Development Policy Forum

Summary Report



International Policy Dialogue

The Development Dimension of Economic Partnership Agreements (EPAs) –

Are We Still on Track?

27-28 April, 2006 in Berlin, Germany



Capacity Building International, Germany

InWEnt – Internationale Weiterbildung und Entwicklung gGmbH Capacity Building International, Germany

Development Policy Forum

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Preface

The regional negotiations on the ACP^I – EU Economic Partnership Agreements started in autumn 2003 and are due to be finalised by the end of 2007. The Partnership Agreements aim to provide a new and comprehensive basis for trade relations that promote development and interlink regional integration, trade, and development more closely, helping to promote sustainable development and eradicate poverty in the ACP countries. Moreover, such agreements could facilitate the smooth and gradual integration of the ACP states into the world economy, permitting, as the ultimate objective, the ACP states to play a full part in international trade.

The negotiations involve the EU on one side and six regional groups of ACP countries on the other. The process is characterised by the differing speeds with which the six regional groups clarify their perspective on the various key issues – sometimes negotiations may advance even too fast. As the outcome of the negotiations will have a sound impact on the economy of many ACP countries and will deeply influence the living conditions of many people it is very important that negotiations do take into account the concrete institutional capacities and living conditions in the ACP countries.

The conference's main goal, therefore, was to offer an informal possibility for reviewing the negotiating process from different points of view – focussing on key questions such as: "How can it be ensured that sustainable development is the guiding principle of the negotiations?" or "In which way can the negotiating parties benefit from other regional groups' experiences?". Starting with a public panel discussion on ministerial level, attended by a total of 98 participants, the International Policy Dialogue centred around three parallel Working Groups dealing with Regional Integration, Supply Side Challenges/ Competitiveness, and the Liberalisation Process.

The conference provided an open dialogue between different actors in the negotiations and in society: 32 representatives from 19 ACP states as well as 2 regional organisations, representatives from EU Commission (2), European Member States (8), civil society representatives (19) from both the ACP as well as from European countries, and representatives from the research side (8) actively shaped the various discussions. We could observe a lively, open, and inspiring debate within the regionally well balanced discussion groups, and participants

I African, Caribbean and Pacific States

succeeded in clarifying many questions talking with representatives from the different groups of stakeholders, meeting some of them for the first time. We do hope that the ideas raised at the conference proved useful in ongoing negotiations, and that the conference participants will be able to use the various contacts they made in Berlin.

In

Astrid Kühl Director Development Policy Forum InWEnt

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Keynote Address

Heidemarie Wieczorek-Zeul Federal Minister for Economic Cooperation and Development (BMZ) Germany

1. Introduction

We are in an historic location: the BMZ building is less than 200 metres from the former border that divided Germany into two separate – political and economic – systems. Reunification was a unique opportunity but also a challenge given the two different economic systems. Considerable transformation efforts particularly in East Germany had to be realised – a task for which no model existed. Difficult economic, social and ecological problems needed to be resolved and some of them still occupy us today. German unification shows us: economic transformation processes are difficult and drawn out – they cause costs and need back-up.

I mention German unification because globalisation and trade liberalisation also demand much in the way of change from societies and economies (reforms, market opening, diversification of the economy, social and ecological standards). Designing such processes is a policy challenge, the aim is to make globalisation equitable. Therefore justice, sustainable development and development orientation are indispensable prerequisites. We have to be aware and take into consideration that economic development on the one hand and social and cultural development on the other hand proceed at different paces. Furthermore, we have to take care not to ignore cultural values because of economic needs. There is no single approach for economic development, but rather a diversity of approaches for socially and culturally sound economic development.

2. Trade as an instrument of development

Trade can contribute to growth, and at the same time be an important contribution to poverty reduction towards achieving the Millennium Development Goals (MDGs). Estimates indicate that to halve poverty in Africa by 2015 average annual economic growth of at least eight per cent will be needed. Trade is seen as an important prerequisite for this necessary growth. Trade liberalisation does not, however, automatically mean more trade or more exports for developing countries. And more trade does not automatically mean less poverty either. Trade liberalisation is not an end in itself. A pro-poor development orientation needs to be given to trade liberalisation.

Three key conclusions for the role of trade in a development strategy can be derived:

- First: a blanket approach to trade liberalisation cannot be the goal. A differentiated approach is needed, also with regard to the rules for exceptions. For example, the exceptions applicable to poor countries should not be applied in the same way to advanced emerging economies.
- Second: in many developing countries the overall economic environment still needs to be improved. Otherwise these countries will not be able to make use of market opportunities. Statements like "Trade not Aid" are therefore wrong. Development cooperation must offer support for trade and complement liberalisation efforts: "Aid for Trade" in other words. German development cooperation is already doing a great deal in this respect: Germany is the second biggest bilateral donor for general trade-based development cooperation (2001-2004).
- Third: the steps of trade liberalisation must be in line with the need for socially and ecologically sustainable development of the country concerned. Therefore trade liberalisation must be embedded in the development strategy of each country.

All this must also be the principle that is pursued at the World Trade Organisation (WTO) and in the Doha Round. Although a couple of questions remained open in Hong Kong, some progress has been achieved. Just to name one example: the elimination of agricultural export subsidies by 2013, a measure that we have been pursuing for decades.

But there is still a great deal to be done with regard to the key issues in order for the development round to do justice to its name and so that it is possible to conclude it in 2006.

3. Economic Partnership Agreements (EU-ACP)

In the Cotonou Agreement economic and trade policy cooperation is put on a new footing with the Economic Partnership Agreements (EPAs).

In the first instance, the EPAs are a trade policy instrument: their aim is to create free trade areas between the EU and six EPA regions as well as to support

African, Caribbean and Pacific (ACP) countries in their gradual integration into the global economy.

However, EPAs should be at the same time and even more a development policy instrument. The aforementioned three conclusions also apply to the design and implementation of the EPAs.

4. EPAs as an instrument of development policy

Why are the Economic Partnership Agreements an instrument of development policy? Let me give you six factors and reasons for this:

- First: EPAs will strengthen South-South trade and cooperation. EPAs are meant to contribute towards strengthening integration within the respective region. The trade barriers within the region are often greater than those between South and North. Whilst, for example, commercial goods can be exported tariff-free to the EU, when traded within the region they are sometimes subject to very high duties.
- Second: EPAs are aimed at achieving considerable improvements in ACP countries' market access to the EU. From a development policy perspective the goal should be to provide customs- and quota-free market access to all ACP countries. The requirement on the part of the ACP is to commit sufficiently to reforms that form the basis for sustainable development.
- Third: EPAs are aimed at realising an opening up that is in proportion. The EPAs will envisage a very careful opening of the ACP markets with asymmetrical reciprocity. How? By excluding sensitive products and sectors from the liberalisation, or conceding long transition periods. The crucial point is to plan reviews of the process and to include the possibility of adjustment. The liberalisation process – and therefore the integration into the global economy – can thus be designed so that it is compatible with the WTO regulations and at the same time takes into account the respective stages of development and interests of the ACP countries.
- Fourth: EPAs will stimulate institutional reforms and good governance.
 That applies especially for those areas where the ACP countries have shown interest in reforms for example trade facilitation (such as cutting red tape at border posts) or investments.
- Fifth: EPAs should foster the participation of civil society and parliaments. The agreements should be built upon the participation of civil society. Not to beat about the bush – there is still a great deal to be done in this regard.

We will also use today's meeting to share views and ideas about the various approaches.

Finally: EPAs support the transformation processes with development cooperation. Every partnership agreement is both trade policy and targeted development cooperation. It is about strengthening the capacities of the ACP countries – for negotiations, for production issues and for matters involving trade. The EU will pay greater attention than before to such trade-related development cooperation within the framework of the regional programming of the 10th European Development Fund, which is currently taking place. The BMZ is already doing this in some areas in its work with regional organisations such as the EAC (East African Community) or SADC (Southern African Development Community).

5. What is expected of the International Policy Dialogue

2006 is an exciting year for trade and development politicians – not just because of the points still to be clarified in the Doha Round. It is also an important year for the planned EPAs: at the end of the year the draft agreements should be ready and the ratification of the agreements is envisaged for 2007.

Our event here in Berlin is conceived as a policy dialogue, with the possibility for an informal exchange of views and ideas. We are not here today to negotiate. We are here to look at ideas and experiences, to evaluate what has been achieved and to see where there may be pitfalls or points that still need to be clarified.

We should not think of the EPAs just as contracts, but we should use them as a process and as a framework for our future economic and trade policy relations. They are an opportunity to support the processes of economic adjustment, also through development policy.

We have a common goal: this process should contribute to sustainable development and to the achievement of the Millennium Development Goals in the ACP region.

Written Submission

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Towards Development-Enhancing Economic Partnership Agreements (EPAs)²

Abstract. To negotiate new trading arrangements with the European Union is a contractual obligation for the Group of States of Africa, the Caribbean and the Pacific (ACP). The new trading arrangements are evolving towards Economic Partnership Agreements (EPAs), under negotiation by each one of the six ACP regions. As part of the Caribbean region, the Dominican Republic seeks an EPA that would enhance rather than distort development by: 1) Ensuring better access for our goods and services exports as well as for our investment flows; 2) protecting and promoting competition among the Parties; 3) guaranteeing the coherence between the requests we receive

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² Transcription of the presentation made to the seminar on Economic Partnership Agreements (EPAs) organised by InWent in Berlin, on 27-28 April 2006; to the consultations between EPA lead negotiators organised by the ACP Project Management Unit (PMU) in Helsinki on 22-24 May 2006; as well as to the Technical Working Group on Trade and Development organised by the Caribbean Regional Negotiating Machinery (CRNM) in Barbados, on 15-16 June 2006. The generous support provided for both the presentation and the text contained herein by International Lawyers Against Poverty (ILEAP) is gratefully acknowledged. This text was also the basis for the author's testimony to the Committee on International Trade of the European Parliament on 11 June 2006 in Brussels.

and the concessions granted to us; 4) promoting a greater degree of cohesion among our countries; and 5) raising our competitiveness at business, sectoral, national and regional levels. The Cotonou Partnership Agreement mandates us to negotiate these new trading arrangements with trade liberalization as a means for development rather than as an end in itself. To realise this mandate we are required to adapt the European experience, incorporating into the EPA negotiations the main elements of their own development dimension: cohesion and structural adjustment funds, and the so-called "Lisbon" Strategy for competitiveness.

