

Brussels, 17 May 2016

Dear Member of the European Parliament,

Subject: Consent procedures for the African regional Economic Partnership Agreements (EPAs)

We are writing you with regard to the regional EPAs that were initialled by three African regions (West, Southern and Eastern) in 2014 and that will be presented to the European Parliament for approval in the coming months.

CONCORD is of the opinion that EPAs are not the instruments for development that they were supposed to be¹. The EU has exerted strong pressure on African and Caribbean and Pacific (ACP) countries to accept the agreements by threat of withdrawal of trade preferences. As a result, Least Developed Countries (LDCs) had to give up “Everything but Arms” preferences and accept reciprocal trade liberalisation commitments (even if asymmetrical), something that they are normally exempt from in the WTO. The EPAs now require LDCs to liberalise as much as 92% of their trade with the EU, as is the case with Togo in the West African EPA.

ACP countries will lose policy space to use tariffs, export taxes, preference for local content, quantitative restrictions and quota as trade policy instruments for their sustainable development. They risk losing fiscal revenue as a result of tariff elimination. This is particularly problematic for those LDCs which depend heavily on tariff revenue and have little alternative than to tax consumers, which would in turn reduce welfare effects. While agricultural products have been largely excluded from liberalisation, specific concerns remain. A case in point is the liberalisation of imports of bulk milk powder into West Africa, which will affect the prospects of milk producers and nomadic herders, thereby limiting the possibility to promote locally integrated supply chains.

The increase of EU food import leads to changing consumption patterns. One example is the case of cereals: processed cereals like bread and pasta reduce the regional demand and prices for locally grown millet, sorghum, maize, cassava, plantains and yams. Another is the case of poultry imports, which lead to decline of local production capacity. Overall, since 2009, the value of EU agro-food sector exports has increased rapidly, hindering the structural development of the agro-food sector in Sub-Saharan Africa, whose exports have significantly declined.

We are also concerned about the uncertainty of future EU support to the implementation of EPAs. The only firm commitment to support EPAs resides in the European Development Fund (EDF), which is not additional and already insufficient to cover all the implementation needs. The expiry of the Cotonou Partnership Agreement on which the EDF is based puts its continuation beyond 2020 in jeopardy.

CONCORD also denounces the absence of Sustainable Development chapters or the provision of Civil Society Consultative Committees in the 2014 EPA's (as in the 2007 interim EPAs that are currently being implemented by 5 African and 2 Pacific countries).

CONCORD rejects the new threats by the European Commission (EC) that it will withdraw preferential market access if “necessary steps towards ratification” (which means either ratification or notification of provisional implementation) are not taken before 1 October 2016 (which in practice means before 1 August 2016). To insist on such steps before these dates is unreasonable in view of the fact that the EU itself has been slow in translating and legal scrubbing of the EPA texts and that

¹ See CONCORD policy paper [“The EPA between the EU and West Africa: who benefits?”](#), April 2015

“provisional implementation” is not foreseen in most ACP constitutions. It is unacceptable that the EU would demand implementation of the EPAs before parliaments in ACP countries have had the opportunity to examine the texts and to vote the agreements. The 1 October deadline is not at all required by EU law and CONCORD invites the Council and the Parliament to oppose the delegated acts that the Commission may propose to the withdrawal of preferences.

CONCORD further points out that impact assessments of the final texts of the EPAs with both the Southern African Development Community (SADC) and the Eastern African Community (EAC) have not yet been undertaken. As for the impact study of the West African EPA that the EC has just released, this study shows that there may only be a very small one-off increase in the economic growth rate of 0.5% at the end of the 35 year implementation period, which comes down to an unnoticeable 0,014% per year. The study, which is partly based on an unpublished IFPRI analysis which was commissioned by the EC², omits however that there are practically no gains at all for LDCs and even negative welfare outcomes for some countries. As for the EPA between the EU and SADC, another study also conducted by IFPRI finds positive but very limited impacts for trade flows, GDP growth, welfare, and poverty reduction.³ Also for this region, the EPA will not bring what the EU had promised in terms of contributing to sustainable economic development.

CONCORD does not consider the EPAs to be appropriate instruments for development but rather missed opportunities. What is needed are trade-supported development strategies that are jointly worked-out and that adequately deal with the development needs and challenges of the ACP countries.

CONCORD therefore urges Members of the European Parliament to give a strong signal to the Council and the Commission by withholding their consent to these agreements.

Should you need further information, please contact: Blandine.Bouniol@concordeurope.org

We thank you in advance for your support.

Yours sincerely,

Sarah Kristine Johansen
and
Evert-Jan Brouwer

Co-chairs of CONCORD Hub on Sustainable Development
and Policy Coherence for Sustainable Development

² <http://www.bilaterals.org/?the-european-union-west-africa&lang=en>

³ <http://www.bilaterals.org/?outlook-for-the-eu-sadc-economic&lang=en>

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