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EC-Central Africa stepping-stone Economic Partnership Agreement

P6_TA(2009)0182

European Parliament resolution of 25 March 2009 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

(2010/C 117 E/24)

The European Parliament,

- having regard to its resolutions of 25 September 2003 on the Fifth Ministerial Conference of the World Trade Organisation (WTO) in Cancún ⁽¹⁾, of 12 May 2005 on the assessment of the Doha Round following the WTO General Council Decision of 1 August 2004 ⁽²⁾, of 1 December 2005 on preparations for the Sixth Ministerial Conference of the World Trade Organisation in Hong Kong ⁽³⁾, of 23 March 2006 on the development impact of Economic Partnership Agreements (EPAs) ⁽⁴⁾, of 4 April 2006 on the assessment of the Doha Round following the WTO Ministerial Conference in Hong Kong ⁽⁵⁾, of 1 June 2006 on trade and poverty: designing trade policies to maximise trade's contribution to poverty relief ⁽⁶⁾, of 7 September 2006 on the suspension of negotiations on the Doha Development Agenda ⁽⁷⁾ (DDA), of 23 May 2007 on Economic Partnership Agreements ⁽⁸⁾, of 12 December 2007 on Economic Partnership Agreements ⁽⁹⁾ and its position of 5 June 2008 on the proposal for a Council regulation applying a scheme of generalised tariff preferences for the period from 1 January 2009 to 31 December 2011 and amending Regulations (EC) No 552/97, (EC) No 1933/2006 and Commission Regulations (EC) No 964/2007 and (EC) No 1100/2006 ⁽¹⁰⁾,
- having regard to 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,
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific (ACP) Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 (the Cotonou Agreement),
- having regard to the Conclusions of the General Affairs and External Relations Council (GAERC) of April 2006, October 2006, May 2007, October 2007, November 2007 and May 2008,
- having regard to the Commission Communication of 23 October 2007 on Economic Partnership Agreements (COM(2007)0635),
- having regard to the General Agreement on Tariffs and Trade (GATT), in particular Article XXIV thereof,
- having regard to the Ministerial Declarations adopted at the Fourth Session of the WTO Ministerial Conference on 14 November 2001 in Doha and the Sixth Session of the WTO Ministerial Conference on 18 December 2005 in Hong Kong,
- having regard to the Joint Strategy on Aid For Trade adopted by the Council of the European Union on 15 October 2007,

⁽¹⁾ OJ C 77 E, 26.3.2004, p. 393.

⁽²⁾ OJ C 92 E, 20.4.2006, p. 397.

⁽³⁾ OJ C 285 E, 22.11.2006, p. 126.

⁽⁴⁾ OJ C 292 E, 1.12.2006, p. 121.

⁽⁵⁾ OJ C 293 E, 2.12.2006, p. 155.

⁽⁶⁾ OJ C 298 E, 8.12.2006, p. 261.

⁽⁷⁾ OJ C 305 E, 14.12.2006, p. 244.

⁽⁸⁾ OJ C 102 E, 24.4.2008, p. 301.

⁽⁹⁾ OJ C 323 E, 18.12.2008, p. 361.

⁽¹⁰⁾ Texts adopted, P6_TA(2008)0252.

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- having regard to the report and recommendations of the Aid for Trade Task Force, adopted by the WTO General Council on 10 October 2006,
 - having regard to the United Nations Millennium Declaration of 8 September 2000, which sets out the Millennium Development Goals (MDGs) as criteria collectively established by the international community for the elimination of poverty,
 - having regard to the community undertakings on Official Development Assistance (ODA) given in the 'Monterrey Consensus', adopted on 22 March 2002 by the United Nations at the International Conference on Financing for Development, in the Gleneagles Communiqué, adopted by the G8 on 8 July 2005, in the Conclusions of the Council and the Representatives of the Governments of the Member States meeting within the Council on EPAs, adopted on 27 May 2008 in Addis Ababa, and in the Doha Declaration on Financing for Development, adopted on 2 December 2008 by the United Nations at the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus,
 - having regard to the Accra Agenda for Action, adopted on 4 September 2008 by the States participating in the Third High-Level Forum on Aid Effectiveness,
 - having regard to Rule 108(5) in conjunction with Rule 103(2) of its Rules of Procedure,
- A. whereas, as it was not possible to conclude a regional agreement with all the countries of Central Africa before the end of 2007, the European Community and Cameroon initialled a stepping-stone Economic Partnership Agreement on 17 December 2007; whereas this agreement was signed on 15 January 2009 in Yaoundé,
- B. whereas the primary objectives of that agreement, as with all the EPAs, must be sustainable economic and social development and the eradication of poverty, as well as support for regional integration and promotion of the participation of the ACP economies in the global economy,
- C. whereas the Commission is still negotiating a parallel agreement with all the Central African States,
- D. whereas account should be taken of the diversity of the economic and social profiles of the eight Central African States, six of which are landlocked and five of which are least developed countries (LDCs) benefiting from free access to the European market under the 'Everything But Arms' initiative,
- E. whereas the opening-up of these countries to European exports needs to be accompanied by development aid and substantial technical assistance,
- F. whereas the Commission and the Member States each undertook in October 2007 to provide an additional EUR 1 billion (EUR 1 000 000 000) annually under the Aid for Trade initiative in order to help developing countries improve their trade capacity, whether or not they have signed EPAs, and whereas the region of Central Africa should therefore receive a fair and equitable proportion of this sum,
- G. whereas 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; whereas 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; whereas 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,

