

# EUROPEAN PARLIAMENT

2004



2009

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*Session document*

FINAL  
**A6-0084/2007**

27.3.2007

## **REPORT**

on Economic Partnership Agreements  
(2005/2246(INI))

Committee on International Trade

Rapporteur: Robert Sturdy

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on Economic Partnership Agreements (2005/2246(INI))

*The European Parliament,*

- having regard to its resolutions of 13 December 2001 on the WTO meeting in Qatar<sup>1</sup>, of 25 September 2003 on the Fifth WTO Ministerial Conference in Cancún<sup>2</sup>, of 12 May 2005 on the assessment of the Doha Round following the WTO General Council Decision of 1 August 2004<sup>3</sup>, of 6 July 2005 on the Global Call to Action: Making Poverty History<sup>4</sup>, of 1 December 2005 on the preparations for the Sixth Ministerial Conference of the WTO in Hong Kong<sup>5</sup>, of 23 March 2006 on the development impact of Economic Partnership Agreements (EPAs)<sup>6</sup>, of 4 April 2006 on the assessment of the Doha Round following the WTO Ministerial Conference in Hong Kong<sup>7</sup>, of 1 June 2006 on trade and poverty: designing trade policies to maximise trade's contribution to poverty relief<sup>8</sup>, and of 7 September 2006 on the suspension of negotiations on the Doha Development Agenda<sup>9</sup> (DDA),
- having regard to the resolution of the ACP-EU Joint Parliamentary Assembly of 23 November 2006 adopted in Barbados on the review of negotiations on Economic Partnership Agreements (EPAs),
- having regard to the Cape Town Declaration, adopted unanimously on 21 March 2002 by the ACP-EU Joint Parliamentary Assembly, calling for the establishment of developmental benchmarks against which the conduct and outcome of the ACP-EU trade negotiations are to be assessed,
- having regard to the declaration of the Annual 2006 Session of the Parliamentary Conference on the WTO, adopted on 2 December 2006 in Geneva,
- having regard to its position of 9 March 2005 on the proposal for a Council regulation applying a scheme of generalised tariff preferences<sup>10</sup>,
- having regard to Council Regulation (EC) No 980/2005 of 27 June 2005 applying a scheme of generalised tariff preferences<sup>11</sup>,
- having regard to the Partnership agreement between the members of the African,

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<sup>1</sup> OJ C 177 E, 25.7.2002, p. 290.

<sup>2</sup> OJ C 77 E, 26.3.2004, p. 393.

<sup>3</sup> OJ C 92 E, 20.4.2006, p. 397.

<sup>4</sup> OJ C 157 E, 6.7.2006, p. 397.

<sup>5</sup> OJ C 285 E, 22.11.2006, p.32.

<sup>6</sup> OJ C 292E, 1.12.2006, p. 121.

<sup>7</sup> OJ C 293E, 2.12.2006, p. 155.

<sup>8</sup> *Texts Adopted*, P6\_TA(2006)0242.

<sup>9</sup> *Texts Adopted*, P6\_TA(2006)0350.

<sup>10</sup> OJ C 320 E, 15.12.2005, p. 145.

<sup>11</sup> OJ L 169, 30.6.2005, p. 1.

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 10 and 11 April 2006 and 16 October 2006 and the Conclusions of the European Council of 15 and 16 June 2006,
- having regard to the communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions with a proposal for a joint declaration by the Council, the European Parliament and the Commission on the European Union Development Policy “The European Consensus” (COM(2005)0311),
- having regard to the Commission Staff Working Document entitled 'The Trade and Development Aspects of EPA Negotiations' (SEC(2005)1459),
- 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 Decision adopted by the WTO General Council on 1 August 2004,
- 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 Sutherland Report on the future of the WTO,
- having regard to the United Nations Millennium Declaration of 8 September 2000, which sets out the Millennium Development Goals as criteria collectively established by the international community for the elimination of poverty,
- having regard to the United Nations 2005 World Summit Outcome,
- having regard to the report by the UN Millennium Project Task Force headed by Professor Jeffrey Sachs entitled "Investing in Development: a practical plan to achieve the Millennium Development Goals",
- having regard to the Gleneagles Communiqué, released on 8 July 2005 by the Group of Eight in Gleneagles,
- having regard to the Report of the United Nations Conference on Trade and Development (UNCTAD) - The Least Developed Countries 2006: Developing Productive Capacities,
- having regard to the Economic Report on Africa 2004 entitled "Unlocking Africa's Trade Potential" by the UN Economic Commission for Africa,

