

Position and recommendations of West African civil society organisations on the Economic Partnership Agreement between West Africa and the European Union.

Document emerging from 2nd CSO consultations organised by ENDA and TWN AFRICA, held in Dakar from 13 to 15 June 2005

We, the representatives of the civil society organisations intervening on trade and development issues in countries of the West African region, meeting in Dakar from 14 to 16 June, for the second consultations on the Economic Partnership Agreements negotiations between ECOWAS and the European Union, thank the Heads of ECOWAS member States for giving us the opportunity to participate effectively in the EPA negotiations as a member of the negotiating structure.

After examining the state of the negotiations and several consultations held between 2004 and 2005, at both national and regional levels, we agreed on and adopted the following conclusions and recommendations:

1. Even though the negotiation process has not made much progress, significant developments have been registered. These include the adoption of the road map for the negotiations and the setting up of joint technical groups. In the course of 2005, senior officials of West Africa and the European Union held two meetings, and the thematic discussions were launched. The senior officials discussed the structure of the EPA frame of reference, among others, and adopted the joint report of Working Group 1 on the Free Trade Zone, the Customs Union and Trade Facilitation.

2. We observe that in the views of the ACP regions and EC, the stated goal of EPA is development; its added value is development financing and the preferred strategy is supporting the existing regional integration process. However, while the two parties seem to agree, in theory, about the EPA goals and strategies, fundamental divergences surface at every stage of the discussions as regards the real content of the negotiations and the EPA and the gap between the two parties' understanding of the EPA's object seems to widen as the discussions progress.

The EC is negotiating a purely commercial EPA and believes, on the one hand, that the issue of development is dealt with elsewhere in the Cotonou Accord and on the other, using dogmatic arguments, states that a simple policy change will necessarily result in growth and development. For its part, West Africa posits that the EPA covers the two aspects, development and trade.

The way in which some fundamental questions such as development issues, the consolidation of regional integration, the choice of joint thematic groups as well as ACP-EC cooperation in international bodies, are dealt with perfectly illustrates this dichotomy, the European Commission's double language and the liberal free-market orientation which prevails in the ongoing discussions.

3. The EPA negotiation is conducted concomitantly with other trade talks at the regional (ongoing regional integration process) and multilateral (WTO) levels, notably, thus the need to maintain consistency between the national and regional development choices and the different commitments at the various regional, EPA and multinational levels.

4. The region has an extraordinary short 3-year period to complete its regional integration process which is required for the implementation of the EPA as well as to conduct and conclude the EPA negotiations themselves.

5. Considering the outcome of the negotiations so far, it is observed that West Africa has distinctly negative provisional results, if we base our judgement on its starting positions and on the roadmap as well as on the composition of the joint technical groups.

The consensus reached after 10 months of discussions on the roadmap is, in substance, in line with the European positions. Consolidating regional integration is still the priority, but the completion of the process will not be a preliminary condition for the trade negotiations. Likewise, improving competitiveness, building capacities and financing adjustment costs will be taken into account. However, West Africa is responsible for this component and the EC does not undertake to provide the required additional resources, even though it admits, on West Africa's insistence, that complementary resources could be sought to that effect.

However, the EC's agreement as regards possible complementary resources has an extremely minor impact, since the roadmap states that possible additional funds to those allocated in the framework of EDF could be sought, in particular, from Member States and donors. The EC has thus avoided taking any undertaking to support the integration strengthening process and to improve competitiveness. It has also succeeded in imposing that anything concerning the required support should not directly be a part of the negotiations. This aspect will be dealt with by the Regional Preparatory Task Force (RPTF) which is not a negotiating body but an organ meant to back up the negotiations. Moreover, the competence of the RPTF is restricted to the EDF.

The integration of West African countries, both within their own region and in the rest of the world, is a key condition for the development of these countries to the advantage of their populations. It is also an essential preliminary condition for the defence and protection of their economies in the face of constraints imposed on them by their « subordinate » position in relation to Europe and within the global order, in general. Such regional integration should be underpinned by the requirements relative to the development of the economies as well as the needs of the populations of these countries, and be based on the full participation of the people.

6. While West African countries have conducted their own regional integration programme, over the past decades, many fundamental issues are still to be defined. In most sectors linked to the development of these countries, common policies have not yet been formulated with precision, and many agreements have not been systematically implemented. Besides, many countries of the region lack coherent development policies and strategies on the basis of which they could formulate strategies relative to multilateral trade agreements.

Going by the EC statements and commitments, particularly in the Cotonou Accord, West Africa expected the EPA to contribute in consolidating the ongoing regional integration process. Today, we observe that in many sectors, the pressure on the EPA negotiations have

distorted the autonomous dynamics and the integrity of the regional integration process. The latter is very likely to melt into the EPA implementation¹. It can be considered as a diversion of the objectives of integration which will no longer be effected on the basis of development policies and strategies adopted by the region, but on the basis of the reforms required for the creation of a free trade zone with the EU.

The adoption and setting up of the five joint thematic groups², which deals mostly with market access issues while a consensus on production issues has yet to be reached, again show that the region continues to give in to EC pressures without receiving anything in return.

In short, not only did the EC not make any commitment in favour of an agreement that promotes development, but it uses the EPA to obtain what it could not acquire at the multilateral level (WTO).

7. The aforementioned shows that the EPA is a purely commercial agreement which seeks to establish free-trade zones between the different ACP regions and the EC. This results in an open north-south regionalism, involving reciprocity and competition between two entities with a highly unequal development level with foreseeable negative consequences on the economies of West Africa.

