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MOTION FOR A RESOLUTION

further to Questions for Oral Answer B6-0214/2009 and B6-0213/2009

pursuant to Rule 108(5) of the Rules of Procedure

by Helmuth Markov

on behalf of the Committee on International Trade

on the agreement establishing a framework for an Economic Partnership Agreement between the European Community and its Member States, on the one part, and the East African Community Partner States, on the other part

European Parliament resolution on the agreement establishing a framework for an Economic Partnership Agreement between the European Community and its Member States, on the one part, and the East African Community Partner States, on the other part

The European Parliament,

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

¹ OJ C 77 E, 26.3.2004, p. 393.

² OJ C 92 E, 20.4.2006, p. 397.

³ OJ C 285 E, 22.11.2006, p.126.

⁴ OJ C 292 E, 1.12.2006, p. 121.

⁵ OJ C 293 E, 2.12.2006, p. 155.

⁶ OJ C 298 E, 8.12.2006, p. 261.

⁷ OJ C 305 E, 14.12.2006, p. 244.

⁸ OJ C 102 E, 24.4.2008, p. 301.

⁹ OJ C 323 E, 18.12.2008, p. 361.

¹⁰ Text adopted, P6_TA(2008)0252.

Partnership Agreements (COM(2007)0635),

- having regard to the General Agreement on Tariffs and Trade (GATT), in particular Article XXIV thereof,
 - having regard to the Ministerial Declaration of the Fourth Session of the WTO Ministerial Conference, adopted on 14 November 2001 in Doha,
 - having regard to the Ministerial Declaration of the Sixth Session of the WTO Ministerial Conference, adopted on 18 December 2005 in Hong Kong,
 - having regard to the report and recommendations of the Task Force on Aid for Trade, adopted by the WTO General Council on 10 October 2006,
 - having regard to the United Nations Millennium Declaration of 8 September 2000, which sets out the Millennium Development Goals (MDGs) as criteria collectively established by the international community for the elimination of poverty,
 - having regard to the Gleneagles Communiqué, released on 8 July 2005 by the Group of Eight in Gleneagles,
 - having regard to Rule 108(5) connection with Rule 103(2) of its Rules of Procedure,
- A. whereas EPAs should be WTO-compatible agreements aimed at supporting regional integration and promoting the gradual integration of the ACP economies into the world economy, thereby fostering their sustainable social and economic development and contributing to the overall effort to eradicate poverty in the ACP countries,
- B. whereas WTO rules do not require EPA countries to undertake liberalisation commitments in the area of services,
- C. whereas EPAs should be used to build a long-term relationship where trade supports development,
- D. whereas the current financial and economic crisis means that fair trade policy relations will be more important than ever to the developing world,
- E. whereas the interim EPA (IEPA) is focused on trade in goods and WTO compatibility,
- F. whereas the IEPA will have a fundamental impact on the future evolution of the economic, social and environmental development and policies of the East African Community (EAC) Partner States and their trading partners in eastern and southern Africa,
- G. whereas the EAC Partner States established a customs union in 2005 and are working towards the establishment of a common market by 2010, a monetary union by 2012 and a political federation of the East African States,
- H. whereas the IEPA can probably influence the scope and content of future agreements

made between the EAC States and other trading partners and the region's stance in the negotiations,