- having regard to the ACP Guidelines for the Negotiations of Economic Partnership Agreements, adopted by the ACP Council of Ministers on 27 June 2002 in Punta Cana (Dominican Republic), and the decision on the negotiation of EPAs and participation in international trade adopted by the 3rd Summit of ACP Heads of State and Government on 19 July 2002, in Nadi (Fiji),
  - having regard to the Declaration of the 4th Summit of ACP Heads of State and Government held on 23 and 24 June 2004 in Maputo, Mozambique, with regard to the economic development dimension,
  - having regard to the Declaration of the 81st Session of the ACP Council of Ministers held in Brussels on 21-22 June 2005,
  - having regard to Decision No 2/LXXXIII/06 of the 83rd Session of the ACP Council of Ministers held in Port Moresby (Papua New Guinea) from 28 to 31 May 2006,
  - having regard to the Declaration issued by the 5th Summit of ACP Heads of State and Government in Khartoum (Sudan) on 8 December 2006,
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on International Trade (A6-0084/2007),
- A. whereas the EU's existing trade relationship with the ACP countries – which gives them preferential access to EU markets on a non-reciprocal basis – does not comply with the rules of the World Trade Organization (WTO),
  - B. whereas the Cotonou Agreement sets out the Parties' agreement to conclude new WTO-compatible trading arrangements, progressively removing barriers to trade between them and enhancing cooperation in all areas relevant to trade and development,
  - C. whereas negotiations are not progressing at the same pace in the six regions, leading to concerns that they will not be completed in all regions before the end of 2007,
  - D. whereas there is widespread concern that the negotiations have not advanced as far as they should have done at this stage of the negotiation process,
  - E. whereas failure on both sides to put forward and respond to proposals in a timely fashion has been a major reason for delay,
  - F. whereas another formal WTO waiver would be politically costly and difficult to achieve,
  - G. whereas, in many ACP countries, information on and involvement in the EPA process at a country level has been worryingly low ,
  - H. whereas the lack of progress made in the negotiations of the DDA at the WTO renders the EPA negotiations more difficult,
  - I. whereas both parties agree on the centrality of the "development dimension" to EPAs, but negotiators have thus far failed to reach agreement on a common definition of the concept,

- J. whereas it is essential that EPAs should contribute to sustainable social and economic development and to the alleviation of poverty in ACP countries,
- K. whereas, in an increasingly globalised world, preference erosion is inevitable,
- L. whereas Everything but Arms (EBA) has so far failed to give rise to a significant increase in Least Developed Countries (LDCs) exports to the EU; whereas that suggests that tariff and quota liberalisation alone do not make poor countries more competitive,
- M. whereas increased reciprocity between the EU and the ACP countries should spur the competitiveness of ACP countries but it is likely to harm uncompetitive industries and fragile economies,
- N. whereas EPA configurations are not always in line with existing regional economic integration arrangements,
- O. whereas agriculture is the engine of development in most ACP countries and in order for EPAs to become a development tool, they must address the challenges faced by the ACP agricultural sector,
- P. whereas establishing a genuine regional market represents an essential basis for successfully implementing EPAs; whereas genuine regional integration represents an important basis for the social and economic development of the ACP countries, as is stated in the Cotonou agreement,
- Q. whereas an increase in intra-regional trade, as is intended by the EPAs, is hindered by weak intraregional infrastructure and a wide range of non-tariff barriers to trade,
- R. whereas the failure of the Regional Preparatory Task Forces to carry out their intended function has hindered negotiations and raised questions about the future efficacy of EPA-related monitoring mechanisms,
- S. whereas a lack of data in analysing ACP economies has made full EPA impact assessments very difficult to carry out,
- T. whereas improved trade rules must be accompanied by an increase in support for trade-related assistance,
- U. whereas the objective of Aid for Trade is to support developing countries' capacities to take advantage of new trade opportunities,
- V. whereas a solution to the issue of adjustment costs relating to preparations and implementation of liberalisation required as part of the EPAs, must be found,
- W. whereas, pursuant to Article 37(4) of the Cotonou Agreement, a formal and comprehensive review of the arrangements planned for all countries must be undertaken in order to ensure that no further time is needed for preparations or negotiations; whereas that review must lead to a critical assessment of the EPA negotiations in progress,
- 1. Believes that EPAs must be designed as instruments for development and that they must contribute to increased economic growth, regional integration and the reduction of

