Africa's request to be able to reintroduce duties in order to protect industrial and agricultural products.

The EU is pushing ahead with EPAs without taking into consideration the current financial crisis and the impact it has on Africa. West African countries should insist on the timeframe of liberalisation they proposed. In the same way they should not give in to the European Commission's (EC) requests on the MFN clause. Only two weeks ago the European Parliament decreed that the EC should "demonstrate flexibility" on the MFN. The reduction of the tariffs will lead to a serious revenue loss for the West African states, which will encounter great difficulties in finding alternative sources of income and are likely to be forced to cut back government spending, particularly in the social services field. On services West Africa should not agree on the inclusion of the so-called Singapore issues (government procurement [contracts], trade facilitation, investment regulation), which developing countries have thus far successfully managed to maintain outside the WTO agreements. Agreeing to it would mean to have to grant European multinationals the same conditions, which are granted to local, far weaker companies. On intellectual property rights West Africa should refuse to agree on anything that goes beyond what is already foreseen in the TRIPS.

Also the EPA negotiations with Central Africa are ongoing. The next round of negotiations will be held on the 20th April. The last round of negotiations in February focused on a work plan for the next rounds of negotiations and the finalisation of the 10th European Development Fund's (EDF) Regional Indicative Program. Thus far Cameroon is the only Central African country having signed an interim EPA. With the exception of Congo and Gabon, the other Central African countries benefit from the EBA scheme. The main concerns here regard the impact EPAs and the ensuing trade liberalisation will have on the local agricultural production and on food sovereignty. Local agriculture lacks the necessary resources and infrastructure to benefit from free market access and on the other hand risks to be swept away by cheap

imports from developed countries. Investments in development programs and an only prudent opening of the markets are therefore necessary in order to make the impact of trade liberalisation sustainable. The upcoming EPA negotiation round should take these preoccupations into serious consideration.

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