

# Trade Negotiations Insights

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## MFN provisions in EPAs: a threat to South-South trade?

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Brazil has raised serious concerns that a clause in the Economic Partnership Agreements (EPAs) between the European Union (EU) and African, Caribbean and Pacific (ACP) countries could pose a serious threat to improving trade between developing nations. The Latin American country, which voiced its fears during the WTO General Council in Geneva on February 5, pointed to the negative effects of the so-called 'most-favoured-nation' (MFN) clause included in both the Caribbean and interim EPAs.

This controversial MFN clause requires that any ACP country which has concluded a deal with Brussels must automatically extend to the EU "any more favourable treatment" (i.e. deeper market access) that the region or any of its member states grants to any other major trading economy in future free trade agreements (FTA). Under the terms of the regional MFN clause included in the Caribbean text, a 'major trading economy' is defined as any developed country which accounts for more than 1% of world merchandise exports, or groups of countries which collectively account for over 1.5%.<sup>2</sup>

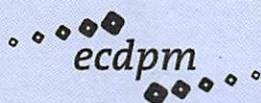
It was swiftly denounced by a number of WTO members who saw it as putting in place a European strategy aimed at maintaining and increasing its share of a regional and continent-wide market that it had not yet been able to tap. Even before Brazil's sensational intervention at a WTO session where it warned of the dangers of including the MFN clause - not only for the ACP but for all developing countries - this issue had been the subject of intense debate. From the Caribbean to the Pacific, regions in negotiation with the EU have been guarded and mistrustful of the prospect of including such a clause in their EPAs. The first fall-out was felt in the Pacific, where Australia made clear to the EU's Trade Directorate that it disliked its inclusion and expressed its intention to open up regional discussions, along with New Zealand, in order to ensure that its exporters would not suffer.

### Brazil claims EPAs hamper South-South trade

According to Brazil, this MFN requirement contradicts the WTO 'Enabling Clause', designed to increase developing country participation in global trade (see Box 1). The main objective of this clause was to increase trade between developing countries on a preferential basis. This possibility was clearly stated in the second paragraph of the 'Enabling Clause' which refers to "regional or global arrangements entered into among less-developed contracting parties for the mutual reduction or elimination of tariffs."<sup>3</sup>



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## Editorial

As dawn breaks on March, the first short-term effects of the expiry of the Cotonou preferential trade regime and the new ACP access conditions to the EU market are starting to be seen and felt.

Most ACP countries have maintained or improved their nominal preferential access to the EU market. Yet, trade disruptions with Europe appear to have taken place, in countries that have not initialled an interim agreement with Europe, as well as those that have done so. Difficulties are often due to the introduction of new rules of origin, which may also differ within one region, thus impeding regional trade.

For example, some GSP (EBA) certificates were not filled in properly by exporters sending goods from Zambia to Germany, while cocoa exporters in Nigeria face financial loss with the imposition of higher tariffs. TNI has taken this last example as an illustration of the problems starting to occur. Jean Boyle looks at the facts behind the Nigerian cocoa processors plight, while Ugochukwu Chimezi puts these facts into the wider context of the problems facing the country.

But short-term effects of the EPAs have started to emerge beyond the boundaries of the ACP and the EU to include other WTO members: Brazil has voiced its unease at the inclusion of the MFN clause in the Caribbean and the interim texts and has kicked-off a wider debate about whether the deals run counter to the WTO principle of increasing poor countries' participation in global commerce. TNI looks at what is at stake with the inclusion of this controversial clause for the ACP.

It also seems as if the context of the EPAs is becoming increasingly politicised as several EPA countries must once again balance national or regional interests. This month TNI focuses on East Africa: Peter Kiguta takes a regional perspective, while Kirk Haywood looks at the case of Uganda and Babajide Sodipo at Rwanda.

In much of the ACP and EU's rhetoric there is a strong commitment to continue EPA negotiations and finalise comprehensive deals. However, there has been little concrete movement since the beginning of the year: both parties are still busy unraveling the content of the texts which have been initialled and are identifying how best to move forward.

Many believe it is important that ACP countries do not to repeat past mistakes. Regions need to be better technically prepared so they can guide policy makers and give them suitable options, rather than waiting for political approval or leadership - which often came too late. There is also a need for better coordination and communication between negotiators, not only within but across regions. This is particularly true in Africa, where it will be important for the regions to draw on the lessons of the Caribbean experience.

To a large extent the spirit of partnership between the ACP and the EU has been bruised. It remains to be seen whether the forthcoming high-level meeting with EU Commission President José Manuel Barroso will be able to rebuild some bridges. The immediate challenge will be to patch up relations while not losing the momentum needed to reach a sustainable outcome to the negotiations for both ACP and the EU.

More than ever, the TNI team is keen to hear ideas and look at analysis of the situation in each of the regions. Please send any thoughts, questions or ideas to [vhanson@ictsd.ch](mailto:vhanson@ictsd.ch)

*We hope you enjoy the March issue of TNI.*

According to Brazil, including such a clause would discourage any developing country from entering into agreements aimed at securing mutual concessions with EPA countries, on the grounds that the existing access to markets granted to Europe by the ACP would equal the maximum access possible to other developing countries (i.e. anything above would automatically have to be offered back to Europe). This leaves ACP countries "no incentive to negotiate agreements with other developing countries containing market access conditions that are more favourable than those the [EU] might enjoy", Brazil said in its statement to the General Council. It would "discourage or even prevent third countries from negotiating FTAs with EPA parties and will create major constraints to South-South trade." This would be "ironic to say the least" in a so-called development round.<sup>4</sup>

### Disabling the Enabling Clause

The MFN clauses do introduce a "real problem" and a disincentive to South-South commerce, according to Carmen Pont-Vieira Dos Santos, a former WTO official in charge of regional trade agreements. "Brazil would be reluctant to make concessions in exchange for concessions that will be extended to the EU," she told *Bridges*.<sup>5</sup> India would also be wary of giving up anything in exchange for far-reaching, prompt access to an ACP country's automobile market, if it knew it had to compete on identical terms with European cars, she said.

This suggests that the MFN clauses curtail negotiated rights for developing countries and in effect 'unable' the 'Enabling Clause' in some cases. Pont-Vieira Dos Santos said that if such clauses become a practice "it could contribute to fewer South-South agreements, and maybe more North-South agreements."

### Developing country support

The Brazilian position has been met with much interest in Africa by both state and non-state actors involved in the EPA negotiations. Brazil's reservations are widely shared, as the European proposal seems to run counter to a strong and almost irreversible tendency towards increasing trade between developing countries - particularly India, Brazil, China and the African nations. Even though Europe is undeniably Africa's main trading partner, and will probably remain so for years to come, its share of trade with Africa continues to decline, whereas its share with countries such as China is showing a stratospheric rise.

Brazil, which was supported by several developing countries - including South Africa, China, India, Paraguay and Argentina - said it was raising the issue partly out of systemic and legal concerns that would affect all WTO members, but also due to "very concrete objections" arising from the implications for its own trade with other developing countries.

### EU stands by its policy

The European Commission defended the inclusion of the MFN clause. The first line of defence is on legal grounds. One EU official told TNI that "the MFN clause does not contradict the Enabling Clause in any legal aspect." The official explained that "the Enabling Clause permits trade preferences among developing countries, but it contains nothing that prohibits the extension of such preferences to other WTO members." The official claimed that because the 'Enabling Clause' does not cover FTAs there is no connection between the MFN clause, which applies only to FTAs and preferences granted under the Enabling Clause. "Therefore it has no effect on regional integration between ACP countries or agreements between ACP and other small or poor developing economies," the official underlined.

But the EU position is driven by more pragmatic considerations. The EU claimed that the MFN clause, which was negotiated jointly by the EU Commission and the ACP, is a question of basic fairness and covers the so-called 'competitive new players' Brazil, India, Russia and China. Louis Michel, European Commissioner for Development, has recently stated that Europe's generosity in terms of aid for development did not mean that it would allow its partner countries to grant more favourable treatment to its commercial rivals; "we are generous, but not naïve", he said.<sup>8</sup>

### Brazil self-interest

The European Commission could always argue that in expressing concerns about the inclusion of the MFN clause within the EPAs, Brazil was also inaudibly pursuing its medium term economic interests. Indeed, some point out that the Latin American giant is not driven solely by systemic concerns but rather by an appreciation that its offensive interest could be thwarted by an EPA MFN clause: 55% of Brazil's total

*"According to this [MFN] clause, tariffs on EU products cannot be higher than the levies imposed on goods from developing countries. EPAs thus prevent other developing countries from having an advantage in bringing their goods on the markets of developing nations."*<sup>6</sup>

*"This would lock us into a primary relationship with the EU for ever more. It would be an unacceptable limit on our sovereignty."*<sup>7</sup>

Rob Davies, South African Deputy Minister for Trade and Industry.



trade is with developing countries. Moreover, it is important to be aware that the EU is currently negotiating FTAs with Central America and the Andean Pact - Brazil's natural market - with the strong likelihood that these will contain similar MFN provisions.

Others claim that Brazil has only received backing on the issue from other Latin American countries because they want to pressure the EU to grant greater concessions in their respective bilateral FTA negotiations. But this did not make the Brazilian position any less relevant.

### Economic rules and obligations plus political and economic sovereignty

The MFN clause is the cornerstone of the principle of non-discrimination that underlies the entire international trading system: it is accepted by WTO members as it makes sense within this context. However, if it has stirred up controversy in the EPAs, it is because it has no place as part of them. Europe is within its rights to demand trading preferences from ACP countries on the same basis as those it grants to them. But the EU goes too far when it asks that the ACP gives in return all that it might 'one day' grant others, regardless of what those others might give them. This is certainly a 'pre-emptive' injustice for ACP countries and Brazil was justified to point it out.

But over and above the legal arguments, certain African leaders are making a more political point. In an open global economy, or as a consequence of the long drawn-out multilateral negotiations, States might well enter into more bilateral agreements between countries or groups of countries, granting each other ever more favourable terms. As such, signing a bilateral agreement containing an MFN clause might be risky.

