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REPORT

on the implementation of the EU-Southern African Development Community
(SADC) Economic Partnership Agreement (EPA)
(2023/2065(INI))

Committee on International Trade

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EXPLANATORY STATEMENT - SUMMARY OF FACTS AND FINDINGS

Since the signature of the EU-SADC EPA, the INTA Committee and European Parliament has undertaken the following activities:

- five Monitoring Group Meetings,
- INTA has carried out two missions to monitor the implementation of the EU-SADC EPA, both to South Africa.

On 29-31 October 2018, a delegation of seven INTA Members travelled to Pretoria to participate in the EU-South Africa Joint Parliamentary Meeting, but also visited Johannesburg and Cape Town to better assess the implementation of the EU-SADC EPA and bilateral EU-South Africa trade and investment relations.

During the second mission to South Africa on 3-7 April 2023, seven INTA members visited Pretoria, Johannesburg and Cape Town to discuss the implementation of the EU-SADC EPA.

Since the signature of the EU-SADC EPA, the delegation for relations with South Africa has held a total of 26 inter-parliamentary meetings, covering exchanges on the implementation of the EU-SADC EPA.

Overview of the EU-SADC EPA

The EU-Southern African Development Community (SADC) Economic Partnership Agreement (EPA) was concluded on June 10, 2016, between the EU and six South African countries. These countries include Botswana, Lesotho, Mozambique, Namibia, South Africa, and Eswatini. It has been provisionally applied since October 10, 2016, as not all EU Member States have ratified the EPA. Mozambique provisionally applied it from February 4, 2018. Angola, a member of SADC region, also participated in the negotiations on the EU-SADC EPA. However, the country did not sign the agreement in 2015. Instead, the parties agreed to include a specific clause on Angola's accession to the EPA.

This agreement holds significance as the first EPA between the EU and an African region. It also stands as the first fully operational regional EPA in Africa, with all partners implementing the tariff cuts outlined in the agreement.

The SADC EPA group of countries does not consist of the entire SADC bloc, but rather members of the Southern African Customs Union (SACU) and Mozambique, with an option for Angola to join in the future. The SADC Regional Economic Community includes 16 member states, with a primary focus on achieving economic development, peace, security, poverty alleviation, and an improved standard of living for the people of Southern Africa through regional integration. These objectives are underpinned by democratic principles and sustainable development, as laid out in the SADC Treaty signed in 1992. Six other SADC members negotiated EPAs with the EU as part of different regional groups in Africa.

Negotiations on the EPA started in 2004 and were accompanied by criticism, raising concerns that establishing a free trade framework for goods among nations with varying levels of development and negotiation power could disrupt local production systems, diminish

government revenues, and contradict the goal of regional integration.

The EU-SADC EPA is built upon the principles of the Cotonou Agreement and aims to reduce poverty through a trade partnership, promote regional integration, economic cooperation, and good governance. It includes rules on trade in goods, with asymmetric access favouring SADC EPA States. Sensitive products can be exempted from full liberalization, and safeguards can be applied to protect domestic production and infant industries. The Southern African Customs Union (SACU) provides duty-free and quota-free treatment to a significant portion of EU exports to the region, covering 84.9% of these products. An additional 12.9% of EU exports enjoy partial liberalization, involving reduced tariffs or tariff rate quotas.

The EU offers immediate duty-free and quota-free access to goods from Botswana, Lesotho, Mozambique, Namibia, and Eswatini, along with preferential access for 98.7% of goods from South Africa. In return, the SADC EPA States have agreed to gradual tariff liberalization over a period of up to 10 years. Special safeguards and measures were established to protect sensitive products from full liberalization. The SADC EPA States have the authority to increase duties or impose quotas on imports from the EU, particularly in cases where these imports disrupt or pose a significant threat to a particular economic sector or domestic industry.

This agreement primarily focuses on trade in goods and does not address trade in services, investment, or other issues such as intellectual property rights, competition, and public procurement. However, there is a provision for negotiating agreements on these matters in the future. The EU-SADC EPA also features a chapter on trade and sustainable development (TSD) covering social, economic, and environmental aspects. Additionally, it includes a chapter on areas of cooperation, defining priorities such as competitiveness enhancement and addressing supply-side constraints.

Within the TSD chapter, both parties reaffirm their commitment to promoting international trade in a manner that contributes to the goal of sustainable development (with its pillars economic development, social development, and environmental protection). Furthermore, this chapter includes provisions addressing multilateral environmental and labour standards and agreements. Importantly, the provisions pertaining to international labour and environmental obligations do not fall under any dispute settlement mechanism. Instead, they are only subject to consultations conducted through the Trade and Development Committee (TDC), which was established under the EPA and consists of senior officials from both sides.

Angola's accession

Angola, currently classified as a least developed country (LDC) and a participant in the EU Generalised Scheme of Preferences (GSP), benefits from preferential treatment. It falls under the 'Everything but Arms' (EBA) scheme, which eliminates tariffs and quotas for all imports of goods from LDCs entering the EU. However, as Angola is set to graduate from its LDC status in February 2024, it will lose its preferential access to the EU market under the EBA scheme. To maintain its unrestricted access to the EU market, Angola submitted an official application to join the EU-SADC EPA in February 2020. Subsequently, in July 2022, the Joint Council approved Angola's request to initiate accession negotiations.

Joint monitoring report and EPA review process

The EU and SADC are currently preparing a joint monitoring report on the EU-SADC EPA. The process started after the final list of monitoring indicators was jointly agreed at the 7th TDC in February 2021. Subsequently, a questionnaire based on these indicators was circulated among all focal points of the SADC EPA States to guide their data collection efforts for the monitoring indicators. However, despite various internal deadlines set by the SADC Secretariat and discussions on the matter at its technical meetings, the SADC EPA States did not provide any input.

In response, the 8th TDC appointed monitoring coordinators representing both the Commission and the EPA Unit of the SADC Secretariat to work on a draft joint report using EU and international data sources. This was done in parallel with the expected input of national data from the SADC EPA States. It wasn't until October 2022 that the SADC Secretariat received limited data collection input from Namibia, with no input from any other SADC EPA State.

Subsequently, the Monitoring Coordinators proposed to the 9th TDC that a draft joint report, compiled mainly from EU and international data sources, be circulated to all Parties for comments. This was done in early December 2022 and the SADC EPA States were expected to provide their comments by the end of February 2023.