0. Preamble

Exports from ACP countries have a decreasing market share in the European market. The development of ACP countries is, in general, stagnant, with a few exceptional cases of sustained growth and increasing standards of living. ACP countries exemplify the whole variety of economic and political governance, from strong democracies to de facto regimes that, in some cases, are trying to pacify cruel and lengthy civil wars. The social picture is not more positive, with pandemics such as HIV/AIDS continuing its growth without a generalised increase in the coverage of the basic health and education services required for their mitigation. In view of this picture, it is not surprising that the vast majority of ACP countries are net capital exporters towards the developed countries. Which country can develop without reinvesting its own capital into its own productive process? Which country can increase its participation in international trade without diversifying exports qualitatively and quantitatively? Which country can generate the confidence required by the international community without an adequate degree of governance or without the social policies that would ensure the harmonious development of all of its citizens?

The Cotonou Partnership Agreement is the legal instrument that links ACP Countries with the European Union (EU). Signed in 2000 and ratified in the Dominican Republic (DR) in 2002, Cotonou has three basic pillars: political dialogue, economic and trade cooperation and financial cooperation. These three pillars form the basis of our joint response to this rather diverse reality, full of challenges, that characterises the ACP Group.

In this context, to negotiate a new trading arrangement with the EU is not an option for any ACP Country, least of all for the Dominican Republic (DR). Our trading relationship in Cotonou seeks to facilitate our smooth and gradual integration to the world economy (Cotonou, 3.II.34.1)³. Such integration seeks to

³ Cotonou Partnership Agreement, Part 3, Title II, Article 34, paragraph 1.

replace the present preferential trading regime, which is incompatible with WTO rules, for a reciprocal one, compatible with multilateral provisions on regional trading agreements.

In the context of the present preferential trading regime, ACP States, of which the DR is a member since 1990, enjoy tariff-free access into the EU without having to grant the same treatment to EU products imported into our countries. When reciprocity prevails, which is foreseen to take place as of I January 2008 (Cotonou, 3.II.37.I), ACP States will have to grant the same treatment, whether immediately or after a transition period.

In the transit toward reciprocity, the 79 ACP States sought in a first phase to negotiate jointly with the EU to preserve the solidarity that has always existed between this rather diverse set of countries, in which we have island states, landlocked countries, large resource-rich developing countries, countries still defining their borders and, in particular, 39 out of the 49 Least-Developed Countries (LDCs) in the world.

However, the negotiating process evolved naturally during a second phase, which ended in December 2005, towards a regionally-based organization: four in Africa, the Caribbean and the Pacific. Even if some consider this fragmentation to attempt against the traditional value of ACP solidarity, it is obvious that this organisation allows for a more agile and precise response to the particular needs of each region. It will thus be possible, in this fashion, for those regions which are ready by the deadline to enjoy the advantages of a new trading relationship with the world's main trading block.

What would be the advantages that we could envision would arise as a result of these negotiations? What challenges would we have to face during the process?

1. Cotonou Mandates a Development-Enhancing Negotiation.

When introducing **reciprocity** in our economic and trading relationship with the EU, EPAs with place all parties on equal terms without their being equal among themselves. To compensate for this inequality is an ethical requirement of the process, in order to ensure the equity that should prevail in international relations. To achieve such **equity** is possible if we comply strictly with Cotonou's negotiating mandate. The outcome should be a set of development-enhancing, rather than development-distorting EPAs.

Cotonou reflects explicitly the **commitment with development** as the final ends of the ACP-EU relationship:

"2. ... Given the current level of development of the ACP countries, economic and trade cooperation shall be directed at enabling the ACP States to manage

the challenges of globalisation and to adapt progressively to new conditions of international trade thereby facilitating their transition to the liberalised global economy. (Cotonou, 3.II.34.2)

3. To this end economic and trade cooperation shall aim at enhancing the production, supply and trading capacity of the ACP countries as well as their capacity to attract investment. It shall further aim at creating a new trading dynamic between the Parties, at strengthening the ACP countries trade and investment policies and at improving the ACP countries' capacity to handle all issues related to trade." (Cotonou, 3.II.34.3).

"New trading arrangements" will be the main instrument for such cooperation. Of the various possible options for economic and trade cooperation, the negotiation of EPAs has prevailed among the parties, subject in Cotonou to a set of principles clearly aimed at enhancing the competitiveness of our countries, seeking to address "...supply and demand side constraints. In this context, particular regard shall be had to trade development measures as a means of enhancing ACP States' competitiveness..." (Cotonou, 3.II.35.I).

From the successful example of the EU, **regional integration** is considered in this process to be a key tool for the insertion of ACP States into the world economy, allowing them to face global challenges from a perspective that is wider in scope than the more limited national markets (Cotonou, 3.II.35.2).

Decades, even centuries of indifference towards trading relationships with each ACP neighbour must be overcome promptly to allow us, in a regionallyintegrated fashion, to advance towards a new interregional relationship with the EU that would smooth our insertion into the world economy, overcome our institutional and productive deficiencies and, eventually, become competitive.

Special and differential treatment will be taken into account (Cotonou, 3.II.35.3), as well as the need to **preserve the benefits arising from the Commodity Protocols** once reformulated in the context of the EPAs in order to ensure their WTO compatibility (Cotonou, 3.II.36.4). This sole principle justifies amply the negotiation of EPAs because, as of their entry into force, our countries will be free from the requirement to seek costly "waivers" from WTO rules in order to continue to enjoy our market access conditions.

Cotonou's development-enhancing formula is a clear one: to preserve and to increase our market access into the EU in a WTO-compatible fashion. To heed the call of globalisation through our deepened regional integration and our eventual integration with the EU. To overcome the institutional and productive deficiencies of our countries, improving our competitiveness. To smooth the transition costs for our sensitive sectors, by ensuring special and differential treatment.

How do we then realise this formula in the context of the EPA negotiations? Is this a challenge to be resolved only by ACP countries? Or should the ACP work jointly with the EU on this novel approach, in the framework of that "true, strengthened and strategic partnership" proposed by Cotonou (3.II.35.I)?

2. The "5 Cs Model"

The European experience of development in the context of regional integration provided the best response to this question. In seeking an equitable relationship between existing and new members, the trade dimension of their relations

is compensated by a highly effective development dimension. Translating this experience to the ACP realities, from a Caribbean perspective, allows us to propose that EPA negotiations should be guided by the so-called 5Cs model of commercially-relevant commitments, coherence, competition, cohesion and competitiveness.



a) Commercially-relevant commitments

ACP countries need concrete new opportunities to increase their exports. We thus expect to receive liberalization commitments from our European partners in agriculture, industrial products, services, investment and government procurement that would eliminate all tariffs, quotas, licenses or discriminatory regulatory barriers applicable to our goods and services, whether exported presently or with a potential in the future.

It is not enough to preserve preferential access, because such access has not prevented the decline of our market share of EU imports. To revert this trend requires that we increase the number of products that we are able to export without limitations.

This requires further a simplification of rules of origin and a deepened cooperation for the reciprocal compliance with sanitary and phitosanitary standards as well as with technical barriers to trade.

This requires, lastly, a comprehensive geographical coverage for the rights and obligations arising from the EPAs, binding not only for the Economic Commission, the EU and its member states at the national level, but also for any sub-national political unit, outermost regions and the overseas countries and territories which are, in most cases, our first port of entry into the EU market due to their proximity with our countries.

b) Coherence

The European side reclaims insistently a simple, single trade regime from our side. Their request seeks to ensure free circulation for their goods, services and investments in ACP regions. In this fashion, any European product that would arrive to an ACP country would be able to continue without any further impediment into any other country belonging to the ACP region in question.

It is not clear to us, however, if such a claim will be applicable to ACP exports and investment to the EU. The coherence of the process requires that what is being requested from us be also granted to us, not only for our goods but also for our investments and services, whether provided by the physical presence in EU territory by natural persons on a temporary basis.

c) Competition

To eliminate trade barriers without protecting free competition would be a grave mistake that would leave exposed a plethora of anticompetitive practices affecting international trade. These practices result in abuses of dominant position due to the vertical integration of distribution chains of commodities or tourists; in price cartelisations in the provision of international transport services; or in the monopolistic price-fixing behaviour of energy services or pharmaceutical products. Being the EU not only the main source of foreign direct investment (FDI) flows in the world, but also the main exporter of goods and services, it is not surprising their leadership in promoting the negotiation of trade and competition in every forum they participate.

