

EU economic partnership agreements with ACP countries

Which way forward?

SUMMARY

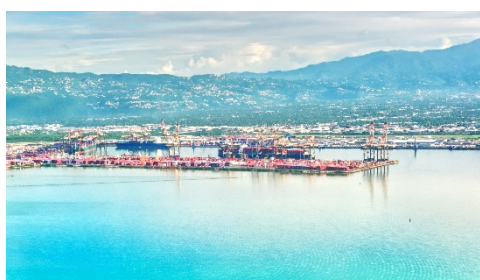
For two decades, the EU has sought to modernise its preferential trade relationship with the sub-Saharan African, Caribbean and Pacific (ACP) countries and establish free trade areas with regional groupings under so-called economic partnership agreements (EPAs). The process of establishing the EPAs has been longer and more complicated than initially expected, encountering criticism and opposition from civil society and some governments in ACP countries, who have been worried about the potential negative impact. So far, the results are mixed, with nine agreements negotiated – covering more than half of the ACP countries – but not yet all implemented.

EPAs are free trade agreements that allow ACP countries to continue exporting their products to the EU duty free and quota free, while ensuring full compliance with World Trade Organization (WTO) rules. EU goods should also benefit gradually from full liberalisation, though with numerous exceptions related to goods ACP countries wish to protect from external competition, particularly agricultural products. In this respect, EPAs are development-oriented, asymmetric agreements providing important advantages and safeguards to ACP countries, to foster their sustainable economic development, regional integration and integration on world markets.

While their potential impact has given rise to both numerous fears and great expectations, assessments of EPAs that have already been implemented show very limited effects, possibly due to their long draw-out and gradual implementation. The risk of fragmenting regional integration schemes, particularly in Africa, is mitigated by the slow pace of trade integration on the continent.

The European Parliament has closely monitored the EPA process from the beginning. In a resolution of June 2022 on the future of EU trade with Africa, the Parliament insisted on a careful assessment of their impact by the Commission, on strengthening their – currently limited – sustainable development provisions and introducing a sanctions mechanism for non-compliance, and on the need to ensure that they do not disrupt regional integration.

This briefing updates a [previous publication](#) from July 2018.



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Background

In 2002, the EU decided to start trade negotiations with the ACP countries, in order to conclude economic partnership agreements (EPAs) – a form of asymmetric, development-oriented free trade agreement – with regional groupings among them. The [negotiating mandate](#) adopted by the Council of the EU emphasised that the overarching objective of such agreements should be the 'smooth and gradual integration of ACP states into the world economy and the eradication of poverty'. It further underlined that the different levels of development of the EU and the ACP countries, as well as the latter's particular economic, social and environmental constraints, had to be taken into account in the negotiations.

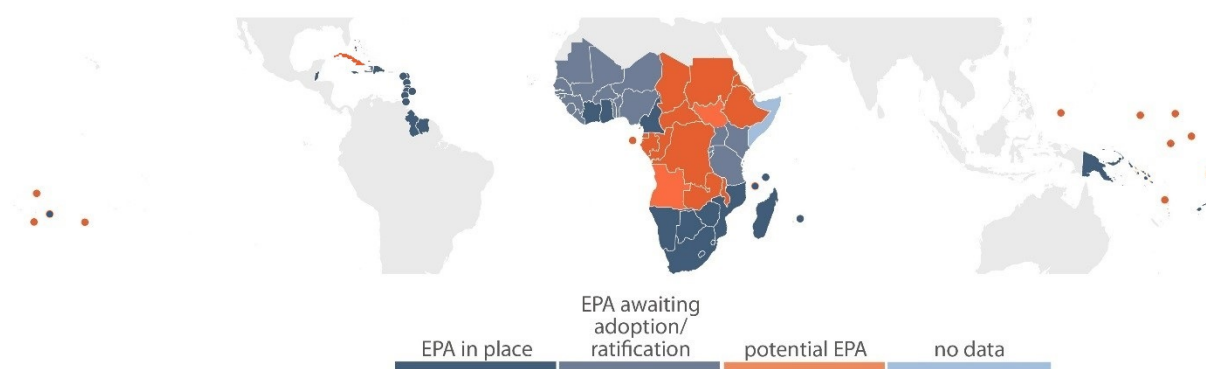
The new trade relationship established through the EPAs aims to preserve free access to the EU market for ACP countries, which have enjoyed such access under various schemes: the Cotonou Agreement's trade regime (which expired in 2007) and subsequently the 'Everything but Arms' (EBA) segment of the [EU generalised scheme of preferences](#). However, only least developed countries (LDCs) qualify for full duty-free and quota-free access to the EU market under this unilateral preferential regime. Therefore, preserving free access to the EU market has been a strong incentive to join EPAs, mainly for those ACP countries which are not LDCs.