The European Commission has launched a comprehensive ex-post evaluation of the EU-SADC EPA, in line with its obligation under the revision clause. It published a draft inception report for this evaluation on 15 May 2023 and a final inception report on 21 June 2023, outlining its objectives, scope and methodological approach. The Commission has contracted a consortium led by BKP Economic Advisors GmbH/SQ Consult B.V to prepare an external evaluation study. The external evaluation study will support the European Commission's own evaluation of the agreement, and also inform the joint review of the EPA by the Parties. It is planned to finalise the evaluation study by April 2024. The objective of the ex-post evaluation is to assess whether the EPA has delivered the expected results and whether there is scope for improvement in EPA's functioning that could form the basis for policy recommendations. The evaluation will cover the whole implementation period of the agreement since the start of provisional application in 2016, respectively 2018 (for Mozambique) up to now, also comparing, where appropriate with a pre-Agreement period of five years (i.e. starting in 2011). The Commission points out that in terms of geographic scope the evaluation will primarily cover the parties to the agreement, 'although some global effects (e.g. climate change) will also be covered'.

The joint participation of non-state actors in monitoring the EPA is opposed by SADC EPA States. The EU proposed organising a joint conference between with SADC on the five-year anniversary of the EPA, but the offer was not taken up by the SADC side. Instead, a trade conference with the participation of business representatives was foreseen.

Changing geopolitical context

Several geopolitical and geo-economic factors shape the context in which the EU-SADC EPA

is implemented, including the consequences of the Russia's war of aggression against Ukraine. The COVID-19 pandemic, an expansion of the BRICS group and Brexit have further highlighted the need for a different approach for relations with the SADC EPA States. At a Civil Society Dialogue meeting on the evaluation of the EU-SADC EPA that took place on 31 May 2023, the Commission's DG Trade underscored that strategic challenges such as the war in Ukraine, China's increasing role in Africa or the EU's need for access to critical raw materials call for continued close trade relations between the EU and Southern Africa.

EU-SADC trade compared to other key trading partners

The EU is the largest trade partner of the SADC EPA region among China, the US, the UK, India, Brazil and Russia, with an increasing trend since the signing of the EPA. Only China has managed to follow this trend, but remains in second place from 2016-2022. The United States and India follow at lower levels. The EU manages to be the most important partner in terms of trade in goods (among the partners mentioned above) for the three largest economies of the SADC EPA States - South Africa, which is by far the largest economy, followed by Mozambique and Namibia. SADC's main exports to the EU, with the exception of South Africa, are unprocessed agricultural goods and raw materials. It should also be noted, that apart from South Africa, all other SADC EPA States primarily trade with South Africa and other states on the African continent, which emphasises the objective of regional integration.

In 2021, the EU was South Africa's top trading partner, representing 22% of its total trade. South Africa's exports to the EU were diverse, including agri-food, vehicles, chemicals, and machinery, making up 54% of its exports to the EU. The EU market has been especially beneficial for the agricultural sector. Capital and higher value-added goods account for a larger share of South Africa's exports to the EU when compared to the rest of the world.

EU-27 also holds the top spot among selected partners in trade in goods with Mozambique. Nevertheless, Mozambique trade in goods with China has more than tripled since 2016 -- from € 0.5 billion to € 1.6 billion in 2022. Equally, trade in goods between Mozambique and India has more than doubled, increasing from € 0.9 billion in 2016 to € 2.2 billion in 2022. In comparison, the increase in EU-Mozambique trade in goods has not been as impressive, up from € 1.7 billion (2016) to € 2.6 billion (2022).

Namibia's trade activity reached €16 billion in 2022, growing by a third since the EPA signing in 2016. Its trade with the EU nearly doubled from €1.1 billion to €2 billion. Remarkably, Namibia's trade with China grew almost ninefold, from €0.3 billion to €2.6 billion, surpassing EU-Namibia trade. In contrast, the United States and India lag far behind, each at €0.6 billion and €0.4 billion.

EU-Botswana trade remained stable despite a minor disruption in 2020 due to the pandemic, rebounding in 2022. Unlike other SADC EPA States, China struggled to establish a strong presence in Botswana. Nonetheless, China-Botswana trade quadrupled from €0.1 to €0.4 billion between 2016 and 2022, while EU-Botswana trade fell from €2.6 to €1.8 billion from 2021 to 2022.

Among SADC EPA partners, Eswatini and Lesotho have relatively small trading capacities. Eswatini's trade reached €4.3 billion in 2022 (up from €2.9 billion in 2016), with China being its major trading partner at €0.3 billion in 2022. EU-Eswatini trade has fluctuated between

€0.1 and €0.2 billion since 2016. Lesotho's trade with the EU rose significantly, reaching €0.3 billion in 2022, while its trade with China remained at €0.1 billion. Trade with other partners like the US, Brazil, Russia, and the UK was minimal. India's trade with Lesotho reached €0.1 billion only in 2020.

ANNEX: ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT

Pursuant to Article 8 of Annex I to the Rules of Procedure, the rapporteur declares that he has received input from the following entities or persons in the preparation of the report, until the adoption thereof in committee:

Entity and/or person
Representative United Nations Development Programme, Botswana
Representative World Bank, Botswana
Representative of the Botswana Ministry of Investment, Trade and Industry
SATUCC, BFTU and Bocongo (SADC-Council of NGOs), Botswana
Botswana Centre for Human Rights
German Ambassador to Botswana
Friedrich-Ebert-Stiftung, Botswana Office
Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ), Representatives of Botswana and Germany
Representatives of the Embassy of Botswana to the EU
Head of Unit Department Africa, German Ministry for Development and Cooperation (BMZ)
Ambassador of Namibia to the EU
Representatives of the Embassy of Mozambique to the EU
Representatives of the Embassy of Lesotho to the EU
Representatives of the Embassy of Eswatini to the EU
Representatives EU Delegation Namibia
hanseWasser Bremen GmbH
Representatives of City Council of Windhoek, Namibia,
Representatives of the Senate of Bremen, Germany
Representatives of Trade Union Congress of Namibia (TUCNA)
Friedrich-Ebert-Stiftung, Namibia Office
Institute for Economic Justice, South Africa
Ambassador of the EU to South Africa
Trade Representatives, EU Delegation South Africa
German Ambassador to South Africa
German Chamber of Commerce South Africa
Ambassador of the Republic of South Africa to the EU
Friedrich-Ebert-Stiftung, South Africa Office

The list above is drawn up under the exclusive responsibility of the rapporteur.