From the ACP point of view, however, the issue of trade and competition must not be seen as seeking only to eliminate the competitive barriers that may exist in our markets to facilitate the penetration of foreign suppliers. The issue should be seen, also, as a major means to preserve the right to compete locally, regionally and interregionally for our suppliers, all of which are smaller than the smallest of European suppliers, once EPAs enter into force.

d) Cohesion

Regional integration in ACP countries could be further accelerated if EPAs would include binding commitments on cohesion. In the EU, cohesion seeks to facilitate the economic convergence towards the average level of per-capita

income prevailing in the region. Eligible countries are those with a level of percapita income lower than 90 per cent of the average. Subject to their compliance with a convergence program, such countries receive funding for panregional infrastructure projects as well as for the preservation of the environment. This novel mechanism has proven to be highly successful in accelerating the growth of eligible countries acceding to the EU since 1986. And because they are subject to the compliance with convergence programmes as a function of the relative levels of per-capita income, their duration will be limited in time.

To deepen the integration of the ACP countries without a mechanism for cohesion will leave our regions without the panregional infrastructures or without the mechanisms for the preservation of the environment that will be required to better serve the needs of EU markets or, more immediately, to increase our attractiveness for foreign investors that would seek to take advantage of the opportunities created in our regions as a whole.

e) Competitiveness

All the elements of the model converge in this major outcome, without which realization of the promises of a development-enhancing process of trade liberalisation would be impossible.

For eliminating barriers of international trade would, in theory, provoke a convergence of productivity levels between the competitive products that would survive the liberalisation process. Thus, to become competitive, in all of its dimensions, becomes the most urgent priority for our countries as already reflected in Cotonou.

At the enterprise level, convergent productivity levels would be impossible without new technologies, managerial capacity building or retraining of the labor force, if we are to take advantage of the economies of scale provided by the enlarged regional and EU markets.

At the sectoral level, intra and intersectoral linkages need to be set and strengthened, resulting in clusters that would better spread to the rest of the ACP economies each percent increase of our exports.

At the national level, it is imperative for ACP countries to reduce the "country cost" of doing business, by tackling the rigidities in key sectors such as energy, financial and telecommunications and transport services.

At the regional level, competitiveness can only increase by ensuring a strengthened cohesion among member states, increasing the frequency of flights and shipments; by reducing the cost of intraregional transport; and by catering to the vast support-infrastructure needs of these sectors.

But these 5 Cs are insufficient to ensure a development-enhancing EPA. Other elements are needed to complete a strong development dimension, again reflecting a very simplified adaptation of the successful EU experience to ACP realities.

3. The Development Dimension

In addition to the cohesion funds, ACP countries will require funding for **structural adjustment**. To bring into the EPAs the Commodity Protocols at



the same time the WTO is expected to be concluding the present round of multilateral trade liberalisation will result in a severe case of preference erosion that will imply a further, and sudden, decrease in the share of the main ACP exports into the EU market, such as bananas, sugar or rum.

Tariff elimination will require deep fiscal reforms to reduce the high degree

of tariff dependency that continues to exist in most ACP countries. This will have to transform the tax profile, hopefully resulting in a more progressive system for an increased degree of social cohesion.

To implement the EPA will also imply costly legal and institutional reforms. These are all the elements of the transition cost towards free trade that our countries will have to face. EPAs should include, in our view, binding commitments to tackle these transition costs, in the same manner they are tackled by the EU: through structural adjustment funds.

The other component of the development dimension that we would like to see built into the EPAs is an adapted version to our ACP realities of the so-called

"Lisbon" Strategy for competitiveness. Its formulation and implementation by the EU demonstrates clearly that there is a role for the State in the promotion of competitiveness. If a group of developed countries such as those belonging to the EU have had to conceive such a strategy to face the challenge of competing

Effective internal market	Boosting innovation
Free and fair trade	Strengthened productive base
Better regulation	More and better jobs
Improved infrastructure	Adaptable workforce
Investment in R & D	Better education and skills

with China, India, Japan or the US, it is clear that ACP countries should study carefully this case and, if possible, find the ways and means for its inclusion

into EPAs, as well as for their effective institutionalisation at both national and regional levels.

4. Immediate Challenges

If the prerequisite to advance further in this process is a deepened regional integration of ACP countries, it is clear that each region still has to dismantle the remaining internal barriers to trade in goods and services as well as for investment and government procurement. The case of our Caribbean region was best described by the Dominican Secretary of Foreign Relations, Carlos Morales Troncoso, in his speech to the Council of Ministers of Cariforum:

"We do not yet have the common rules required to consolidate our Caribbean bloc. We signed the Free Trade Agreement between the Caribbean Community and the Dominican Republic in 1998, thanks to the leadership of our Heads and of our President, Dr. Leonel Fernández, then in his first, non-consecutive term in office. This agreement was a big step at the time. But it is far from representing the set of rights and obligations that would ensure the free circulation of goods, services and capitals in the region. To try to amend it to achieve such freedom is not a viable option in the short term, in spite of the progress made to date and to the positive impetus behind the ongoing efforts. It is urgent, therefore, that we be bold and ambitious, because it is obvious that there is another alternative that could provide immediate results. What if we considered the Dominican accession to the Caribbean Single Market and Economy (CSME)? Wouldn't this be a more logical option to consolidate our regional integration and to create the enabling environment for negotiating with the European Union as a truly unified bloc? Why don't we consider this seriously during our sessions? Why don't we agree a detailed schedule and work programme to make it real?" (Morales Troncoso, 2005: 4).

If we are to work in strengthening this true and strategic relationship between ACP countries and the EU, it is urgent for us that, during the review of EPA negotiations foreseen for the final months of 2006 the Commission receives a wider negotiating mandate, in order to better reflect the developmentenhancing mandates of Cotonou examined earlier, as well as for the concrete needs that have been identified thus far, among which: to negotiate a sufficiently broad investment chapter in EPAs that could replace all existing Bilateral Investment Treaties (BITs) and that would eliminate the need to negotiate any new BITs in the future; and to represent the OCTs in EPA negotiations.

Once we have these new mandates, we will be in a position to work in common texts for the EPAs as well as in exchanging specific commitments that would satisfy our expectations. Finally, having in mind the recent discussion of the Joint Council of Ministers ACP-EU in Port Moresby on the 10th European Development Fund (FED), to have truly development-enhancing EPAs will require certainly a stronger financial commitment to EPA implementation.

Let us work, then, for realising this strategic and strengthened partnership. Let us comply with the development-enhancing mandate of Cotonou. Let us provide EPAs with the development dimension we need if we are ever to join, finally, the ranks of the developed countries.

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Presentation

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It is participating in this way in promoting European reflections on development issues in conjunction with the countries of the South. As you know, France is a strong proponent of debating ideas at the international level, and sees this as a strategic objective for the European Union. France is already working with Germany and other member states to implement a common capacity for reflection on the subject of development aid.

This International Dialogue is taking place at a decisive moment in the negotiations on the Economic Partnership Agreements (EPA), a time when the most sensitive matters are to be addressed – I am thinking in particular of the process of tariff liberalisation and what are known as the "Singapore issues" – but when a wide range of possibilities remain open. The development community, both within the European Union (EU) and in the ACP countries (Africa, the Caribbean and the Pacific), must thus ensure that the Economic Partnership Agreements are a means for serving the development of the countries of the South, and are not just basic trade agreements whose conclusion is an *end* in itself.

The implementation of the Economic Partnership Agreements involves high stakes. A study conducted by the World Trade Organisation (WTO) last year estimated that, under certain conditions, the member states of the Southern African Development Community (SADC) could stand to gain up to 1.5 billion dollars under a free trade agreement between the EU and the SADC.

Although economists are continuing to refine these figures, one thing is clear: the resources mobilised by trade liberalisation will far exceed the flows of public development aid in the long term, even if such aid is substantially increased between now and 2015. These resources can, of course, prove either beneficial or disadvantageous to poor countries, and can even be simultaneously beneficial *and* disadvantageous to individual countries. The problem arises from the fact that although openness to trade brings benefits in the long term, the costs of liberalisation can often have a detrimental effect on the living conditions of the populations in the short term – or at least a segment of them. Development aid must enable the economic approach to trade and the political perception of international trade to be reconciled. An enlightened use of trade policy, that is coordinated effectively with aid policies, tends to minimise the costs and maximise the opportunities for the countries of the South.

For this reason, I believe that aid policy-makers should prioritise the following three objectives: respecting the original philosophy behind the Economic Partnership Agreements; fully involving the development community in the monitoring and steering of the EPAs; and reserving a specific role for development aid.

1. Respecting the original philosophy behind the Economic Partnership Agreements (EPA)

Trade preferences have long been a fundamental element of EU-ACP relations. Article 34 of the Cotonou Agreement reaffirms that alongside financial cooperation, economic and trade cooperation are a means of eradicating poverty. The European Union's need to comply with the WTO rules presents a problem of form rather than substance, as it does not question the fact that the economic agreements concluded between the European Union and the ACP countries are primarily development instruments. The implementation of the EPAs must thus take advantage of all the flexibility offered by international trade law, especially by extending the length of the transitional period to twenty years and protecting "special" products for the ACP.

During the Africa-France summit held in Bamako in December 2005, President Jacques Chirac clearly emphasised that this progressiveness is indispensable to the implementation of the EPAs: "We must review the logic underlying the agreements Europe will be negotiating with the ACP countries: we must certainly open up economic areas, but we must do so at a reasonable pace while all the time maintaining preferential arrangements with no strings attached."

The idea of partnership, which underpins the Cotonou Agreement and has been explicitly included in the name of the new trade agreements, should also not be overlooked.

On the one hand, partnership requires a large measure of transparency. Until now, however, the ACP states have not been adequately informed by their regional organisations and the European Union of the stakes involved in opening up to trade. The ACP countries' weak level of involvement could have unfortunate consequences when the agreements are ratified or when the economies are being adapted to be able to respond to the process of liberalisation. The Commission and the member states must work in tandem with the African regional organisations to make the ACP states aware of the reforms that are needed – especially those that can compensate for the loss of customs revenues – and of the decisions to be made regarding their membership of regional groups.