A number of actors in Africa believe that the European demand is intended merely to quash any desire to diversify among trading partners - a process that the African countries have been engaged in for several years and that is beginning to bear fruit. Europe is therefore eyeing the increasing importance of trade between Africa and China - and with good reason.

The best-informed experts stress that the decline in trade between Europe and Africa on traditional postcolonial terms is structural in nature. Lulled by the comfort of its existing trade positions, its monopoly situations and its almost total stranglehold on the means

of production and distribution in most African countries, Europe has had a brutal awakening and has realised that "the world of trade has changed drastically, and in future it must pay a fair price for its consumption, and it must do this in competition with others."<sup>9</sup>

### The rise of China

China is now the third biggest trading partner on the African continent. Even though Africa remains a minor partner for China, representing only 3% of Chinese global exports and 3.7% of its imports, the Asian giant replaced Germany as the continent's biggest supplier in 2005.<sup>10</sup>

The current assessment is that the strengthening of trading links

between Africa and China has coincided with an increase in the rate of growth in Africa. A number of studies show that overall, African countries are benefiting from the increased presence of China.<sup>12</sup> Of course, some rightly point out, that this presence also poses a number of individual and collective risks for African countries. But it is up to Africa to decide which partner is more or less advantageous to them. This is why many African leaders

### Box 1

The 'Enabling Clause', adopted under GATT in 1979, allows developed members to give differential and more favorable treatment to developing countries while not doing so to wealthy ones. In addition to North-South trade preference schemes, it also specifically refers to regional or global arrangements entered into amongst less-developed contracting parties for the mutual reduction or elimination of tariffs.

find the European MFN clause both politically and strategically unacceptable.

### ACP concerns

Given that many ACP will continue to negotiate a comprehensive EPA throughout 2008, the issue remains highly sensitive. Some members of SADC have voiced strong criticism of the clause, claiming that acceptance of such a provision has strong potential to negate the balance of the negotiated EPA.<sup>13</sup> According to the ECOWAS Ministerial Committee, the MFN clause present in the Ivory Coast and Ghana interim agreements has been tabled under "issues to still discuss."

Ultimately, it is up to the ACP to convince its European partner that it is inappropriate to include this clause in the EPA. This must be done through a vast campaign at the WTO and in other forums to rally remaining countries to this cause. Brazil has already chosen which camp it sits in. African public opinion has done so too. But the experience of the Caribbean and other ACP regions, where the MFN clause was strongly resisted yet imposed by the EU, is not encouraging.

### Concrete implications?

Brazil is now expected to ask for the issue to be placed on the agenda for the next WTO General Council's meeting. Concerns related to bilateral trade arrangements are then usually discussed at the WTO committee on Regional Trade Agreements. However, formal discussions can only happen once the EPAs have actually been notified to the WTO. For the moment, the 'legal limbo' surrounding the EPAs, none of which have been officially notified, would make it difficult to conduct a thorough examination of their provisions.

If the European Commission chooses to maintain its position on MFN, it will find it very difficult to claim that its only goal in the EPA is to seek compatibility with the WTO and to encourage integration within ACP regions.

*"I want us to stay in control. It is unacceptable for us to be subordinated to anyone whatsoever. I guard my independence jealously. The Senegalese, like other African peoples, struggled for independence. This was not so that others might colonise them today...But I am open to cooperation. Today I am having discussions with the French, the Americans, the Chinese and the Indians. None of them will do anything in Senegal unless I agree to it."*

President Abdoulaye Wade of Senegal.<sup>11</sup>

<sup>1</sup> Cheikh Tidiane Dieye is the Coordinator of the Trade Programme and Co-Editor of *Passerelles*, an Enda Third World publication. The opinions expressed are his own. Victoria Hanson is the editor of TNI.

<sup>2</sup> According to WTO data, Brazil accounted for 1.5% in 2006, compared to 16.4% for the EU and 11.5% for the US. Other developing countries affected would include China, accounting for 10.7% of world exports that year, as well as Mexico, Malaysia, India and Indonesia (which cross the threshold with between 2.8% and 1.1%).

<sup>3</sup> Brazil's declaration to the WTO General Council, February 5 2008.

<sup>4</sup> To read Brazil's full declaration see: [www.dgroups.org/groups/CoOL/docs/EPAs-WTO-General\\_Council-Brazil\\_Statement-050208.doc?ois=no](http://www.dgroups.org/groups/CoOL/docs/EPAs-WTO-General_Council-Brazil_Statement-050208.doc?ois=no)

<sup>5</sup> See: Bridges Weekly Trade News Digest, Volume 12, Number 6, February 20 2008.

<sup>6</sup> See: Africa: Rivalry with China Drives EU to push for trade deals, IPS news, February 26 2008. [www.tmcnet.com/usubmit/2008/02/26/3293582.htm](http://www.tmcnet.com/usubmit/2008/02/26/3293582.htm)

<sup>7</sup> See: Africa: EPAs signed after EU's threats, Africa News, December 21 2007, [www.africanews.com/site/list\\_messages/14101](http://www.africanews.com/site/list_messages/14101)

<sup>8</sup> See: Q&A: "We are generous but not naïve", Interview with Louis Michel, EU Development Commissioner, IPS, Bruxelles, February 11 2008, [www.ipsnews.net/news.asp?idnews=40762](http://www.ipsnews.net/news.asp?idnews=40762)

<sup>9</sup> See endnote 6.

<sup>10</sup> Chaponnière, J.R. - Les échanges entre la Chine et l'Afrique : situation actuelle, perspectives et sources pour l'analyse - AFD, p.1

<sup>11</sup> Abdoulaye Wade. Interview with "Afrique Magazine", February 2008, section on foreign economic partnerships, p.70.

<sup>12</sup> Lall, 2004, 2005.

<sup>13</sup> For full details see: [www.dgroups.org/groups/CoOL/docs/EPAs-SADC-Namibia-Trade\\_Ministry\\_Press\\_Release\\_051207.doc?ois=no](http://www.dgroups.org/groups/CoOL/docs/EPAs-SADC-Namibia-Trade_Ministry_Press_Release_051207.doc?ois=no)



# Nigerian cocoa processors to lose millions

Jean Boyle<sup>1</sup>

Two months after losing preferential access to EU markets, Nigerian cocoa producers and processors face millions of dollars in losses, as the effects of poor infrastructure and high operating costs are compounded by higher tariffs and competition from neighbouring countries that retained duty-free access to Europe.

Brussels slapped tariffs on cocoa products and other exports from Nigeria at the beginning of this year, staying true to its warnings after the West African country decided not to sign an economic partnership agreement with the EU by the end of 2007. All but a few of the 30-odd relatively richer members of the African, Caribbean, and Pacific (ACP) group of countries, faced with the loss of the same trade preferences, signed EPAs with the EU late last year, thus preserving market access. Least-developed countries retained wide-ranging duty-free access under the EU's 'Everything but Arms' initiative.

Unlike the other states that declined to sign EPAs, Nigeria engages in significant volumes of trade with Europe, and has neighbours - Ghana, Ivory Coast, and Cameroon - that did sign deals guaranteeing that their own exports would face lower tariffs in the EU market.

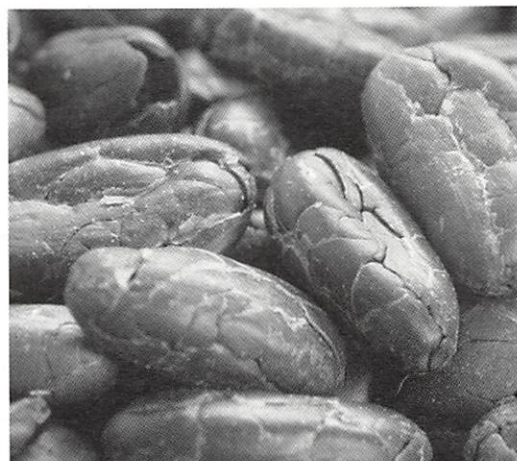
The EU said it would have no choice but to impose tariffs on countries like Nigeria, or it would be open to litigation at the WTO (presumably from non-ACP Latin American nations irritated that others were getting preferences beyond an end-2007 deadline set by the WTO). Critics argued that Brussels was exaggerating: WTO cases can take years, and a framework to conclude an accord within a fixed future timeframe might well have been deemed sufficient to satisfy the global trade arbiter's unclear and untested rules for bilateral free trade agreements.

It was relatively easy for Nigeria not to sign an EPA last year given that oil - by far its greatest export - never wants for takers. The cocoa trade, however, is not a sellers' market, despite rising prices: if cocoa from Ghana is less expensive, European chocolate makers will buy it instead of the Nigerian equivalent.

Thus, the Cocoa Processors Association of Nigeria, or COPAN, announced in mid-January that their survival was under serious threat.

"The fact is that 90 per cent of Nigerian processed cocoa and raw cocoa go to the European market," Felix Oladunjoye, COPAN's national secretary, told Ghana's Daily Guide newspaper last month.<sup>2</sup> "Before the end of March 2008, not less than \$5m would have been lost by processors." He said that cocoa processors had already lost nearly \$2 million since the beginning of the year.

For several years the EU has had standard import tariffs of 4.2 percent to 6.1 percent on cocoa butter, cocoa liquor and cocoa cake. Under the trade preference scheme, Nigerian cocoa did not face these duties. Now it does, while cocoa from Ghana and Ivory Coast does not. According to COPAN, this represents losses of close to \$6 per tonne for Nigerian cocoa processors.



Extended to the total average export capacity of nearly 60,000 tonnes per week, this would mean \$360,000 in losses every week, potentially crippling the industry. For products such as cocoa butter, Oladunjoye said Nigerian processors received only \$5,840 per tonne while their competitors in countries with EPAs were getting \$6,100, reports the Vanguard, a Nigerian daily.<sup>3</sup>

Oladunjoye blamed the losses on the Nigerian government's refusal to enter an EPA with the EU, since such a deal would have shielded Nigerian cocoa exporters from tariffs and kept them on equal footing with their competitors in neighbouring countries.

