



STOP UNFAIR TRADE
DEALS BETWEEN EUROPE
AND ACP COUNTRIES

Heidmarie Wieczorek-Zeul

Minister of Economic Cooperation and Development
of the Federal Republic of Germany
Stresemannstr. 94
10963 Berlin

Re: Civil society concerns regarding the EPA negotiations

10 May 2007

Dear Minister,

Thank you for your response to our letter of 1 February 2007 to the German Chancellor regarding the Economic Partnership Agreements (EPAs).

We appreciate your concern for the development dimension of EPAs and your commitment to promoting this dimension during the German Presidency of the European Union. We also appreciate your readiness and efforts to continue dialogue with civil society on this issue.

We believe that improving trade relations between the EU and ACP offers an opportunity to support many of the world's poorest countries in transforming their economies and improving the livelihoods of their citizens. However, we are concerned that development has become a secondary concern in the negotiating approach of the European Commission.

On 14 and 15 May you will be meeting with your European colleagues and the European Commission in the General Affairs and External Relations Council. This meeting will be, in part, dedicated to EPA negotiations and the formal review. Despite repeated commitment on all sides to a thorough and comprehensive review process, we are concerned that this process has not been allowed to run its course, and that conclusions are not being taken seriously. We would have wished for genuine readiness on behalf of the EC to listen to the concerns raised.

We urge the Council to take fully into consideration the EPA review reports in the Pacific and African regions as these clearly demonstrated that the regions are not sufficiently prepared to conclude negotiations this year.

The African Continental Review concluded that “[i]t appears very unlikely that any of the four regions will be able to complete the negotiations and come up with an EPA agreement before 31st December 2007.”ⁱ

The Pacific review report concluded that “realism on the timing of the negotiations will be necessary as one year may not be sufficient to solve the weaknesses of the EPA process and the deadlock in terms of substance of the negotiations.”ⁱⁱ

The West African reviewⁱⁱⁱ report proposed extension of the negotiations by two years; the ESA review report^{iv} recommended an extension by three years.

All of this contrasts sharply with the press statement at the end of the Informal EU-ACP Ministerial Meeting in Bonn in March, that “[e]verybody is cooperating now to make sure that EPAs are completed within the tight timeframe of 2007.”

The reviews in all regions also noted that high quality and thorough assessments of the sustainable development impact of EPAs have not been completed, particularly with regard to agriculture and issues such as services, investment, public procurement and the enforcement of intellectual property rights. As such, ACP countries are negotiating in the dark.

With regard to the trade in goods, we remain convinced that reciprocal trade relations with the EU could harm most ACP countries’ economies and we stress that current signals to limit long-term transition periods for tariff elimination under EPAs to “very exceptional cases for very sensitive products” contrast sharply with repeated past assurances. We also call upon the EU to make substantial and substantive commitments on the removal of export subsidies and the simplification and improvement of the rules of origin, in line with the requests from ACP countries. We very much regret that, in spite of requests from ACP countries, alternatives to EPAs have not been thoroughly and comprehensively assessed.

We, furthermore, urge the European Commission and the EU Member States to refrain from pressurising ACP countries to negotiate on services, Singapore issues and increasingly onerous intellectual property rights commitments.

In addition to shortcomings in the review process, awareness and involvement of all stakeholders, especially parliaments and national governments, has been insufficient in the ongoing negotiations in general. We therefore call on the EC to adhere to the Cotonou Agreement and consult all affected stakeholders.

We also remain concerned that many ACP countries, especially in Africa, are still far from adequately prepared to implement the many burdensome commitments that EPAs would impose.

We deplore the fact that insufficient regard is being paid to the financial resources needed to finance the vast economic reform and structural adjustment brought about by EPAs and that no adequate financial commitments are being made. With regard to the existing aid commitments, we urge both Member States and the Commission to follow the principles of ownership and genuine partnership in the design and allocation of EU aid, and to ensure quality and timely delivery of EU trade related aid.

Conclusion: Re-direct the negotiations towards pro-poor development and alternatives to reciprocity

We are deeply concerned that the political commitment and pressure to complete negotiations in 2007 will jeopardise the development dimension. ACP negotiators, especially in the non-LDC countries, are under great pressure to conclude negotiations by the deadline, both from the side of the EC and from the side of their exporters who are uncertain about the trade regime that will be in place at the beginning of 2008 if by then no EPA has been concluded. We urge the Council to propose a solution in case such a likely scenario would take place in at least one region.

Whilst the EU cites WTO rules to justify the shift towards reciprocal trade relations, we are concerned that this reflects an overly narrow and selective use of WTO rules. Like the African Ministers who met in Addis Ababa in January 2007, we do not see the current GATT article XXIV as an appropriate instrument for sustainable development. The Enabling Clause offers a far more development-friendly basis for trade relations with ACP countries as it

provides a basis to provide non-reciprocal, WTO-compatible, long-term and secure trade preferences to ACP countries.

