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Committee on Development

2008/0251(NLE)

17.10.2012

DRAFT OPINION

of the Committee on Development

for the Committee on International Trade

on the draft Council decision on the conclusion of the Interim Agreement establishing a framework for an Economic Partnership Agreement between Eastern and Southern Africa States, on the one part and the European Community and its Member States, on the other part (11699/2012 – C7-0193/2012 – 2008/0251(NLE))

Rapporteur: Judith Sargentini

PA_Leg_Consent

SHORT JUSTIFICATION

On 7 February 2004, the original Eastern and South Africa (ESA) group that launched negotiations on the EPAs with the EU comprised 16 countries, including Indian Ocean islands (Comoros, Madagascar, Mauritius and Seychelles), countries from the Horn of Africa (Djibouti, Ethiopia, Eritrea and Sudan), the East African Community (EAC) members (Burundi, Kenya, Rwanda, Tanzania and Uganda) and some countries of Southern Africa (Malawi, Zambia and Zimbabwe).

However, at the end agreements were concluded by six and finally signed by only four countries (Madagascar, Mauritius, Seychelles and Zimbabwe), of which two small island states and two countries under sanctions. Had the iEPAs been driven by a true development agenda, more of the ESA countries would have concluded and signed the iEPAs.

While the text of the iEPAs is the same for these four countries, the tariff elimination process differs. The Seychelles and Mauritius are expected to liberalise over 95% and Zimbabwe 79,9% . Madagascar is supposed to liberalise 37% in the first tranche, by 1 January 2013, representing 42% fiscal revenue loss. However, the government of Madagascar is not prepared for this and has already called for a 5-year moratorium before implementing the agreement. It is questionable why Madagascar, the only LDC of the four (and the first LDC to implement an iEPA) should be forced to sign an iEPA while currently benefiting from an EBA [Everything But Arms], which is more favourable.

The high number of countries dropping out of the negotiations indicates the lack of a development agenda within the Interim iEPAs. Some of the countries dropping out believe that the iEPAs would lead them towards a less favourable situation than the trade provisions of the Cotonou Agreement.

The agreements contain neither a sustainable development chapter nor a human rights clause, even more important now since two of the four signing ESA countries have been under sanctions until recently and are just on the roadmap to ending the crisis (Madagascar), or are just on the verge of having sanctions lifted, provided that the democratic reforms continue to progress (Zimbabwe).

Ratification of the interim iEPAs will further marginalise regional integration, which is exacerbated by differences in the tariff liberalization schemes as well as by the rules of origin related problems. Furthermore, no preparations seem to have been made to deal with fiscal revenue losses. The agreements do not provide differential treatment between LDCs and non LDCs in line with their development level. It is important to respect the ownership principles and allow these countries to set tariff levels in line with their industrial development agenda.

The European Parliament, in its resolution of 5 February 2009 on development impact of Economic Partnership Instruments (EPAs)¹, explicitly warned against the risk of undermining regional integration when concluding EPAs with individual ACP countries or with a group of

¹ P6_TA(2009)0051, European Parliament resolution of 5 February 2009 on the development impact of Economic Partnership Agreements (EPAs) (2008/2170(INI)), OJ C 67 E , 18.3.2010, p. 124.

countries within one region, and called upon the Commission to recalibrate its approach, taking into account this risk and ensuring that the conclusion of EPAs does not endanger regional integration.

The Committee on Development calls on the Committee on International Trade, as the committee responsible, to propose that Parliament decline to give its consent.