poverty;

2. 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 to reduce poverty in the ACP countries;
3. Calls on the Commission and the Member States to ensure policy coherence for development; stresses that the "European Consensus on Development" (Development Policy Statement, DSP), in particular paragraph 36, provides the EPA negotiators with guidance; urges, in this respect, the Commission to adhere to the principles of asymmetry and flexibility;
4. Recognises that it is important for the ACP countries to fully assume their responsibility for the economic partnership process and to promote the reforms needed to bring social and economic structures into line with the agreements; urges ACP governments to implement good governance rules, drawing, inter alia, on the technical assistance provided for under the Aid for Trade instrument;
5. Recalls that, by the end of the EPA negotiations no ACP country should in its trade relations find itself in a more unfavourable situation after 2007 than under current arrangements;
6. Expresses concern at the slow pace of the negotiations and the consequent lack of tangible progress, with many critical issues yet to be discussed or agreed upon;
7. Urges negotiators to increase their efforts to complete negotiations before the end of 2007; urges the Commission to show more flexibility towards ACP concerns;
8. Calls on the Commission not to exert undue pressure and - in the event of negotiations not being completed by 1 January 2008 - make efforts at WTO level to seek to ensure that disruption of existing ACP exports to the EU is avoided pending a final settlement;
9. Calls for greater transparency on the progress and substance of the negotiations; calls for all parties to ensure that parliamentarians and other stakeholders in the ACP countries and the EU are consulted on the EPA negotiations so as to achieve an appropriate implementation of EPAs;
10. Calls on the Commission to do its utmost to restart the negotiations on the DDA and ensure that the liberalisation agreements promote development in poor countries;
11. Is convinced that EPAs should be complementary to an agreement on the DDA and not an alternative and that a pro-development conclusion to EPAs could be a first step in a development-focused multilateral agreement;
12. Recognises that preferential market access has not been a sufficient tool in itself to bring about the development of the ACP countries and maintains that, in order to achieve that goal, flanking measures need to be put in place to boost their competitiveness;
13. Calls for full duty-free, quota-free market access for the ACP as well as simplified, liberalised and more flexible rules of origin in EPAs than is the case under EBA, taking

into account the differences in the level of industrial development between the EU and the ACP countries as well as among ACP countries;