- I. whereas there is limited competition between the EU and the ACP countries since the vast majority of EU exports mainly consist of goods ACP countries do not produce but often need either for direct consumption or as inputs for domestic industry,
 - J. whereas the EAC Partner States have indicated that they wish to renegotiate a number of issues included in the IEPA,
 - K. whereas none of the liberalisation schedules requires a country to start removing any positive tariffs until 2015; whereas the EAC States have 24 years to complete the EIPA liberalisation process,
 - L. whereas trade commitments must be accompanied by an increase in support for trade-related assistance,
 - M. whereas the objective of Aid for Trade is to support developing countries' capacity to take advantage of new trade opportunities, and to compensate for adjustment costs and potentially negative impacts of trade liberalisation,
 - N. whereas nothing in a potential full EPA should impair the capacity of the EAC Partner States to promote access to medicines,
1. Believes that Believes that the IEPA must contribute to revitalising trade between ACP countries and the European Union, increased economic growth, regional integration, economic diversification and the reduction of poverty and the achievement of the MDGs; therefore urges flexible implementation that fully takes account of the capacity constraints of EAC Partner States;
 2. Stresses that such agreements cannot be regarded as satisfactory unless they achieve three objectives: offering the ACP countries support for sustainable development, promoting their participation in world trade, and strengthening the regionalisation process; stresses that in achieving protection from negative consequences from opening the EAC Partner States' economies, support from the European Union must be provided in order to bring real benefits through trade preferences, and building economic and social development;
 3. Reaffirms its view that, if appropriately designed, EPAs represent an opportunity to revitalise ACP-EU trading relations, promote ACP economic diversification and regional integration and reduce poverty in the ACP countries;
 4. Encourages the negotiating parties to finish the negotiations as planned during 2009; encourages the parties to take every measure to be able to finalise a comprehensive EPA between the ACP countries and the European Union before the end of 2009 as planned;
 5. Recognises the benefits that the signing of the IEPA has had for exporters by expanding the possibilities for exports to the European Union after the expiration of the Cotonou trade regime on 1 January 2008, and therefore avoiding the damage which could have

been caused to ACP exporters had they been obliged to operate under less favourable trade systems;

6. Welcomes the fact that the European Union is offering ACP countries full duty-free and quota-free market access into the European Union for the majority of products;
7. Stresses that the IEPA is an agreement on trade in goods aimed at preserving and substantially expanding the export opportunities to the European Union for the EAC Partner States, both through full market access and improved rules of origin;
8. Emphasises that the signing of the IEPA is a necessary step towards sustainable growth in this region as a whole, and underlines the importance of continuing negotiations towards a comprehensive agreement encouraging increased trade, investment and regional integration;
9. Recalls that a genuine regional market is an essential basis for successfully implementing the IEPA and that regional integration and cooperation are essential for the social and economic development of the EAC Partner States;
10. Requests that any agreements between the European Union and countries of the eastern and southern Africa region must not contradict each other or impede regional integration in this wider region;
11. Acknowledges the establishment of transition periods within the IEPA for small and medium-sized enterprises (SMEs) in order for them to be able to adapt to the changes put in place by the agreement, and urges the authorities of the EAC Partner States to continue to support the interests of SMEs in their negotiations towards a comprehensive EPA;
12. Calls for the European Union to provide increased and adequate assistance to the authorities in ACP countries and to the private sector in order to facilitate the transition of their economies following the signing of the IEPA;
13. Therefore supports the agreed tariff line exclusions focused on agricultural goods and some processed agricultural goods given that they are based chiefly on the need to protect infant industries or sensitive products in these countries;
14. Calls on the Commission to clarify the actual distribution of funds throughout the ACP region stemming from the pledged priority spending within the increased Aid for Trade budget;
15. Urges the relevant countries to provide clear and transparent information about the economic and political situation and development in these countries in order to improve cooperation with the Commission;
16. Recognises the inclusion of a development cooperation chapter in the comprehensive EPA covering cooperation on trade in goods, supply-side competitiveness, business-enhancing infrastructure, trade in services, trade-related issues, institutional capacity-building, and fiscal adjustments; calls on both parties to adhere to their agreed commitment to conclude negotiations on competition and government procurement only when adequate capacity

has been built;

