PROGRESS & STATUS OF ESA-EC EPA NEGOTIATIONS

LUSAKA June 2007

COMESA SECRETARIAT
WHY ESA CONFIGURATION

• HAPPY FAMILY APPROACH (COMESA, SADC, IOC, EAC, IGAD)

• ADVANTAGES
  – COUNTRIES FACE SAME CHALLENGES
  – SUPPORTS CONVERGENCE OF RECS (use of regional programs as basis for EPA positions)
  – PULLING RESOURCES FOR NEGOTIATION (RNF)
  – NEG VEHICLE TO USE WITH OTHER REGIONS (INDIA, US, CHINA etc) IN FUTURE (RNF)

• DISADVANTAGES
  – Infancy - new experience,
• EPA Negotiations were launched in Feb 2004.
• MS lead the negotiation through the RNF which defines the regional negotiating positions.
• Actual negotiations are conducted at Ambassadorial and Ministerial levels
• Three phases namely priority setting, substantive negotiations and finalisation.
• Currently, substantive negotiations are taking place on the basis of text prepared by ESA and submitted to EC.
• Main areas under negotiations include development cooperation, market access, services, agriculture, fisheries and trade-related issues. So far negotiations have covered all areas except services.
STATUS –
EC/ESA MINISTERS MEETING

• The main purpose of the 28 Feb was
  – to take stock of EPA negotiations
  – to provide political impetus and guidance for the
    next steps in the negotiation process.
• Main conclusions by both parties;
  – the negotiations are behind schedule
  – gave fresh political impetus so as to keep the
    agreed timetable
  – necessary measures to avoid any disruption to ESA
• Parties affirmed their commitment to conclude
  the negotiations on time.
Meeting AGREED-
OBJECTIVES OF EPAS

- Development of ESA region, gradual integration into global economy, and eradication of poverty.
- Address the supply side constraints increase the production and supply capacity of the countries;
- Structural transformation and competitiveness of ESA economies, diversification-value addition;
- Support regional integration enlarge their markets
- Improving predictability and transparency of trade policies,
- Address specific economic, social, environmental and structural constraints of the countries and the region.
1- Agreement on DEVELOPMENT

- **COMPREHENSIVE TREATMENT OF DEV**
  - Stand alone chapter and cross cutting
- **MOBILISE ADDITIONAL RESOURCES**
  - specifically to address EPA requirements.
  - From EU MS and other donors.
  - Aid for Trade - substantial part for ACP countries,
- **DELIVERY MECHANISMS**
  - Use own mechanisms like COMESA Fund
  - Predictability and sustainability in resources
  - Improve on delivery under 10th EDF RIP for EPA.
- Development matrix is joint ESA/EC effort
MARKET ACCESS {DJT}

- EC offer on full market access.
- FLEXIBILITY/ASYMMETRY FOR ESA
  - transition periods and product coverage
  - Phased tariff dismantlement
  - sensitive products
  - Trade remedies
  - Periodic reviews
- SIMPLIFIED ROO
- CAPACITY BUILDING FOR SPS & TBT
3. Trade related issues

- Currently the region is developing negotiating positions in various areas such as **trade facilitation, IPR, investments, competition policy**.
- ESA mandate on TRI stresses need for necessary capacity building, promoting effectively functioning regional market and support to existing ESA policies/reforms.
- The focus of the EC is on rule making.
- Parties agreed to transparency in public procurement ESA has refused to include public procurement under EPAs.
The ESA Group presented positions to the EC. Key issues include:

- food security,
- Safeguarding/guaranteeing the benefits from commodity protocols,
- situation of NFIC and commodities.
- maintain/implement regional preferences among ESA countries and its link with the CET.
- Competitiveness of agric
6 Services & Fisheries

- ESA WORKING ON ITS POSITIONS BASED ON THE EMERGING REGIONAL TIS FRAMEWORK
- The EC is ready to offer access for services including on mode IV in respect of cross-border movement of persons.
- FISHERIES – there is a joint text in place
WAY FORWARD

• In 2007 strategy is to focus on
  – defining jointly EPA accompanying measures and the necessary resources for the financing of EPA related adjustment costs and implementation EPA,
  – to begin substantial negotiations
    • on development cooperation chapter and
    • Trade in goods
  – Use the draft text by ESA and EC proposals to expedite negotiations.
  – Next ministers meeting before October 2007
• Finalise a joint report within a month.
A SYNOPSIS OF CURRENT POSITION

- Focus on two areas development and trade in goods
- On trade in goods - draft joint text in place incl. on SPS, TBT, safeguards, [rules of origin] & sensitive products list ready
- On development - draft joint text in place incl. joint matrix as work in progress & now working on accompanying measures
- On fisheries draft joint text in place
- On agriculture - limited progress
- On trade related issues - limited progress
- On services - no progress
- On final institutional & legal provisions - limited
THANK YOU