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the implementation of the EU-Southern African Development Community (SADC) Economic Partnership Agreement (EPA) (2023/2065(INI))

The European Parliament,

- having regard to the Economic Partnership Agreement between the European Union and its Member States, of the one part, and the SADC EPA States, of the other part¹,
- having regard to its resolution of 14 September 2016 on the draft Council decision on the conclusion, on behalf of the European Union, of the Economic Partnership Agreement between the European Union and its Member States, of the one part, and the SADC EPA States, of the other part²,
- having regard to its resolution of 6 October 2022 on the outcome of the Commission's review of the 15-point action plan on trade and sustainable development³,
- having regard to its resolution of 23 June 2022 on the future of EU-Africa trade relations⁴,
- having regard to its resolution of 25 March 2021 on a new EU-Africa Strategy – a partnership for sustainable and inclusive development⁵,
- having regard to the Commission communication of 18 February 2021 entitled 'Trade Policy Review – An Open, Sustainable and Assertive Trade Policy' (COM(2021)0066),
- having regard to the Commission communication of 11 December 2019 entitled 'The European Green Deal' (COM(2019)0640),
- having regard to the Commission communication of 5 March 2020 entitled 'A Union of Equality: Gender Equality Strategy 2020-2025' (COM(2020)0152),
- having regard to the Commission staff working document of 11 October 2022 entitled 'Individual information sheets on implementation of EU Trade Agreements' (SWD(2022)0730),
- having regard to the Commission position paper on the Sustainability Impact Assessment in support of trade negotiations with Angola for EU-SADC EPA accession,
- having regard to the Sustainable Investment Facilitation Agreement between the European Union and the Republic of Angola (EU-Angola SIFA),
- having regard to the UN Framework Convention on Climate Change, including the

¹ OJ L 250, 16.9.2016, p. 3.

² OJ C 204, 13.6.2018, p. 222.

³ OJ C 132, 14.4.2023, p. 99.

⁴ OJ C 32, 27.1.2023, p. 74.

⁵ OJ C 494, 8.12.2021, p. 80.

Paris Agreement of 2015,

- having regard to the United Nations 2030 Agenda for Sustainable Development,
 - having regard to the United Nations Conference on Trade and Development (UNCTAD) publication of 19 October 2021 entitled ‘Transforming Southern Africa: Harnessing Regional Value Chains and Industrial Policy for Development’,
 - having regard to the Agreement Establishing the African Continental Free Trade Area,
 - having regard to the Joint Statement of the 26th EU-South Africa Inter-Parliamentary Meeting, which took place on 31 October and 1 November 2018,
 - having regard to the SADC Vision 2050,
 - having regard to the SADC Industrialisation Strategy and Roadmap (2015-2063),
 - having regard to the European Economic and Social Committee’s own-initiative opinion entitled ‘Next Generation Trade and Sustainable Development – Reviewing the 15-point action plan’⁶,
 - having regard to the Ex-post evaluation of the EU-SADC Economic Partnership Agreement – Inception Report of 21 June 2023,
 - having regard to the meetings of the EU-SADC EPA Trade and Development Committee, in particular its sixth to ninth meetings,
 - having regard to the 2021 Global Report on Food Crises,
 - having regard to the study of the European Parliament’s Directorate-General for Parliamentary Research Services of 22 November 2023 entitled ‘EU-Southern African Development Community Economic Partnership Agreement: AA geo-economic perspective’⁷,
 - having regard to Rule 54 of its Rules of Procedure, as well as Article 1(1)(e) of, and Annex 3 to, the decision of the Conference of Presidents of 12 December 2002 on the procedure for granting authorisation to draw up own-initiative reports,
 - having regard to the opinion of the Committee on Development,
 - having regard to the report of the Committee on International Trade (A9-0024/2024),
- A. whereas geopolitical changes, including the coronavirus pandemic, Russia’s war of aggression against Ukraine and the economic consequences thereof, have led to Africa’s repositioning and the countries of the Global South having a more self-determined role on the world stage, advancing their own interests and contributions;

⁶ OJ C 105, 4.3.2022, p. 40.

⁷ Study – ‘EU-Southern African Development Community Economic Partnership Agreement: A geo-economic perspective’, European Parliament, Directorate-General for Parliamentary Research Services, 22 November 2023.

- B. whereas the association of important countries of the Global South in the BRICS (Brazil, Russia, India, China and South Africa) alliance, which is to be expanded by six more countries from 2024 following the decision of the BRICS summit in August 2023, underscores the importance of maintaining cooperation with Global South nations on equal and equitable terms;
- C. whereas South Africa plays a prominent role as a bridge-builder between the European Union and the African continent and as a partner in addressing global challenges;
- D. whereas the post-Cotonou Agreement will become the new overarching framework for all EPAs, including the EPA with the SADC, as well as a key reference for future reviews of these agreements;
- E. whereas the full participation of all stakeholders, namely civil society, business representatives and trade unions, in implementing and monitoring the EU-SADC EPA is essential for the timely identification of challenges, opportunities and priorities and for monitoring the respective agreed actions;
- F. whereas Angola is in the process of joining the EU-SADC EPA; whereas the EU and Angola have concluded negotiations on an EU-Angola SIFA;
- G. whereas special and differentiated treatment is a founding principle of the World Trade Organization (WTO) and the Policy Coherence for Development principle should guide EU trade relations with developing countries;
- H. whereas gender inequality costs sub-Saharan Africa on average 6 % of the region's yearly GDP, jeopardising the continent's efforts for inclusive human development and economic growth; whereas a one percent increase in gender inequality reduces a country's human development index by 0.75 %;
- I. whereas the SADC EPA States are facing challenges such as deep inequalities and a heavy dependence on exports of unprocessed raw materials and agricultural products;
- J. whereas these inequalities have proven to be an obstacle to broad-based industrialisation efforts and sometimes lead to corruption, and require the development of differentiated policies to address economic inequalities within and between countries in the SADC region;
- K. whereas the SADC Vision 2050 is based on three pillars: industrial development and market integration, infrastructure development in support of regional integration, and social and human capital development;
- L. whereas the SADC Industrialisation Strategy and Roadmap 2015-2063 identifies three preferred growth paths for resource-based industrialisation in the region: agricultural commodity processing, mineral processing, and industrial and service-based value chains;
- M. whereas developing countries face a gap of USD 2.5 trillion in annual financing to achieve the Sustainable Development Goals (SDGs) by 2030; whereas foreign direct investment (FDI) is an instrument for financing the 2030 Agenda for Sustainable Development and the corresponding SDGs; whereas such capital can support job

creation and social and environmental improvements, as set out in the SDGs; whereas the aim of attracting investment should go hand in hand with the acknowledgement, in the context of international investment agreements (IIAs), that the parties to these agreements should seek to improve their levels of environmental or labour protection, and not weaken or reduce them;

- N. whereas the objective of the SADC Industrialisation Strategy and Roadmap 2015–2063 is to develop and participate in regional and global value chains;
- O. whereas transport and digital infrastructure is needed to develop regional value chains and increasingly integrate SADC States into global value chains;
- P. whereas the crucial elements for successful participation in the value chain are financing, skills, technology, infrastructure and logistics;
- Q. whereas the COVID-19 pandemic has significantly widened the investment gaps in the SADC EPA States and limited their fiscal space;
- R. whereas the consequences of the measures taken to prevent the spread of COVID-19 have significantly affected the livelihoods of populations, particularly in the states of Eswatini and Lesotho, which depend on the South African Labour and Border Crossing;
- S. whereas commodity price volatility during the COVID-19 pandemic caused economic damage to SADC EPA States dependent on the tax revenues from extractive industries;
- T. whereas the low level of local production of health products keeps the region dependent on international production for the procurement of vital health products, including essential vaccines against COVID-19;