There are only a few LDCs among countries currently implementing an EPA (Comoros, Lesotho, Madagascar, Mozambique, Solomon Islands). LDCs have been very reluctant to enter this type of new trade relationship, fearing that they would open their markets to EU products for little in return. Non-EBA countries that are not eager to join an EPA are usually oil and mineral exporters, for whom an EPA would not bring additional benefits, Nigeria being an example in this respect. Oil and most minerals already enter the EU market duty free under the default WTO regime (the 'Most Favoured Nation' clause).

Regional configurations

Currently, negotiations for seven regional EPAs¹ have been concluded; five of these are with sub-Saharan African regional groups, one with the Caribbean region (Cariforum), and one with the Pacific region. Of the seven regional EPAs that have been negotiated, three are classed as 'interim', as they are more limited in scope than the others and were intended to be provisional in nature. However, this distinction has lost some of its relevance, as interim EPAs are applied for longer than expected.² On the other hand, two of the other non-'interim' EPAs contain commitments – 'rendez-vous clauses' – for their future extension to trade in services, intellectual property, digital trade or sustainable development obligations, signalling that they are not 'final' either.

Figure 1: Map of EU economic partnership agreements with ACP countries, 2022

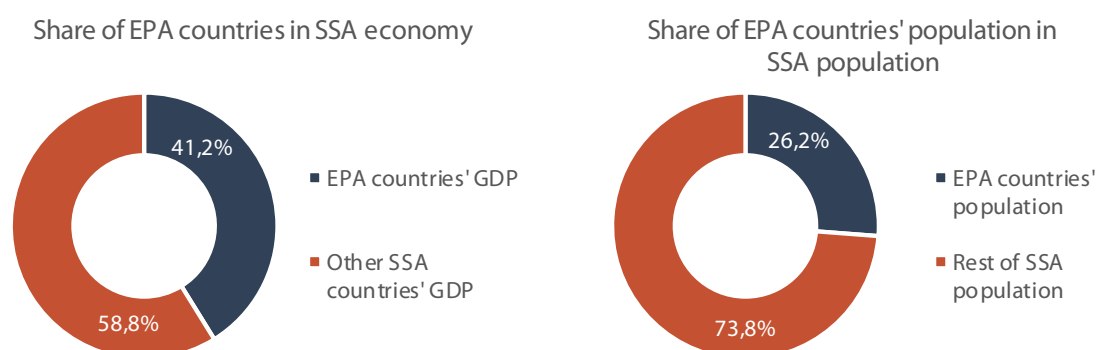


Data source: European Commission, [DG Trade](#), October 2022; [Cuba MIP 2021-2027](#).

Two 'stepping stone' EPAs – one with Côte d'Ivoire and the other with Ghana – were concluded to regulate trade relations pending the entry into force of the regional EPA with the entire west African region; however, the prospect of this regional EPA entering into force remains uncertain.

The nine EPAs altogether cover over half of ACP countries (including those which have not yet signed them but are explicitly mentioned as parties). The remaining ACP countries have the legal possibility of joining existing EPAs (see Table 1 below for more details). Although the lack of adherence of ACP countries to the EPA project, particularly in Africa, is often [emphasised](#), it is worth noting that countries in sub-Saharan Africa implementing an EU EPA (including Kenya, which enjoys a transitional arrangement) account for 41 % of the region's GDP, while representing only 26 % of the region's estimated population (calculation based on [IMF WEO October 2022 database](#)).

Figures 2 & 3: Coverage of sub-Saharan Africa (SSA) by EPAs ratified by African countries³



Data source: [IMF WEO October 2022 database](#).

Current state of application

Table 1: EPAs not yet provisionally applied

Economic partnership agreements	State of play	Date of signature
EPA with west Africa (with the 15 ECOWAS states plus Mauritania, as well as with ECOWAS itself and UEMOA)	Not yet provisionally applied	12/2014 for all EU Member States and 15 west African countries, except Nigeria
EPA with EAC (East African Community) states Open for accession to any other country that joins the EAC (South Sudan has recently joined)	Not yet provisionally applied	1/9/2016 for Kenya and Rwanda and the EU and all its Member States Kenya is negotiating a bilateral interim EPA (iEPA) with the EU that takes over the provisions of the regional EPA

Table 2: EPAs under provisional application

Economic partnership agreements	State of play	Date of signature	Date of provisional application
EPA with Cariforum states Open for accession to Caribbean states	Provisional application ⁴	15/10/2008	29/12/2008 (except Haiti)
(Interim) Stepping Stone EPA with Côte d'Ivoire	Provisional application	26/11 – 17/12 2008	3/9/2016
Interim EPA with central African states (Cameroon) Open for accession to any state or regional organisation in central Africa	Provisional application	15/1/2009	4/8/2014