COPAN has appealed to the Nigerian government to soften the blow of its refusal to sign an EPA by restoring Export Expansion Grants (EEG) to cocoa processors. These grants are an export promotion incentive that offsets 30 per cent of production costs incurred by exporters due to poor infrastructure.<sup>4</sup>

Oladunjoye called on the government to restore these grants dating back to 2005-06 in order "to forestall the collapse of the industry." Rising diesel costs are putting further pressure on the slim margins of cocoa processors in the country.

The EPAs, designed to replace unilateral preferences with two-way liberalisation between the EU and some of the world's poorest countries, have met with much criticism. Civil society groups and development campaigners have warned that prematurely opening up markets to a flood of EU imports could destroy fledgling industries, undermining their prospects for growth. Free traders worried that consumers in ACP countries would end up buying goods from the EU rather than cheaper ones produced elsewhere but kept out by high tariffs. Brazil has warned that the agreements might even hurt South-South trade (see lead article).

Instead of leading to economic integration within the Economic Community of West African States (ECOWAS) and trade liberalisation between the bloc as a whole and the EU, the EPA negotiations saw the West African group splinter just before the end-2007 deadline. Ghana and Ivory Coast scrambled to sign individual deals to protect their market access, while Nigeria did not. And although Nigerian oil exports continue unimpeded (by tariffs, at least), smaller, non-extractive industries are facing the squeeze.

<sup>1</sup> Jean Boyle works as part of ICTSD's Regional Trade Programme and the publications team.

<sup>2</sup> See: EU Clamps down on Nigerian cocoa, Daily Guide, January 24, 2008.

<sup>3</sup> See: EPA: Cocoa processors may lose \$5m, says COPAN, Vanguard, January 22 2008.

<sup>4</sup> See: Nigeria Unpaid N14bn Grant Threatens Cocoa Industry, Daily Trust, November 29 2007.



# The trials and tribulations of Nigerian cocoa processors

Ugochukwu Chimezir<sup>1</sup>

When the European Union (EU) drummed high spiritedly for the endorsement of full Economic Partnership Agreements (EPAs) in 2007, it was unlikely to make anything out of the 'noise'. Realising that a bloc-by-bloc endorsement of the EPAs would be futile, the EU skipped straight to approving deals with individual countries, summarily pronouncing heavy punishments for any ACP nation that failed to initial a trade pact. Nigeria was one of a handful of non-LDC ACP countries that declined to initial a deal and as such, was faced with the imposition of tariffs on its exports from the beginning of this year.

One of the biggest problems for Nigeria was that the EU succeeded in persuading countries including Ghana and the Ivory Coast to endorse an interim deal covering market access for goods. With this pact, processed agricultural goods from these two West African countries - and from other ACP countries - could enter European markets duty and quota-free.

## Cocoa products slapped with tariffs

Processed products from non-signatory countries which cannot benefit from the 'Everything but Arms' scheme now face stiff levies. According to Cocoa Processors Association of Nigeria (COPAN), exporting a product such as cocoa butter to any European country is already attracting a 'penalty' of 4.2 per cent which is deducted directly from the original agreed price. Cocoa liquor and cake attract a 6.1 per cent surcharge respectively. COPAN estimates that its members will lose about \$5 million just between January and March 2008 as a result of the price cuts that they are currently facing. But this situation also applies to other exporters of mainly agricultural based processed products (excluding primary goods like oil) which are going to the EU from Nigeria.

While the Nigerian government has campaigned for exporters to add value before sending goods abroad, the EU seems to welcome its raw exports. One could be forgiven for thinking that the EU is sanctioning a call to 'stop any processing'. The current situation might seem hopeless for many processors, but the country's trade gurus remain split over whether it is better to boycott the EPA than sign up to it. One option would be for the government to support those exporters which are the most affected by the situation. According to a recent publication by COPAN, for every ton of cocoa butter that a Nigerian exporter sends to the EU, he should be ready to lose about \$262.88 out of \$6259.00. Surely that is a matter for the government to address.

## The hurdle of GSP

In the event that an EPA is not signed in 2008, Nigerian processors will have to export under the Generalised System of Preferences (GSP) scheme, which would reduce the tariff on cocoa products to a more reasonable 4%. However, for this to be done, the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (Naccima) - the recognised custodian of GSP in Nigeria - has to issue an exporter with the required certificate. According to one industry source, the moment that Naccima realised that its GSP certificate had become the 'alpha and omega' for exporters to qualify for GSP with the EU, the charge skyrocketed from about \$43.48 per tonne, to about \$130.43 per tonne. To add insult to injury for the processors, the EU recently announced that it will not recognise any certificate signed and stamped by Naccima. Instead, the Association must only issue unsigned and unstamped GSP certificates which must be dealt with by the Nigerian Customs Service at the Apapa seaport in Lagos, otherwise an exporter risks not qualifying for GSP at all.

Once again, this introduces hurdles for Nigerian exporters, for whom getting such endorsements from the Customs Services would certainly be arduous and time-consuming.

## National incentives

A partial solution would be to improve incentives for exporters such as the Export Expansion Grant (EEG), which would help vulnerable companies remain in operation and avoid turning their labour force onto the streets - a situation that experts claim would directly fuel societal problems for the country as a whole.

This calls into question the recent manner in which the EEG was administered by the ministry of finance. Officially, the grant is available to any exporter that can produce a satisfactory bank guarantee. This might sound simple in practice, but those who have tried to access the grant on the ground have discovered that salt has simply been added to the wound. Banks are now making a tidy profit from exporters, demanding that an exporter must be prepared to part with between 1.5% to 2% of the sum promised in order for them to grant the much needed guarantee. In the end, the exporters' net take home has been severely eroded by EU tariffs, unscrupulous agents at the port and the local banks.

## Deep-seated problems

But the bedrock of the problems stem from the fact that Nigeria has been wallowing in unending infrastructural decadence. For example, recent government investments of about \$139 million in the power sector, appear to have had little effect on any region of the country. Logistics is another issue which is taking a heavy toll on the profit margins of exporters. The nation's railway system does not function meaning that many processors have to haul cargos along the road. This is not only expensive but inefficient as the national roads are not in very good condition. A multiple taxation system is another monster that inhibits the ease of doing business in Nigeria.

The government has been very slow to decide whether or not to sign up to the EPAs. Experts close to the seat of power claim that it wants to cover all the bases before giving the green light: once a deal is endorsed there would be no going back. To do this, the government is looking at wider issues, such as the ECOWAS Common External Tariff, which has already found favour with some. But there are signals that Nigeria might endorse a deal if more common ground can be created. Even so, since January 1 2008, the world for those Nigerian processors which do ship to Europe is filled with sorrow. Industry and exporters face more than a myriad of challenges, they face the sound of the death knell.

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# The EAC interim agreement: an overview

Peter Kiguta<sup>1</sup>

The decision for the East African Community (EAC) to negotiate an EPA with EU goes back to April 11 2002, when a regional Summit directed that the EAC should negotiate as a bloc for all cooperation between ACP countries and Europe. However, in March 2003, Kenya and Uganda configured under Eastern and Southern Africa (ESA) while in August that year, Tanzania joined the Southern African Development Community (SADC).<sup>2</sup>

The EAC Customs Union commenced on January 1 2005, following successful negotiations from 2000-2004. This economic union with its Common External Tariff (CET) strengthened the reasons for the EAC group to negotiate with the EU. However, persuading partner states to abandon their other configurations was initially difficult. But by early 2007 the danger of concluding EPAs under different groupings - not only for the Customs Union but also for regional integration - was clear.

## Progress takes hold

Efforts to negotiate as a bloc bore fruit on October 11 2007, when trade ministers resolved that the EAC countries should offer a joint market access offer on trade in goods to the European Commission. With this political decision, matters picked up leading to the initialling of the Framework Agreement between EAC states and the Commission on November 27 2007 in Kampala, Uganda.

Under the Framework Agreement, the European Commission granted the EAC duty and quota-free market access with transitional arrangements for rice and sugar from January 1 2008. On its part, the EAC agreed to gradually open its market for goods from the EU over 25 years, with a 2 year moratorium. This suspension is to enable the EAC integration process to take root. The transition period for the Customs Union will expire at the end of 2009, and the two new partner states - Burundi and Rwanda - will begin implementing the Customs Union from January 2010. Therefore, tariff phase-out by the EAC shall commence from January 1 2010 with full liberalisation for trade in goods to be achieved in 2033.

## The EAC market access offer

The EAC offer has an exclusion list of 18% of 'Substantially All Trade' with Europe. Therefore, liberalising the remaining 82% is based on the its CET which has three tariff bands, namely: 0% (raw materials, capital goods and essential imports such as medicines); 10% (intermediate goods); and 25% (finished goods). The EAC also has a sensitive list of 59 items that attract additional protection above the maximum tariff rate of 25% (see table).

The Framework Agreement tenure will expire after a full EPA is concluded and signed. The target date for conclusion of comprehensive negotiations is July 2009 with talks tentatively set to begin in March 2008. The EAC will seek the support of EAC citizens and stakeholders to accomplish this onerous task. Accordingly, a mechanism is being established to ensure that all views shall be taken into account during the process.

## Fisheries and development

In addition to market access, the parties agreed to negotiate on fisheries and development cooperation. Both the EAC and the EU recognise that fisheries constitute a key economic resource that has great potential for development and poverty reduction. It is also an important source of food and foreign exchange. In this respect, the parties will cooperate for the sustainable development and management of the fisheries sector while taking into account the economic, environmental and social impacts.

Both parties also affirmed their recognition of EAC development needs and the commitment to ensure that the EPA is an appendage for development that will promote and consolidate regional and global integration. Negotiations will endeavour to encourage sustained growth, strengthen regional integration and foster structural transformation and competitiveness, increasing production, supply capacity and value addition in EAC countries. The EU confirmed that it will contribute to the resources required for development under the 10th EDF Regional Indicative Programme, Aid for Trade and the EU budget.

