

## **Civil Society Organizations statement on the joint conclusions of the 1st East-Africa Community- European Commission meeting on negotiations on an Economic Partnership Agreement (EPA) 14th november Brussels**

We the undersigned CSOs are dismayed at the outcome of the above mentioned meeting in which the two parties agreed to conclude a framework agreement as soon as possible but not later than 23 November 2007. The framework Agreement is intended to serve as an interim measure and also to provide a mechanism for continuation of negotiations for a more comprehensive agreement.

This was the first ever meeting between the EAC as a negotiating configuration and the EC on EPAs. We are therefore amazed that it was possible for EAC to agree to sign a far reaching and binding Framework Agreement on this complex subject. Although it is a "framework agreement" the EC will seek to amplify it later. Paragraph 4 says the framework agreement is only a transitional step. Paragraph 7 says EC will provide "technical experts" to "undertake further work in refining the EAC market access offer". Clearly the intention is to bring in other issues during the process of "refining" so as to make it more comprehensive, and may be include the Singapore issues which have been rejected by the developing countries in the WTO.

A careful reading of the agreed Joint Conclusions shows that the framework Agreement effectively creates a new negotiating mandate which has not been agreed upon by all stakeholders and which is likely to go beyond the ESA mandate. This could open up a Pandora's Box.

The Framework Agreement is being fronted as a preventive measure to avoid any disruption in trade between the parties comes 1st January 2008. This is a scarecrow intended to instil fear and panic among EAC countries. Apart from Kenya, the other EAC members are Least Developed Countries (LDCs) which benefit from the Everything But Arms (EBA) initiative where they qualify for duty-free and quota-free market access. If the EC was well intentioned, Kenya as a developing country could be given equivalent measures under GSP-Plus. It is worth recalling that in the Cotonou Agreement the EU undertook to ensure that no ACP country would be worse off whether or not it signs an EPA. (The Lome acquis)

The EC and EAC have agreed to reach an agreement on market access and development cooperation. We are deeply concerned about the positions taken on these two areas:

### **Market access.**

We are shocked that EAC could offer to liberalise 81% of her imports from the EU over a transition period of 25 years on the pretext of WTO compatibility. By making it appear as if EC has now "conceded" 25 years, EC is extracting bigger concessions. Actually 25 years is not much. This extensive liberalisation will have a far reaching negative impact on production, industrial development and employment in the EAC region as highlighted in numerous studies.

The question as to what constitutes 'substantially all trade' between developing and developed countries under GATT Article XXIV is yet to be clarified. Such extensive liberalisation by the EAC, a region which is predominantly composed of LDCs sets a very dangerous precedent of what constitutes substantially all trade in the WTO. This tantamount to a betrayal of other developing countries and regions negotiating with the EC.

We take note of the EC market access offer of duty-free and quota-free market access. There is nothing new about this offer for which we should be excited. The only difference being that EAC is now being asked to reciprocate through extensive liberalisation.

In any case, this offer is impaired by the reluctance of the EU to address the pertinent and critical issues of inter alia; rules of origin, reduction of export and domestic subsidies, compensatory measures for preference erosion, provision of additional resources to address supply capacity constraints and other non trade barriers.

The EU market has become more elusive than ever given the fact that the EU has signed and continues to sign several FTAs with other regions, effectively dilutes further the market access offer.

## **Issue of Development.**

Development should be a core concern for any EPA agreement. Although EPAs have been held out as a tool for development, the language on development cooperation in the Joint Conclusion is non committal and vague. There are no figures indicating the support both EU and EAC would commit to development. There are no benchmarks to support this core issue. In fact it offers nothing. In the Joint Conclusion, the parties agreed 'that on the basis of the text already agreed by the EC with configurations in the region and the already existing inter-regional coordination committee, EAC and EC will conclude a joint text on how to address development issues during the time span of the Framework Agreement'

The objective reality is that there has not been an agreement on development issues in the negotiations between the EC and the ESA. The EC has consistently rejected all the ESA proposals on development what text would the two parties therefore be working on when there are no concrete conclusions on development between the two parties?

## **Conclusion.**

Contrary to the established position that EPAS will lead to the development of the EAC region, in fact they will lead to deindustrialisation and further impoverishment of our economies and our peoples. It is clear from this joint conclusion that the EAC has betrayed the other ACP countries by side stepping the original frame work for negotiations and committing the East African people without having done any reasonable consultations with key stake holders. We express our disappointments of the current developments.

The indecent haste of only 9 days (from 14-23 November) within which to sign the Framework Agreement is a clear indication of ill motive from the EU.

We therefore call upon all stakeholders to reject this proposed framework Agreement in its entirety.

## **The Undersigned Civil Society Organizations**

1. Uganda Joint Christian Council (UJCC)
2. Southern and Eastern African Trade Information and Negotiations Institute (SEATINI)
3. Oxfam GB in Uganda
4. Volunteer Efforts for Development Concerns (VEDCO)
5. African Centre for Trade and Development (ACTADE)
6. Participatory Ecological Land Use Management (PELUM)
7. Eastern and Southern African Farmers Forum (ESAFF)
8. Centre for Development Initiatives (CDI)
9. African Women's Economic policy Network (AWEPON)
10. Action Aid International (Uganda)
11. Youth Plus Policy Network
12. FES – Uganda
13. Uganda Coalition for Sustainable Development (UCSD)
14. Environmental Alert (EA)
15. Consumer Education Trust (CONSENT)