On the other hand, partnership implies equality, where the ACP countries do not feel that they have been coerced into agreements "pushed through" by the Europeans. However, many ACP states currently view the Economic Partnership Agreements as a price that must be paid in order to maintain a special political and financial relationship with Europe. In my opinion, the close involvement of the development community in the monitoring and steering of the EPAs is the best way of responding to fears from the ACP countries that European trade interests are taking precedence over the aim of eradicating poverty.

2. Fully involving the development community in the monitoring and steering of the EPAs

Those wishing to steer the Economic Partnership Agreements in a direction more favourable to development will have two opportunities in 2006. Article 37 of the Cotonou Agreement requires a "*formal and comprehensive review*" of the EPAs. In consequence, the Commission will submit a report to the Council in the autumn, providing an opportunity to ensure that adequate consideration has been given to the development dimension. Reflections on establishing a monitoring mechanism involving the member states, which would be implemented upon the entry into force of the EPAs, form another useful opportunity.

3. Reserving a specific role for development aid

In an effort to ensure consistent external action by the European Union, France has been calling for the programming of the 10th European Development Fund to include generous financing to support the implementation of the Economic Partnership Agreements. We would particularly welcome an increase in the funds allocated to regional envelopes, which would enhance the regional dimension of Community aid. Bilateral European donors must also substantially increase their support for the regional integration of the ACP countries. France, which has had long experience in this area, will for instance be providing twenty

million Euros per annum to finance the Regional Economic Programme (REP) of the West Africa Economic and Monetary Union (UEMOA).

Nonetheless, a risk exists that development aid may be hijacked by the trade agenda. Aid should not simply try to compensate for an erosion of preferences or loss of customs revenues due to new trade agreements for two reasons. Firstly, this approach does not contribute to the long term development of developing countries. Secondly, the sums which would have to be mobilised are not commensurate with aid resources.

Development policy must, however, provide support to the ACP countries to enable them to derive all possible benefits from opening up their markets. I am referring here in particular to strengthening negotiation and trade capacities, as well as promoting investment. This is the approach France has taken in its 2006 support plan for the development aspect of the EPAs, which is currently being finalised. Once this process has been completed, we would be happy to work together with our partners on the basis of the priorities that we have identified.

As I said at the beginning of my speech, we have arrived at a decisive moment in the history of trade relations between the European Union and the ACP countries. Trade, which is the vehicle par excellence for collective preferences, is a fundamentally political domain. In my opinion, the three objectives I have just outlined – respecting the original philosophy behind the EPAs, involving the development community in the monitoring and steering of the EPAs, and reserving a specific role for development aid – constitute a good road map for establishing a partnership which will continue to benefit the ACP countries and uphold European values and commitments.

Written Submission

Karl Friedrich Falkenberg Deputy Director General for Trade European Commission Brussels

Economic Partnership Agreements (EPAs)

EPAs are needed to boost regional integration, investment, trade and development in the African, Caribbean and Pacific (ACP) countries. EPAs are not about "free trade" but about transparent rules based trade and gradual integration into regional and international markets. EPAs are not an ad hoc invention of the European Commission. They have been developed jointly by EU and ACP over the last decade or so. Their starting point is the recognition that simple preferences have not helped the ACP to improve their trading volumes or patterns and to develop. The topics discussed with the ACP today in the framework of EPA are already included in Cotonou.

Those who are arguing in favour of more time before even starting to talk about EPA, de facto ask for more time for poverty. The Millennium Development Goals (MDGs) are in danger of not being achieved in Africa. How can one speak in favour of postponing change in Africa if everyone is crying for change? Requesting a second waiver in 2008 is clearly not in the interest of the ACP States. It is rather a fast route to preference erosion in view of the likely demands for equal treatment that other non-ACP developing countries will put on the table in this case.

The EU sees the ACP not as countries for charity but as adult partners that are able to determine what is in their interest. All important subjects under EPA should be looked at without pre-determined or ideological views. Aid alone without adequate levels of private investment, local, regional or foreign, can not bring about development. Capital is currently fleeing the continent and this has to be reversed.

Preferences are important. They should be kept and even enhanced under EPA. But this is just one element in the equation. Sound domestic policies for the key areas of the economy are vital. Some important aspects in this context can and should be addressed under EPA such as in the areas of trade facilitation, competition policies, investment or government procurement. Governments have to shoulder their responsibility in order to move towards more reliable, credible and transparent economic rules.

Investment in infrastructure and trade facilitation

The conditions and rules for the economy and private operators are at least as important if not more important than aid and public investment in infrastructure. Clearing a container in Mombasa currently takes 16 days. Clearing a container in ports in the EU varies between eight hours and 10 minutes. If red tape could be cut in Mombasa so that the time needed for clearance is only eight days, the capacity of the port could be doubled without any major investment. Defining efficient conditions for the use of infrastructure is cheap and should be the first priority. Under EPA these issues are discussed and can be addressed in combination with supporting assistance under the development cooperation.

Singapore Issues

The so called Singapore Issues are in reality development issues of great importance for any modern economy. The EC will not impose them on the ACP. But it will continue to engage them and continue to advocate the importance of including these issues in the EPA for development reasons.

As regards *government procurement*, this is not about opening markets towards the EU. The first priority is to establish greater transparency and open markets regionally. Why should neighbouring countries not be allowed to participate in public tenders published in their region? EPA is exactly about overcoming the current segmentation of tiny African markets. This would help African governments to get more value for their scarce resources with significant potential benefits in particular for infrastructure expenditure.

As for *investment*, it is clear that this is key for any long term sustainable development process. Transparent, predictable and enforceable rules governing local, regional or international investment are vital. At the moment capital is fleeing from Africa. As the only continent, Africa is trying to develop by exporting capital and importing aid.

South Africa and Southern African Development Community (SADC)

The latest SADC proposal is currently being examined by the EC. Amongst other issues the "contractualisation" of EPA is requested. This is a suggestion that seems to be at odds with World Trade Organisation (WTO) compatibility. Compatibility however is the joint objective of ACP and EU. There is full agreement that South Africa should be integrated in the region, the question is only when and how.

Written Submission

Banny K. Molosiwa Permanent Secretary for Trade Ministry for Trade and Industry Botswana

One of the key principles of the (Southern African Development Community) SADC-EC Economic Partnership Agreement (EPA) is to foster regional integration and facilitate economic and social development in the SADC region. The SADC-EC EPA is thus expected to contribute meaningfully to the interlinked objectives of sustainable development, poverty eradication and the smooth integration of the SADC EPA countries into the world economy. The specific objectives of this paper are to:

- indicate measures for enhancing SADC regional integration; and
- list programmes and projects that the SADC EPA Member States consider fundamental for facilitating development cooperation in the context of the SADC-EC EPA.

These are categorised in six key areas, namely:

- trade integration;
- trade facilitation and customs cooperation;
- supply side constraints;
- food security and agriculture;
- human development; and
- (European Development Fund) EDF 10 Programming.

These areas are considered critical in improving the productive capacity and competitiveness of the industrial sector in the SADC EPA countries and in integrating SADC within the global economy and ultimately, in improving the lives of people in the region. This new partnership with the EU is therefore expected to address SADC development needs related to these areas and uphold the regional integration agenda for SADC.

1. Trade Integration

To establish the (Free Trade Agreement) FTA, Customs Union and a Common Market in the SADC region, the following are key issues that need to be given much attention:

- harmonisation of standards and sanitary and phyto-sanitary (SPS) measures,
- common external tariff,
- removal of non tariff barriers,
- harmonisation of SADC countries' policies and procedures,
- revenue collection and sharing.

Sanitary and Phyto-sanitary Measures and Technical Barriers to Trade

SADC needs to be assisted by building its capacity, to deal with stringent SPS measures and standards imposed by the EU, infrastructure development and legal frameworks. The Community has also to be assisted by establishing an information system for channeling information from the EU to the SADC region on SPS and TBT regulations.

Common External Tariff

SADC needs technical and financial assistanced to carry out a study on the common external tariff and a revenue collection and sharing mechanism. The region needs technical assistance to harmonise its trade policies and regulations.

2. Customs Cooperation and Trade Facilitation

Customs Management

Administrative and technical capacity building are needed in the public and private sector to ensure that the new procedures are well understood and effectively implemented.

Modernisation of Customs Operations

Technical assistance for the establishment of the regional database, systems connectivity and the wide area network is necessary and for accreditation of more ports for security chain measures in the region.

3. Dealing with the Supply Side Constraints

Industrial Competitiveness and Diversification

In addition to low capacity, high production and transport costs, competitiveness of the industries and product diversification remain critical constraints to SADC EPA industries as they strives to penetrate the global market. There is, therefore, need for:

- Assistance with resources to carry out the studies in both the supply side constraints and industrial competitiveness and product diversification;
- strengthening capacities in productive areas especially in public and private sectors; and
- developing training systems that help increase productivity in both the formal and informal sectors.

The following interventions are critical:

Technology, Research and Development

SADC EPA countries need to be assisted with appropriate technology to be able to improve its production capacities. The SADC-EC EPA must therefore have an in-built element of technology transfer.

Entrepreneurial Development

SADC EPA countries should be assisted with resources for training of entrepreneurs and SADC-EC should also facilitate inter – firm linkages.

Intra SADC and Foreign Direct Investment Flows

SADC EPA countries require the EC's cooperation to build their capacities for attracting meaningful investment to the region; and strengthen regional investment promotion and finance institutions in the SADC EPA countries.

Infrastructure

SADC EPA countries need to be assisted in providing resources to build road, rail and telecommunication networks.