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1. Stresses 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 European Union and ACP countries; and promoting the economic diversification of ACP countries;
2. Stresses, in particular, the original *raison d'être* of these agreements, namely development, poverty reduction and contributing to the achievement of the MDGs;
3. Believes that achieving these objectives will require targeted protection of the ACP countries from certain possible negative consequences resulting from the implementation of EPAs, providing support to help them gain real benefit from trade preferences and promoting their economic and social development; calls on the Commission and the Member States to provide increased and adequate assistance to facilitate economic transition following the initialling of the IEPAs;
4. Encourages the negotiating parties to finish the negotiations as planned during 2009; encourages the parties to take every possible measure to be in a position to finalise a comprehensive EPA between the ACP countries and the European Union before the end of 2009 as planned;
5. Recognises that WTO rules required the conclusion of an agreement by 31 December 2007; notes however that the Commission pushed to conclude comprehensive EPAs before that date, when limiting the agreement to goods alone would have made it possible to comply with European Community commitments to the WTO;
6. Considers that to demand 80 % liberalisation by value of trade is an interpretation of Article XXIV of the 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;
7. Recognises the benefits that the signing of the IEPA has had for exporters, by expanding the possibilities for exports to the European Union 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;
8. Welcomes the fact that the European Union is offering ACP countries full duty-free and quota-free market access to the European Union for the majority of products, to support the liberalisation of trade between the ACP countries and the European Union;
9. Points out that, if the agreement were confirmed, major efforts as well as substantial EU aid and technical assistance would be required to bring the Cameroonian economy up to standard;
10. Believes that, despite Cameroonian agricultural products having preferential access to the European market, the EPA cannot bring about the development of Cameroonian agricultural production unless production capacity is strengthened and modernised through technical and financial investment;
11. Notes that the large gap between levels of public spending on agricultural subsidies between the EU and ACP economies disadvantages farmers in the ACP countries by decreasing their competitiveness both domestically and abroad, as their products are more costly in real terms;
12. Supports therefore the agreed tariff-line exclusions focused on agricultural goods and some processed agricultural goods, given that they are based chiefly on the need to protect infant industries or sensitive products in these countries;

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13. Considers 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; considers that the potential for State intervention in this area should not be restricted; 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;
14. Urges the negotiators of any comprehensive EPA to account fully for the transparent management of natural resources and to outline the best practices necessary in order that the relevant countries may make the maximum gains from such resources;
15. Calls on the Commission to clarify how funds stemming from the pledged priority spending within the increased Aid for Trade budget are actually distributed throughout the ACP region;
16. Calls for early determination and provision of the share of the Aid for Trade resources; stresses that these funds should be additional resources and not merely repackaging of EDF funding, that they should conform to the priorities of the Central African region and that their disbursement should be timely, predictable and in line with the execution schedules of national and regional strategic development plans; opposes any kind of conditionality linked to the signature of EPAs in the matter of granting EU aid and calls on the Commission to guarantee that access to the funds of the 10th EDF is kept separate from the results and pace of the negotiations;
17. Believes that the timetable for committing and paying out EU funds should be respected, as agreed in the regional and national indicative programmes, since such funds are essential to accompany the ACP countries in the liberalisation process;
18. Recalls Parliament's repeated requests for the EDF to be incorporated into the EU budget; criticises the use of the EDF as the primary source of financing for the Regional EPA Fund, when additional financing was anticipated; 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;
19. Emphasises that EU financing must help both to bring ACP countries' economies up to standard and to offset the losses in customs revenue; calls on the Commission to indicate as soon as possible its methods for calculating the net fiscal impact of the EPAs;
20. Insists that, in keeping with the Principles set out in the Paris Declaration on Aid Effectiveness, aid must be, inter alia, demand-driven, and calls on the ACP countries, therefore, to state 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;
21. Urges the relevant countries to provide clear and transparent information about the economic and political situation and development in these countries, in order to improve cooperation with the Commission;
22. Highlights the importance of intra-regional trade and the need for increased regional trade links in order for sustainable growth to be ensured in the region; underlines the importance of cooperation and congruency between different regional entities;
23. 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;