Economic partnership agreements	State of play	Date of signature	Date of provisional application
Interim EPA with Pacific states Open for accession to all Pacific Island states party to the Cotonou Agreement and to Pacific Islands with a similar economic situation (Article 80(1))	Provisional application with Fiji, Papua New Guinea, Samoa and Solomon Islands	30/7/2009 (EU and Papua New Guinea) 11/12/2009 (Fiji)	With PNG as from 20/12/2009 With Fiji as from 28/7/2014 With Samoa as from 31/12/2018 With Solomon Islands as from 17/5/2020
Interim EPA with eastern and southern Africa (ESA) states (the text of the agreement covers the Comoros, Madagascar, Mauritius, the Seychelles, Zambia and Zimbabwe) Open for accession to Djibouti, Eritrea, Ethiopia, Malawi and Sudan	Provisional application with the Comoros, Madagascar, Mauritius, the Seychelles and Zimbabwe	29/8/2009 Comoros signature 28/7/2017	14/5/2012 With the Comoros as from 7/02/2019
EPA with SADC (Southern African Development Community) states Angola has an option to join	Provisional application	10/6/2016	10/10/2016 for SACU 4/2/2018 for Mozambique
(Interim) Stepping Stone EPA with Ghana	Provisional application	28/7/2016	15/12/2016

Data source: Council treaty database, [European Commission DG Trade](#).

As the table shows, five of the seven regional EPAs are currently being applied provisionally, pending ratification by all EU Member States; the two other regional EPAs, namely those with west Africa and the EAC, are not yet being applied provisionally, due to delays in their signature and ratification by some African partners. Both regions decided to act as a bloc, and therefore all of the countries within them had to sign and ratify the EPAs before these could be provisionally implemented, but this has not been the case.

In **west Africa's case**, Nigeria, the economic powerhouse of the region, has not yet signed the agreement it initialled in 2014 because of strong opposition from [manufacturers' associations](#), civil society and some [political forces](#), including the president. Pending ratification by the entire region, two 'stepping stone' EPAs with Côte d'Ivoire and Ghana are being applied provisionally (all EU Member States have yet to ratify them).

The situation in the **EAC group** has also evolved towards fragmentation of their trade regimes with the EU. The EAC is a well-integrated customs union and all of its members should ratify the EPA, to avoid disrupting its functioning. Kenya, which is a middle income economy, needs an EPA to preserve its access to the EU market, but the LDCs are not eager to join. After the EAC Summit of 28 February 2021 [concluded](#) that those members who wish to implement the EPA should do so under the principle of 'variable geometry', in February 2022 the EU started negotiations with Kenya on an interim EPA, including binding provisions on trade and sustainable development.

In the **Caribbean region**, Haiti is the only country covered by the regional EPA which has not yet ratified it. Although Haiti can continue trading with the EU under the EBA, ratifying the EPA would provide it with additional benefits, particularly concerning rules of origin. The [cumulation of origin](#), which the EPA allows, would be useful for textile exporters using imported materials.

In the **SADC EPA group**, Angola has an option to join the EPA and has made a formal request to do so. The two sides – the EU and the SADC – have been conducting negotiations on this, but have yet

to agree on the formal decision (by the Joint Council). According to the sustainability impact assessment (SIA) prepared by an external contractor for the Commission on Angola's accession ([final draft](#)), the 'parties of the SADC Trade Protocol would welcome Angola's engagement in the EU-SADC EPA accession process only after its accession process to the SADC FTA was successfully concluded'.

The study finds that Angola has been slow with its accession to the [SADC Trade Protocol](#) (which lowers tariffs among SADC members). Joining this protocol is important because, under the regional preferences clause (Art. 108(2) of the EPA), Angola and any other SADC EPA state has to grant the other SADC EPA states the same favourable treatment and advantage it grants to the EU. Therefore, Angola has to define the preferences it wishes to provide to the other African parties to the EPA.

In June 2021, the EU and Angola started negotiating a [Sustainable Investment Facilitation Agreement](#) (SIFA) – the first such agreement the EU has been negotiating. The SIA finds that the impact for Angola of joining the EPA is 'limited but positive in the short term' and 'substantially larger and positive in the longer term', and that concluding the SIFA would be complementary and enhance the positive effects of the EPA. As a more negative effect, the revenue lost by Angola in customs taxes would amount to about 1.8% of government revenue.

The **ESA group** is the only one where there are steps towards deepening the ESA EPA, with [nine rounds](#) of negotiations having taken place since October 2019 on trade-related areas such as rules of origin, trade and sustainable development, trade in services, investment, digital trade, intellectual property rights and public procurement.