Energy

There is need to finance projects and programmes that would generate more power for the SADC EPA region, in particular, rural electrification at reasonable cost and to support joint exploration and development of energy.

Water

There is need for SADC EPA Member States to be assisted with resources for building water supply infrastructure, particularly for rural areas and capacity building especially for water resources management organisations.

Telecommunications

Additional resources will be required for the SADC-EPA to expand the telecommunications infrastructure in the region.

4. Food Security and Agriculture

Agriculture plays a major role in the economies of SADC and promotion of agricultural productivity and food security are key objectives of SADC in EPA Negotiations.

Trade in Agricultural Products

Need to accord SADC EPA countries mechanisms similar to those provided to EC farmers in the context of the CAP reform in order to safeguard the benefits/ incomes derived from the protocols; and SADC EPA Member States should be assisted by providing them with technical and financial support for the development of infrastructure, improvement of their productive capacity to diversify the export base and ability to deal with sanitary and phyto – sanitary measures

Agro - Industrial Development and Commodity Processing

SADC EPA Member States need resources for the development of strategies and policies for promotion of agro-processing industries, with a view to improving their food security, expanding their export base, create employment and improving the standards of living of their people.

5. Human Development

Skills Development and Productivity

SADC EPA Member States require to be assisted with resources to expand the capacity of their skills development training institutions as well as developing institutions that could provide support for communicable diseases, particularly HIV and AIDS.

6. Programming of the 10TH EDF

The SADC EPA Group is calling for additional resources under the 10th EDF to assist in the implementation of EPA commitments and assist the Members to adjust their industrial and export orientations to get ready for trading under the EPA regime.

Written Submission

Onofre Rojas President, ACP Council of Ministers National Administrator of the European Development Fund (EDF) Member of the Government Dominican Republic

Economic Partnership Agreements (EPAs) and the Development Dimension

The Cotonou Agreement established the framework within which an Economic Partnership Agreement (EPA) will be negotiated between the ACP countries and the European Union (EU). It is very important to always keep in mind the pillars on which the Cotonou Agreement is based when taking steps to negotiate and set up EPAs. This also holds true for evaluating other measures needed for cooperation such as an adequate budget.

An EPA should be an instrument which will help to develop the ACP-EU partnership but it should not be viewed as an end in itself. Economic Partnership Agreements should facilitate the smooth and gradual integration of the ACP states into the world economy while respecting their political rights and development priorities.

Article 18 of the Cotonou Agreement states that cooperation strategies shall be based on development strategies and economic and trade cooperation which are interlinked and complementary. This integrated approach which involves several development dimensions is repeated in Article 20. Negotiation of the EPAs should be anchored in the principles and objectives set out in Articles 34 and 35 of the Cotonou Agreement.

The consistency of the wording of Articles 19 and 34 is not a coincidence; it effectively reveals the motives which inspired the Cotonou Agreement, namely, finding ways and means of exploiting the complementarity between trade, development cooperation and the political framework in order to achieve the basic objectives of this important partnership. Article 35 in Title II while referring to economic and trade cooperation, advocates the adoption of a global approach which builds on the strengths and achievements of the previous ACP-EC

Conventions, so that the negotiation of an EPA will not lead to a situation which makes the present ACP-EU trade relations deteriorate. On the contrary, it should bring advantages for both parties.

An EPA should be compatible with the WTO, even with special and differential treatment; it should take account of the mutual interests of the parties and their respective levels of development. However, the spirit of Cotonou should also be present in multilateral negotiations, especially when development is the issue at stake. Equally, the principle of flexibility should always be kept in mind when negotiating EPAs.

We should not lose sight of the fact that regional integration can lead to loss of comparative competitiveness if it is not accompanied by mechanisms which provide compensation for structural adjustments and help to change the economies of the ACP States.

In this dimension one should think in terms of creating a special economic and trade mechanism with a compensation fund for the costs of adjustment which will be replenished by additional resources collected through rapid and flexible procedures. The 10th European Development Fund (EDF) should think about clear measures of this nature, and even consider the use of uncommitted resources from previous programmes which can be used to strengthen this fund.

The investment climate should be improved so that more resources will be used for the development of infrastructure and an increase of human skills and capacity building.

In this context we would like to advance the idea that the negotiating groups should think about the possibility of negotiating a debt conversion programme where the external debt can be used to finance investments for development and also investment in competitiveness. A key element of investment in competitiveness would be the creation of development capabilities for all systems of weights and measures (metrology) which will enable our countries to have a clear idea about which products we are precisely selling or buying. Here the question of certification also arises, one of the greatest challenges in the Dominican Republic, but, I would say, also in most of the ACP States.

The most important aspect of this vision of trade and development is that it should not be exclusively reserved for one block of countries. On the contrary, a concept inspired by Cotonou should be developed which will be the right one for the EU and the right one for the ACP and which will be strong enough to find solutions for the post-Doha challenges. This should be one of the goals in the negotiation process. In the communication from the Commission to the Council and the European Parliament "Trade and Development – Helping developing countries to benefit from trade" COM (2002) 513, it is said:

"Increased market access and additional trade-related measures will not automatically lead to trade expansion, growth and poverty reduction in developing countries, especially the poorest. There is a clear need to make market access more effective to help exporters' compliance with applicable regulations and to exploit market access concessions ...".

The key element of this communication is the recognition on the part of the Commission that access to the market cannot be limited to just widening the opening for ACP countries, but that the regulatory framework also has to be changed, trade-related institutional capacity has to be enlarged and macroeconomic policy has to be improved. But one must go even further. It is necessary to guarantee an opening which will promote equality and sustainable development.

What is certain is that the ethics with which Cotonou approaches the trade dimension, is an invitation to think seriously about a greater commitment to farreaching institutional change in both blocks, changes which, for the ACP, should imply continuous social development in order to respond to the heavy social burden which has accumulated in our countries.

There is no doubt that enterprises and especially small and medium scale enterprises (SMEs) should be integrated in this process. For this it is necessary to have a greater competitive capacity. In several countries, as in the Dominican Republic, we are endeavouring to improve our capacities but at the same time the majority of the enterprises need financing to improve their skills and opportunities.

This challenge of contributing to the financing of enterprises calls for a redefinition of the participation of the European Investment Bank (EIB) vis-à-vis the EPAs. The EIB should raise the volume of its funds in the ACP countries, but at the same time it should develop operative capacities which will enable these funds to be provided quickly at the right time. The EIB is one of the banks with the most transactions in the world, but a larger number of these should be carried out with the ACP States.

It is true that the foundation of our ACP-EU partnership consists of the interrelations between trade, policies and development cooperation, but what is still lacking is the answer to the following question: what mechanisms have to be designed to make these dimensions tangible?

Onofre Rojas

This global ACP-EU approach is also to be found in the Annual Report of Committee 2003 on Development Policy. This report lists six priority areas for the development assistance given by the CE:

- 1. the interrelationship between trade and development;
- 2 regional integration and cooperation;
- 3. macro-economic reform and promotion of equal access to social services
- 4. management and infrastructure for transport;
- 5. food security and sustainable rural development; and
- 6. building up institutional capacity.

The discussion of the development dimension of the EPAs took up more than half of the sessions of the All-ACP phase. The points of agreement were a reconfirmation of what was said in Cotonou.

If we take the negotiation of an EPA in the Caribbean as a reference, we see that the EU and CARIFORO (Foro de Estados ACP del Caribe) in their second ministerial meeting for the negotiations agreed that an EPA needs to reflect a strong development dimension. Paragraph 28 of the joint report of this meeting states that the ACP States should get maximum advantages from the EPAs, and that these trade agreements should be complemented by *"appropriate development assistance measures"*. Furthermore, both dimensions of the development assistance process, that is, trade and development, should be *"complementary and mutually supportive "*.

One essential point both blocks have to examine is how this additional aid should be organised in the negotiations.

For the Caribbean it was necessary to focus on two complementary approaches. Firstly, define the trade agenda within the context of the regional integration process. In this context the (Caribbean Community and Common Market) CARICOM-DR Free Trade Agreement is a good precedent and presents the most ambitious vision of the regional integration it has stimulated. At present studies are being undertaken to identify measures for trade and economic integration at deeper levels.

Secondly, in the last Special Meeting of the Ministers of CARIFORO at the beginning of April in Santo Domingo, it was agreed to set up an integrated joint CARIFORO/CARICOM secretariat. This was an important step in the advancement of the ACP agenda in the Caribbean. This crucial move will certainly have an impact which will ensure that the development dimension will continue to play an important role in the EU-Caribbean negotiations.

In order to ensure the complementarity between trade cooperation and development in the Caribbean, the Commission proposed the creation of a Regional Preparatory Task Force (RPTF). This group which is not involved in the trade negotiations will observe the process for negotiation of the EPA, and it has already identified eleven priority areas which have to be completed.

The funds to finance these requirements have not yet been raised but the negotiations have continued and we are now in the third and last phase of EPA.

The moment has come to ask the question: what is required to enable the development dimension to be included in an EPA?

A new cooperation mechanism different to the EDF? A new ethics of cooperation?

Two ex-Commissioners, Pascal Lamy and Paul Nielsen, gave us an idea when they wrote the following in an article in September 2002:

"We, on our side, are prepared to assist the ACP States, through technical and financial co-operation, in implementing these policies. We firmly believe that trade needs to be accompanied by aid, and this is why last week we adopted an action plan of concrete measures to assist developing countries benefit from trade based on these same principles. Helping ACP countries meet food safety rules, improve the work of customs, create infrastructure and provide training for young officials are just few examples of how fine words can be transformed into concrete actions."