EPA monitoring and review process

1. Welcomes the first review process launched in November 2021 after the EPA had been provisionally applied since 2016 and expects it to be able to demonstrate the link between the EPA and sustainable development; calls on the Commission to work with the SADC partners to advance fair, inclusive and sustainable trade so that the EPA, when implemented effectively, can ensure and contribute to sustainable development in the region; urges the Commission in the *ex post* evaluation of the EU-SADC EPA to analyse thoroughly the impact of the EPA on SDGs, informal and local economies, regional and pan-African integration, economic diversification, the fight against climate change, including the contribution of domestic industries to this effort, and the effective support of Global Gateway and the EU Aid for Trade programme in the context of the EU-SADC EPA; recalls that the present agreement primarily focuses on trade in goods and does not address trade in services, investment, or other issues such as intellectual property rights, competition, and public procurement; invites the parties to consider these issues in the future reviews, since a provision exists for negotiating on these matters in the future;
2. Reiterates its position on the importance of the involvement of civil society in the implementation and monitoring of the EPA; regrets the fact that limited civil society involvement during EPA implementation has been observed; emphasises, in this regard, the imperative of actively promoting civil society participation; notes that the active

participation of civil society organisations and stakeholders, including women's groups and students' organisations, in the monitoring and evaluation process can provide valuable insights and feedback on the agreement's impact on women and young people;

3. Acknowledges that the preparation of the joint monitoring report on the EPA is advancing at a pace slower than anticipated; acknowledges the capacity constraints faced by SADC EPA States in this regard; recalls that, pursuant to the new trade and sustainable development (TSD) approach, all relevant stakeholders, including civil society organisations, business representatives and trade unions, should be involved in this stocktaking exercise and encouraged to make proposals to maximise the effectiveness of the EPA and that the EPA should be modernised to establish a Domestic Advisory Group, which has become a common practice in other EPAs; advocates more structured participation of stakeholders with regard to the concrete implementation of all sustainability aspects in the EU-SADC EPA; urges SADC EPA States countries to comply with the commitments agreed under the EPA to engage civil society actors;
4. Recognises that flexible transitional arrangements are needed for SADC EPA States to comply with the TSD requirements in the EPA and with other international commitments;
5. Expects that, depending on the outcome of the review, the EPA will be adapted or possibly expanded in complementary agreements in order to consolidate and deepen the partnership between the EU and Southern African countries in response to geopolitical changes and to the challenges of climate change;
6. Welcomes the decarbonisation aspirations of Angola, a country that has been heavily reliant on its extractive industries;
7. Welcomes the fact that within the framework of the EU-Angola SIFA, fiscal capacity building measures are being envisaged;

Trade balances

8. Welcomes the fact that trade relations between the EU and the SADC EPA States have expanded significantly, both at regional and bilateral levels, with the SADC EPA States being able to achieve a trade surplus; considers that this demonstrates the EPA's positive contribution to economic development, while the desired positive effects on employment, regional economic cooperation and the diversification and modernisation of the economy have not yet reached their potential and should be pursued as a priority; notes that SADC EPA States mainly export precious stones, articles of wood, transports⁸, mineral products and agricultural products, such as fruits and vegetables, to the EU; notes, however, that South Africa's exports to the EU are more diverse and include higher added-value goods;
9. Emphasises that with the exception of South Africa, SADC EPA States primarily trade within the region; notes that trade with South Africa continues to account for 80 % of the EU's trade with the SADC EPA States and that South Africa's trade in goods with

⁸ Cipollina, M., 'The Trade Growth under the EU-SADC Economic Partnership Agreement: An Empirical Assessment'. *Economies* Vol. 10, No12, 2022.

other African countries accounts for only 17 % of its total foreign trade; notes that intra-SADC trade accounts for 23 % of SADC States' total trade; acknowledges that intra-SADC trade patterns differ from EU-SADC bilateral trade; points out that overall, there has been no improvement in diversification and the share of manufacturing in GDP remains weak; stresses that diversified economies would make the SADC EPA States more resilient to external shocks; stresses the importance of strengthening regional value chains;

10. Stresses that the EPA should support a new trade dynamic between the Parties by means of the progressive asymmetrical liberalisation of trade between them; stresses also that it can reinforce, broaden and deepen cooperation in all areas relevant to trade and therefore also enhance the partnership between the SADC countries and the EU; stresses the importance of the principle of asymmetric trade liberalisation as a tool to foster the economic growth and sustainable development of SADC EPA countries;
11. Underlines that while EPAs can provide significant advantages for African, Caribbean and Pacific (ACP) countries, they also come with their own set of challenges and drawbacks; insists, therefore, that policymakers carefully consider these factors and work to ensure that EPAs are implemented in a way that maximises benefits for all parties involved;
12. Recalls that all the Parties should always act on the basis of the principles of solidarity and mutual interest in order to enhance their fruitful collaboration, fulfil their commitments and obligations, and facilitate the capacity of the SADC EPA countries to continue to implement the agreement;

Technical barriers to trade

13. Recalls that the SADC EPA aims to promote regional integration and that the agreement should be a building block for the African Continental Free Trade Area launched in 2021; notes that regional integration is challenged by long waiting times at border crossings, high border costs and inadequate cross-border connectivity; calls on the Commission and the SADC EPA States to increase cooperation in infrastructure, digital trade and certification, including under the Global Gateway Initiative; stresses the importance of prioritising regional transport and infrastructure projects in the region to deepen regional integration and increase intra-trade flows; recalls the need to promote efficient cross-border infrastructure development, harmonising regulations and strengthening cooperation between SADC EPA States in order to create an interconnected SADC region; calls on the SADC EPA States to harmonise the regulations and procedures related to customs and transportation in order to simplify cross-border processes, reduce delays and promote a conducive environment for trade and investment;
14. Stresses the necessity of formalising cross-border work arrangements to promote decent work, protect workers' rights and ensure social and economic development in the region; recognises the specific challenges faced by women, particularly in the context of cross-border work, including gender-based violence and corruption;
15. Urges the Commission and the SADC EPA States to extend their commitment to creating an enabling environment that supports legal and transparent labour mobility, while safeguarding the rights and dignity of workers;

Rules of origin

16. Welcomes the Commission's announcement on the activation of regional cumulation with Southern African Customs Union (SACU) countries; recalls that the introduction of flexible rules of origin is essential for achieving regional integration objectives; stresses that rules of origin must promote the objectives of the African Continental Free Trade Area (AfCFTA); recalls that the EPA should support the further development of the AfCFTA;