For an overview of the main issues covered by the EPAs, the position of different stakeholders and the role and position of the European Parliament, see the EPRS Briefing on [An overview of the EU-ACP countries' economic partnership agreements: Building a new trade relationship](#), Zamfir I., July 2018.

Main issues under discussion

Trade and sustainable development

The European Parliament, in its [resolution of 23 June 2022 on the future of EU-Africa trade relations](#), calls for 'EPAs to be modernised by adding strong, binding and enforceable trade and sustainable development (TSD) chapters aligned with the Paris Agreement; calls on the Commission, in this context, to work with our African partners to advance fair and sustainable trade, notably through TSD chapters in EPAs, and to work with our partners on the upcoming TSD review; stresses, furthermore, the importance of including the objective of combating forced labour and child labour in TSD chapters of Union trade agreements, given their prevalence in the agricultural sector'.

[Sustainable development](#) is recognised as a main objective to be pursued by the EPAs, but only two EPAs contain more elaborate provisions on labour and environmental standards. The Cariforum EPA has the strongest sustainable development dimension, being the first EU FTA to contain elaborate TSD provisions. These provisions are also subject to both a specific consultation mechanism and to the regular dispute settlement procedure that can lead to sanctions – the first and only EU FTA to date in this situation.

The SADC EPA reaffirms the commitment of the parties to their international obligations on labour and environment and prohibits any lowering of the domestic levels of environmental and labour protection that would promote trade. However, these provisions are not subject to any dispute settlement mechanism, only to consultations through the Trade and Development Committee established under the EPA and composed of senior officials from both sides.

The other EPAs only proclaim the objective of sustainable development, but do not make any reference to international social, labour and environmental norms (such as ILO standards or environmental agreements) and any parties' obligations in relation to these. Some of them contain a rendez-vous clause (a commitment to conduct negotiations on such provisions within a defined timeframe) (see Table 2).

Table 3: Sustainable development provisions in EPAs

EPAs with date of first signature	TSD provisions	Rendez-vous clause
EPA with Cariforum states (2008)	Objective of sustainable development (SD) (Art. 3) Commitment to multilateral and regional environmental agreements to which EPA states are parties (Art. 183) Commitment to the internationally recognised core labour standards, as defined by the relevant ILO Conventions (Art. 191) Levels of protection and right to regulate Cooperation Specific consultation procedure involving a committee of experts, general dispute settlement	-
Stepping Stone EPA with Côte d'Ivoire (2008)	-	Negotiation and conclusion of a final EPA including SD at the earliest stage
EPA with central African states (Cameroon) (2009)	Objective of SD (Art. 2)	'[T]he Parties shall conclude negotiations by 1 January 2009 on a set of potential commitments on sustainable development' (Art. 60) (there are exploratory discussions ongoing)
EPA with Pacific states (2009)	Objective of SD; cooperation on SD (Art. 3)	SD not explicitly included (Art. 69)
EPA with eastern and southern Africa (ESA) states (2009)	Objective of SD (Art. 2)	Continue negotiations for a full EPA including SD (Art. 53)
EPA with SADC (Southern African Development Community) states (2016)	Objective of SD (Art. 7) Commitment to implement multilateral environmental and labour standards and agreements (Art. 8) Right to regulate and levels of protection (Art. 8) Consultations (Art. 8) Cooperation on SD (Art. 11)	-
Stepping Stone EPA with Ghana (2016)	-	-
EPA with west Africa (2014)	Parties undertake to contribute to effectively meeting their commitments in international fora concerning SD (Art. 1) Objective of SD (Art. 3)	Continue negotiations based on a roadmap to be established within six months of entry into force (Art. 106)
EPA with EAC (East African Community) states (2016)	Objective of SD (Art. 2)	Conclude negotiations on SD within five years of entry into force (Art. 3)

Data source: text of the agreements (Eur-Lex).

TSD provisions in FTAs have received increasing attention under the current Commission, which has made the issue of trade and sustainable development a priority. This came in response to the Parliament's repeated calls for a stronger focus in EU trade policy on sustainable development, both in negotiations and in the implementation of existing agreements. In its June 2022 [communication](#) on 'The power of trade partnerships: together for green and just economic growth', the Commission made several proposals on how to strengthen the sustainable development dimension of EU trade agreements, including extending the regular dispute settlement mechanism under the agreement to its TSD provisions and providing the possibility of sanctions in case of non-compliance by one party with the recommendations of the arbitration panel.