An improved GSP+, for example, could provide a basis to continue current trade relations immediately after the expiry of Cotonou preferences. Stating that the EU can only offer the current GSP to those countries that will not be in a position to sign EPAs is also in breach of Art. 37.6 of the Cotonou Agreement, which commits the EU to provide those countries with an alternative trading arrangement “which is equivalent to their existing situation and in conformity with WTO rules”.

We are alarmed that at this late stage of the negotiations the substantial critique of EPAs as well as requests and proposals for alternatives from ACP governments have not been addressed seriously by EC negotiators. We urge you and your fellow Ministers to change the direction of the present negotiations towards pro-poor development and non-reciprocal alternatives to EPAs that would fulfil your often stated commitment that the trade arrangements in the context of the Cotonou Agreement will truly be “tools for development”.

We look forward to further discussions on these matters and invite EU Ministers to put sustainable development firmly at the heart of the EU-ACP relations.

Yours sincerely,

Signed,

cc: EU Ministers and Commissioners for Development Cooperation and Trade

action medeor, Germany
Adventistische Entwicklungs- und Katastrophenhilfe Deutschland (ADRA), Germany
Aktion Bundesschluss, Germany
Arbeitsgemeinschaft Entwicklungszusammenarbeit (AGEZ), Austria
Both ENDS, The Netherlands
Brot für die Welt, Germany
Campagna L'Africa non è in vendita! Italy
Campaign for the reform of World Bank, Italy
Centre for Research on Multinational Corporations (SOMO), The Netherlands
Christian Aid, Ireland
Christian Aid, United Kingdom
Coalition of the Flemish North-South Movement - 11.11.11 , Belgium
Collectif AlimenTerre, France
Comité Français pour la Solidarité internationale (CFSI), France
Coordinadora de ONGD de Euskadi, Spain
Das Hunger Projekt, Germany
Diakonia, Sweden
Dutch Association of Worldshops, The Netherlands
Education for Development (IBIS), Denmark
EIRENE – Internationaler Christlicher Friedensdienst, Germany

Evangelischer Entwicklungsdienst (EED), Germany
Evert Vermeer Foundation, The Netherlands
Fairfood, The Netherlands
Fair Italy, Italy
FIAN Belgium, Belgium
Flemish Support Group for Indigenous Peoples (KWIA), Belgium
Groupe de recherche pour une stratégie économique alternative (GRESEA), Belgium
Interchurch organisation for development co-operation (ICCO), Netherlands
KAIROS Europa, Germany
Kehys – Finnish NGDO platform to the EU, Finland
Kepa – Service Centre for Development Cooperation, Finland
Kindernothilfe, Germany
Kirchliche Arbeitsstelle Südliches Afrika (KASA), Germany
Koordination Südliches Afrika (KOSA), Germany
Mani Tese, Italy
Medico International, Germany
MS – Danish Association for International Co-operation, Denmark
Netzwerk Afrika Deutschland, Germany
Oxfam International
Solidaritätsdienst-international (SODI), Germany
Solidarité, France
SOS Faim, Belgium
SÜDWIND, Institut für Ökonomie und Ökumene, Germany
Tearfund, Ireland
Tearfund, United Kingdom
terre des hommes, Germany
Trade Justice Movement, United Kingdom
Tradewatch, Italy
Traidcraft Exchange, United Kingdom
Transnational Institute (TNI), The Netherlands
VENRO – Verband Entwicklungspolitik deutscher Nichtregierungsorganisationen,
Germany
Vlaams Overleg Duurzame Ontwikkeling (VODO), Belgium
Vredeseilanden, Belgium
Welthaus Bielefeld, Germany
Weltwirtschaft, Ökologie & Entwicklung (WEED), Germany
Wemos Foundation, The Netherlands
Wervel vzw, Belgium
World Rural Forum, Spain

ⁱ “EPA Negotiations: African Countries Continental Review, 19 February 2007,” African Trade Policy Centre commissioned by ACP Secretariat.

ⁱⁱ “Implementation of Article 37(4) of the Cotonou Agreement, Draft Interim Report (Pacific ACP Region)”, ECDPM commissioned by the Pacific ACP countries

ⁱⁱⁱ ECOWAS and UEMOA, “Rapport sur la revue des negociations de l’Accord de Partenariat Economique (APE) UE – Afrique de l’Ouest au titre de l’Article 37.4 de l’Accord de Cotonou : Proposition de l’Afrique de l’Ouest,” November 2006.

^{iv} “Review of the ESA EPA negotiations with the European Union consistent with the Cotonou Agreement, Article 37.4,” Premium Consulting Limited, commissioned by COMESA, February 2007.