

EC-Pacific States Interim Partnership Agreement

European Parliament resolution of 25 March 2009 on the Interim Partnership Agreement between the Pacific States, on the one part, and the European Community, on the other part

The European Parliament,

- having regard to its resolutions of 25 September 2003 on the Fifth Ministerial Conference of the World Trade Organisation in Cancún¹, of 12 May 2005 on the assessment of the Doha Round following the WTO General Council Decision of 1 August 2004², of 1 December 2005 on the preparations for the sixth Ministerial Conference of the World Trade Organisation in Hong Kong³, of 23 March 2006 on the development impact of Economic Partnership Agreements (EPAs)⁴, of 4 April 2006 on the assessment of the Doha Round following the WTO Ministerial Conference in Hong Kong⁵, of 1 June 2006 on trade and poverty: designing trade policies to maximise trade's contribution to poverty relief⁶, of 7 September 2006 on the suspension of negotiations on the Doha Development Agenda⁷ (DDA), of 23 May 2007 on Economic Partnership Agreements⁸, of 12 December 2007 on Economic Partnership Agreements⁹ and its position of 5 June 2008 on the proposal for a Council regulation applying a scheme of generalised tariff preferences for the period from 1 January 2009 to 31 December 2011 and amending Regulations (EC) No 552/97, (EC) No 1933/2006 and Commission Regulations (EC) No 964/2007 and (EC) No 1100/2006¹⁰,
- having regard to the Interim Economic Partnership Agreement between the Pacific States, on the one part, and the European Community, on the other part,
- having regard to the Partnership agreement between the members of the African, Caribbean and Pacific (ACP) Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 (the Cotonou Agreement),
- having regard to the Conclusions of the General Affairs and External Relations Council (GAERC) of April 2006, October 2006, May 2007, October 2007, November 2007 and May 2008,
- having regard to the Commission Communication of 23 October 2007 on Economic

¹ OJ C 77 E, 26.3.2004, p. 393.

² OJ C 92 E, 20.4.2006, p. 397.

³ OJ C 285 E, 22.11.2006, p. 126.

⁴ OJ C 292 E, 1.12.2006, p. 121.

⁵ OJ C 293 E, 2.12.2006, p. 155.

⁶ OJ C 298 E, 8.12.2006, p. 261.

⁷ OJ C 305 E, 14.12.2006, p. 244.

⁸ OJ C 102 E, 24.4.2008, p. 301.

⁹ OJ C 323 E, 18.12.2008, p. 361.

¹⁰ Text adopted, P6_TA(2008)0252.

Partnership Agreements (COM(2007)0635),

- having regard to the General Agreement on Tariffs and Trade (GATT), in particular Article XXIV thereof,
 - having regard to the Ministerial Declaration of the Fourth Session of the WTO Ministerial Conference, adopted on 14 November 2001 in Doha,
 - having regard to the Ministerial Declaration of the Sixth Session of the WTO Ministerial Conference, adopted on 18 December 2005 in Hong Kong,
 - having regard to the report and recommendations of the Task Force on Aid for Trade, adopted by the WTO General Council on 10 October 2006,
 - having regard to the United Nations Millennium Declaration of 8 September 2000, which sets out the Millennium Development Goals (MDGs) as criteria collectively established by the international community for the elimination of poverty,
 - having regard to the Gleneagles Communiqué adopted by the G8 on 8 July 2005,
 - having regard to Rule 108(5) in conjunction with Rule 103(2) of its Rules of Procedure,
- A. whereas since 1 January 2008 the European Union's previous trade relationship with the ACP countries – which gave the latter preferential access to EU markets on a non-reciprocal basis – no longer complies with the rules of the WTO,
- B. whereas EPAs are WTO-compatible agreements aimed at supporting regional integration and promoting the gradual integration of the ACP economies into the world economy, thereby fostering their sustainable social and economic development and contributing to the overall effort to eradicate poverty in the ACP countries,
- C. whereas EPAs should be used to build a long term relationship where trade supports development,
- D. whereas Interim EPAs (IEPAs) are agreements on trade in goods aimed at preventing a disruption of ACP trade with the European Union,
- E. whereas the current financial and economic crisis means that trade policy will be more important than ever to the developing world,
- F. whereas the IEPA is focused on trade in goods and WTO compatibility,
- G. whereas the WTO rules do not require or forbid EPA countries to undertake liberalisation commitments in the area of services,
- H. whereas the country and regional impact of the commitments included in the agreements could be very substantial,
- I. whereas of the 14+1 (East Timor) ACP Pacific States to date only Papua New Guinea and the Republic of the Fiji Islands have initialled the IEPA,
- J. whereas the IEPA can probably influence the scope and content of future agreements made