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24. Stresses that the future EPA with Central Africa must under no circumstances endanger the cohesion or weaken the regional integration of those countries;
25. Calls on the Commission to do its utmost to restart the negotiations on the DDA and ensure that trade liberalisation agreements continue to promote development in poor countries;
26. Is convinced that comprehensive EPAs should be complementary to an agreement on the DDA and not an alternative for ACP countries;
27. Considers that the uncertainties surrounding the outcome of the Doha Round and the settling of the dispute over bananas within the WTO require the European Union to pay special attention and take priority action to safeguard the future of the banana sector in Cameroon and the Central African region;
28. Welcomes the safeguard measures provided for in the agreement, but points out that the instruments provided for their adoption are complex, which could limit the chances of implementing them; calls on both parties to avoid unnecessary abuse of these safeguards; calls on the Commission to accept, within the framework of the ongoing negotiations with a view to concluding a comprehensive EPA, a revision of the safeguards contained in the interim EPA in order to guarantee appropriate, transparent and quick utilisation provided that the criteria for their application are met;
29. Underlines the need for a global-impact assessment of the EPA, after its implementation, by national parliaments, the European Parliament and civil society; calls for the possibility of revising the liberalisation timetable if necessary;
30. Calls for the production and export of higher value-added processed products to be supported, in particular by simplifying and making more flexible the rules of origin, which should take into account the differences in industrial development between the EU and the ACP countries and between the ACP countries themselves;
31. Acknowledges the establishment of transition periods within the IEPA for small and medium-scale enterprises (SMEs) in order for them to be able to adapt to the changes put in place by the agreement, and urges the authorities of the states concerned to continue to support the interests of SMEs in their negotiations on a comprehensive EPA;
32. Calls for the European Union to 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;
33. Emphasises that the regional EPA cannot simply transpose the IEPA with Cameroon; points out that Cameroon is not representative of the diversity of the eight 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; calls for the regional EPA to be sufficiently flexible in order to take these specific features into account;
34. Considers that the current offer by the Central African region to liberalise 71 % of its trade over a 20-year period, with a 5-year preparatory period, is not compatible with WTO requirements, which provide for 80 % liberalisation over a 15-year period;
35. Recommends a flexible, asymmetric and pragmatic approach in the ongoing negotiations for a full EPA; calls on the Commission, in this context, to take particular account of the request by the Central African region concerning the development aspects of the agreement; welcomes in this regard the Conclusions of the GAERC of May 2008;

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36. Calls on the Commission to respond unconditionally and in a flexible way to demands by ACP countries to review contentious issues in the IEPAs, including the definition of 'substantially all trade'; the Most Favoured Nation (MFN) clause, obligations concerning the elimination of export taxes, the standstill clause and bilateral and special safeguards;
37. Calls for the Commission, in the event that Central African States which are not among the LDCs do not wish to sign an EPA, to examine all alternative possibilities in order to provide those countries with a new framework for trade which is in conformity with WTO rules;
38. Recalls that EPAs should be compatible with the WTO rules, which do not require or forbid liberalisation commitments on services or the so-called 'Singapore Issues';
39. Calls on the Commission not to include provisions on intellectual property in the EPAs, which would hinder access to essential medicines; calls on the European Union to use the EPA framework to help ACP countries apply the flexibilities provided for in the Doha Declaration on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and Public Health;
40. Stresses that the EPAs should include enhanced chapters on development for the achievement of the MDGs and for the promotion and strengthening of basic social and human rights;
41. Stresses that any comprehensive EPA must also include provisions regarding good governance, transparency in political offices, and human rights;
42. Stresses that Parliament should be kept informed on a regular basis and actively participate in the EPA negotiating process; points, in this context, to Parliament's role of scrutiny and early warning, as well as the willingness of Members to trigger a more in-depth dialogue between the European institutions and representatives of the ACP countries and civil society;
43. Recommends that Parliament's timetable, while maintaining a certain degree of flexibility, should take into account the opinions of the parliaments of the ACP countries on the results of the EPA negotiations before giving its assent;
44. Calls for appropriate and transparent monitoring mechanisms - with a clear role and influence - to follow the impact of EPAs, with increased ACP ownership and broad stakeholder consultation;
45. Stresses in particular the crucial role of ACP parliaments and non-state actors in the monitoring and management of EPAs, and asks the Commission to guarantee their involvement in the ongoing negotiation procedures; takes the view that this requires a clear agenda for further negotiations, to be agreed by ACP countries and the European Union and be based on a participatory approach;
46. Considers it important that, in the implementation of EPAs, an appropriate monitoring system should be established, coordinated by the relevant parliamentary committee and involving members of the Committee on International Trade and of the Committee on Development, ensuring an adequate balance between the maintenance of the leading role of the Committee on internal trade and overall consistency on trade and development policies; considers that this parliamentary committee should operate in a flexible manner and actively coordinate its work with the ACP-EU Joint Parliamentary Assembly (JPA); considers that this monitoring should start after the adoption of each interim EPA;
47. Instructs its President to forward this resolution to the Council, the Commission, the Governments and Parliaments of the Member States and of the ACP countries, the ACP-EU Council of Ministers and the ACP-EU Joint Parliamentary Assembly.
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