

Communique from Eastern and Southern African Civil Society Organisations on ESA and SADC Economic Partnership Agreement negotiations with the EU

Lusaka, Zambia, 21st October 2006

We members of civil society and the private sector from across Eastern and Southern Africa (ESA) met on 19th-21st October in Lusaka, Zambia to discuss progress in the Economic Partnership Agreement (EPA) negotiations; to share reflections on the key issues being negotiated; to strategise for the ongoing process; and to provide inputs to the negotiations.

We expressed concern about the European Commission's (EC's) resistance to ESA demands for prioritising development issues during the first text based negotiating meeting held in Mombassa in September, 2006. We strongly support the stance taken by the ESA negotiators to prioritise these issues and to make further engagement in the negotiations dependent on them being tackled effectively.

We expressed concern about the limited focus on development issues in the current Southern African Development Community (SADC) EPA text, the negative impact that EPA negotiations are having on regional cooperation in SADC and the potential for EPAs to harm SADC regional integration.

We Affirmed the important role that NSAs have to play in communicating the economic and social realities the inhabitants of our countries face and on which EPA negotiating positions should be based. Whilst recognising the recent steps that have been taken to link NSAs more closely to the EPA negotiations we affirmed the need to deepen and institutionalise this process and make NSAs full partners.

In the spirit of this partnership and in order to provide inputs to the ongoing negotiations we expressed our responses to the following key issues that need to be fully addressed by the ESA/ SADC and EC negotiators:

- **National/regional development policy coherence** - The national and regional development strategies of the ESA/SADC countries should be central to determining the substantive details of an EPA, including the degree of reciprocity, sensitive products and transition periods. In this regard we noted importance of reviewing national and regional positions in relation to national and regional strategies. We also noted the increasing importance of regional markets to ESA and SADC countries and the need to ensure that EPAs do not undermine the process of regional integration.
- **Development benchmarks** - Given the economic vulnerability of the ESA/SADC countries it is vital that development is safeguarded in any process of liberalisation with the EU. In his regard we noted the importance of ensuring that the liberalisation schedule of the ESA/SADC countries is informed by achievement of development benchmarks. These development benchmarks should relate not only to trade development but also to regional integration and social development.

- **EDF and supply-side constraints** - If EPAs are to benefit the ESA and SADC regions it is vital that supply-side constraints are dealt with so that producers can be empowered to enhance their capacity to trade. In this regard we expressed our concern that the EC is proposing the use of European Development Fund (EDF) to tackle supply side constraints, funds which have an important role in supporting social development. We expressed our concern at the disconnect between programming for the 10th EDF (which will soon be concluded) and the ongoing process of negotiations. We expressed our concern that EDF disbursements are not responsive enough to deal with challenges faced by the ESA and SADC countries through EPAs. We call upon ESA and SADC governments to assess the implementation costs of an EPA and to engage with EU member states to ensure these resources are made available.
- **Agriculture** – The EU’s agricultural sector is still heavily subsidised and the presently suspended Doha Round has failed to provide a trajectory for effective reform of these subsidies. In this regard we recommend that any liberalisation of agricultural products by the ESA / SADC countries should be conditional on the implementation of effective reforms to EU subsidies.
- **Rules of origin / SPS standards / NTBs** - The ability of the ESA/SADC countries to make use of preferences has been and continues to be hindered by strict rules of origin, strict sanitary and phyto-sanitary standards and other non-tariff barriers. We note that if EPAs (and possible alternatives) are to provide the ACP countries with effective market access then it is vital that the EU provide more liberal rules of origin and provide technical support to the ACP in meeting SPS standards.
- **Alternatives** - The Cotonou Agreement obligates the EU to offer any ACP country that does not want to sign an EPA, alternative agreements that will safeguard their current access to EU markets. We express the need for ESA / SADC negotiators to fully explore alternative options (including the EBA, GSP and GSP+) open to the ACP before any decisions are made about whether to sign an EPA or not. We also express the need for the EC to cooperate fully in supporting the ACP in exploring alternatives.
- **EPAs review** – Given the concerns detailed above it is vital that the ongoing EPA review process assess the current approach to all these issues in a comprehensive and participatory manner. This review should involve all stakeholders, including government, private sector, civil society and regional institutions and assess whether additional time is required for the negotiations. This review should be carried out at both the national and regional levels and should examine all phases of the negotiation process in order to assess all unresolved issues. This review should also be used to identify benchmarks against which the ESA/SADC countries should evaluate the ongoing negotiations to assess whether they are / will be consistent with national and regional development strategies.
- **NSA meeting in Addis Ababa** – With COMESA organising a meeting of Non-State Actors (NSAs) from across the region in Addis Ababa in early November, we recommended that this meeting be used to formally involve Non State Actors (NSAs) in the review process, and that the following items should be included in

the agenda: the EPAs review; development benchmarks; the engagement of NSAs in the negotiations; potential alternatives to EPAs.

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