Trade disputes and market access issues

17. Notes that trade irritants have occurred in relation to sanitary and phytosanitary (SPS) measures, in particular for poultry and citrus fruits; calls on the Commission and the SADC EPA States to use the forums and cooperation mechanisms agreed under the EPA to address changes in SPS regulations at an early stage and in a cooperative atmosphere so that appropriate action can be taken in a timely manner; recalls that the European Parliament should be fully informed in the framework of the review ensuring that the SPS measures applied by South Africa are in line with Union requirements and the provisions of the EPA and do not harm the plant health of Union and SADC production; acknowledges that the Commission has given technical and financial support to EU-SADC EPA States to comply with the requirements of the SPS measures and calls for a thorough monitoring of the work to reduce health risks; recommends that solutions to trade irritants caused by SPS requirements be sought through high-level political discussions;

Capacity building

18. Notes that governance and fiscal and institutional capacity remain the greatest challenges for the EPA's effective implementation;
19. Highlights the importance of development cooperation and technical and financial assistance as essential factors for achieving the objectives under the EPA and for beneficial cooperation between the Parties;
20. Recalls that it can be challenging for smaller ACP countries lacking in resources and infrastructure to implement EPAs; calls for the EU and its Member States to assist their developing partner countries so that they can fully take advantage of the opportunities presented by EPAs;
21. Calls on the Commission and the Member States to step up their efforts in technical assistance; calls on the Commission to significantly expand its communication and cooperation with SADC EPA States and to provide them and, when appropriate, their companies and civil society organisations, with timely support in implementing upcoming EU projects and fulfilling other international commitments such as the Multilateral Environmental Agreements, the International Labour Organization (ILO) Conventions and the UN Guiding Principles on Business and Human Rights;

Economic, social and environmental development

22. Concludes that the EPA has not succeeded in deepening regional value chains and those in and between SADC EPA States to any significant extent, but should strengthen the

diversification of exports and regional value-added chains, as well as create more resilient supply chains that can adapt to future disruptions of the socio-economic development of the SADC; underlines the importance of developing regional value chains for the economic resilience of the region; expects the EPA to better contribute to combating the lasting problems of food sovereignty and poverty reduction in the SADC EPA States; recalls that the objective of EPAs is to create positive effects on economic development and regional integration; stresses that the EPA still has a lot of potential to advance sustainable development and that this should be pursued as a priority;

23. Underlines the wish to leave sufficient policy space for SADC EPA States to create local added value; believes that the EU should actively support the SADC EPA States in their efforts to move up the value chain; stresses that the effective management of regional specialisation is essential to maximise the potential of regional value chains and requires cooperative governance structures and policies; calls for the EU and SADC EPA States to work towards the development of high-quality digital infrastructure, including broadband networks and digital platforms, to enhance connectivity, promote e-commerce and facilitate the exchange of information and services across borders;
24. Underscores the critical importance of the service value chain in driving economic growth, fostering innovation and enhancing regional cooperation within the SADC region; highlights the potential in the service sectors in the SADC region, which include financial services, tourism and telecommunications;
25. Underlines the importance of the EU's commitment to multilateral cooperation and to securing Europe's own trade interests, while at the same time addressing some of the key interests of ACP countries, particularly with regard to regional integration;
26. Recalls the two-pillar solution for addressing the tax challenges arising from the digitalisation and globalisation of the economy, as agreed by the members of the Organisation for Economic Co-operation and Development/G20 Inclusive Framework on Base Erosion and Profit Shifting;
27. Calls for the EU and its Member States to ensure that the agreed global minimum corporate tax rate of 15 % for multinational enterprises is applied effectively; underlines that this minimum tax rate is estimated to generate around USD 150 billion in additional global tax revenues annually;
28. Calls on the Commission to ensure that developing countries can fully exercise their rights under the WTO special and differential treatment provisions, most notably in order to ensure their food security; calls on the Commission to update its 2009 communication on fair trade⁹;
29. Stresses that there is an urgent need to undertake far-reaching joint efforts towards decarbonisation and to support this with substantial funding, as well as to carry out far-reaching technology transfers; emphasises the significance of joint collaboration in promoting sustainable development and combating climate change, while fostering economic growth; stresses that the establishment of energy partnerships with the countries of the SADC region must focus not only on the implementation of the Green

⁹ Commission communication of 5 May 2009 entitled 'Contributing to Sustainable Development: The role of Fair Trade and non-governmental trade-related sustainability assurance schemes (COM(2009)0215).

Deal in Europe, but must at the same time aim to supply the region;

30. Reiterates that the green transition offers the potential to be a generator of quality and green jobs that can contribute significantly to poverty eradication and social inclusion, both in EU Member States and in the SADC EPA States;
31. Underscores the importance of investing in education and skills development tailored to decarbonisation efforts, while addressing the challenges of the just transition;
32. Considers that projects to improve local infrastructure in the SADC EPA countries in connection with city partnerships are useful in order to underpin climate partnerships between the EU and individual SADC EPA States in a decentralised manner, and to deepen exchanges between municipalities in Southern Africa and the EU; is convinced that municipal exchanges make it possible for African and European experts to develop problem-appropriate solutions for the development of local infrastructure; welcomes the fact that such partnership projects are supported by the programme 'Local Authorities: Partnerships for sustainable cities 2020'; calls on the Commission to continue to assist the SADC EPA countries in meeting EU environmental policy requirements and maintain this funding programme; urges the Commission, the European External Action Service and the EU delegations to facilitate dialogue with the aim of promoting mutual understanding on the impact of EU climate initiatives, such as the introduction of the Carbon Border Adjustment Mechanism (CBAM) Regulation and the Deforestation Regulation, and upcoming Union due diligence legislation;
33. Stresses that the SADC EPA States are particularly affected by the impacts of climate change; recalls that agriculture in Southern Africa is affected by both floods and droughts; urges the Commission and the SADC EPA States to intensify their cooperation in developing appropriate early warning systems and coordination between the relevant ministries of the SADC EPA States in order to achieve the objectives of the Nationally Determined Contributions;
34. Welcomes the efforts of the SADC EPA States and the Commission to establish closer cooperation on resilient food systems and food sovereignty within the review process; considers that this cooperation is an opportunity to push forward the United Nations Declaration on the Rights of Peasants and Other People Working in Rural Areas and agriculture-oriented ILO Conventions such as No. 129 on labour inspection in agriculture, No. 10 on minimum age in agriculture and No. 11 on the right of association in agriculture; recalls the fact that agro-ecology's capacity to reconcile the economic, environmental and social dimensions of sustainability has been recognised in landmark reports from the Intergovernmental Panel on Climate Change and the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, as well as the World Bank and FAO-led global agricultural assessment (IAASTD);
35. Stresses the need for efforts in building climate-resilient value chains within the agro-industry and the development of drought-resistant crop varieties and climate-adapted processing techniques;
36. Emphasises that access to clean water and sanitation facilities is fundamental to agricultural sustainability; stresses the need for comprehensive water management strategies; emphasises that the lack of access to clean water and sanitation in the SADC region is an obstacle to sustainable development;

37. Calls for regional agro-processing initiatives to be carried out and shared among SADC EPA States in order to promote knowledge exchange and the sharing of best practices; calls for the progress made in regional value chains in agricultural processing to be monitored;

