

ACP-EU JOINT PARLIAMENTARY ASSEMBLY

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Kigali Declaration

for development-friendly Economic Partnership Agreements (EPAs)

The ACP-EU Joint Parliamentary Assembly, meeting in Kigali (Rwanda) from 19 to 22 November 2007:

I. Preamble

- A. whereas the Cotonou Agreement sets out the Parties' agreement to conclude new WTO-compatible trading arrangements, progressively removing barriers to trade between them, enhancing cooperation in all areas relevant to trade and development, building on the acquis and improving market access,
- B. whereas establishing regional markets represents a key instrument for successfully implementing EPAs, and whereas regional integration represents an important basis for the social and economic development of ACP States,
- C. recalling that the objective of ACP-EU economic and trade cooperation is to promote development and to foster the gradual integration of ACP States into the world economy,
- D. recalling that, according to the Cape Town Declaration, the main objective of the EPA negotiations is to strengthen the economies of ACP States,
- E. underlining that the Cape Town Declaration called for negotiations to be structured in an open and transparent way, taking into account the differences in resources and level of development between the two negotiating sides,
- F. recognising the fact that, thus far, for various reasons, none of the ACP negotiating teams has been able to complete negotiations on a comprehensive EPA,

II. The negotiation process

1. Takes note that ACP States declare that they have been put under pressure by the European Commission to sign an EPA and that this is against the spirit of the ACP-EU partnership;

2. Urges the European Commission to acknowledge that more time is needed for ACP States to assess, in a comprehensive way, the implications of the agreements proposed, given that negotiations have only taken place in earnest for the past two years;
3. Notes with concern that the European Commission has stated that, if agreements are not in place, tariffs will be imposed on many exports from non-LDC ACP States, starting on 1 January 2008, and that this would threaten the welfare and livelihoods of millions of workers in ACP States;
4. Notes the recent decision by the European Commission to adopt a two-step approach with a view to avoiding trade disruption for some ACP States and to continue negotiations beyond 31 December 2007 on comprehensive, development-friendly EPAs;
5. Underlines the importance of regional markets and stresses that any 'two-step' approach, or any other initiative that might undermine ongoing ACP regional integration processes, must be avoided;
6. Stresses that the European Commission must honour commitments made in the Cotonou Agreement to ensure that the ACP States – including non-LDCs – not in a position to sign an EPA be provided with a new framework for trade which is equivalent to their existing situations and in conformity with Article 37(6) of the Cotonou Agreement;
7. Calls on the parties to include a periodic review clause in all EPAs, in order to assess their implementation and to allow for any necessary adjustments;

III. Principles

Overall approach

8. Believes that all agreements reached, whether interim arrangements or full EPAs, must ensure that no country is left worse off after the expiry of the negotiation deadline;
9. Calls for the threshold laid down in interim agreements for the accession of LDCs to be adequately lowered to match their stage of development;
10. Stresses that the process of regional integration for EPA regions must be an underlying principle of EPAs, and that these agreements must be consistent with, and contribute to, the strengthening of ACP regional integration initiatives;

Enhancing market access

11. Appreciates that, for LDCs not yet party to the interim arrangements, the 'Everything But Arms' (EBA) initiative alone is not sufficient, and should be coupled with improved and simplified rules of origin;

12. Underlines that the simplification of rules of origin is a prerequisite and that all necessary flexibility in the implementation of the new agreements should be introduced;
13. Stresses that the European Commission should include appropriate asymmetries in the agreements, in particular concerning: the definition of 'substantially all the trade'; coverage of sensitive products; length of transition periods and pace of liberalisation based on development benchmarks; safeguards; and dispute settlement;
14. Notes that the conclusion of a new generation of free trade agreements by the European Commission could lead to the further erosion of trade preferences that ACP States currently enjoy, and that the EU should therefore take this into account and provide adequate support for adjustment, enhanced competitiveness and diversification in ACP States;
15. Calls for adequate financial and technical assistance to ACP States to enable them to meet EU import regulations and standards and thus fully benefit from improved market access;

Addressing supply-side constraints

16. Expresses concern about many of the provisions tabled by the European Commission in the areas of services, competition, intellectual property, and government procurement, as some ACP regions do not want to address these issues, and urges the European Commission to be flexible on this matter;
17. Regrets that the delays in the ratification of the revised Cotonou Agreement could impede the implementation of the 10th European Development Fund (EDF), which is likely to result in a shortfall in annual aid allocations to ACP-EU cooperation, and therefore encourages all parties to complete the ratification process as soon as possible;
18. Stresses that a 'goods-only' agreement must include specific provisions for EPA-related aid-for-trade support, in addition to the EDF, to build supply-side capacity and address the social impact of trade liberalisation in ACP States;
19. Stresses, further, that delivery of EDF resources must not be linked to, or made conditional on, signing EPAs;

Government revenue diversification

20. Calls for more attention to be paid to revenue diversification challenges facing ACP States, particularly given that import duties on virtually all trade with the EU would be abolished;
21. Welcomes the proposal for the establishment of EPA Regional Funds, which would include a 'fiscal adjustment facility', made up of contributions by the European Commission and EU Member States, in order to provide financial

assistance for revenue diversification initiatives in ACP States and to support fair trade initiatives;

Addressing external trade effects of the reform of the common agricultural policy

22. Calls on the EU to ensure that any reform of the common agricultural policy (CAP) is fully coherent with the objectives of its development policy and cooperation with ACP States;
23. Believes that important lessons from earlier agricultural reforms (including banana and rum sector adjustments, as well as the EU CAP reform) must be applied in the design and implementation of sugar sector accompanying measures;

The gender dimension

24. Regrets that, thus far, no specific positive measures have been developed to safeguard and promote the rights of women and girls in accordance with Article 31 of the Cotonou Agreement, and that there has been no gender mainstreaming in the EPA negotiation process; calls, therefore, on the European Commission to carry out a systematic analysis, during the negotiations and following their conclusion, of the social impact of EPAs on the most vulnerable groups;

Conclusion

25. Agrees to organise JPA oversight to publicly monitor and review the trade and development impact of EPA implementation, to improve policy coherence for development and to design mechanisms to ensure accountability and regular reporting of the EPAs' contribution to equitable and sustainable development;
26. Concludes that the Joint Parliamentary Assembly will continue to work to ensure that any new framework for trade will leave no single country worse off, and, further, that new trading arrangements will foster prosperity and sustainable development in all ACP States.