In this document, the Commission focuses on FTAs with TSD chapters⁵ and does not mention explicitly the EPAs (neither did the 15-point plan published in 2018 in a 'non paper' [document](#) by the Commission's DG Trade). However, the stated objective of concluding an interim EPA with Kenya with sustainable development provisions, including an arbitration mechanism and sanctions, confirms that these new ambitions also apply to this kind of agreement. According to the [Commission](#) (as of February 2022), 'the EU and Kenya agreed to negotiate binding provisions on trade and sustainable development in their EPA, which will be subject to an appropriate dispute settlement mechanism'. In the [negotiations with ESA](#), the Commission presented its new sustainability approach to the other side, but mentioned that, in line with the Communication, 'this approach would also be tailor-made to the conditions of each partner'.

In its [Trade Policy Review](#), published in February 2021, the Commission pledged to reinforce its engagement with African countries by, among other things, 'deepening and widening its existing trade agreements with African regional economic communities and strengthen their sustainability dimension'.

The main avenue for encouraging ACP partners to fulfil their international commitments related to labour and the environment remains development policy. The negotiated [Post-Cotonou Agreement](#) (whose ratification is being delayed on the EU side because of the [lack of required unanimity](#) among Member States) includes provisions in this respect, such as Article 33 on decent work: 'The Parties reaffirm their obligations as members of the ILO and their commitments under the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-Up. They reaffirm their commitment to social dialogue and to the promotion and effective implementation of the internationally recognised core labour standards.'

Article 49 on 'Trade and sustainable development' contains the standard TSD provisions: the objective of integrating sustainable development into every aspect of their trade relationship, not lowering the level of environmental and labour protection to encourage trade, as well as the right to 'establish their [country's] own levels of domestic protection'. The (provisional) application of the Post-Cotonou Agreement is therefore crucial to establish clear and binding provisions.

The impact of the EPAs

The European Parliament, in its [resolution](#) of 23 June 2022 on the future of EU-Africa trade relations, 'observes that the viewpoints regarding the evaluation of the success of the EPAs differ, with some in the EU and Africa arguing that the EPAs concluded or negotiated in the last decade do not sufficiently meet the requirements of a new partnership and were primarily aimed at enforcing EU interests ..., while others in the EU and the AU argue that EPAs contribute to and promote sustainable development in line with the SDGs and the 2030 Agenda for Sustainable Development ...'. The Parliament further calls on the Commission to ensure EPAs contribute to the strengthening of economic relations between the parties in a mutually beneficial way, taking into account their respective levels of development.

The impact of the EPAs remains a controversial subject. As the resolution of the Parliament suggests, it is difficult to draw a clear line among the numerous arguments in favour of or against the benefits of the EPAs. While the Commission has vigorously defended the benefits of the EPAs, civil society has been rather sceptical and opposed to EPAs. Looking at EPAs that have already been implemented, neither the great expectations nor the big fears have (yet) materialised, according to

an [ECDPM report](#) (Bilal, 2021), which notes that 'recent empirical studies have offered a much more sober assessment, mainly due to the gradual implementations of the EPAs over a long period'.

With several EPAs in place for a while, some effects have become visible. The Cariforum EPA has been in force the longest, but the Commission impact assessment published in September 2022 found little impact on either the EU or the Caribbean side. More precisely, the [ex-post evaluation](#) of the Cariforum EPA, covering the 10-year period since its provisional application (2008-2018), found that the results with respect to the EPA's high objectives had been 'limited or small'. The evaluation notes that 'total trade in goods between the two parties has not expanded since 2008'.

Cariforum exports to the EU decreased by 2% annually over the evaluation period, while EU exports to Cariforum increased, by an annual average of +4%. This has resulted in a trade surplus of €1.2 billion for the EU compared with the EU's negative trade balance with Cariforum of €280 million when the EPA was launched in 2008. The evaluation highlights that the drop in Cariforum exports to the EU is, to a significant extent, due to the drop in oil exports from Trinidad & Tobago, which is in no way related to trade preferences, as oil is also subject to [zero customs duties](#) by the EU under the WTO MFN regime. The impact on trade in services or the impact of investment driven by the EPA was similarly low.

The other regional EPA that has been in force for a longer period, the SADC EPA, has caused some friction in trade between both sides – the EU and South Africa – due to increases in imports from the other side. Before the SADC EPA was ratified by the European Parliament, several MEPs [transmitted](#) the concerns of Spanish and Italian citrus-fruit producers about competition from South African exports, but this did not prevent its ratification.

South Africa's citrus-fruit exports to the EU have become a point of contention. Citrus fruits are considered [sensitive products](#) in the SADC EPA and are protected from full liberalisation, but even so, according to press reports, low price competition from South African citrus-fruit producers coupled with increasing labour costs has put [Spanish producers](#) of oranges in a very difficult situation. EU [producers associations](#) have warned of similar problems in Italy and Portugal and have also pointed to the risks of bringing a specific plant pest into the EU.