Gender

38. Acknowledges the vital role of women in the economic development of the SADC region and the importance of creating an enabling environment that safeguards their rights; calls on the Commission to prioritise gender issues in the context of the implementation of the EPA, for example by organising workshops on gender equality between, inter alia, women's rights organisations in the EU and in SADC countries, by raising the awareness of domestic authorities and companies as to the untapped economic potential stemming from discrimination against women and by helping them identify the political, economic and social drivers that hamper African women's advancement and calls for policies and concrete actions to close the gender gap; stresses the importance of empowering women and young people in the SADC region by enhancing their access to finance, resources and economic participation; calls for the EU and the SADC EPA States to ensure equal and unhindered access to financial services and resources for women and young people, and the promotion of financial inclusion;

Investment

39. Points out that green finance and investments need to be significantly scaled up in order to achieve the goals of the 2030 Agenda for Sustainable Development and the Paris Agreement and to advance the transition to a low-carbon and climate-resilient economy in the SADC EPA States;
40. Calls for the EU and SADC EPA States to actively explore innovative mechanisms for green finance, including green bonds, climate-focused investment funds and public-private partnerships, leveraging international platforms to attract investments in sustainable and climate-resilient projects; calls for the EU to leverage its influence in obtaining improved financing practices from institutions such as the World Bank and enhancing the International Monetary Fund's role in reducing the debt of heavily indebted countries and therefore calls for the EU and its Member States to use their influence to explore new approaches that unlock finance for climate adaptation; emphasises the need for proactive measures to continue to attract increased investments, notably in strategic and innovative sectors, which can lead to higher-quality outcomes and foster more sustainable development, which could result in long-term benefits both for the SADC EPA States and the EU; further urges the EU and SADC EPA States to jointly explore innovative financing possibilities such as securing loans and subsequently allocating them under appropriate conditions to finance public infrastructure in crucial areas such as energy, water supply, waste disposal and recycling;
41. Calls for the EU and its Member States to intensify their efforts at international forums, including the WTO, to advocate increased international climate financing;
42. Notes that the investment stock of EU Member States in the SADC EPA States remains significantly higher than that of the United States or China;

43. Further considers that there is an urgent need to increase sustainable investment in the SADC region and expects investment areas to be identified that appear particularly suitable for investment partnerships between the EU and the SADC EPA States; calls for a better coordinated Team Europe approach in identifying and implementing suitable measures to increase investment; stresses that the achievement of the SDGs requires massive investments in supporting infrastructure and diversification away from dependence on primary commodities towards high-value industrial products; stresses that the EU's investment policy should help developing countries, notably African countries, to attract FDI and to reduce the funding gap to achieve the SDGs; emphasises that creating decent jobs must be a key factor for supporting investment in the SADC region, enabling robust domestic frameworks for human rights and environmental due diligence; underlines the importance of involving local companies wherever possible in the implementation process to keep invested funds in the region, boost employment and facilitate the transfer of skills; believes that Global Gateway funds should be increased and that the share of grants for equally necessary public investments must be increased;
44. Calls on the Commission and the Member States to ensure that when selecting and supporting Global Gateway projects, social dialogue needs to be an integral part of the institutional framework for policy-making and implementation at all levels;
45. Calls on the Commission to better coordinate the individual national export credit agencies of EU Member States in order to align with the priorities of the European Green Deal;
46. Underlines the significance of small and medium-sized enterprises (SMEs) in the economic development of SADC States, recognising their potential and role; reiterates the need to raise awareness on the benefits and opportunities of the agreement, in particular for SMEs;
47. Emphasises the importance of proactive involvement by private sector enterprises in the implementation and monitoring of the EU-SADC EPA;
48. Calls on the Commission to actively promote and encourage participation in capacity-building programmes and regional initiatives aimed at strengthening investment and export capacity, while fostering a more SME-friendly market environment;
49. Welcomes the introduction of EU programmes such as the Support to Improving the Investment and the Business Environment Programme aimed at improving the business and investment climate in SADC States; calls, in this context, for more funding to be envisaged in the next financial period in order to give a greater boost to the growth and development of private sector, as well as to create job opportunities for the local population, thereby reducing poverty;
50. Stresses that a transparent and predictable legal and fiscal framework will help promote regional integration and attract foreign direct investment;

Angola's accession

51. Recognises the importance of the EU-Angola SIFA to this Agreement as a new approach to build the necessary transparent and predictable legal and fiscal framework fostering the due diligence of investors to attract sustainable and responsible

investment, and highlights the agreed provisions on commitments on gender, climate change and sustainable development; encourages other countries in the region to consider similar SIFAs with the EU, which include nationally determined contributions in their design; underlines that the EU-Angola SIFA should contribute to the attraction and expansion of sustainable investment in Angola, as well as to the promotion of economic diversification, while at the same time integrating environmental and labour rights commitments, and should not have the opposite effect; highlights sustainable investment opportunities in the climate-sensitive agricultural sector, investments in renewable energy and climate-resilient infrastructure, as well as skills development; calls on the Commission to prioritise cooperation projects that promote the sustainability commitments set out in the EU-Angola SIFA within the Multiannual Indicative Programme for Angola; believes that agreements such as the EU-Angola SIFA can provide a legal and organisational framework for sustainable investment that reduces Angola's dependency on oil and gas; welcomes the fact that the EU-Angola SIFA includes important aspects of the practical implementation of investments such as the transparency and predictability of investments, the streamlining of approval procedures, the establishment of focal points of interested investors, procedures for dispute avoidance and resolution and for the due diligence of investors; calls for the EU and the SADC EPA States to consider whether a Sustainable Investment Facilitation Agreement should complement the EPA; calls on the SADC EPA States to enter into negotiations on this issue, if necessary;

52. Welcomes the request of Angola to join the EU-SADC EPA; hopes, in this context, that the negotiation process will commence without further delay; considers that if Angola joins the EU-SADC EPA or any other separate binding and enforceable international instrument between the EU and SADC States, the EU-Angola SIFA should be adapted accordingly;
53. Recalls that according to the Commission's impact assessment, Angola faces capacity issues in implementing the EPA effectively; calls on the Commission to assist Angola in capacity building;

Raw materials

54. Calls on the Commission and the SADC EPA States to strengthen cooperation through formal forums, as well as critical raw materials strategic partnerships and implementation roadmaps, in order to ensure a diversified and sustainable supply of key raw materials for the green, digital and just transitions, improve recycling of natural resources and waste management, support domestic industries to move up the value chain from the extraction to the processing of raw materials and promote responsible mining practices, notably by recognising and applying the free prior and informed consent of the local population affected by mining projects and by bringing benefits along the entire supply and production chain; is convinced that raw materials extraction needs to occur with respect for environmental standards, labour and human rights, including the rights of indigenous peoples; calls for the continuous and broad participation of all relevant stakeholders, including local and indigenous communities; advocates policy reforms addressing land and mine ownership, labour rights and social justice in order to mitigate conflicts and encourage sustainable investment; is concerned about cases of violations of human rights and the high level of environmental damage caused by some mining companies;