These words show us the paths to follow in order to achieve this shared vision. Our partnership should have the strength and the determination to become effective within the shortest possible time, taking into account the transition time required by our economies to be able to respond to the challenge of Economic Partnership without impairing the quality of life of our people, but, on the contrary, generating the capabilities which will guarantee a better future with more dignity and with better prospects of development for our nations.

Presentation

Paula Uluinaceva Chief Executive Officer Ministry of Finance and National Planning Fiji

I would like to start by sharing with you the gist of the recent African, Caribbean and Pacific States (ACP) discussions at senior officials' level in Brussels on this very topic, before making some general observations as well as share perspectives from the Pacific region. As the principal subject for discussions (and a topical one at that) in the first three days of this week by ACP senior officials in Brussels, the topic of course generated some candid views and comments, bordering on strong sentiments as some of you can imagine.

I think its important that we start from the points of consensus between the ACP and EU on Economic Partnership Agreements (EPAs), and that is it should be essentially about the promotion of the wider development objectives of the Cotonou Agreement, aimed at raising economic growth, creating jobs and poverty eradication.

Unfortunately, this is where the divergence begins to take over, that is in terms of how these noble objectives can be achieved realistically. The ACP places emphasis on the need to appropriately address range of supply side constraints that is necessary for its successful transformation to a liberalised environment. In this regard, the general view of ACP is that the Commission might not be adequately considering the specificities of the regions and even within the regions itself.

A number of related issues that should be drive the appropriate design of these adjustment programmes and these are:

(i) identifying the areas of impact of EPA – where the four main types identified are: fiscal adjustment; trade facilitation and export diversification; production and employment adjustment; skills development and productivity enhancement;

(ii) identifying the most appropriate remedial measures – this is that a fundamental point of contention is outright compensation for fiscal losses vis-

à-vis adjustment support. Regionally based and managed EPAs with a windowbased facilities set up has been proposed;

(iii) financing of targeted adjustment programmes – the scope and depth of wider consultations with the stakeholder community becomes critical. National mechanisms for consultations should be reinforced and the representation of key stakeholders should be ensured. The possible direct involvement of civil society and the private sector will be a reality and is indeed paramount. In this vein, the EU has been asked to be amenable to modifications of its procedures to allow resource mobilisation outside the usual EU-ACP bilateral framework; and

(iv) identifying the most appropriate ways and means of delivering EPA related adjustment support – the Commission has estimated an additional \$ 9.2 billion in addition to the envelope already earmarked for the 10th European Development Fund (EDF). A number of refined modalities have been introduced and most notable amongst these is direct budgetary support. Key issues discussed on this matter largely pertained to slow disbursements due to complex and rigid procedures and rules and absorptive capacities of ACPs.

The conclusion of ACP deliberations on this subject pointed to few key issues:

One, broader national participation in the identification of priority areas and the design of adjustment programmes is critical;

Two, there was general agreement on certain EPA features such as adjustment costs, transitional arrangements, and etc. but clearly there was no consensus on the definition and scope of "development dimension" in its entirety;

Three, the EU should be taking a concerted approach in dealing with the ACP on EPAs, and that is the need to involve Development Directorate General (DGDev) and Trade Directorate General (DGTrade) together more consistently and elaborately at every stage of the process. It appeared that occasionally, mixed messages were coming through both quarters and this did not help in getting to a convergence on some of these contentious issues;

Four, in discussing EPAs it was crucial that other related developments such as the erosion of preferential privileges and accompanying measures were brought into the picture. Furthermore, debt relief and other multilateral facilities should also be considered with the view of targeting common development and poverty reduction outcomes.

And lastly, the issue of absorptive capacity should be addressed as a matter of pressing concern. Efforts to strengthen recipient's financial management systems and performance monitoring mechanisms should be commensurate with the simplification of EU rules, procedures and requirements.

Having mentioned those conclusions, an important point to mention is the call by small island economies, particularly the Caribbean and the Pacific, for flexibility in the EPA framework to be able to take into account the peculiarities of its economies and its trading relationships with the EU and its major trading partners.

Our negotiation capacities should continue to be bolstered and the interests of small island economies must be paramount and clarified in its proper context. Limited trade exposure to EU does not mean the avoidance of real effects in the immediate future. The on-going negotiation on regional trade agreements like Pacific Island Countries Trade Agreement (PICTA) and Pacific Agreement for Closer Economic Relations – including Australia and New Zealand (PACER), can have a huge bearing on final EPA outcome for the region.

Rules of Origin

The reform of the Sugar Protocol and the expected decrease in EU prices by 36 per cent in four years time is of immense concern to Fiji. The government realises its immense adverse impact without appropriate accompanying measures not only with support from the EU but other donors and its own initiatives as well.

The future of the Fijian sugar cane industry will be based on three main products: raw sugar, molasses to be transformed into ethanol, and electricity, through co-generation (mainly bagasse).

The cost of production of raw sugar is central to the sustainable future of the Fiji sugar industry. The reduction in the EU price will imply for the part exported to the EU a fall in the price paid to raw sugar producers in Fiji by 36 per cent by 2009/10, requiring the industry to reduce its average production costs by close to 40 per cent. This should be achieved through successful industry rationalisation and a targeted increase of 40 percent in productivity from the current level of 4.96 mts raw sugar/ha to a projected level of 7.00 mts of raw sugar/ ha, an increase of about 40 per cent. (Mauritius reach more than 10 mts raw sugar/ha and Jamaica 8 mts/ha)

In working towards these targets for the sake of maintaining viability of the industry, it is expected that about 15,000 of the current 25,000 farmers who are into sugar production, will surely go out of the business as it will not be a viable proposition anymore if they are to remain in sugarcane farming. Now as an indication of the relativity of these numbers, including farmers there are approximately 40,000 people directly engaged in the sugar industry and about 250,000 indirectly and directly. That is about 31 per cent of the population so with this expected impact we are talking of about 15 per cent of the population

being displaced or adversely affected by this new pricing regime, not to mention the direct hit on our balance of payments in the immediate term.

Government in addition to anticipated EU sugar adaptation assistance has embarked on a comprehensive diversification programme, which involves Asian Development Bank (ADB) funding as well. The approach is basically threepronged:

- sustain viability of sugar industry in the new EU pricing regime;
- secure viable alternative livelihood opportunities for affected farmers/workers;
- put in place institutional and physical infrastructures that will facilitate the transition for the affected i.e. strengthening financing and credit lending institutions, improving access to markets and rehabilitating land resources etc. In putting in place physical infrastructures increased attention will be placed on labour-intensive programmes which can absorb immediately displaced or redundant farmers/workers.

This comprehensive approach of course is a big call on Government resources, policies and programmes. Government must re-orient its overarching development framework towards addressing the impact of the sugar factor and the need to broaden its export production base through diversification. Poverty reduction has always been the ultimate development goal but more effort will just have to be put in ensuring the effective transmission of the benefits these programmes to halting poverty increase or even reducing it.

As I have honed into the Fiji context, we can now appreciate the conclusions of the recent ACP officials' deliberations. In this sense I would like to conclude my contribution by recapping the relevant observations in the Fiji context.

Conclusion

First, we believe that the sustainability of the programme largely depends on participation and inclusion in the entire process, from identification of priorities to design, implementation and monitoring of performance. Existing consultation mechanisms must be strengthened and made more transparent and accountable.

Second, ACP states should have its own clear definition of its "development dimension". I believe the end objectives raising economic growth and incomes, generating employment, and ultimately poverty reduction are indisputable. The issue is how do we see our respective countries roadmap's and strategies to get to that point. Therefore it is of fundamental importance that national policy frameworks set the parameters of this development dimension.

Last but not least, capacity and modality of assistance will be critical. Simplification and flexibility in the rules and procedures, without compromising the integrity of the EU and ACP national systems will goal on way in achieving effective and efficient implementation.

Summary of Discussions

Francesco Rampa Programme Officer European Center for Development Policy Management (ECDPM)

The main goal of the International Policy Dialogue was to provide an opportunity for informally reviewing the Economic Partnership Agreement (EPA) negotiation process between six (African, Caribbean and Pacific States) ACP regional groups and the EU. Different actors involved in the negotiations and from society at large were invited so that the Conference could develop into an open dialogue: ACP governments as well as regional organisations, EU Commission (EC) and Member States, representatives from the research community as well as civil society from both the ACP and European countries. Three key questions were addressed during the two days of conference: How can it be ensured that sustainable development is the guiding principle of the EPA negotiations? In which way can the negotiating parties benefit from other regional groups' experiences? What subjects need to be prioritised in upcoming negotiations?

The first day of the International Policy Dialogue started with a *Panel Discussion* at ministerial level open to the invited public. During her contribution, *Heidemarie Wieczorek-Zeul*, Federal Minister for Economic Cooperation and Development (BMZ) of Germany, stated that trade liberalisation does not lead automatically to increased export and reduced poverty. Trade should constitute a coherent part of the overall development strategy of developing countries; and in trade negotiations, they should be granted special and differential treatment and the flexibility required to account for different development levels. In this context, it is crucial to strengthen the economic environment and institutions before liberalisation is fully implemented, and the donor community should contribute towards that, including through Aid for Trade initiatives. In line with this view, the focus of the German Government and BMZ for the upcoming negotiations and the 2007 EU Presidency will be the development dimension of EPAs.

The Minister highlighted the following elements: strengthening integration within ACP regions, which can contribute to strengthen the supply-side of ACP economies; improving market access for ACP countries, from a developmental point of view; the objective of the negotiations should be duty- and quota free access into the EU; but to reach this objective it would require sufficient commitment from the ACP side to reforms that form the basis for sustainable development, asymmetrical reciprocity and long implementation periods for ACP liberalisation commitments; stimulating reforms, institutional improvements and good governance if necessary; increasing participation of Civil Society and Parliaments; full support from EU to the economic transformation process in the ACP, including through programming of the 10th European Development Fund (EDF), so that EPAs are reflected adequately in development cooperation instruments.