17. Recalls that the EPA must be supportive of the development objectives, policies and priorities of the EAC Partner States, not only in its structure and content, but also in the manner and spirit of its implementation;
18. Recalls the adoption, in October 2007, of the EU Strategy on Aid for Trade, with the commitment to increase the collective EU trade related assistance to EUR 2 000 million annually by 2010 (EUR 1 000 million from the Community, EUR 1 000 million from the Member States); insists that the EAC Partner States receive an appropriate and equitable share;
19. Calls on the Commission to clarify how funds are distributed throughout the region, calls on the EU Member States to outline additional funding beyond the 2008-2013 budget commitments;
20. Urges the negotiators of any full EPA to account fully for the transparent management of natural resources and to outline the best practices necessary in order that the ACP countries make the maximum gains from such resources;
21. Stresses that any comprehensive EPA must also include provisions regarding good governance, transparency in political offices, and human rights;
22. Highlights the importance of intra-regional trade and the need for increased regional trade links in order for sustainable growth to be ensured in the region; underlines the importance of cooperation and congruency between different regional entities;
23. Encourages further lowering of tariffs between developing countries and regional groups, which today account for 15 to 25 % of the trade value, to further promote south - south trade, economic growth and regional integration;
24. Calls on the Commission to do its utmost to restart the negotiations on the DDA and ensure that trade liberalisation agreements continue to promote development in poor countries;
25. Is convinced that comprehensive EPAs should be complementary to an agreement on the DDA and not an alternative for ACP countries;
26. Respects the need for a chapter on trade defence with bilateral safeguards; calls on both parties to avoid unnecessary use of these safeguards;
27. Asks for a prompt ratification procedure in order to make the profits of the IEPA available for the partner countries without unnecessary delay;
28. Recalls that, whilst the IEPA can be considered a first step in the process, in legal terms it is a completely independent international agreement that may not necessarily lead to a full EPA;
29. Stresses that the possible assent by Parliament to the IEPA does not predetermine Parliament's position concerning the assent to a potential full EPA, since the procedure of

conclusion relates to two different international agreements;

30. Recalls that the EAC is the only region in which all members have joined the IEPA and offered identical liberalisation schedules; points out that these need to be assessed regularly and revised if they prove too burdensome to implement;
31. Points out that the IEPA will probably influence relations between the region and its closest trading partners and it must be ensured that the current agreement's stipulations help to facilitate future trade agreements;
32. Calls upon the Commission to respond in a flexible way to demands by EAC Partner States to revise a number of issues in the IEPA, including: the definition of 'substantially all trade', liberalisation schedules, the most favoured nation (MFN) clause, the elimination of export taxes, national treatment, bilateral safeguards, the duration of the application of safeguards for infant industries, agricultural subsidies and the special safeguards mechanism (SSM) and the standstill clause;
33. Urges the ACP countries to further the process of liberalisation and encourages the extension of such reforms beyond trade and goods and an increase in the liberalisation of trade and services;
34. Points out that the EPA should contribute to the achievement of the MDGs;
35. Notes that within the EPA negotiations some ACP countries, with the aim of ensuring that all exporters are treated as well as the most favoured trading partner, have sought the MFN clause, which sets a normal, non-discriminatory tariff on imports of goods;
36. Welcomes the fact that new, improved and more flexible rules of origin have been negotiated between the European Union and the ACP countries, and could potentially provide the ACP countries with considerable benefits if implemented appropriately and with due consideration to their reduced capacity levels;
37. Stresses that exports of mining and wood products should not disturb the fragility of an ecosystem that plays a key role for the African continent, and that the EPA should provide for mechanisms to reward environmental services provided by the EAC Partner States;
38. Underlines the importance of appropriate and transparent monitoring mechanisms with effective oversight by the committee responsible within the European Parliament to ensure overall consistency in trade and development policies;
39. Considers it important that in the implementation of EPAs, an appropriate monitoring system should be established, coordinated by the relevant parliamentary committee involving members of the Committee on International Trade and of the Committee on Development, ensuring an adequate balance between the maintenance of the leading role of the INTA Committee and an overall consistency on trade and development policies; this parliamentary committee should operate in a flexible manner and actively coordinate with the ACP-EU Joint Parliamentary Assembly (JPA); considers that this monitoring should start after the adoption of each interim EPA;

40. Calls for appropriate and transparent monitoring mechanisms – with a clear role and influence – to follow the impact of EPAs with increased ACP ownership and broad stakeholder consultation;
41. Welcomes the inclusion of a review clause within the IEPA, which affirms that a comprehensive review of the agreement shall be undertaken no later than five years after the date of signature, and at subsequent five-yearly intervals, including an analysis of the costs and consequences of implementation of trade commitments; if necessary, amendments to the provisions of the agreement and adjustments to their application must be undertaken with respect to and in accordance with the rules and procedures of the WTO;
42. Calls on the Council to consult Parliament before taking a decision on the provisional application of international agreements – as is the case for the EPAs – when the assent procedure is required, in view of the possibility that Parliament might subsequently reject the international agreement, with the consequence that its provisional application would have to be ended;
43. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States and of the ACP countries, the ACP-EU Council and the ACP-EU Joint Parliamentary Assembly.