55. Welcomes the Strategic Partnership with Namibia, which aims to build renewable hydrogen development and critical raw material value chains; recalls the need for developing necessary infrastructure, such as renewable energy facilities, transportation networks and research centres, to facilitate the production and distribution of renewable hydrogen;
56. Calls, in this context, for the establishment of knowledge-sharing platforms and research networks in order to facilitate the exchange of best practices, experience and innovative solutions between Member States; considers it useful to extend technological cooperation to other fields;
57. Stresses that the EU's request to ban export taxes on raw materials has been a long-standing stumbling block in the negotiation process on EPAs, given that export taxes and duties are not prohibited under the WTO regime; recalls the right of African countries to regulate raw materials in their public interest; calls, accordingly, for the EU to refrain from adopting a trade policy that prohibits, as a general rule, developing countries from levying export taxes on raw materials, insofar as this is WTO-compatible;

TRIPS waiver

58. Notes that the original proposal of, inter alia, India and South Africa for a Trade-Related Aspects of Intellectual Property Rights (TRIPS) waiver for COVID vaccines was met with different reactions in the beginning and was later supported by the EU; stresses that in the future, equal partnership should involve more dialogue; calls for the EU and its Member States and on the WTO Members to take forward the long overdue discussions in the WTO on the extension of the 12th Ministerial Conference TRIPS decision to extend the agreed flexibilities at WTO level to therapeutics and diagnostics; in this context, invites the Commission to put in place a clear policy framework to ensure that the future EU compulsory licencing system is in line with the agreed TRIPS flexibilities; calls for stronger equal cooperation with the SADC EPA States in this context;
 59. Welcomes the efforts made within the EU-South Africa Strategic Partnership to build a vaccine production infrastructure; stresses that this infrastructure must include the production of COVID-19 vaccines;
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60. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Southern African Development Community Economic Partnership Agreement States.

OPINION OF THE COMMITTEE ON DEVELOPMENT

for the Committee on International Trade

on the implementation of the EU-Southern African Development Community (SADC)
Economic Partnership Agreement (EPA)
(2023/2065(INI))

Rapporteur for opinion: Karsten Lucke

SUGGESTIONS

The Committee on Development calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Welcomes the first ex post evaluation of the EU-Southern African Development Community (SADC) Economic Partnership Agreement (EPA); stresses that the EPA envisages trade and investment contributing to the goal of sustainable development in its economic, social and environmental dimensions; notes, however, that many challenges remain in SADC partner countries in relation to economic diversification, competitiveness, growth, the rule of law, reducing poverty, labour rights, land grabbing and environmental protection;
2. Highlights the importance of development cooperation and technical and financial assistance as essential factors for achieving the objectives under the EPA and for beneficial cooperation between the Parties;
3. Points out that regional and sub-regional integration features prominently in the EU-SADC EPA, as this represents a powerful instrument for achieving the objectives of the agreement; stresses that the EU-SADC EPA must support regional and sub-regional integration, promote regional value chains in the SADC and in Africa more broadly, and ultimately integrate developing countries into the world economy in a sustainable manner; stresses, furthermore, that the EU's development finance cooperation with SADC countries must assist their regional economic cooperation and integration efforts in a way that boosts wider intra-African trade;
4. Recognises that SADC partner countries should benefit from the EPA, as it will increase their ability to boost economic diversification and produce value-added manufactured products; points out that the EPA should contribute to diversifying value chains in SADC countries and their economies, which also makes it necessary to have fair and pro-development global trade rules; points out, further, that it should encourage trade and development policies based on the promotion of human rights, the rule of law and democracy, create local jobs and added value and help to fight inequalities and reduce and eventually eradicate hunger and poverty in a sustainable manner;

5. Underlines the financial and technical difficulties that local small and medium-sized enterprises (SMEs) experience in fulfilling the EU regulations and standards that are required before exporting to the EU market, which may exclude most SMEs from the EPA's benefits; stresses the need to provide adequate assistance to SMEs in order to ensure their compliance with EU requirements and access to EU markets, and to raise awareness about utilising tariff rate quotas;
6. Stresses that the EPA should contribute to enhancing competitiveness and sustainable economic growth in SADC EPA countries thanks to a fair trade and investment system that takes into account disparities in the level of development between the EU and its SADC EPA partners;
7. Stresses that the EU's request to ban export taxes on raw materials has been a long-standing stumbling block in the negotiation process on EPAs, considering that export taxes and duties are not prohibited under the WTO regime; recalls the right of African countries to regulate raw materials in their public interest; calls, accordingly, for the EU to refrain from adopting a trade policy that prohibits, as a general rule, developing countries from levying export taxes on raw materials, insofar as this is WTO-compatible;
8. Recalls that the SADC EPA countries were impacted by the pandemic due to reduced fiscal revenues driven, for example, by reduced economic activity and fluctuating commodity prices and trade flows; underlines, in this context, the importance of good governance and assistance in building capacity for sustainable development, in particular with regard to establishing sustainable fiscal systems and fighting tax evasion, in order to help unlock fiscal capacity for further economic and social development and to protect the environment; recalls that the EU needs to strongly support the strengthening of institutions and comprehensive capacity-building in the public sector of partner countries;
9. Stresses that the EPA should support a new trade dynamic between the Parties by means of the progressive asymmetrical liberalisation of trade between them; stresses also that it can reinforce, broaden and deepen cooperation in all areas relevant to trade and therefore also enhance the partnership between the SADC countries and the EU; stresses the importance of the principle of asymmetric trade liberalisation as a tool to foster the economic growth and sustainable development of SADC EPA countries;
10. Calls for the EU to ensure that the EPA contributes to establishing an effective, predictable and transparent regional regulatory framework for trade and investment, in full respect of relevant international agreements and guidelines; emphasises that EPAs must positively contribute to the implementation of the African Continental Free Trade Area (AfCFTA) and the attraction of private capital, as well as to the building of resilient and sustainable regional value chains, thereby boosting and diversifying intra-African trade, which is indispensable for fostering sustainable long-term development and achieving the goals of the 2030 Agenda; takes the view that EU support for the AfCFTA should be accompanied by the development of regulatory frameworks, which, in turn, adhere to strict social and environmental standards;
11. Recalls that the EPA's current trade sustainability development (TSD) chapter has

limited scope concerning binding commitments and provisions on dialogue with civil society; believes that EPAs should systematically integrate a mandatory and enforceable sustainable development chapter which reflects the highest labour and environmental standards in order to achieve the goals of the 2030 Agenda, which entails, for example, the inclusion of strong sustainability commitments related to the Paris Climate Agreement, the Kunming-Montreal Global Biodiversity Framework, international core labour standards, and gender equality and women's empowerment; recalls, in particular, that, to be effective, the TSD chapter should be covered by the dispute settlement mechanism; welcomes the integration of a TSD chapter in the EU's EPA with Kenya; urges the Commission to build on this and to strive to strengthen the EPA's TSD chapter in the ongoing review process of the SADC EPA;