## Upcoming challenges

Since initialling of the Framework Agreement, there has been progress towards putting in place a coordination mechanism for EPA negotiations by the African Union (AU). The EAC is hopeful that such a coordination mechanism shall not slow the process down. Other challenges facing the EAC include making the Framework Agreement operational and preparing for the next phase of negotiations. These shall require both financial and human resources. And while the financial resources were not programmed in the current budget, the EAC is optimistic that the on-going resource mobilisation efforts shall bear fruit soon.

<sup>1</sup> Peter Kiguta is the EAC's Director General of Customs and Trade.

Table: Summary of the schedule for liberalisation by EAC partner states

GOODS/PRODUCTS TO BE LIBERALISED	EAC CET	PERIOD OF LIBERALISATION	VALUE, US\$, LIBERALISED	% OF TRADE LIBERALISED
		2008 - 2009 (Transition Period)		
Raw Materials and Capital goods	0%	By 2010	1,725,753,302	64%
Intermediate Products	10%	2015 - 2022	416,830,776	16%
Finished Products	25%	2020 - 2032	65,507,218	2%
Total trade to be liberalised by EAC			2,208,091,296	82%
Total trade not to be liberalised by EAC			469,750,967	18%
Total EAC imports from EU			2,677,842,263	100%



# Uganda's EPA: getting the process 'right'

Kirk Haywood<sup>1</sup>

The East African Community (EAC) partner states initialled the text of an interim Economic Partnership Agreement on November 27 2007, based on the framework of the EAC Customs Union. Looking at the experience of Uganda in the EPA process may provide some lessons for other Least Developed Countries which must enter into a customs union containing both LDCs and developing countries.

## The EBA myth

Categorised as an LDC, Uganda could benefit from the 'Everything but Arms' initiative. In certain quarters, it was always taken as gospel that LDCs did not need an EPA because they had EBA as a fall-back option. In Uganda's case, however, this was not true. EBA made no commercial sense for exporters given their high degree of association with Kenyan firms. Only 0.5% of Ugandan exports were sent to other countries under EBA. The private sector made it clear time and again that EBA was not a realistic alternative for them. Thus, when the EAC Customs Union entered into force on January 1 2005, the EPA was the only commercially viable option available.

## The emperor has no clothes

From that moment, the EAC partner states were bound to have a single trade regime with the rest of the world. However, under EPAs, the Customs Union looked set to have two different trading regimes with the EU - its largest trade partner - if the partner states signed two different EPAs.<sup>2</sup> Within the EAC it was widely recognised that such a situation would undermine the foundation of Community and lead to its ultimate demise: again, Uganda recognised the problem and began internal consultations to solve it.

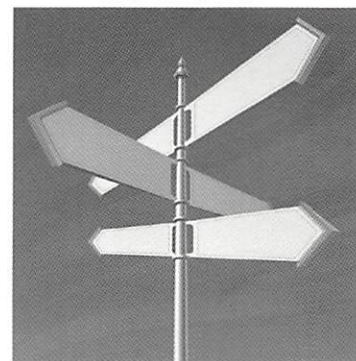
During these consultations, the private sector<sup>3</sup> and civil society<sup>4</sup> sounded the alarm bell, making it clear that the Customs Union should not be undermined for the sake of trading with Europe. The results of a mid-term review in the Eastern and Southern Africa group (ESA) also highlighted the configuration problems.<sup>5</sup> By mid 2007, it was clear that the composition of the ESA group represented the primary hurdle to completion of negotiations in that region. Against this background, the EAC decided to conclude its own EPA with the European Commission.<sup>6</sup>

The first attempt to implement this decision was novel: the creation of an EAC-EPA under both the ESA and SADC frameworks. This included identical market access packages, containing schedules and trade defence instruments etc, presented in both ESA-EPA and SADC-EPA configurations. This was seen as the only means to safeguard the EAC as a Community and to preserve the composition of the existing EPA configurations. The partner states presented an offer based on the EAC's Common External Tariff and sensitive product list, during technical sessions in Madagascar and Mozambique in October 2007. However, as the offer belated to the EAC Customs Union and not individual states, and because this Union was not properly constituted in either configuration, both groups found it impossible to negotiate it.

Subsequent consultations between the EAC and the Common Market for Eastern and Southern Africa (COMESA) decided that the EAC would present an independent market access offer to the EU under the EAC Customs Union framework, and that the EAC would be excluded from the sub-regional and national market access offers to be made by ESA.<sup>7</sup>

## 18/18

The EAC-EPA contains the modalities for other trade issues to be negotiated until July 2009. It is too early for a detailed analysis of the provisions. However, in broad terms the Customs Union's adherence to an EPA will only liberalise 18% of its trade. There is a *de facto* seven year moratorium on this liberalisation (as it does not begin until 2015) and it occurs over 18 years. The lock-in of raw materials and capital goods at 0% in 2010, which represented



64% of EAC-EU trade, was consistent with the Ugandan National Trade Policy's view of competitiveness enhancing measures for local enterprises. For these categories of goods, the private sector saw 'policy space' as policy uncertainty. It was thus deemed more beneficial to leverage this category to get a moratorium period in line with national competitiveness strategies. A mechanism to assure asymmetry between LDCs and non-LDCs was built into the EAC's list of sensitive products.

A debate has emerged about re-opening the texts. It is up to each customs territory to decide if it wishes to renegotiate certain provisions. This decision will have to be weighed against an assessment of the gains to be made vis-à-vis the resources - human and otherwise - which would be diverted away from pursuing negotiations in other areas. However, this exercise should be entered into with extreme caution. It is overly optimistic to assume that the Commission, whether generally or DG Trade in particular, would be willing to re-open the text for one side to make changes. The subsequent 'clarifications' of Barroso's Lisbon offer seems to indicate that the goalposts remain open to shifting.

Perhaps the Commissions of the past may have been that flexible, but in reality, times have changed, and we in the ACP are just no longer as important to Europe as we once were. One only need examine the paucity of support for an extension of the December 31 2007 deadline within the EU Council, and indeed the initial opposition to the duty-free quota-free offer by some EU member states, to see just how far the ACP has dropped on their priority list.<sup>8</sup> Perhaps we were overly hopeful to believe that the EU would help the ACP become competitive and rival their industries.

## Back to the Future

Once again, the ACP has a deadline to meet. However, the work to be done over the next 16 months is even more demanding. A particular challenge for Uganda - and the other EAC partner states - will be to maintain internal asymmetry while presenting as united a stance as possible to the EU. This reinforces the EAC's stated goal of moving into a common market and fostering deeper forms of integration. Whether this will mean having a Framework Agreement containing individual offers remains to be seen. Such an expedient approach may move the process along quickly. However, moving the process along quickly was never the challenge; the immediate challenge, as it has always been, is getting the process 'right'.

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<sup>2</sup> Unlike the other EAC members, Tanzania is a member of SADC but not COMESA, and was negotiating an EPA under the SADC configuration, before it decided in 2007 to initial an EPA under the EAC-EU EPA grouping.

<sup>3</sup> *East African Business Council Recommendation To The Council Of Ministers Of The EAC Pertaining To The Status And Progress Of EPA Negotiations With The European Commission*, October 2006.

<sup>4</sup> *EPAs: Building or Shattering African Regional Integration*, SEATINI, Econews and Traidcraft UK.

<sup>5</sup> Chapter 3.2.7, *Review Of The ESA EPA Negotiations with The European Union Consistent with the Cotonou Agreement Art 37.4*, Premium Consulting.

<sup>6</sup> Indeed this EPA Question has the unfortunate distinction of being pronounced upon by the EAC Summit three times: Kampala Declaration 2002, Kampala Declaration, 2007 and Ngorodoto Declaration, 2007.

<sup>7</sup> *Joint Statement by the EAC and COMESA Secretariats on EPAs*, Nairobi, October 24 2007.

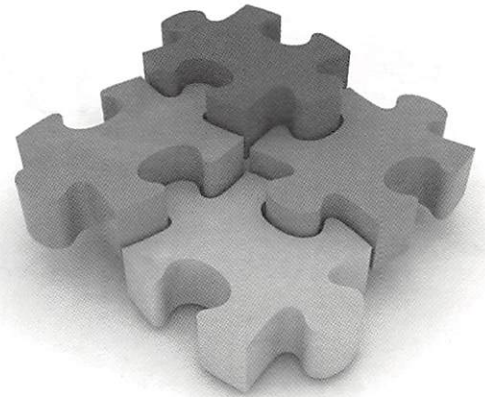
<sup>8</sup> Between the member states in the General Affairs and External Relations Council.



# The EAC interim EPA and Rwanda

Babajide Sodipo<sup>1</sup>

ACP countries initialled interim Economic Partnership Agreements with the European Commission for a multitude of reasons. For Rwanda its participation in the interim EPA must be seen in the context of its regional integration agenda. Rwanda, became a member of the East African Community (EAC) in 2007. By joining this grouping, Rwanda acceded to the EAC Customs Union and became involved in the negotiations for the establishment of a common market. The EAC's regional integration agenda also includes a plan to become a political union in the eventual future. But Rwanda is also a member of the Common Market for Eastern and Southern Africa (COMESA), providing a good example of the overlapping memberships that exist in the region.



*The interim agreements do not sound the death knell for regional integration in Africa.*

## Regional Realities

In the case of Rwanda and other members of the East African Community, the EAC's regional integration agenda provides a compelling argument for their decision to sign the EPA as a group.

The EAC as a Customs Union, once it had chosen to commit itself to the EPA, had to negotiate with the European Commission as a block. The defining characteristic of a Customs Union is a Common External Tariff, therefore an arrangement whereby the different EAC countries would have separate trade regimes with the European Union would have undermined the fundamentals of the EAC Customs Union itself. If each country had entered into a different deal with the EU, the Customs Union would have splintered and considering that the community is still at a relatively nascent stage, it is possible that the Customs Union would not have survived such a fragmentation. It was therefore important that the EAC countries negotiate as a united block and enter into a single agreement with the EU Commission.