In June 2022, the Commission imposed new [phytosanitary requirements](#) to prevent the *false codling moth*, a citrus pest native to South Africa, from spreading into the EU; tonnes of fruits were [stranded](#) in ports as a result. [Experts](#) from South Africa found these measures to be profoundly disruptive for the country, and 'unjust and punitive'. South Africa [requested](#) consultations (the first step of WTO dispute settlement) with the EU, in what is the first-ever WTO dispute settlement [case](#) launched by South Africa. In August, South Africa and the Commission agreed to release the stranded fruits at EU ports after cold treatment.

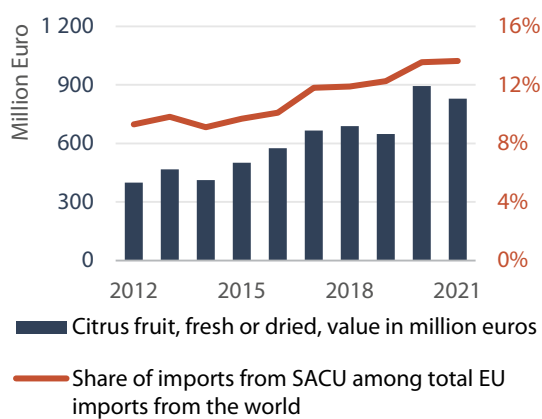
In South Africa, chicken farmers have allegedly been affected by EU imports, prompting the South African authorities to impose temporary restrictions soon after the start of EPA implementation. The EU [contended](#) that the problems faced by the local industry had other causes than the increase in EU imports into the country, which remained low. From 2015 on, South Africa has imposed [anti-dumping duties](#) on poultry imports from several EU countries. Besides these, on 15 December 2016 it imposed a provisional safeguard measure on imports from the whole of the EU (based on Article 34 of the EPA). On 28 September 2018, a final safeguard measure of 35.3% was adopted by the Southern African Customs Union (SACU), which expired in March 2022.

In response to the safeguard measure adopted by SACU, the EU asked for arbitration in April 2020. This was the first time the EU asked for arbitration under one of its EPAs. With some delays due to the pandemic, the panel delivered its [final report](#) in August 2022; both SACU and the EU claimed victory in this ruling. According to the [SACU side](#), the panel findings confirm that 'the EU-SADC EPA provides for a safeguarding regime that departs from WTO rules, emphasising the developmental character of the EU-SADC-EPA'. According to the [European Commission](#), which claimed the EU side won, 'the panel found that the safeguard measure was not proportionate and went beyond what was needed to remedy or prevent any serious injury or disturbances. Moreover, the delay between

the investigation and the adoption of the safeguard measure was excessive and not in line with the EU-SADC EPA.' In fact, the panel only partly upheld the EU's claims, denying the EU's request for a refund of customs duties.

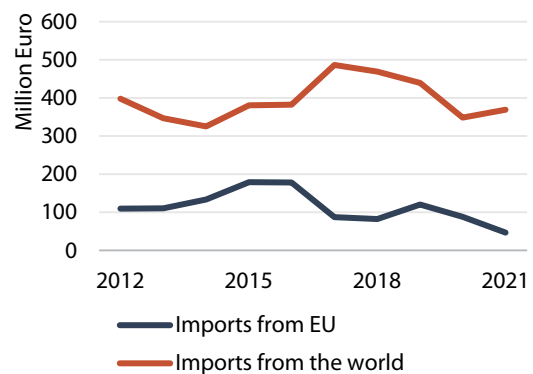
Lower prices for chicken meat benefit consumers, particularly those that are not so well-off, as shown by the decision of South Africa not to [renew](#) its anti-dumping tariffs in 2022, against the background of inflationary prices for food. With the prospect of [rapidly rising prices](#) for food in the current global context, cheap food imported from the EU could become less of a competition and more of a much-needed complement to local production in a region also exposed to demographic pressure. According to some [economists](#), 'trade liberalization and import diversification could help stabilize regional food supply and prices in sub-Saharan Africa'.

Figure 4: EU citrus imports from SACU in 2021 (thousand euros)



Source: International Trade Centre, [Trade map](#).

Figure 5: SACU imports of meat and edible offal of fowls, ducks, geese, turkeys (thousand euros)



Source: International Trade Centre, [Trade map](#).

Concerns about EU poultry imports also exist in other regions. For example, Cameroon has [protected](#) its poultry industry with beneficial effects for local producers. In this respect, the EU EPA imposes a duty of 20 % on imports from the EU of chicken meat, which cannot be reduced. On the other side, Cameroonian producers [rely](#) to a great extent on hatching eggs and chicks from the EU, as the disruptive effects of restrictions in 2020 due to COVID and avian flu in some EU countries have clearly shown.