14. Calls for the pacing, timing and scope of liberalisation to be gradual and flexible in order to improve ACP regional integration and competitiveness, and to ensure that development objectives, such as the avoidance of adverse social impacts, particularly towards women, are given priority;
15. Urges ACP countries to resolve the problem pertaining to the membership of overlapping regional groups;
16. Calls for negotiators to develop a strategy for diversifying , modernising , and boosting ACP competitiveness – particularly in the agricultural sector – thus going beyond market access;
17. Recognises that workable safeguard mechanisms, allowing ACP regions to counter surges in imports from the EU, are essential, particularly for agricultural products;
18. Calls on the EU to promote Fair Trade and other means to improve conditions for small and marginalised producers and poor workers;
19. Reminds the negotiators that in improving agricultural competitiveness strategies in ACP countries due regard should be paid to food security;
20. Stresses that it is essential to ensure that ACP countries preserve the right to protect some sensitive products;
21. Recognises that the Sustainable Impact Assessments (SIAs) have failed to have a meaningful impact on negotiations and calls on the Commission to clarify and review the link between SIAs and negotiating positions in order to give stakeholders the opportunity to be heard;
22. Calls for an appropriate and transparent monitoring mechanism - with a clear role and influence - to be set up at both regional and national levels in order to follow the impact of EPAs with increased ACP ownership and broad stakeholder consultation;
23. Calls on the Council and the Commission to clarify the extent to which the financing of the "development dimension" of EPAs will be available beyond the 10th European Development Fund (EDF);
24. Welcomes the conclusion of the General Affairs and External Relations Council of 16 October 2006 that "a substantial share of the Community and Member States' commitment to increase their trade-related assistance to EUR 2 billion by 2010 has to be devoted to the ACP countries", though regrets that not all of this money is "additional to EDF resources" and urges the Commission and Member States to clarify the precise terms of these commitments, to guarantee that this assistance is not conditional on the outcome of EPA negotiations, and to work towards significantly increasing the amount of available Aid for Trade as demand from ACP states increases;
25. Endorses the Council's invitation to the Commission and the Member States to support "as



an immediate priority the implementation of EPA-related reform commitments" and calls for concrete commitments to be made prior to the conclusion of EPA negotiations, which are detailed, quantified and specifically EPA-related, addressing both trade-related assistance and the adjustment costs associated with EPAs;

26. Calls for EPA support to be coordinated and linked to the multi-lateral Aid for Trade enhanced integrated framework;
27. Insists that, in keeping with the Paris Principles on Aid Effectiveness, aid must be, inter alia, demand-driven, and calls on the ACP, therefore, to put forward, with appropriate EU-assistance where required, detailed, costed proposals of how and for what additional EPA-related funds are needed, particularly with regard to regulatory frameworks, safeguard measures, trade facilitation, support in meeting international Sanitary and Phytosanitary and Intellectual Property standards and the composition of the EPA monitoring mechanism;
28. Asks the Commission, when requested, to provide ACP countries with additional technical assistance for trade negotiations;
29. Calls on the Commission to provide assistance, when requested, to ACP countries deciding to undertake fiscal reform programmes;
30. Notes the poor level of revenue collection in many ACP countries and calls for additional support to be given towards tax reforms and measures for the prevention of tax evasion, as part of a strategy to minimise the effect of lost tariff revenues;
31. Recalls that ACP countries are often heavily dependent on primary commodities, and calls on the EU to develop more effective instruments of support to production adjustment and diversification, as well as the development of processing industries and SMEs in ACP countries;
32. Understands ACP reluctance to negotiate bilaterally on so-called Singapore issues which have been removed from multilateral negotiations and recognises that it is for ACP regional groups to judge the development benefits of any agreements on these issues but highlights the development benefits that those issues may engender;
33. Believes that appropriately framed agreements on investment, competition and government procurement, accompanied by a credible regulatory environment, could contribute to shared aims of good governance and transparency, creating an environment that should enable greater private-public partnership, particularly in relation to key infrastructure development;
34. Expresses disappointment that so far insufficient advantage has been taken of the opportunity provided by the review to involve parliamentarians and other stakeholders; believes that the inclusion of key stakeholders and civil society representatives would add a crucial practical and pragmatic dimension to this process;
35. Recognises the social and environmental responsibilities of foreign businesses and investors towards the communities and societies in which they invest; believes that people-to-people business and investment contacts should be encouraged and facilitated in

order to maximise the social and economic benefits of increased liberalisation;