But the question still remains: why enter into an EPA at all? It must be noted that while the EAC is made up of 4 Least Developed Countries (Burundi, Rwanda, Uganda and Tanzania) which would have benefited from the 'Everything but Arms' regime upon the expiration of the WTO waiver, the largest economy in the region, Kenya is a developing country. As such, Kenya would not have been eligible for the EBA regime and would therefore have reverted to the less favourable Generalised System of Preferences scheme for some of its key exports to Europe.

## Domestic Realities

Aside from the necessities arising from membership of the East African Community, it must be noted that countries such as Rwanda have already embarked upon significant liberalisation as part of national economic reform programs. It should be noted again that the possible tariff revenue losses should not be too significant given that a majority of goods from the EU market already enter Rwandan markets either duty-free or with relatively low tariffs. At the same time, some of the goods with the highest tariff revenue generation will be excluded from liberalisation according to the tariff schedule.

While it may be argued that committing to the EPAs reduces policy flexibility for governments, the reality is that policy making and negotiating in trade is often about trade-offs and compromises and the choice has to be made between policy flexibility and policy certainty. Political considerations must often be factored into the decision making process as well.

## Regional (dis)integration?

While much has been made of the EAC member states' decision to negotiate an EPA outside the ESA and SADC configurations, it must be acknowledged that in spite of the rancour and suspicion surrounding this choice, the different agreements that have been initialled by the EAC and ESA groups - and to a lesser extent the SADC group - are largely similar.

The interim agreements do not sound the death knell for regional integration in Africa. Nevertheless, there is need for a region by region analysis. The EAC for instance, will argue that the interim EPA has strengthened its own regional integration efforts. However, where individual countries have signed agreements with the European Commission outside the regional economic entity they belong to, the region faces real problems. It should be noted that this was the very situation that the EAC tried to avoid.

Looking at the bigger picture, the EPAs do not fundamentally affect the African Union's agenda of using the Regional Economic Communities as building blocks for the African Economic Community. The obligation therefore remains on EAC, ESA and SADC member states to exercise the political will that is necessary to make substantive progress in the regional integration efforts.

A lot will depend on the EAC-COMESA-SADC tripartite summit which is currently being organised. There is a need for clear political direction and commitment at the highest level, not only in regards to the EPA negotiations, but also to wider regional integration efforts. At the very minimum there is a need to establish and strengthen structures that will enable the different regions coordinate their EPA negotiation efforts.

## Looking forward

In Rwanda, there is a desire to transform its economy to one based on services. Opening up this sector will help to make it competitive enough to become a regional hub. And if resources and assistance to help develop the services sector can be negotiated as part of the EPAs, then there is the potential that an EPA services agreement could boost Rwanda's services sector. It is interesting to note that there is no EBA equivalent for services, and as such, there are more compelling reasons for an LDC to negotiate a services agreement if it is interested in developing its exports to Europe in this sector.

<sup>1</sup> Babajide Sodipo is a Trade Policy Analyst under the Commonwealth Secretariat 'Hubs and Spokes' program at the Ministry of Commerce, Industry, Investment Promotion, Tourism and Cooperatives, Kigali, Rwanda.



# Action stations: advancing a pro-poor services agenda in trade negotiations in 2008

David Primack and Dominique Njinkeu<sup>1</sup>

With EPA services (and investment) negotiations set to re-commence in coming weeks, as well as possible momentum gaining on a Doha deal, the likely pressures coming to bear on African countries - including LDCs - to undertake additional services commitments throughout 2008 will be high.

## Preparing for pro-poor reforms

It is widely recognised that services are a dynamic area of international trade, with the potential to offer developing and least developed countries significant opportunities - both in terms of increased exports (e.g. tourism, IT-related services and temporary labour movement) and imports that lower the costs of key services (e.g. telecommunications, transport and financial services). At the same time, services liberalisation remains understandably contentious due to its potential to expose vulnerable economies to a variety of risks. If African countries are to maximise these benefits while minimising the risks, it will be essential in the coming months to solidify positions on those sectors and modes of supply that comprise their offensive and defensive interests.

To do this, African countries require evidence-based knowledge at national and regional levels on services trade and the role of services in broader development strategies. The role of domestic regulatory reforms and complementary measures to help catalyse intended benefits from services reforms and achieve broader public policy should not be underestimated.

## Key challenges

One of the key challenges identified by African countries is finding a balance between the iterative learning process of improving regulatory outcomes and making effective use of liberalisation commitments, without unduly circumscribing policy space for future regulatory reforms. Furthermore, there is an explicit need to focus on regulatory reforms prior to undertaking commitments, exploring how much policy space would be required and perhaps most importantly, how this flexibility could be used and how it might reduce poverty.

## The work ahead

Particular attention has been directed towards legal issues, notably efforts to better understand the domestic landscape in terms of the state of regulatory provisions and practices. The undertaking of policy and regulatory audits would be required to help document such regulatory measures, and could serve as a reference for policy-makers and negotiators to undertake informed decisions on possible services reforms and negotiating positions (under either the WTO or the EPAs).

A multi-part work programme, as articulated by African stakeholders themselves, must combine fact-finding, research and analysis, training, and assistance with the decision-making process. There is a dual need to convene national workshops and further train decision-makers on these issues. Such work would not be exclusive to the EPA, and should feed the WTO services discussions as well, helping to ensure coherence between these fora and domestic policy objectives. Regional integration should provide the foundation needed to support other bilateral and multilateral processes.

## Ensuring a focus on poverty

In terms of looking beyond the mercantilist tendencies of trade negotiations, there is a need to ensure that any reforms underpinning liberalisation have an adequate pro-poor focus. As a matter of course, engaging those most affected by a decision is an important starting point, as is ensuring long phase-in periods for areas that could increase hardships for the poor in the short-term. Universal service and/or universal access provisions are key pro-poor mechanisms, but not the only dimension to be considered. The impact of services reforms on the cost of production and lowering prices paid by consumers for key services also matters. But for such liberalisation and reforms to have a direct impact on poverty alleviation, there also needs to be a link with job creation.

Complementary measures are crucially needed, notably on building services supply capacities and related human resource development. Indeed, in many circumstances, it is these complementary policies to support liberalisation that carry a greater impact than the liberalisation policy itself. Hence, a targeted effort on trade in services under the 'Aid for Trade' umbrella as well as more general aid-for-trade discussions, such as those in EPAs or the EDF, are required. In this regard, the importance of developing and refining a prioritised list of complementary services interventions is required, which should be discussed with local donor offices. However, one should be careful not to 're-invent the wheel'. In many cases, such prioritised lists already exist, with the main impediment for implementation being one of availability or accessibility of adequate resources. There is also a need to better account for trade in services in national development strategies and trade-related assessments, and to identify mechanisms for addressing regional issues not captured in the national context.

## A clear message

With a myriad of services negotiations on the horizon, it is recommended that additional technical work commence as soon as possible, with a view to complete this by mid-2008. International Lawyers and Economists Against Poverty (ILEAP), alongside key partners such as ICTSD, ECDPM, ODI, South Centre and UNCTAD, can assist in this regard. One clear message from many concerned stakeholders is that only advancing with this important work immediately, will African governments have the requisite information they need to ensure that possible future services commitments (and related complementary measures) sufficiently take account of their most pressing needs and work effectively to support the fight against poverty.

<sup>1</sup> The authors are Programme Officer and Executive Director for International Lawyers and Economists Against Poverty (ILEAP).

The views in this article are informed by a recent meeting of pan-African and international services officials and experts in Kampala, Uganda on February 4-8 2008, to discuss services negotiations and pro-poor reforms, as well as to map out an agenda for outstanding preparatory work. Countries represented included Burundi, Cameroon, Central African Republic, (Republic of) Congo, Ghana, Kenya, Nigeria, Rwanda, Senegal, Sierra Leone, Swaziland, Tanzania, and Uganda, as well as representatives from CEMAC, CRNM, EAC and ECOWAS. For further information on the Kampala workshop, please visit [www.ileap-jeicp.org](http://www.ileap-jeicp.org)



# GI rules: potential and implications for African countries

Fleur Claessens<sup>1</sup>

EPA negotiations will challenge ACP countries if they result in an additional layer of intellectual property rights (IPRs) legislation. To date, only the Caribbean region has signed a full EPA with the EU, comprising IPRs in its scope. The rest have all initialled so-called interim agreements covering trade in goods - with a commitment to negotiate and agree IPRs within a year.

Within the chapters on intellectual property rights, the draft EU texts enclose detailed provisions on geographical indications (GIs).

## Box 1

A GI is a designation which identifies certain qualities, characteristics or the reputation of a particular product to a specific geographical locality. It is designed to indicate product quality, highlight brand identity and preserve cultural traditions. The African continent is gifted with diverse areas of agriculture, natural resources, culture and traditions. For centuries communities across the continent have produced goods with a quality associated to a special area and that enjoy a strong reputation with national and international consumers. Possible examples include some Kenyan teas and coffees, *shea* butter from Burkina Faso, Guinean pineapples, white honey from Cameroon, Nile Perch from Lake Victoria, Tanzania, Kenya and Uganda, *Rooibos* tea from South Africa, *Mananara* vanilla from Madagascar or *Korhogo* fabrics from Ivory Coast.

Geographical indications are by essence a collective right. They allow for the protection of existing products and traditional methods of production and knowledge. Due to these characteristics, GIs can play a role in promoting rural development in remote areas. GIs may also contribute to social cohesion, helping local producers work together to solve common problems. They can also positively influence local and national identity by making producers and consumers proud of their unique traditional products.

GIs encourage variety and diversity of production and allow for a better redistribution of 'added value' in the production chain - from the raw material producer to the manufacturer. They allow producers to market distinct products with specific characteristics that are clearly identifiable. Guarantees offered to consumers on production methods and quality may also help to achieve higher prices. For instance, a study shows that Vietnamese GI sauce, *Nuoc Mam* from Phu Quoc has tripled in price since it was granted GI protection in 2001.<sup>2</sup>

Yet, GIs come at a certain price: it can take time and effort to build a strong quality product including labelling and marketing. Moreover, a legal framework allowing for registration of indications needs to be put into place, which covers production methods, the technical standards of product and a verification process safeguarding the specifications set. Currently, existing GIs concentrate on a limited number of products such as wine and spirits (which account for 80% of all GIs globally) and to a lesser extent meat, cheeses, oil, and nuts. Moreover, GIs are presently used in a limited number of countries - particularly in Southern Europe.