There are also concerns related to the new EU strategy to green its agricultural production, the 'farm to fork' [strategy](#). [Wandile Sihlobo](#), Chief Economist of the Agricultural Business Chamber of South Africa, points to the high costs of compliance with the new requirements for placing food products on the EU market, related either to binding norms or to voluntary certification schemes, but also to the opportunities created by the scheme for African farmers. The difficulty for African farmers in attaining higher environmental and sustainable standards needed to sell their products on the EU market has also been acknowledged by [the EU side](#), and the EU is using its development aid to help meet these needs.

[As argued in a think-tank publication](#), another related concern is that the implementation of this strategy would lower agricultural production in Europe and, as an effect, lead to higher food prices, food shortages and possible relocation of production, with related harmful effects on the environment, to Africa. The same source argues that the EU should 'insert ... provisions in EU trade agreements on sustainable food systems'.

Another potentially harmful effect on EU farmers could occur in the EU's outermost territories, due to similarities in production (tropical products) and geographical proximity. A trade union of farmers

in the French *département* of La Réunion in the Indian Ocean [warns](#) of the risk that local markets could be flooded with cheap products from east and south African states due to the EU-ESA EPA.

EPAs and regional integration

The European Parliament, in its [resolution](#) of 23 June 2022 on the future of EU-Africa trade relations, expressed support for the objectives and aspirations of the AfCFTA and emphasised that EPAs need to support the AfCFTA's further development.

The risk that EPAs contribute to the fragmentation of regional trade in ACP countries is invoked particularly with regard to African countries, and there with regard to splitting customs unions established or pursued by regional economic communities (RECs) in west, east and central Africa, where four non-LDCs – Côte d'Ivoire, Ghana, Kenya and Cameroon – have decided to go it alone and conclude bilateral agreements with the EU. The Cariforum EPA group overlaps almost completely with the Caribbean Forum ([CARICOM](#)), an [economic union](#) of 15 Caribbean states. It includes all CARICOM members except Haiti, plus the Dominican Republic (party to the EPA but not CARICOM). In the Pacific, there are no effective plans to move towards a customs union among ACP members.⁶

The fragmentation of the trade landscape in Africa has multiple causes beyond EU trade arrangements. The EU is not the only important trade partner to offer the type of trade relationship established by the EPAs. All the four countries with bilateral EPAs have [replicated](#) the EU EPAs with the UK and have already ratified these agreements. Kenya is also [negotiating](#) an FTA with the US, the first sub-Saharan country to do so. Its new trade agreement could be a template for future US trade relations with Africa. At African level, EU EPAs are only one layer of multiple regional trade liberalisation schemes that most African countries are involved in, which are also known by the '[spaghetti bowl](#)' concept of African trade integration.

The concerns about the four bilateral EPAs disrupting regional integration centred on customs unions being only partly supported by reality on the ground. In theory, for regional customs unions to apply a common external tariff (which is the central feature of a customs union), all members should trade on the same terms with the EU, and this is prevented by the individual EPAs. However, in practice, in the central African region the realisation of a customs union is still in its early stages and customs unions in west and central Africa are still not fully implemented either ([Bilal, 2021](#)), which reduces the potential for disruption by EPAs.

A [2021 study](#) commissioned by the European Commission shows that the risk of EU inputs entering other ECOWAS members through the countries with interim EPAs, in the form of products manufactured in those countries, is quite limited in practical terms. For this reason, the study recommends some technical adjustments to the customs arrangements to allow the free flows of goods to continue in west Africa. In east Africa, where integration is more advanced (EAC has been implementing a [common market](#) since 2010), Kenya's EPA could not only increase divergences in tariffs and rules of origin, as feared, but also economic differences among EAC members (as Kenya will benefit from the EPA's developmental dimension), according to [Frederik Stender](#), an economist at the German Development Institute (DIE).

Another contentious issue is the way that EPAs will contribute to the African pancontinental trade integration efforts. On 30 May 2019, the [African Continental Free Trade Area](#) (AfCFTA) entered into force following ratification by 24 member states (22 being the minimum required number). The AfCFTA became operational on 1 January 2021, but little trade has effectively taken place under it due to unsolved technical issues. To date, 43 states have joined the AfCFTA, with 11 of its signatories still having to do so.