36. Urges the Commission and the ACP countries to use the EPA review as an opportunity to openly discuss the obstacles to the completion of negotiations and to put forward detailed proposals to overcome them;
37. Recalls ACP requests in a number of fora for alternatives to EPAs, but notes the absence of official ACP requests under Article 37(6) of the Cotonou Agreement;
38. Asks the Commission, in accordance with Article 37(6) of the Cotonou Agreement, where non-least developed ACP countries are not in a position to enter into EPAs, to examine possible ways of offering those countries an alternative framework for trade, which is equivalent to the existing situation and which is in conformity with WTO rules;
39. Asks the Commission to make proposals for development-oriented alternatives that offer more than mere market access, as is the case for EBA and GSP+;
40. Calls on the Commission to promote social standards and decent work in the EPA trade negotiations;
41. Calls on the Commission to clarify the implications in terms of Aid for Trade and EPA-related support for countries that choose not to sign up to EPAs;
42. Calls on the Commission and the Council to simplify and reduce the bureaucratic burden of EDF requirements and to improve training, in the ACP, in relation to EDF procedures in order to maximise the use of the existing resources;
43. Recalls that bilateral negotiations on trade in services should respect the right of countries to freely regulate public services and asks both parties to recognise that sound regulatory frameworks are an essential part of any liberalisation process;
44. Calls for the EU not to include in EPAs provisions that constitute an additional barrier to access to essential medicines and to use the EPA system to help ACP countries implement the forms of flexibility provided for in the Doha Declaration;
45. Stresses that the regional aspect of EPAs is essential for boosting not only North-South but also South-South trade; considers that insufficient attention has been paid to that matter by the European side and that achieving proper intra-regional integration may even be more important than launching a programme for inter-regional integration;
46. Calls for a dispute settlement system for EPAs which is sufficiently simple and cost-effective, to promptly intervene when parties fail to meet their commitments;
47. Calls for appropriate proposals to be made in order to address ACP concerns on Mode IV of the GATS;
48. Recognises that high phytosanitary and other EU health and environmental standards may hinder ACP exports, particularly of agricultural goods, and calls on the Commission and Member States to help ACP countries to devise adequate programmes to reach these standards in a timely fashion;

49. Calls on the Commission to take the initiative and to mobilise international support for a revision or clarification of Article XXIV of the GATT Agreement with regard to the Free Trade Agreements between parties with different levels of development;
50. Calls on the Commission to carry out systematic analysis, during the negotiations and following their conclusion, of the social impact of EPAs on the groups most at risk, including young people and women in the ACP countries;
51. Recognises the importance of parliamentary oversight in contributing to good governance, accountability and transparency;
52. Calls for the creation of a Parliamentary Oversight Committee on EPAs - within the EU-ACP Joint Parliamentary Assembly and not as an additional institution - to publicly monitor and review the trade and development impact of EPA implementation, to improve policy coherence for development and to design mechanisms to ensure accountability and regular reporting of EPAs contribution to equitable and sustainable development ;
53. Instructs its President to forward this resolution to the Council, the Commission, the governments of the Member States and of the ACP countries, the ACP-EU Council and the ACP-EU Joint Parliamentary Assembly.

## EXPLANATORY STATEMENT

The aim of this report has been to be constructive, realistic and balanced. Your rapporteur has tried to focus on the reality that Economic Partnership Agreements (EPAs) between the EU and the ACP countries *are* going to be concluded, WTO-compatibility *is* important and "poverty reduction, sustainable development and the gradual integration of ACP countries into the world economy"<sup>1</sup> must be the goal of any EPA.

Much of the debate concerning trade and development is polarised. Years of argument about the merits of liberalisation and free trade have not helped negotiations advance. While these debates are interesting it is important to focus attention on *how* the fine words of Cotonou will be implemented in EPAs. In trade and development the devil is in the detail.

Negotiations of EPAs have been characterised by mistrust and disagreement about how trade should be made a "development tool". Mistakes have been made in approaches to, and the undertaking of, negotiations which are wide ranging and ambitious in their scope. The voices of those who will be affected by EPAs have not always been adequately heard nor the impacts of EPAs on ACP countries fully quantified.