Wine and spirits account for 80% of GIs globally.

## The push for GIs in Africa

There could be clear benefits from using GIs in Africa. However, countries should ask several questions before deciding to enter the complex GI debate or before committing to obligations: Does the country need GIs? What effects would they have? How do rules on GIs compare with similar areas, such as trademarks or improved labelling and marketing efforts? Most importantly, African countries must look for products where real commercial value could be gained - or lost - as a consequence of expanding the level of protection.

There is currently an ongoing cooperation programme between the World Intellectual Property Organisation (WIPO), the French authorities and the African Intellectual Property Organisation (OAPI) to promote the establishment of GIs in some of the 16 francophone OAPI countries. A pilot project was initiated to help farmers set production standards establishing the basis for regulating GI protection. The group, which bases its IPR rules on the legal framework of the revised 1999 Bangui Agreement (see Box 2), has recently protected 'Champagne' as its first recognised geographical indication.<sup>3</sup>

It is significant to note that so far, not one member of the OAPI benefits from a national or regional geographical indication. However, countries recognise some 'informal' GIs, which contribute to the socio-economic development of the region, by creating labour opportunities and local revenue. One example is *Le Violet de Galmi* from Niger, a purple colored onion with a special spicy flavor.

## An international debate

GIs have been at the heart of the debate on international trade negotiations since their inclusion in the Uruguay Round and the adoption of the Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement.

GIs have caused particular divisions in the current WTO Doha round of trade liberalisation negotiations. The EU, with support from some Asian countries, wants to create a binding register of protected GIs, whereas the US, Australia, Argentina and a coalition of other countries want a non-binding database (notification system) of other countries' protected designations which could be consulted on a more-or-less voluntary basis.

These countries believe EU plans for an international GI register would grant unwarranted protection to European produce. At present, WTO law contains a commitment to ensure that GIs do not mislead consumers on the true origin of a product or cause unfair competition. However, for wines and spirits, a higher level of protection applies. Thus, 'Senagalese Champagne' is not a permitted formulation, whereas 'Senagalese Gorgonzola', for example, would be allowed. The EU and its allies are essentially pressing for the higher-level protection that currently applies to wines and spirits to be extended to other agricultural and food products.

Some question whether a developing country that has no interest in GIs for its own products should seek to oppose GI requests for EU products. What motive would they have



without competing products? While there is no obligation for developing countries to support a wider extension of rules, GIs at the multilateral level are here to stay. It would seem better that developing countries try to benefit from them - an unlikely prospect if protection is only given to wines and spirits. In this respect, perhaps developing countries should consider trading agricultural market access and tropical products for better GI protection.

Either way, the complete lack of consensus between WTO countries makes the possibility of an agreement on geographical indications for agricultural products in the near future a bleak one.

## Box 2

The Bangui Agreement is the Agreement which was established upon the creation of the African Intellectual Property Organisation (OAPI), signed at Bangui on March 2 1977.

This Agreement provides a definition and scope of GIs. It outlines the lawful and unlawful use of the indications, as well as registration procedures, rules on application, examination, opposition, and cancellation. The Bangui Agreement, which was revised in 1999 to comply with the WTO TRIPS Agreement, requires that OAPI countries will undertake action to accede to the Lisbon Agreement, the WIPO Convention and the TRIPS Agreement amongst others.

## GIs in the EPAs

There is speculation that there has been a change in strategy and certain countries are now trying to secure protection for regional products via bilateral deals with individual countries, as a safeguard against possible failure to make progress in multilateral negotiations. As such, GI provisions are increasingly being included in regional and bilateral trade agreements - especially those negotiated by the EU and the European Free Trade Association.<sup>4</sup> One recent example is the Economic Partnership Agreements (EPAs) between the EU and the ACP countries.

Looking at the text that was initialled between the EU and CARIFORUM, the only ACP group to sign a comprehensive EPA, the following preliminary observations can be made:

- 1) The starting point for GI negotiations is a commitment by both parties to ensure an adequate and effective implementation of the international treaties dealing with intellectual property - in particular to the WIPO administered treaties on intellectual property and the TRIPS Agreement.
- 2) Provisions that go beyond the minimum standards set in the TRIPS Agreement, so-called TRIPS plus provisions, have also been included in the text. For example, there is an extension of the higher level of protection granted to wines and spirits under the TRIPS Agreement to all kinds of products (including agricultural, food products, and handicrafts products);
- 3) The text contains a clear mandate to protect GIs, hence it proposes to upgrade the obligation set out under the TRIPS Agreement to provide "the legal means for interested parties to prevent use of geographic indications" to a positive obligation to protect geographic indications;
- 4) The text contains responsibilities in relation to the use of GIs on the internet and;

- 5) Both parties shall aim to negotiate an agreement on the protection of geographical indications. The EU proposed to include a list of terms, annexed to the text, which according to the EU do not constitute terms customary in common language. In other words, the EU is demanding exclusive use for EU producers of certain commonly used terms as part of a so-called 'claw back' agenda.

In contrast, African countries need to focus on the identification of GI products that could qualify for protection.

## Recommendations for ACP countries

Some twenty ACP countries also initialled so-called interim EPA agreements with the EU, agreeing to discuss intellectual property rights as part of ongoing negotiations towards a full EPA throughout 2008. As part of ICTSD's ongoing work on intellectual property rights and sustainable development in this region, one or two points relating to GIs can be raised.<sup>5</sup>

It is important for ACP countries to establish their own national legal and administrative regime of GI protection as only domestically protected GIs can achieve international protection. Moreover, they must work on improving supply chain management in sectors where they hold comparative advantages, produce on a larger scale and improve infrastructure and marketing activities. One option would be to focus on finding 'niche products', entering the market with a new item suited to a country's climate and conditions, thus building a comparative advantage.

Market access will also be a point of concern, as having GI protection for domestic products will not necessarily guarantee access for these products to foreign markets - mainly due to high tariffs or unattainable health and safety standards. ACP countries or regions must begin by evaluating the potential benefits GIs could bring to key products such as fish, fruits, textiles and crafts. These must be weighed against the potential costs that increased protection could generate for local authorities and for generic producers already using European geographical names. They must also assess the costs of establishing a uniform GI system, including a means to follow and verify production methods.

## A long-term venture

Currently, the EU is the only region with a long GI history and experience in the concept of protection and enforcement. Perhaps it would be best for ACP countries to start by adopting a less cumbersome and less expensive trademark or 'certification of origin' protection scheme. This could also facilitate regional initiatives, for example, covering peanuts coming from Senegal and Gambia.

There will never be a win-win situation; GI protection might lead to the surrender of generically used names in certain countries. But in the long term, if ACP countries can focus on developing, identifying and protecting GIs on the domestic market, the system could be a valuable tool for sustainable development and economic growth. It will be an endeavor best approached one step at a time.

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<sup>2</sup> See 'Geographical Indications: A business opportunity and a rural development tool' <http://info.worldbank.org/etools/docs/library/55547/geoindications/geoindications/pdf/Gleconomics.pdf>

<sup>3</sup> For further details see: [www.oapi.wipo.net/en/OAPI/actualites/indication\\_geo\\_champagne.htm](http://www.oapi.wipo.net/en/OAPI/actualites/indication_geo_champagne.htm)

<sup>4</sup> Iceland, Switzerland, Lichtenstein and Norway are members of EFTA: [www.efta.int](http://www.efta.int)

<sup>5</sup> ICTSD will be organising a CEMAC regional dialogue on EPAs, IPRs, Innovation and Sustainable Development in Yaoundé, Cameroon in April 2008. See: [www.iprsonline.org](http://www.iprsonline.org)



# WTO Roundup

## Chairs' texts move Doha Round to next phase

Victoria Hanson, ICTSD

The WTO's Doha Round received an injection of momentum in February, following the submission of new draft negotiating texts for agriculture and industrial goods trade. The long-awaited texts, unveiled by Crawford Falconer, the chair of the negotiating committee on agriculture and Don Stephenson, the chair of the negotiating committee on non-agricultural market access (NAMA) on February 8, set out the latest different options for tariff and subsidy reform as well as the exceptions to them.

WTO Director General Pascal Lamy heralded the revised texts, which summarise the past six months of discussions, claiming they paved the way for the launch of an important new stage in the Doha Round of global trade talks.<sup>1</sup>

"The two chairs have produced texts which are now comprehensive," he said, adding that they reflect the progress that has arisen from the intensive negotiations involving all 151 WTO Members since July 2007. "As expected some areas in the negotiations will require further work," he admitted, "but it is clear that with the release of these revised texts we are a step closer to looking across both these issues as we try to find the final balance for an ambitious and development-oriented round."

Lamy explained that the texts should lead to a 'horizontal' negotiating process involving trade-offs across the agriculture and NAMA negotiating areas (and possibly others such as services), culminating in a ministerial meeting to finalise a 'modalities' deal around Easter - March 23 this year.

### Agriculture text signals significant progress

The Falconer draft in particular showed considerable progress compared to the set of texts tabled last July - particularly on market access - with a clear framework and fewer figures in square brackets.<sup>2</sup> However, the controversial 'headline numbers' remained largely unchanged from the previous draft.

In one of the most significant changes from the previous draft, the latest document was presented entirely in the form of legal text, whereby discursive passages indicating disagreement were all replaced with firm options for agreement.

Overall tariff cutting formula remained untouched since last July. However, the new text included a 'surprise' requirement for developed countries to make a minimum average tariff cut of 54%. This provision would require some countries to make additional duty cuts, in cases where the distribution of tariffs in the tiered reduction formula would have otherwise resulted in a lower average reduction. This figure was "hotly debated" during an agricultural negotiating committee meeting on February 15: welcomed by the G20 group of developing countries (who would only have to make an average cut of 36%) but strongly opposed by others such as the EU and countries with highly protected agricultural sectors.