Onofre Rojas, Member of the Dominican Republic Government and President of the ACP Council of Ministers, emphasised that equitable development should be more clearly at the heart of EPAs. Just trade is not enough for development, he said, but even economic growth is not enough if the benefits provided do not trickle down to the poor. The Minister stressed that in this view of achieving equality, EPAs should improve scope and quality of development cooperation and not produce outcomes that conflict with development cooperation objectives. Bureaucracy and complex procedures related to the disbursement of support often discourage instead of promoting the creation of opportunities for the poor. A sort of procedural ethics seems to underline certain development cooperation initiatives by the EC, but the situation should be improved to make EC support more targeted to achieve its objectives and less to adhere administrative requirements.

Banny K. Molosiwa, Permanent Secretary of the Ministry for Trade and Industry of Botswana highlighted that the objectives originally agreed for EPAs are ambitious but very important for the ACP. However, extending the time for preparation of EPAs may be required for two reasons. Firstly, difficulties with pre-existing regional integration initiatives of the ACP regions are still significant – for instance implementing Common External Tariffs and other border controls; for some ACP countries the EPA agenda is over-burdened and it will be impossible to deal with trade-related issues – such as government procurement, competition, investment – if a regional framework regulating them is missing. Secondly, serious disagreement still persists between the ACP and EU sides on the development dimension of EPAs: for the Southern African Development Community (SADC) region that should be translated into solving supply-side constraints and building a regional market, while for the EC into liberalisation as well as competition and investment policies commitments.

Karl Friedrich Falkenberg, Deputy Director General for Trade of the European Commission, confirmed that EPAs will foster development mainly through trade liberalisation and the creation of the right policy framework for liberalisation and to attract investment. Through comprehensive coverage of also trade-related 'behind-the-border' measures, EPAs should contribute to focus on the policy reforms in the ACP, thereby increasing the relevance and credibility of the regional integration process of the ACP regions, as well as facilitating their integration into the world economy. Countries of the world are fighting to attract investment flows and ACP should be doing the same, which could be more beneficial than development cooperation flows for long term development.

The Plenary Session after lunch introduced the research and civil society perspective on EPAs. Jane Nalunga, Uganda Country Coordinator of the Southern & Eastern African Trade, Information & Negotiations Institute (SEATINI), noted during her intervention that the transparency of EPA negotiations is still problematic in many ACP countries. More time is needed for strengthening civil society contribution to regional and national debates on EPAs. NGOs should ask ACP Governments to consider alternatives to EPAs. the establishment of appropriate monitoring mechanisms and the importance of maintaining policy space for economic development when committing to international obligations. Sanoussi Bilal, Trade Programme Coordinator at the European Centre for Development Policy Management (ECDPM), indicated that some ACP regions already entered substantive technical discussion on major negotiating items and in general the ownership of the EPA process has improved. However, impact assessment studies at national level are still to be conducted for many ACP countries. Moreover, when discussing the development dimension, one should not forget that EU Member States would have to change the mandate they gave to the EC if EPA negotiations are also to cover possible binding commitments on the EU side on development cooperation. Finally, all parties should devote more efforts to define the details of the 2006 formal review of EPAs; this key exercise should be a transparent and inclusive process, not restricted to negotiators.

The core of the International Policy Dialogue was represented by *three parallel Working Groups* with about 20 participants each – the majority from ACP countries – addressing achievements so far, main problems, and possible solutions ahead for three important areas covered by EPAs: Regional Integration; Supply Side Challenges and Competitiveness; and Liberalisation Process. Given

the number and complexity of the topics discussed, all related to each other, it was difficult for the Working Groups to reach conclusions or prioritise issues for future work, and different groups approached their task in different ways.

The Working Group on **Regional Integration** highlighted that regional integration (RI) entails various dimensions – economic, political, social, institutional, cultural, etc.; there should be full regional ownership of RI initiatives without interventions by external actors; RI can and should be supported by EPA, not undermined by EPA. Several major challenges were identified: multiple, overlapping membership of RI initiatives with serious problems of coherence; diversity of countries within the same region; capacity constraints in terms of human, institutional, productive resources; insufficient implementation of rules and other common decisions taken at the regional level by member states; lack of monitoring for the RI processes; difficulties with governance and the related problem of credibility of RI.

The Working Group then discussed how to address those challenges to RI. A number of suggestions were made on the sequencing between RI and EPAs: there is no 'one-fits-all' sequencing, which depends on the particular feature of each region and of the issue to be treated; sequencing should be explicitly identified by regions before the implementation of EPAs, including on social and gender equity aspects; sequencing between RI and EPAs should be driven by regional strategic priorities, as ownership of those processes is fundamental; there should be a distinction between making commitments to rules and implementation of those rules, and capacity constraints should always be taken into account. The exact sequencing between RI and EPAs depends on the issues at stake and their scope, and therefore it was suggested to differentiate sequencing needs: There are issues where (a) regional frameworks endogenously determined by the ACP regions, eg. free trade in goods, should be implemented first; (b) policies could be covered simultaneously by RI and EPAs, eg. SPS, TBT, services and some areas of investments; and finally (c) EPA commitments could exist without any necessity of prior regional framework, e.g. some areas of investment or competition policies.

The Working Group on **Supply Side Challenges and Competitiveness** focused on identifying some recommendations for the upcoming phases of EPA negotiations. EPAs should address the development of human resources and institutions at all levels of society, in a targeted way, to increase export competitiveness and towards regional integration. EPAs, supply side challenges and other trade issues should be prioritised in national and regional development strategies. In this context, there is need for both main-streaming into EPA policy formulation and implementing the role of business private sector and strengthening donors' coordination for additional resources to support EPA implementation.

The Working Group also suggested that the EPA process should provide domestic policy space for infant industry protection and simplified rules of origin for productive diversification and structural transformation of the ACP economies. Capacity building and institutional strengthening initiatives and donors' support should cover: SPS, standards, research and development, trade facilities, communication networks and utilities as well as infrastructure. Trade policies, including international trade negotiations, should be main-streamed in national and regional development strategies. Finally, the importance of addressing supplyside constraints should not distract attention from the importance of transparent trade rules and the removal of administrative trade barriers for enhancing competitiveness.

The Working Group on Liberalisation Process noted that stable, predictable and transparent institutions are a precondition for enhancing trade and production capacity and should be in place before liberalisation. In particular, transparent rules for trade, economic activities and improvement of customs procedures, including cutting red tape, are crucial for ACP countries. In terms of EPA liberalisation, the group suggested that the most concrete and immediate challenges for ACP countries are the possible disruption of regional integration and the loss of customs revenues. Another important challenge might be the competition for ACP producers from EU imports. As to the uncertainty on market access offers by the ACP and on their tariff liberalisation schedules, ACP regions should reach a compromise on exclusion baskets and liberalisation schedules at the end of 2006 at the latest, to be able to conduct proper impact assessment on detailed proposed EPA outcomes. The Working Group considered safeguards measures, sales taxes and nation-wide agreed liberalisation schedules to be possible solutions to the challenges of revenue losses, disruption of regional integration and difficult competition for ACP producers from EU imports.

Programming of the 10th EDF, or perhaps multilateral Aid for Trade, were regarded as important to provide development support to implementation of EPA liberalisation, and the group discussed that there is urgent need for clarification and identification of ACP needs for such support. The group suggested that traderelated areas should be supportive of regional integration and good economic governance. A crosscutting issue that was discussed is the possible need for more time for negotiation and implementation of various EPA elements and commitments. The EC should not impose the speed of negotiations but the ACP countries should work more on defining their positions. In this respect, though WTO-compatibility is important for all parties, there were different perceptions on the concrete risk of a WTO challenge if the deadline for EPAs was extended.

The outcomes of the three Working Groups were then presented by Francesco Rampa of European Center for Development Policy Management (ECDPM) during the Closing Plenary Session, open to the invited public and chaired by Michael Hofmann, Director General of the Federal Ministry for Economic Cooperation and Development. A group of panelists commented on how to strengthen the development dimension of EPA and on the next steps forward. Frederico Cuello, Ambassador of the Dominican Republic and Chairman of the ACP Committee of Ambassadors, underlined that comprehensive EPAs would bear chances for regional integration and development. He explained that for EPAs to be development enhancing trade negotiations they should include commitments on development cooperation and additional financial support from the EU. Paula Uluinaceva, Chief Executive Officer of the Ministry of Finance and National Planning of Fiji, described the case of the sugar industry transformation after the loss of preferences in EU markets, to advocate for adjustment support and capacity building to be always at the centre of both development cooperation and trade negotiations. Tetteh Hormeku, Head of Programmes of Third World Network Africa, warned against the risks of a wrong sequencing between liberalisation and strengthening of productive capacities in the ACP countries. To rescue the development dimension of EPAs, there should be a twist in the EPA process: instead of drafting trade EPA provisions and then discussing their impact on production and trade capacity, trade and trade-related rules to enhance production and trade capacity should be identified and then transformed into EPA provisions. Philippe Etienne, Director General for Cooperation and Francophonie, Ministry of Foreign Affairs of France, stated during his contribution that the importance of the development dimension of EPAs is increasingly recognised by EU member states. The way forward should be the full respect of the original philosophy as partnership of the Cotonou Agreement together with the identification of a specific role for development cooperation and 10th EDF programming in the EPA process.