between Papua New Guinea and the Republic of the Fiji Islands and other trading partners and the region's stance in the negotiations,

- K. whereas there is limited competition between the European Union and the Pacific States, since the vast majority of EU exports consist of goods the Pacific States do not produce but often need either for direct consumption or as inputs for domestic industry,
 - L. whereas in the current political situation Fiji is under a military-led government, and any full EPA agreement should be dependent upon an agreed roadmap to democratic elections as approved by all the relevant political groups in Fiji,
 - M. whereas the Council called for the urgent and full restoration of democracy as well as a return of civilian rule as soon as possible,
 - N. whereas the Pacific regional group of ACP countries is made up of 14 widely scattered island states plus East Timor with a combined population of less than 8 million people; whereas more than in any other region, the Pacific States vary in size and characteristics to a large extent, with the largest, Papua New Guinea, three thousand times larger than the smallest, Niue,
 - O. whereas fisheries and fisheries-related activities and industries show the greatest potential for future export increase,
 - P. whereas new trade rules must be accompanied by an increase in support for trade-related assistance,
 - Q. whereas the objective of the EU strategy on Aid for Trade is to support developing countries' capacity to take advantage of new trade opportunities,
 - R. whereas new and more flexible improved rules of origin have been negotiated between the European Union and the ACP countries and will result in considerable benefits if implemented appropriately and with due consideration to their reduced capacity levels,
 - S. whereas the calendar for the ongoing negotiations from interim to full EPA between the European Union and the Pacific States works on the basis that the agreement will be concluded by the end of 2009;
1. Stresses that such agreements cannot be regarded as satisfactory unless they achieve three objectives: offering the ACP countries support for sustainable development, promoting their participation in world trade and strengthening the regionalisation process;
 2. Stresses that the principal aim of this agreement is to contribute, through development goals, poverty reduction and the respect of fundamental human rights, to the achievement of the MDGs, and to achieve the following objectives: offering the ACP countries support for sustainable development, promoting their participation in world trade, strengthening the regionalisation process, revitalising trade between the European Union and ACP countries and promoting the economic diversification of ACP countries;
 3. Stresses that, to achieve protection from potential negative consequences in opening the Pacific States' economies, support from the European Union must be provided in order to bring real benefits through trade preferences, and build economic and social development;