### Special safeguard mechanism: options

One issue which incited considerable deliberation between the G33 group of developing countries and exporting nations wary of finding their access to overseas markets curbed, was the so-called special safeguard mechanism (SSM). This new provision for developing countries would allow import duties to be temporarily raised in the event of import surges or price depressions.

In the new text, Falconer made a first attempt to set out a potential legal structure for this instrument, giving various figures and options for the size of the import surges necessary to trigger safeguard duties, as well as the magnitude of these duties. However, the G33 told the February 15 meeting that the SSM proposal was "extremely inadequate" and the inclusion of several potential restrictions would "only provide a stringent, restrictive, burdensome, ineffective and non-operational mechanism for developing countries and LDCs."

Meanwhile, some progress was made on the controversial issue of 'special products', which developing countries alone will be able to slate for gentler tariff cuts on the basis of food security, livelihood security and rural development criteria. Falconer suggested that developing countries designate a minimum of 8% of farm tariff lines and a maximum of 12% or 20% (to be negotiated). A list of 'indicators' annexed to the text, i.e. criteria that demonstrate a product satisfies conditions for selection, replicated the list proposed by the G33 group.

### Tropical products and preference erosion deadlocked

Falconer's text took only small steps towards trying to resolve the stand-off between liberalising trade in tropical products while addressing the effects of preference erosion by proposing a set of options. This issue has traditionally pitted Latin American liberalisation proponents against the ACP that benefit from preferential access to major markets - particularly for products like bananas and sugar.

One option for tropical products would be to eliminate tariffs below 25%, with remaining tariffs subject to an 85% tariff reduction. No commodity featuring on the tropical product list would then be eligible to be designated as a 'sensitive' product, i.e. those products which both developed and developing countries will designate for gentler tariff cuts in exchange for expanded tariff quotas.

One option in the text for preference erosion was to postpone tariff reduction on affected products for ten years. This was a proposal put forward by the ACP.

### NAMA text looks to break the ice

Reaching a compromise on the deeply divided talks on industrial trade might require giving developing countries more room to shelter some products from tariff reduction, Stephenson claimed upon the release of his NAMA text. He conceded that consensus among WTO members was entirely absent on some of the central issues in the negotiations, including the formula that will determine the future tariff levels for developed and developing countries and the 'flexibilities' that will determine the extent to which developing countries can shield some sectors from the full force of global competition.

While Stephenson's coolly-received July paper had been a legal text for an agreement, the new draft text was divided into two columns: the left hand column with legal text and the



right-hand column with Stephenson's description of remaining divisions. This new format is "more a record of where we actually stand in negotiations," Stephenson said.

However, the most significant break with the July NAMA draft concerned 'flexibilities'. Where the July text allowed developing countries to subject 10% or 5% of tariff lines to reductions half as steep as those ordinarily required, the new text had removed these figures altogether, leaving the square brackets empty.

### Services and rules headache

In addition to the release of the agriculture and NAMA texts, Mexico's WTO ambassador Fernando de Mateo released a revised services text on February 12. While big political decisions on cutting farm and industry tariffs and subsidies will come down to agreeing formulas, opening up services will not be as simple because of the complex regulations underlying areas such as banking and telecoms.

Around 30 countries keen to open up services claim that a deal is inconceivable without the inclusion of these sectors, while others fear the need for countries to make offers to each other on a bilateral basis and then in small groups will be time consuming. Given the detailed preparation needed, several trade ministers have argued that the ministerial in March or April should not be overloaded with services discussions.

There have also been calls for Uruguay's WTO ambassador Guillermo Valles Games, who chairs the talks on rules, to revise his text before ministers and officials meet in Geneva to begin bargaining. While Valles Games has not ruled this out completely, he admitted there had been very little fine tuning of positions.

### Developing countries offer mixed bag of reactions

Immediate reactions to the texts by developing countries were mixed, with the agriculture text appearing to narrow the gaps for future negotiations more successfully than the industrial and services texts.

The agriculture text "is a good basis for further work," according to Brazilian ambassador Clodoaldo Huguene, who spoke on behalf of the Group of 20 emerging nations. "These positions offer the best prospects for a balanced and reasonable outcome for the Doha Development Agenda," he said.<sup>3</sup>

Indian Commerce minister Kamal Nath praised the new NAMA text for "reflecting that there are other points of view held by many countries," but expressed anxiety that the removal of figures for flexibilities "left room for ambiguity to creep in." He cautiously welcomed the farm text, especially the re-introduction of the G-20 proposal for a minimum 54% cut in agricultural tariffs by developed countries and a maximum tariff cut of 36% for developing countries.<sup>4</sup>

### EU Commission claims texts 'lack balance'

The European Commission immediately stated the new negotiating texts lacked balance - i.e. unequal in terms of what is being demanded and what is being offered - and while the farm text was more promising than the NAMA text, more should be offered in terms of setting a level of ambition on services if a deal is to be struck.

"The Agri text reflects the work done by negotiators and defines credible landing ground," a European Commission official told Reuters. However, the NAMA text "does not reflect

much of the work done in Geneva and can only slow progress towards modalities," the official warned.<sup>5</sup> He claimed that "the necessary balance between the NAMA and the Agri texts has not been found."

### EU member states 'up in arms' over farm text

Moreover, twenty of the 27 EU member states declared opposition to the proposals during February's Farm Council in Brussels, the French minister of agriculture Michel Barnier claimed.

"The concessions [outlined in Falconer's paper] are not acceptable," Barnier told journalists, adding that the text goes beyond acceptable "red lines". This included the EU giving too many concessions in agriculture without gaining enough in return from other negotiating parties on NAMA and geographical indications (GIs), Barnier said.

The minister claimed that it would be better to have no Doha deal at all than to accept the latest paper and said some member states had written to the President of the European Commission, José Manuel Barroso, to ask him not to accept the proposals.

### US claims texts 'short change' global economy

The United States voiced concern that all three negotiating texts - agriculture, manufacturing and services - fall short of the WTO's goal to stimulate growth in the global economy.<sup>6</sup> "Efforts to achieve consensus in the WTO are critical, but not if they generate a lowest-common-denominator outcome that fails to generate economic growth." US trade representative Susan Schwab told a Washington think tank on February 13.

Echoing other trade ministers Schwab said the agriculture text captured recent good progress "to bring unresolved issues into clearer focus," but that "more work needs to be done before the text is read for negotiations among ministers."

### Easter ministerial meeting a reality?

Trade ministers are keen to wrap up the long-running Doha Round by the end of this year, before a new US administration takes office, and to bolster the confidence of a struggling world economy.

In this vein, WTO Members are still behaving as though a ministerial meeting will be held in Geneva at the end of March or in April to hammer out a framework deal. However, for a meeting to take place in the foreseeable future, substantive progress must be made in discussions. As TNI went to press, the ministerial had been rescheduled to mid-April, if at all.

Each of the past three years has seen a failed push for a Doha Round modalities breakthrough. Although negotiators point out that significantly more of the necessary underlying technical work has been completed this year, some remain cautious of the current target of 'around Easter' for a ministerial.

<sup>1</sup> See: Lamy welcomes revised agriculture and NAMA negotiating texts, February 8 2008. [www.wto.org/english/news\\_e/pres08\\_e/pr513\\_e.htm](http://www.wto.org/english/news_e/pres08_e/pr513_e.htm)

<sup>2</sup> Square brackets indicate figures which still need to be negotiated.

<sup>3</sup> See: Emerging countries give mixed reaction to WTO ideas to break Doha deadlock, AFP, February 16 2008.

<sup>4</sup> See: India welcomes new WTO draft with caution, The Financial Express, February 13 2008.

<sup>5</sup> See: EU says latest WTO negotiating texts lack balance, Reuters, February 15 2008.

<sup>6</sup> See: US says latest WTO draft negotiating texts fall short, AFP, February 13.



# EPA Negotiations Update

Victoria Hanson and Melissa Julian

## EU warns ACP over sluggish pace of EPA talks

The European Union has voiced concern over the speed at which African countries are moving towards negotiating comprehensive EPA deals with Europe. EU officials spoke out against increasing opposition to the interim deals, warning that African countries could face a similar situation in December to that which they faced at the end of 2007 unless the negotiation process speeds up. European Commission director-general for development Stefano Manservigi said African states could face disruptions in 2009 with the potential reversion to the less generous general system of preferences (GSP) scheme. "It's time to look at the actual contents of the interim agreements and move forward with speed to craft a comprehensive deal," he said.<sup>1</sup> "The quicker the better for them," he added. Manservigi expressed fears that comprehensive deals might not be reached by the end of the year, blaming squabbles within the various regional trade blocs.

However, many believe ACP must move forward at the national and regional level before they can re-start the negotiations on comprehensive EPAs which will cover trade related issues. They also have fears that harmonising the different trade schedules and building a deal which accurately addresses development issues will take time.

## Barroso does not rule out high-level EPA meeting

The European Commission remains available for high-level talks on the EPAs, EU Commission President José Manuel Barroso confirmed in early March. In a letter to the ACP Council President, Barroso said he would take part in a meeting but that the regions, senior officials and technical experts must first lay the groundwork. Barroso also said he would like regular contact with the President of the ACP Council and invited him to Brussels for talks. However, the President refrained from setting any firm date. Meanwhile, African Union chairperson Alpha Oumar Konaré also wrote to Barroso in early February asking him to reopen - at the highest level and without delay - discussions on the EPAs in line with the conclusions of the EU-Africa Summit in Lisbon last December. It is assumed that Barroso's reply is similar to that given to the ACP President.

## Central Africa faces integration conundrum

The Central African region is facing serious integration challenges following Cameroon's decision to initial an interim EPA with the EU. While remaining CEMAC countries have no wish to adhere to this deal, Cameroon has no desire to go back on its agreement, making a consolidated regional negotiating position extremely difficult.