### Difficulties

The difficulties in negotiating a "partnership" agreement between such unequal partners, on controversial and complex issues, are obvious. The paucity of detailed economic information and capacity constraints in the ACP, combined with EU institutional rigidity - where in the European Commission DG Development is in charge of the funds but DG Trade is in charge of negotiations - have contributed to a negotiating environment very different from that of a conventional Free Trade Agreement. The inability of the Commission to make the "development dimension" sufficiently central to EPA negotiations has been a significant barrier to progress in EPA talks. The inability of the ACP to be detailed in what exactly it wants in the "development dimension" beyond uncostered requests for additional financial support has made it difficult for interested stakeholders to hold the Commission to account when calling for "pro-development EPAs". Particularly as the instruments set up to ensure that EPA negotiations are "pro-development" have either not worked or lacked credibility.

If the Commission protesting that the ACP only ever asks for more funds, while the ACP complains that the Commission doesn't understand its needs, sounds like a dysfunctional marriage it is possibly because this is a partnership with communication problems. The EU already spends a great deal on development assistance in the ACP and the amounts are increasing but the Commission's development friendly rhetoric on EPAs has not been believed. The impression remains that the EU is forcing through free trade agreements which will harm ACP countries by saying one thing in public and demanding another in private.

Past experience in many ACP countries has led to scepticism that doing what donor countries

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<sup>1</sup> Article 1 (2) of the Cotonou Agreement.

want will reduce poverty.<sup>1</sup> Any EPA signed by a regional group must be politically desirable in both the short and long term.. The promise of economic benefits in the distant future will not be enough if the perception remains that an EPA requires liberalisation with no benefits that are not already available to LDCs under EBA.

### **Positive Suggestions**

Simplified, liberalised and more flexible rules of origin; workable safeguard, dispute settlement and monitoring mechanisms with transparent provisions and real power to act in the event of changes caused by EPAs having a harmful effect on sectors of ACP economies: these are the positive aspects that need to be correctly framed in negotiations. Trade talks generally move slowly until just before the deadline when things suddenly move. In this instance such tactics will not be helpful as benefits need to be clear before EPAs are signed to dispel fears that ACP countries are being out-manoeuvred in exchange for a big cheque of recycled money.

The ACP is right to question whether the Commission's proposals will contribute to their development in the manner that they want it to and whether promises of additional financial assistance really are additional. However, if EPAs are to be successfully concluded there must be more engagement and ownership of the result of EPA negotiations than there has been of the process.

Your rapporteur believes a Parliamentary Oversight Committee on EPAs would help with this goal and the EU-ACP Joint Parliamentary Assembly (JPA) is the appropriate setting for such oversight. It is a forum in need of a purpose while EPAs are a partnership with a democratic accountability and credibility problem. The fact that the JPA is linked to Cotonou which will expire in 2020 - but parliamentary oversight of EPAs would not be - might suggest that an additional institution should be created. This would not be an effective use of resources. Your rapporteur will ask for the Parliament's backing for specific language on Parliamentary Oversight in EPA texts to ensure that it actually happens but consider that details of how to coordinate EPA oversight with the JPA are for EU and ACP officials to establish with JPA representatives.

Greater input from non-state actors and other concerned stakeholders, as well as more systematic analysis of the social effects of EPAs, will help build the genuine partnership that is needed in monitoring of EPAs, and has been lacking hitherto.

### **Additional Resources**

It is clear that additional resources will be needed to cope with the effects of changes ushered in by EPAs. Scaling up of trade facilitation, technical assistance and support to help ACP

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<sup>1</sup> Trade liberalisation programmes in the 1980s and 1990s in many ACP countries were not perceived by those countries to be the roaring successes international organisations and donor Governments had led them to believe they would be. The fact that ACP share of world trade has dropped from 8% in 1980 to 3% in 2005 make this scepticism understandable although it is difficult to pinpoint to what extent trade policy has been responsible for this decline.

producers meet EU standards must be sufficiently extensive to off-set losses from tariff revenues and help ACP countries take advantage of market access. In the first instance this requires greater efforts to ensure that funds already promised are spent in a timely and effective manner. Improvements to European Development Fund (EDF) procedures should be prioritised along with requests for additional money. The EU must be accountable for all of its development assistance and cannot promise unsubstantiated amounts over unspecified time periods without clear goals. However, the EU must work to ensure that more support is given to projects which will boost ACP competitiveness and growth without reducing spending on health and education. Suspected re-labelling of existing money as "Aid for Trade" and the failure of Member States to clarify how bilateral support, which is where funds additional to the EDF must come from, will be coordinated with EPA-support has exacerbated ACP suspicions that there won't be as much money available in practice as there appears on paper.