The afternoon of the second day of the Conference was dedicated to an exchange of experience of 15-18 *government officials and regional negotiators* from all six ACP regional groupings. The discussions took three hours and were proceeded during dinner. In a very *informal setting* and without a predetermined agenda, this Club Room was facilitated by the ECDPM. The open discussion

between ACP representatives covered briefly three important issues: (a) the relationship between 10th EDF programming and EPA negotiations; (b) the 2006 EPA Review and a possible EPA Monitoring Mechanism; (c) the exchange of experiences on the EC approach to substantive technical negotiations.

Annexes

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List of Papers Available*

Achiayao, Brahms	Supply Side Challenges / Competitiveness Actual situation, constraints and potential for improvement (Working Group B, Plenary Session I)
Corrales-Leal, Werner	Supply Side Challenges / Competitiveness Actual situation, constraints and potential for improvement (Working Group B, Plenary Session I)
Cuello C. , Frederico A.	Strengthening the Development Dimension: Working groups' results, monitoring the negotiations and next steps to take. Input (PP presentation, <i>Closing Plenary Session</i>)
Dihm, Martin	Liberalisation Process Institutional preconditions and negotiation capacities (PP presentation, <i>Working Group C, Plenary Session I</i>)
Etienne, Philippe	Strengthening the Development Dimension: Working groups' results, monitoring the negotiations and next steps to take Input <i>(Closing Plenary Session)</i>
Falkenberg, Karl Friedrich	Economic Partnership Agreements (EPAs) Written Submission <i>(Opening Panel)</i>
Kalenga, Paul	Supply Side Challenges / Competitiveness Actual situation, constraints and potential for improvement (Working Group B, Plenary Session I)

^{*} Most of these papers are available at our website www.inwent.org/et/events/index.en.shtml

Meyn, Mareike	Supply Side Challenges / Competitiveness Actual situation, constraints and potential for improvement (Working Group B, Plenary Session I)
Molosiwa, Banny K.	State of play and crucial points of the EPA process Written Submission <i>(Opening Panel)</i>
Nalunga, Jane	The Research and Civil Society Perspective (<i>Plenary Session I</i>)
Oguntona, Timothy	Liberalisation Process – Institutional preconditions and negotiation capacities (Working Group C, Plenary Session I)
Rampa, Francesco	Strengthening the Development Dimension (Working groups' results, Closing Plenary Session)
Rojas, Onofre	State of play and crucial points of the EPA process Written Submission <i>(Opening Panel)</i>
Stevens, Christopher	Liberalisation Process Institutional preconditions and negotiation capacities (Working Group C, Plenary Session I)
Tekere, Moses	EPA Negotiations and Regional Integration in ESA: Emerging Challenges (Working Group A, Plenary Session I)
Ulmer, Karin	Regional Integration Challenges for the next five years (Working Group A, Plenary Session I)
Uluinaceva, Paula	Strengthening the Development Dimension of EPA Input (Closing Plenary Session)
Wieczorek-Zeul, Heidemarie	State of play and crucial points of the EPA process Keynote Address (Opening Panel)

The Development Dimension of Economic Partnership Agreements (EPAs) –

Are We Still on Track?

Programme

Thursday, 27 April 2006

10.00 a.m.	Opening	Open to invited public
	Welcome	Astrid Kühl Director Development Policy Forum InWEnt Germany
	Keynote	Heidemarie Wieczorek-Zeul Federal Minister for Economic Cooperation and Development (BMZ) Germany
	Opening Panel	State of play and crucial points of the EPA process
	Moderation	Petra Pinzler European Correspondent Die Zeit Brussels
	Participants	Heidemarie Wieczorek-Zeul Federal Minister for Economic Cooperation and Development (BMZ) Germany
		Onofre Rojas President ACP Council of Ministers National Administrator of the European Development Fund (EDF) Member of the Government Dominican Republic

Karl Friedrich Falkenberg

Deputy Director General for Trade European Commission Brussels

Banny K. Molosiwa

Permanent Secretary for Trade Ministry for Trade and Industry Botswana

Panel debate with questions from the floor

12.30 p.m. Buffet lunch

1.45 p.m. The Research and Civil Society Perspective

Plenary Session For invited participants only

Chair	Evita Schmieg Head of Division Globalisation; Trade; Investment Federal Ministry for Economic Cooperation and Development (BMZ) Germany
Inputs	Jane Nalunga Country Coordinator, Uganda Office Southern & Eastern African Trade, Informations & Negotiations Institute (SEATINI) Kampala
	Sanoussi Bilal Programme Coordinator European Center for Development Policy Management (ECDPM) Maastricht

02.30 p.m.	Three Parallel Working Groups	The working groups discussed treating thereby good governa and monitoring aspects: What has been achieved so What are the main problet How can they be addressed What is needed to be succe	nce, accompanying measures, o far? ms and challenges? 1?
	A	Regional Integration Challenges for the next five	years
		 it be improved? What role do trade-related competition, Non-Tariff-B, and what should be their r How can it be ensured tha integration is prioritised an integration into European Which institutional precor successful regional integrat 	arriers) play in development role in the EPAs? It internal regional ACP nd dealt with before markets? Iditions offer the basis for
	Moderation	Junior Lodge and Brussels-Representative Caribbean Regional Negotiating Machinery (CRNM) Brussels	Alexis Valqui Desk Officer for Trade Federal Ministry for Economic Cooperation and Development Germany
	Inputs	Moses Tekere Chief Negotiator Advisor Regional Integratio Common Market for Easter (COMESA) Secretariat Lusaka	

Karin Ulmer

Policy and Gender Officer Association of World Council of Churches related Development Organisations in Europe (APRODEV) Brussels

B Supply Side Challenges / Competitiveness Actual situation, constraints and potential for improvement

Questions of Concern

- □ What role do human resources play?
- How can development cooperation address supply side challenges? What is the role of donor coordination?
- How can EPAs facilitate a production structure that increases value added and competitiveness in the long run?
- □ Which aspects of the infrastructure (including services) are crucial to competitiveness and export success?
- □ Which key elements of governance can enhance competitiveness and export success?

Moderation	Isikeli Mataitoga a	and	Antoine Louis Ntsimi
	Chief Executive Office	er	Dep. Executive Secretary
	Lead Negotiator Pacific		Economic Community of
	Ministry of Foreign Affairs		the Central African
	Fiji		States (ECCAS)
			Libreville

Inputs Paul Kalenga Senior Trade Advisor SADC Secretariat Gaborone

> **Brahms Achiayao** Director and Chief Commercial Officer Ministry of Trade and Industry Ghana

Mareike Meyn

Managing Director Institute for World Economics and International Management Bremen

Werner Corralos-Leal

Senior Fellow International Centre for Trade abd Sustainable Development (ICTSD) Geneva

C Liberalisation Process

Institutional preconditions and negotiation capacities

Questions of Concern

- What institutional preconditions form a basis for a liberalisation process fostering economic and social development?
- How important is the tariff revenue loss for the government budget and how should this concern be addressed?
- □ How broad should liberalisation be and what time frames should be envisaged (Art. XXIV WTO)?
- □ How strong is the negotiation capacity?
- □ What sort of safeguard clause is needed for ACP countries?
- □ What do ACP countries expect from increased EU market access? What is the role of rules of origin?
- How can services best be included within the liberalisation process to ensure they contribute to economic and social development?
- □ Are there issues that could/should be addressed in the same way in all the EPAs?

Moderation	Carin Lindunger and Senior Advisor Department for Inter- national Trade Policy Ministry for Foreign Affairs Sweden	Uta Dirksen Head of West Africa Desk Africa Department International Develop- ment Cooperation Friedrich-Ebert- Foundation (FES) Berlin
Inputs	Timothy Oguntona Director	

Director Ministry of Foreign Affairs Nigeria

Martin Dihm Deputy Head of Unit Directorate General Trade European Commission Brussels

Christopher Stevens Research Fellow and Coordinator Overseas Development Institute (ODI) London

04.00 p.m. Coffee Break

04.30 p.m. Working Groups Continued

06.00 p.m. Adjourn

06.45 p.m. Bus departure for boat cruise and dinner

09.00 a.m. Three Parallel Working Groups

(continued from Thursday afternoon)

A Regional Integration (continued)

B Supply Side Challenges / Competitiveness (continued)

C Liberalisation Process (continued)

10.30 a.m. Coffee Break

11.00 a.m.	Closing Plenary Session Open to invited public	Strengthening the Development Dimension: Working groups' results, monitoring the negotiations and next steps to take.
	Rapporteur	Francesco Rampa Programme Officer ECDPM Maastricht
	Chair	Michael Hofmann Director General Global and sectoral tasks; European and multilateral development policy; Africa; Middle East Federal Ministry for Economic Cooperation and Development (BMZ) Germany
	Input	Frederico A. Cuello C. Chairman ACP Committee of Ambassadors Ambassador Embassy of the Dominican Republic Brussels

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Chief Executive Officer Ministry of Finance and National Planning Fiji

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Head of Programmes Third World Network – Africa Accra

Philippe Etienne

Director General Office of the State Minister for Cooperation and Francophonie Ministry of Foreign Affairs France

Closing Astrid Kühl

Director Development Policy Forum InWEnt Germany

12.30 p.m. Buffet Lunch

02.30 p.m.	"Club Room"
Venue:	Open Agenda: Informal talks and exchange of
Hotel Mövenpick	experiences exclusively for ACP negotiators from
Conference Centre	national governments and regional organisations.

Introduction Evita Schmieg

Head of Division Globalisation; Trade; Investment Federal Ministry for Economic Cooperation and Development (BMZ) Germany

Facilitation	Sanoussi Bilal
	Programme Coordinator
	ECDPM
	Maastricht

05.30 p.m. Adjourn and informal dinner

The Development Dimension of Economic Partnership Agreements (EPAs) –

Are We Still on Track?

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