Central African negotiators still restated their objective of concluding a regional EPA, at a technical meeting with the European Commission on February 6-7 in Douala. The parties agreed to use the conclusions of previous Central Africa-EU ministerial meetings in 2007 and the texts initialled in other regions as a basis for future negotiations, rather than building on the text of the interim agreement initialled by Cameroon. European Commission and CEMAC officials also agreed a roadmap for concluding a regional EPA by July this year. This

still has to be endorsed by CEMAC Heads of Government who are scheduled to meet at the end of March.

## Ivory Coast believes EPA paves way for West Africa deal

Ivory Coast will sign a comprehensive EPA with Europe in June, which it believes will open the door for other West African countries to join, integration minister Amadou Kone said on February 13.<sup>2</sup> "We have the authorisation of the UEMOA to sign the definitive agreement by June 2008," Kone told a news conference, adding this would be done before June 30. "This...will give a blast of acceleration which should allow ECOWAS to conclude a regional EPA in the coming months," he added.<sup>3</sup> Ghana is also set to sign a full EPA by mid-2008.<sup>4</sup>

Ministers welcomed the confirmation that the interim agreements with Ivory Coast and Ghana would be superseded by a regional EPA, during a monitoring committee meeting on February 21. They asked that ECOWAS and UEMOA Commissions continue their support for harmonising the two interim agreements before signature and stressed the need for accompanying measures to increase competitiveness, address adjustment costs and support EPA implementation.

West African trade ministers agreed to push for the adoption of a Common External Tariff (CET) by June 30 as a precursor to a regional EPA during a meeting in Nouakchott on February 21. The ECOWAS CET, however remains a controversial issue in West Africa, given Nigeria's demand for the creation of a fifth tariff band at 50% as an addition to the existing UEMOA rate.<sup>5</sup>

## SACU split thwarted for time being

The South African Customs Union remains intact, despite fears that South Africa's attempt to convince SADC EPA member states to back out of the ongoing negotiations and forge a common position against the EU to negotiate the entire EPA process afresh might split the group. Concerns that SACU may dissolve arose during a tense SADC ministerial meeting on February 18, when those countries which have signed the interim agreement voiced opposition to this proposal.

However, Mandelson subsequently claimed that "South Africa has said it would not stand in the way of other SADC members, which had initialled an interim economic partnership agreement at the end of last year," during a trade ministers meeting in Gaborone on March 4.<sup>6</sup> Mandelson, who undertook a five day, four country trip to Southern Africa on February 28, added that he assumed "the comment was sincerely made and that the other countries will not be obstructed." For his part, South Africa's President Thabo Mbeki maintained that "there should be engagement to make sure that the EPAs don't act as an obstacle to the achievement of the goal of regional integration on our continent and African unity."<sup>7</sup>

Both sides stated that the interim EPA initialled by Botswana, Lesotho, Namibia, Mozambique and Swaziland is a stepping stone towards a comprehensive agreement.<sup>8</sup> Botswana, Lesotho, Swaziland and Mozambique agreed to conclude negotiations on services and investment by December 31 2008. Angola underlined its intention to accede to the full EPA once this agreement is concluded. Namibia and South Africa raised concerns that the interim EPA would harm regional integration, development aspects and policy space.

## ESA face difficult EPA choices

The challenges for the ESA region were outlined during a ministerial meeting in Lusaka on March 3.<sup>9</sup> It was agreed to find solutions to questions including special treatment for



LDCs, rules of origin and cumulation, development cooperation, additional resources and delivery mechanisms for EPA costs, in the move towards a full EPA. There are reports that the choice of trade partners is causing much tension within the region, with individual members harbouring different interests and thus hindering progress.

COMESA ministers discussed the issue of overlapping membership and underlined the importance of harmonising the trade regimes of COMESA, EAC and SADC, in particular with respect to the CET, during a meeting on February 10. These discussions followed a proposal by EAC ministers to form a wider free trade area encompassing COMESA and SADC. The COMESA secretariat plans to analyse the different interim agreements initialled in the sub-region to coordinate regional integration programmes by April 2008.

### Caribbean to sign EPA with EU in June

Caribbean governments will now formally sign its EPA with the EU in June, rather than in April as previously scheduled. Trade and industry minister Keith Rowley confirmed the two-month delay during a Caricom governmental meeting in Nassau on March 7. "There has been a little slippage with respect to the date for the signing of the EPA with the European Union... that's now pushed back down towards June because the technical people and the Secretariat had some more work to do in preparing the final document," Rowley said.<sup>10</sup> He said the final document "is now available" and the Caricom Secretariat "has a few weeks to get ready".

Meanwhile, the region is embroiled in a major ideological and propaganda battle concerning the merits and demerits of the EPA.<sup>11</sup> The conflict concerns the process of the negotiations and what was won or lost across the table. While the CNRM (the body responsible for negotiating the deals) stands by its claim that the EPA was the best and only development game in town, others claim it was a sell out. Several groups complain about the lack of public consultation and denounce the way the EU "bluffed, bribed, bullied, cajoled and deceived" negotiators into accepting the deals. Ambassador Dr Richard Bernal, director general of the CNRM recently declared that the accord was not a panacea, but represented the best trade pact the region could enter into at this time.<sup>12</sup>

### Pacific laments lack of progress on EPA

Pacific ACP states endorsed the decision to continue collectively negotiating a comprehensive EPA, during a trade officials meeting in Nadi, Fiji on February 21. Stating that a complete EPA could only be reached once all PACP countries agreed, officials also decided that the Agreement must reflect the differing circumstances and economic interests of all PACP states.

However, sources close to the discussions claim that tensions have arisen over the EU's refusal to address key Pacific offensive interests. These include agreeing a bilateral or multilateral memorandum of understanding on the temporary movement of natural persons (Mode 4) and aid-for-trade commitments. Consequently the PACP states are becoming less favourable towards negotiating on services - the EU's main focal point for 2008.

PACP trade officials' recommendations on whether to negotiate a comprehensive EPA will now be considered by trade ministers at an end of March meeting. Should the ministers give the green light, negotiations are likely to resume at the technical level in the second half of April.

For a more detailed version of the EPA update and the latest on the negotiations, please visit: [www.acp-eu-trade.org/epa](http://www.acp-eu-trade.org/epa) and [www.ecdpm.org/epa](http://www.ecdpm.org/epa)

<sup>1</sup> See: Africa: EU Warns Continent Over Sluggish Pace of New Trade Deal Talks, Business Daily Nairobi, February 25 2008.

<sup>2</sup> See: Ivory Coast says EPA will lead way for region, Reuters, February 13 2008.

<sup>3</sup> See: Ivory Coast says EPA will lead way for region, Reuters, February 13 2008.

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<sup>5</sup> ECOWAS CET, The Imperatives of Nigeria's Fifth Band, NANTS. [www.acp-eu-trade.org](http://www.acp-eu-trade.org)

<sup>6</sup> See: Mandelson in egg dance to placate SA, Namibia, Business report, March 5 2008.

<sup>7</sup> See: EU trade deals harm Africa unity, South Africa's Mbeki, Reuters, March 6 2008.

<sup>8</sup> To read the full declaration from the meeting see: [www.acp-eu-trade.org](http://www.acp-eu-trade.org)

<sup>9</sup> To read the conclusions of the meeting see: [www.acp-eu-trade.org](http://www.acp-eu-trade.org)

<sup>10</sup> See: Caricom, EU to sign EPA in June, Trinidad and Tobago Express, March 8 2008.

<sup>11</sup> See: The EPA: Boon or Burden, Trinidad and Tobago Express, February 24 2008.

<sup>12</sup> See: EPA is best trade pact for now - Bernal, Jamaica Gleaner, February 27 2008.

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# Trade Negotiations Insights

## Calendar and resources

### ACP-EU EVENTS

#### MARCH

- 3 ESA Council, Lusaka.
- 4 European Commission-ESA Ministerial, Lusaka.
- 4-5 EU-West Africa EPA negotiations.
- 4-6 EU Economic and Social Committee to discuss EPAs.
- 5 24th Special Meeting of the Council for Trade and Development (COTED) Ministers, The Bahamas.
- 7-8 19th Inter-Sessional Meeting of the Conference of Heads of Government, The Bahamas. The aim is to sort out final EPA issues ahead of April signing.
- 10-14 Regional ECOWAS technical workshop on defining EPA development programmes and looking at industry and services.
- 15-20 ACP-EU Joint Parliamentary Assembly.
- 26-2 Meeting of African Finance Ministers organised by UNECA on Aid for Trade.
- 30-31 March ESA Regional Negotiating Forum, Malawi.
- End Retreat of African ambassadors in Brussels.

#### APRIL

- 1-2 Experts meeting on EPAs, Addis Ababa. One of the issues that will be discussed is the importance of practical monitoring provisions in the EPAs.
- 3 AU Conference of Finance and Trade Ministers.
- 3 - 4 African Trade and Finance Ministerial meeting organised by the AUC to prepare for the AUC-European Commission high level meeting.
- 28-30 The first Regional Assembly of the ACP-European Commission Joint Parliamentary Assembly, Windhoek, Namibia.

### WTO EVENTS

#### MARCH

- 4 Committee on Trade and Development.
- 10 Working group on Trade and Transfer of Technology.
- 11 Council for Trade in Goods.
- 13-14 Council on Trade Related Aspects of Intellectual Property Rights.
- 14 Dispute Settlement Body.
- 18 Committee on Agriculture.
- 18-19 Technical Barriers to Trade Workshop.
- 20 Committee on Technical Barriers to Trade.
- 31 Workshop on SPS Capacity Evaluation Tools.

#### APRIL

- 2-4 Trade Policy Review Body, Madagascar.
- 7-11 Negotiating Group on Trade Facilitation.
- 14-16 Committee on Regional Trade Agreements.
- 18 Dispute Settlement Body.
- 23-25 Trade Policy Review Body, Mauritius.
- 24 Committee on Rules of Origin.

### RESOURCES

All references are available at:  
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