4. Believes that this EPA must promote and increase trade, economic growth, regional integration, economic diversification and the reduction of poverty;
5. Encourages the negotiating parties to finish the negotiations as planned during 2009; encourages the parties to take every measure to be able to finalise a comprehensive EPA between the ACP countries and the European Union before the end of 2009 as planned;
6. Recognises the importance and benefits of reaching agreements between the European Union and its ACP Partners that are WTO compliant, for without such agreements our trade relations and their development would be massively disrupted; this has been shown in the benefits for exporters of the growth in trade to the European Union after the expiration on 31 December 2007 of the preferential tariff treatment provided for under the Cotonou Agreement;
7. Welcomes the fact that the European Union is offering ACP countries full duty free and quota free market access into the European Union for the majority of products, to support the liberalisation of trade between the ACP countries and the European Union;
8. Emphasises that the signing of the IEPA is a necessary step towards sustainable growth in this region as a whole, and underlines the importance of the continual negotiations towards a comprehensive agreement encouraging increased trade, investment and regional integration;
9. Acknowledges the establishment of transition periods within the IEPA for small and medium-sized enterprises (SMEs) in order for them to be able adapt to the changes put in place by the agreement, and urges the authorities of the Pacific States to continue to support the interests of SMEs in their negotiations towards a comprehensive EPA;
10. Urges the Commission not to put pressure on Pacific States to accept liberalisation commitments in services and the so-called 'Singapore issues';
11. Urges the ACP countries to further the process of liberalisation, to extend such reforms beyond trade and goods and to increase the liberalisation of trade and services;
12. Calls for a strong regulatory framework to be put in place in the event of negotiations on services to ensure that there is universal service provision and that essential public services are kept outside the negotiating framework;
13. Calls for the European Union to provide increased and adequate assistance to the authorities in the ACP countries and to the private sector in order to facilitate the transition of the economies following the signing of the IEPA;
14. Urges the relevant countries to provide clear and transparent information about the economic and political situation and development in these countries in order to improve cooperation with the Commission;
15. Urges the negotiators of any comprehensive EPA to account fully for the transparent management of natural resources and to outline the best practices necessary in order that the relevant countries may make the maximum gains from such resources;
16. Highlights the importance of intra-regional trade and the need for increased regional trade

links in order for sustainable growth to be ensured in the region; underlines the importance of cooperation and congruency between different regional entities;

17. Encourages further lowering of tariffs between developing countries and regional groups, which today account for 15 to 25 % of the trade value, to further promote south - south trade, economic growth and regional integration;
18. Calls on the Commission to do its utmost to restart the negotiations on the DDA and ensure that trade liberalisation agreements continue to promote development in poor countries;
19. Is convinced that comprehensive EPAs should be complementary to an agreement on the DDA and not an alternative for ACP countries;
20. Respects the need for a chapter on trade defence with bilateral safeguards; calls on both parties to avoid unnecessary use of these safeguards and calls on the Commission to accept, within the framework of continuous negotiations with a view to concluding a comprehensive EPA, a revision of the safeguards contained in the interim EPA in order to guarantee appropriate, transparent and quick utilisation provided that the criteria for their application are met;
21. Supports the agreed tariff line exclusions focused on agricultural goods and some processed agricultural goods, given that they are based chiefly on the need to protect infant industries or sensitive products in these countries;
22. Asks for a prompt ratification procedure in order to make the profits of the IEPA available for the partner countries without unnecessary delay;
23. Recalls that, whilst the interim agreement can be considered as a first step in the process, in legal terms it is a completely independent international agreement that may not automatically lead either to a full EPA or to all initial signatories of the IEPA signing the full EPA;
24. Calls on the Commission to offer maximum flexibility in the continued negotiations, as referred to in the conclusions on this issue by the GAERC of May 2008 and November 2008;
25. Calls on the Commission to consider requests made by the Pacific States to renegotiate for the full EPA certain contentious issues in the Interim EPA that it wishes to amend or withdraw;
26. Points out that Papua New Guinea and the Republic of the Fiji Islands have been the only members so far of the Pacific Region to enter into the agreement, with other members of the Pacific regional grouping, because of their lower levels of trade in goods with the European Union, choosing not to sign;
27. Recalls that a genuine regional market is an essential basis for successfully implementing the EPA and that regional integration and cooperation are essential for the social and economic development of the Pacific States;
28. Stresses that it is necessary to ensure that the IEPA would not reduce both political interests and public sentiment towards economic integration in the Pacific;