The AfCFTA's objective is to go beyond trade in goods and incorporate, at a later stage, trade in services, investment, intellectual property rights, competition policy, and possibly digital commerce. The AfCFTA aims to 'resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes' in Africa. The [founding agreement](#) recognises eight African Regional Economic Communities (RECs), considering their free trade areas

to be 'pillars' in the creation of the AfCFTA. It provides for RECs to be represented in the AfCFTA Committee of Senior Trade Officials in an advisory capacity. Article 16 provides that, in the event of 'any conflict and inconsistency between this agreement and regional agreements', the AfCFTA agreement shall prevail. Taking into account WTO [usage of the term](#), the concept of 'regional agreements' would also [encompass](#) agreements with non-African partners, leaving open the question of whether this provision would apply to EU EPAs and, if so, how it would affect them.

The AfCFTA is still a work in progress, with many [technical aspects](#) needing to be clarified and decided, most important among them the rules of origin, before all or almost all goods can be traded freely among its members. Moreover, the realisation of the AfCFTA presupposes the [convergence](#) of its trade rules and practices, particularly of rules of origin, and those of the RECs in Africa. How EPAs can contribute to the AfCFTA's own objective of continental integration depends very much on these future developments.

The EU has been a strong supporter of the AfCFTA since its inception, providing financial and technical assistance as well as political support, including, in cooperation with its Member States, through the [Team Europe initiative](#). At their joint summit in February 2022, the leaders of EU and African Union (AU) Member States declared in the final communiqué ('[A Joint Vision for 2030](#)') their resolve to boost regional and continental economic integration, particularly through the AfCFTA, and to work gradually towards the progressive and mutually beneficial integration of the EU and African continental markets.

In its [Trade Policy Review](#) published in February 2021, the European Commission outlined concrete measures to support the AfCFTA, such as: enhancing political dialogue and cooperation with the AU and its members on the smooth implementation of the AfCFTA; widening and deepening the EPAs; promoting common standards in Africa to enhance regional and continental integration; more harmonised rules of origin in trade with the EU; and sustainable investment agreements with Africa and the Southern Neighbourhood. At a [workshop](#) organised in October 2022 by the European Parliament's Committee for International Trade (INTA), the DG Trade representative declared that a high-level dialogue on trade and economic integration will be launched with the AU Commission on 28 November and that the European Commission hopes to harmonise rules of origin with African partners by the end of this term in 2024.

Even if continent-to-continent integration is a jointly proclaimed objective for the EU and AU, a common FTA is not for tomorrow. As explained, the AfCFTA has the ambition to become a [customs union](#), but for the time being this prospect is still remote given the slow and unequal pace of [trade integration](#) in Africa. Moreover, the AfCFTA does not have any intergovernmental body mandated to negotiate trade liberalisation with third parties such as the EU.

[Some authors](#) continue to insist, however, that the EU should prepare the way towards intercontinental integration by proposing a unilateral free access trade regime to the whole of Africa (requesting a WTO waiver). This would presuppose giving up on anything that has been achieved not only through the EPAs but also through the association agreements with North Africa – a very unrealistic prospect.

A more practical proposal refers to gradually building convergence. A [report](#) (Lejarraga, 2022) published by the European Council for Foreign Affairs recommends to EU policymakers to view the AfCFTA 'as an opportunity to consolidate and strengthen commercial and geopolitical ties with Africa'. It underlines that 'the degree of convergence between EU and nascent pan-African regulatory models will be critical to the commercial and geopolitical ties between Europe and Africa', and views the harmonisation of rules of origin between EU and Africa as an utmost priority. Another proposal ([Woolfrey, 2021](#)) considers that 'more coherence to the patchwork of existing trade arrangements between the EU and Africa' would not only facilitate a future continent-to-continent trade relationship, but 'such efforts would be beneficial in and of themselves'.

MAIN REFERENCES

[Overview of Economic Partnership Agreements](#), European Commission DG Trade, September 2022.

Zamfir I., [An overview of the EU-ACP countries' economic partnership agreements: Building a new trade relationship](#), EPRS, European Parliament, July 2018.

ENDNOTES

- ¹ Although the EPA with Central Africa is improperly called so, as it covers only Cameroon.
- ² Clauses in these interim EPAs provide for a calendar for the continuation of negotiations, which has not materialised.
- ³ This includes all countries implementing EPAs in Africa, plus Kenya. Kenya is currently the only ACP country that has ratified an EU EPA but, since this cannot yet be implemented as it covers the entire East African Community, enjoys a [transitional regime](#) provided unilaterally by the EU, which conserves its free access to the EU market.
- ⁴ The conditions for provisional application are established in the relevant provisions of each EPA. On the EU side, provisional application means that the EU has ratified the agreement, but that Member States have yet to do so.
- ⁵ The Commission does not include the Cariforum EPA among the 'modern FTAs' with a TSD chapter (see [DG Trade page](#)).
- ⁶ See existing FTAs: [PACER Plus](#) and [PICTA](#).

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