## Conclusions

This report provides a timely reminder to the Commission that the deadline of 1st January 2008 is fast approaching and a worrying amount remains to be done. Serious questions about the capacity, and willingness, of many ACP countries to implement the ambitious proposals made by the Commission are unlikely to be answered before the end of 2007.

The Article 37(4) Review, required by Cotonou, was intended to assess whether or not enough time remained for negotiations to be completed by the deadline. The failure of the Review to be "inclusive and consultative with all stakeholders including non-state actors and parliamentarians"<sup>1</sup> makes a second resolution of the European Parliament expressing concern at the slow progress in talks all the more urgent, particularly with regard to the deadline. In all regions this target is considered extremely ambitious at best. While it is in no one's interests to have a forced agreement, focussing on another WTO waiver will not solve the underlying problems that have made progress in EPA negotiations so difficult from the beginning. With regard to the question of the deadline, like in case of the phasing of liberalisation, a balance is needed. The impetus to make difficult decisions is lost without a deadline or liberalisation schedule but if partners are forced to move too quickly the development impact is likely to be negative.

At the WTO level no one knows what will happen if on 1st January 2008 six shiny new EPAs do not march forth into the world of international trade. In the event that some regions need more time, your rapporteur believes that ACP exports to the EU should not be harmed pending a final settlement. Negotiators must press on with negotiating to reach a mutually beneficial settlement on EPAs which will help ACP countries' development. Observed by and in greater consultation with Parliamentarians and other interested parties, we must get EPAs which are part of a coordinated strategy for the ACP's development, but this cannot be imposed. EPAs must be a genuine partnership if they are going to work.

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<sup>1</sup> Called for in Port Moresby by the ACP Council

## PROCEDURE

<b>Title</b>	Economic Partnership Agreements
<b>Procedure number</b>	2005/2246(INI)
<b>Committee responsible</b> Date authorisation announced in plenary	INTA 15.12.2005
<b>Committee(s) asked for opinion(s)</b> Date announced in plenary	
<b>Enhanced cooperation</b> Date announced in plenary	
<b>Rapporteur(s)</b> Date appointed	Robert Sturdy 11.10.2005
<b>Previous rapporteur(s)</b>	
<b>Discussed in committee</b>	3.10.2006    23.1.2007    27.2.2007
<b>Date adopted</b>	21.3.2007
<b>Result of final vote</b>	+ 21 - 6 0 0
<b>Members present for the final vote</b>	Kader Arif, Graham Booth, Carlos Carnero González, Christofer Fjellner, Béla Glattfelder, Eduard Raul Hellvig, Jacky Henin, Syed Kamall, Ģirts Valdis Kristovskis, Caroline Lucas, Marusya Ivanova Lyubcheva, Erika Mann, David Martin, Georgios Papastamkos, Godelieve Quisthoudt-Rowohl, Tokia Saïfi, Peter Šťastný, Robert Sturdy, Daniel Varela Suanzes-Carpegna, Zbigniew Zaleski
<b>Substitute(s) present for the final vote</b>	Jean-Pierre Audy, Panagiotis Beglitis, Danutė Budreikaitė, Albert Deß, Elisa Ferreira, Małgorzata Handzlik, Jens Holm, Eugenijus Maldeikis, Zuzana Roithová
<b>Substitute(s) under Rule 178(2) present for the final vote</b>	Sepp Kusstatscher, Corien Wortmann-Kool
<b>Date tabled</b>	27.3.2007
<b>Comments</b> (available in one language only)	

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