29. Stresses therefore that the implementation of the IEPA and negotiations for a full EPA must pay due regard to the integration processes in the Pacific region;
30. Recommends a flexible, asymmetric and pragmatic approach in the ongoing negotiations for a full EPA; calls on the Commission, in this context, particularly to take into account the requests made by the Pacific States concerned with the development aspects of the agreement; welcomes in this regard the Conclusions of the GAERC of May 2008;
31. Points out that the agreement may also have implications for relations between the Pacific region and its closest and largest trading partners, Australia and New Zealand, and that it must be ensured that the current agreement's stipulations do not act as an impediment to future trade agreements with these countries;
32. Recognises that a development cooperation chapter has been included in the comprehensive EPA covering cooperation on trade in goods, supply-side competitiveness, business enhancing infrastructure, trade in services, trade-related issues, institutional capacity building, and fiscal adjustments; calls on both parties to adhere to their agreed commitment to conclude negotiations on competition and government procurement only when adequate capacity has been built;
33. Recalls that the EPA must be supportive of the development objectives, policies and priorities of the Pacific States, not only in its structure and content, but also in the manner and spirit of its implementation;
34. Points out that the EPA should contribute to the achievement of the MDGs;
35. Recognises the selective application by the European Union of the Most Favoured Nation principle among all the ACP sub-regional groups;
36. Recalls the adoption, in October 2007, of the EU Strategy on Aid for Trade, with the commitment to increase the collective EU trade related assistance to EUR 2 billion (EUR 2 000 000 000) annually by 2010 (EUR 1 billion from the Community, EUR 1 billion from the Member States); insists that the Pacific region receive an appropriate and equitable share;
37. Calls for an early determination and provision of the share of the Aid for Trade resources; stresses that these funds should be additional resources and not be merely repackaging of funding under the European Development Fund; that they should conform to the priorities of Papua New Guinea and the Republic of the Fiji Islands and that their disbursement should be timely, predictable and in line with the execution schedules of national and regional strategic development plans; recalls that the EPA must be supportive of the development objectives, policies and priorities of the Pacific States, not only in its structure and content, but also in the manner and spirit of its implementation;
38. Calls on the Commission, in view of the commitments made by the Council in September 2007 on the Trade Related Aspects of Intellectual Property (TRIPS) Agreement and access to medicines, not to negotiate pharmaceutical-related TRIPS-plus provisions affecting public health and access to medicines in the full EPA, to refrain from requesting adherence to or acceptance of the obligations of the Patent Cooperation Treaty and the Patent Law

Treaty, to refrain from incorporating the terms of Directive 2004/48/EC¹ and to not introduce disciplines such as non-original database protection in the full EPA;

39. Expresses its continued support for a comprehensive EPA between the Community and the Pacific region, including the key area of intellectual property right negotiations that cover not only western technological artefacts, but also biodiversity and traditional knowledge;
40. Calls for appropriate and transparent monitoring mechanisms - with a clear role and influence - to follow the impact of EPAs with increased ACP ownership and broad stakeholder consultation;
41. Considers it important that, in the implementation of EPAs, an appropriate monitoring system should be established, coordinated by the relevant parliamentary committee involving Members of the Committee on International Trade and of the Committee on Development, ensuring an adequate balance between the maintenance of the leading role of the Committee on International Trade and overall consistency on trade and development policies; this parliamentary committee must operate in a flexible manner and actively coordinate with the ACP-EU Joint Parliamentary Assembly; considers that this monitoring should start after the adoption of each IEPA;
42. Stresses in particular the crucial role of ACP parliaments and the participation of non-state actors in the monitoring and management of EPAs and asks the Commission to promote their involvement in the ongoing negotiation procedures; this requires a clear agenda between the EU and ACP countries based on a participatory approach;
43. Stresses that the full EPA agreement should include a revision clause and a global assessment impact, which should be carried out within three to five years after the signature of the agreement in order to determine the socio-economic impact of the agreement, including the costs and consequences of implementation; requests that the European Parliament and the Pacific States' Parliaments should be involved in any revision of the agreement;
44. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States and of the ACP countries, the ACP-EU Council of Ministers and the ACP-EU Joint Parliamentary Assembly.

¹ Directive 2004/48/EC of the European Parliament and of the Council, of 29 April 2004, on the enforcement of intellectual property rights (OJ L 157, 30.4.2004, p. 45).