12. Recalls the importance of allowing exceptions to the national treatment principle and the obligation to eliminate export taxes in order to promote and protect infant industries that are key to diversifying the economies of partner countries, thereby boosting their development in line with Article XVII:C and Article XXIV of the General Agreement on Tariffs and Trade;
13. Highlights the importance of broadly, systematically and meaningfully involving development partners, local and regional civil society, academia, trade unions and private sector representatives in the EPA's implementation, monitoring and the ex post evaluations thereof in order to ensure that the EPA meets the needs of the population while guaranteeing the fundamental principles of sustainable development; notes that the scope of the EPA's provisions on dialogue with civil society are limited when compared with other recent EU trade agreements; stresses the need to enhance the consultative role of civil society; calls for the establishment of a formal mechanism for civil society engagement, while recalling that current platforms, such as the multi-stakeholder national monitoring frameworks of the African Union's Agenda 2063, can also be leveraged for engagement with civil society in the context of the EPA;
14. Underlines that while EPAs can provide significant advantages for African, Caribbean and Pacific (ACP) countries, they also come with their own set of challenges and drawbacks; insists, therefore, that policymakers carefully consider these factors and work to ensure that EPAs are implemented in a way that maximises benefits for all parties involved;
15. Recalls that all the Parties should always act on the basis of the principles of solidarity and mutual interest in order to enhance a fruitful collaboration, fulfil their commitments and obligations and facilitate the capacity of the SADC EPA countries to continue to implement the Agreement;
16. Recalls that it can be challenging for smaller ACP countries lacking in resources and infrastructure to implement EPAs; calls for the EU and its Member States to assist their developing partner countries so that they can fully take advantage of the opportunities presented by EPAs;
17. Recalls the need to commit to international standards and agreements for efficient international cooperation;
18. Underlines the importance of the EU's commitment to multilateral co-operation and to

securing Europe's own trade interests while at the same time addressing some of the key interests of ACP countries, particularly with regard to regional integration;

19. Recalls the two-pillar solution for addressing the tax challenges arising from the digitalisation and globalisation of the economy, as agreed by the members of the Organisation for Economic Co-operation and Development/G20 Inclusive Framework on Base Erosion and Profit Shifting;
20. Calls for the EU and its Member States to ensure that the agreed global minimum corporate tax rate of 15 % for multinational enterprises is applied effectively; underlines that this minimum tax rate is estimated to generate around USD 150 billion in additional global tax revenues annually.

**ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPOREUR FOR THE OPINION HAS RECEIVED INPUT**

The rapporteur declares under his exclusive responsibility that he did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	28.11.2023
Result of final vote	+: 14 -: 1 0: 6
Members present for the final vote	Barry Andrews, Alessandra Basso, Stéphane Bijoux, Mercedes Bresso, Udo Bullmann, Antoni Comín i Oliveres, Ryszard Czarnecki, Charles Goerens, Mónica Silvana González, György Hölvényi, Beata Kempa, Karsten Lucke, Janina Ochojska, Tomas Tobé, Miguel Urbán Crespo
Substitutes present for the final vote	Benoît Biteau, Ilan De Basso, Malte Gallée, Marlene Mortler
Substitutes under Rule 209(7) present for the final vote	Peter Jahr, France Jamet

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

14	+
NI	Antoni Comín i Oliveres
PPE	György Hölvényi, Peter Jahr, Marlene Mortler, Janina Ochojska, Tomas Tobé
Renew	Barry Andrews, Stéphane Bijoux, Charles Goerens
S&D	Mercedes Bresso, Udo Bullmann, Ilan De Basso, Mónica Silvana González, Karsten Lucke

1	-
ID	France Jamet

6	0
ECR	Ryszard Czarnecki, Beata Kempa
ID	Alessandra Basso
The Left	Miguel Urbán Crespo
Verts/ALE	Benoît Biteau, Malte Gallée

Key to symbols:

+ : in favour

- : against

0 : abstention

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	24.1.2024
Result of final vote	+: 34 -: 3 0: 4
Members present for the final vote	Barry Andrews, Anna-Michelle Asimakopoulou, Tiziana Beghin, Saskia Bricmont, Jordi Cañas, Daniel Caspary, Paolo De Castro, Markéta Gregorová, Roman Haider, Heidi Hautala, Karin Karlsbro, Miapetra Kumpula-Natri, Danilo Oscar Lancini, Bernd Lange, Margarida Marques, Gabriel Mato, Sara Matthieu, Emmanuel Maurel, Carles Puigdemont i Casamajó, Samira Rafaela, Inma Rodríguez-Piñero, Ernő Schaller-Baross, Helmut Scholz, Joachim Schuster, Sven Simon, Dominik Tarczyński, Kathleen Van Brempt, Marie-Pierre Vedrenne, Jörgen Warborn, Jan Zahradil, Juan Ignacio Zoido Álvarez
Substitutes present for the final vote	Marek Belka, Michiel Hoogeveen, Liudas Mažylis
Substitutes under Rule 209(7) present for the final vote	Hildegard Bentele, Izaskun Bilbao Barandica, Paolo Borchia, Włodzimierz Karpiński, Antonio Maria Rinaldi, Domènec Ruiz Devesa, Lucia Vuolo

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

34	+
NI	Tiziana Beghin, Carles Puigdemont i Casamajó, Ernő Schaller-Baross
PPE	Anna-Michelle Asimakopoulou, Hildegard Bentele, Daniel Caspary, Włodzimierz Karpiński, Gabriel Mato, Liudas Mažylis, Sven Simon, Lucia Vuolo, Jörgen Warborn, Juan Ignacio Zoido Álvarez
Renew	Barry Andrews, Izaskun Bilbao Barandica, Jordi Cañas, Karin Karlsbro, Samira Rafaela, Marie-Pierre Vedrenne
S&D	Marek Belka, Paolo De Castro, Miapetra Kumpula-Natri, Bernd Lange, Margarida Marques, Inma Rodríguez-Piñero, Domènec Ruiz Devesa, Joachim Schuster, Kathleen Van Brempt
The Left	Emmanuel Maurel, Helmut Scholz
Verts/ALE	Saskia Bricmont, Markéta Gregorová, Heidi Hautala, Sara Matthieu

3	-
ECR	Michiel Hoogeveen, Dominik Tarczyński, Jan Zahradil

4	0
ID	Paolo Borchia, Roman Haider, Danilo Oscar Lancini, Antonio Maria Rinaldi

Key to symbols:

+ : in favour

- : against

0 : abstention