8. Besides, as regards the pace and modalities of the negotiation : the acceleration of the pace of negotiations due to a tight schedule does not, in any way, make room for a democratic debate and the consultation of all the concerned stakeholders.

9. The impact study undertaken with EC support were quite ineffective in assisting the West African countries to formulate positions compatible with their needs with respect to development ; and the EU's general support to the negotiation capacity has so far been materialised in an unsatisfactory and inappropriate manner. The ECOWAS region has not yet succeeded in escaping from the dangerous contradictions of such imbalanced negotiations.

10. Another important aspect of these negotiations relates to ACP-EC collaboration in international gatherings as advocated by the Cotonou Accord. At the multilateral level (WTO), these two groups have antagonistic positions on several issues, notably the interpretation of article 24 of the GATT on the Regional Trade Agreements. As regards this provision, the ACP made a submission to the WTO requesting for further flexibility. Far from supporting the submission, the EC adopts a very narrow interpretation. Concerning Agriculture, Market Access for non-agricultural products as well as the Singapore themes, the European Commission did all it could to ensure the adoption of provisions contrary to ACP interests.

¹ Besides, the EC proposes that the EPA frame of reference be referred to as : Report on Integration. See the report of the meeting of the Regional EPA Negotiation Committee, held in Abuja from 20-21 Dec. 2004

² The joint working groups are as follows:

1. Free-trade zone, customs union and exchange facilitation
2. Normalisation, quality control and related services, SPS and OTC measures
3. Other sectors linked to trade : Intellectual property and competition
4. Investments and Services
5. [Sectoral analyses] or [production sectors] : agriculture, fisheries, non-agricultural products

As regards the Singapore themes, in particular, even though the region persisted in refusing any discussions in that regard for as long as the issue is not settled within the WTO, the EC succeeded to introduce these issues through discussions on regional integration.

Thus, despite their explicit rejection by the West African ministers, important aspects of the Singapore themes find their way in the roadmap and are being discussed within the joint thematic groups; and this took place even before all these countries were able to clarify a common West African policy on these issues. At the same time, in order to complete the negotiations on the EPA within the set deadline, the ECOWAS countries are rushing to adopt a common external tariff even before member States and stakeholders had time to look into the implications of these issues for their economic development.

11. In this context, the Economic Partnership Agreements targeted by the EU fundamentally stray away from the collective and individual development efforts of the economies of the region and threaten to undermine these efforts.

As a result, we consider that the EPA are in blatant contradiction with the poverty reduction and regional integration objectives, set in the Cotonou Accord.

12. At a time when Member States of the European Union express their serious concerns about the EU's mandate to negotiate the EPA, we urge our governments to put an end to the EPA negotiations in their current form as free-trade agreements, and initiate efforts geared towards the preparation of an alternative partnership framework with the EU, which :

- Ensures sustainable development and regional integration
- Is based on the principle of non - reciprocity ;
- Provides for the support and protection of West African producers, at both national and regional levels, and to that effect, ensures the protection of domestic and regional markets in Africa ;
- Reverses the pressure exerted with a view to liberalising trade and investment ;
- Recognises the policy space necessary for African countries to realise their own development strategies.

Thus :

13. The Partnership should make it possible to significantly protect the West African market and maintain a preference level and a high degree of non-reciprocity **for as long as the economic and social development of these countries call for it**. They should, in particular, promote the strengthening of the integration of West African economies.

To avoid competition among countries of the same region (LDC and non-LDC), the EPA should not make a tariff differentiation with respect to access to the European market.

14. Before delving deeper into the negotiations, the West African countries should examine all the alternatives to the free-trade agreement, and identify the leeways and flexibilities provided by the multilateral economic and commercial agreements. The West African countries should not accept any provision that goes beyond what they have already conceded within the WTO. They should not allow the EU to use the non-egalitarian EPA negotiations to create precedents and achieve its objectives at the multilateral level.

15. West African countries should not allow for any loss of budget revenues which will further diminish their capacities to fulfil their economic and social functions. They should call for financial compensations for any efforts required of them and refuse any form of increase in the domestic tax burden on their enterprises as well as on households.

16. In the field of agriculture, West African countries should seek to protect their food sovereignty and preserve the interests of family farms. This requires the maintenance of significant tariff protections by refusing European dumping, particularly on products which represent an economic and food interest for the West African populations. The EPA should enable West African countries to assist their farmers and invest in the preservation of natural resources.

Access to the European market should be open to all products for which the West African countries have a commercial advantage. Health and phytosanitary standards should not be used as a means of protection.

17. In the industrial sector, the West African countries should request a level of protection that is compatible with the needs to preserve their emerging industrial activities and their employment, as well as the future possibilities of industrialisation.

18. The harmonisation of ECOWAS customs tariffs based on the UEMOA common external tariff which will be implemented in 2007, should be suspended. A participatory mechanism involving all stakeholders should be instituted so as to define a common external tariff which takes regional integration needs into account, the preservation of the domestic market, food sovereignty and sustainable development.

19. Concerning the terms and pace of the negotiations, West African countries should establish mechanisms for in-depth consultations and the participation of stakeholders at all levels, including a mechanism through which parliamentarians could carry out an effective control on the content of EPA negotiations.

20. Finally, ECOWAS Ministers should take all the necessary and useful measures to preserve an adequate level of consistency between their positions at the WTO and in the other bilateral and regional negotiations, in conformity with the African Union's Trade Ministers' decision, taken in Cairo on 9 June 2005.

We urge all ECOWAS member States to give their strong support to the AU Ministerial Declaration mentioned hereabove.

Done in Dakar on 15 June 2005