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Economic Partnership Agreements

European Parliament resolution of 12 December 2007 on Economic Partnership Agreements

The European Parliament,

- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific (ACP) Group of States of the one part, and the European Community and its Member States of the other part, signed in Cotonou on 23 June 2000 (the Cotonou Agreement),
 - having regard to the Commission Communication of 23 October 2007 on Economic Partnership Agreements (COM(2007)0635),
 - having regard to the Conclusions of the General Affairs and External Relations (GAER) Council of 19 November 2007 with regard to Economic Partnership Agreements (EPAs),
 - having regard to the ACP-EU Joint Parliamentary Assembly resolution adopted on 20 November 2007 in Kigali on the review of negotiations on Economic Partnership Agreements,
 - having regard to the General Agreement on Tariffs and Trade (GATT), in particular Article XXIV thereof,
 - having regard to the policy statement of 9 November 2007 by the Ministers of the ACP States on EPAs,
 - having regard to its previous resolutions on this matter, and in particular its resolution of 23 May 2007 on Economic Partnership Agreements,
 - having regard to Rule 103(2) of its Rules of Procedure,
- A. whereas Article 36(1) of the Cotonou Agreement sets out the parties' agreement to conclude new WTO-compatible trading arrangements, progressively removing barriers to trade between them and enhancing cooperation in all areas relevant to trade and development,
- B. whereas the waiver exempting the Cotonou Agreement from WTO law will expire at the end of 2007,
- C. whereas several ACP States are very reluctant to conclude EPAs and declare that they have been put under pressure by the Commission to sign an EPA, while others insist on the importance to their economy of EU market access,
- D. whereas establishing regional markets represents a key instrument for successfully implementing EPAs,
- E. whereas negotiations on EPAs, which are to replace the Cotonou Agreement, are not progressing at the same pace in the six regions and are not likely to be completed in any event before the end of 2007,
- F. whereas in October 2007 the Commission made an offer to the ACP States concerning an interim agreement, as a first phase of the conclusion of EPAs covering trade in goods and all areas that can be already agreed on, such as rules of origin, to be implemented as from 31 December 2007,

- G. whereas, according to the Cape Town Declaration, the main objective of the EPA negotiations is to strengthen the economies of ACP States,
- H. whereas the objective of ACP-EU economic and trade cooperation is to promote development and to foster the gradual integration of ACP States into the world economy,
1. Reiterates its belief that EPAs must be instruments of development in order to promote sustainable development, regional integration, and a reduction of poverty in the ACP States and to foster the gradual integration of the ACP States into the world economy;
 2. Notes with concern the slow pace of the negotiations, as a result of which, most probably, no full agreements will be signed with any of the ACP regional groups by 31 December 2007;
 3. Takes note of the recent decision by the Commission on a two-step approach in order to avoid trade disruption for ACP states that are not among the least developed countries and to continue negotiations beyond 31 December 2007 on comprehensive development-friendly EPAs;
 4. Takes note of the proposal made by the Commission in its abovementioned Communication and the decision of the GAER Council of 20 November 2007 to conclude, in the first phase of negotiations, interim agreements limited to trade in goods;
 5. Takes note of the conclusion of the interim Framework Agreement between the European Community and the East African Community Partner States and several states of the Southern African Development Community, guaranteeing duty-free and quota-free access for those states' goods to the EU market;
 6. Emphasises that establishing a genuine regional market represents an essential basis for successfully implementing EPAs and that regional integration is essential for the social and economic development of the ACP States; emphasises that therefore agreements must help to keep regions united;
 7. Calls on both parties to shoulder their responsibility to continue negotiations on the other issues as soon as possible; stresses that a long-term agreement can only be reached if all parties concerned feel committed to it;
 8. Stresses that full asymmetry in the agreements, compatible with WTO requirements, should include maximum flexibility with regard to tariff cuts, coverage of sensitive products and an adequate transition time before the agreement has to be fully implemented;
 9. Urges that account be taken of the specific interests of the outermost regions and overseas countries and territories in the EPA negotiations on the basis of Article 299(2) and (3) of the EC Treaty;
 10. Recognises that it is important for the ACP States to commit themselves to the economic partnership process and to promote the reforms needed to bring social and economic structures into line with the agreements; urges ACP governments to implement good governance rules; urges the Commission to adhere to the principles of full asymmetry and flexibility;
 11. Stresses that the Commission's offer concerning rules of origin marks a relaxation of current provisions; believes that the necessary flexibilities should be built into the agreement, taking into account the differences in level of industrial development between the EU and the ACP States as well as among ACP States;

12. Notes the importance of having top-level negotiations on investment and trade in services; calls on the Commission to be flexible on these areas, as some ACP regions are reluctant to address these issues;
13. Recalls the commitments by the Council and the Commission not to negotiate pharmaceutical-related TRIPS-plus provisions affecting public health and access to medicines, such as data exclusivity, patent extensions and limitation of grounds of compulsory licences;
14. Calls on the Commission to carry out a systematic analysis, during the negotiations and following their conclusion, of the social impact of EPAs on groups most at risk;
15. Stresses that trade rules must be accompanied by an increase in support for trade-related assistance particularly in support of regional trade and in accordance with EU import regulations and standards, and that interim agreements must include specific provisions for EPA-related aid for trade in addition to EDF (European Development Fund) funding; calls for concrete commitments to be made prior to the conclusion of EPA negotiations, addressing trade-related assistance and adjustment costs associated with EPAs, in full accordance with the EU aid-for-trade strategy;
16. Notes with interest discussions for the establishment of EPA regional funds, which will facilitate channelling of EU donors' resources and provide financial assistance for revenue diversification initiatives;
17. Considers that the conclusion of a new generation of free trade agreements with other developing countries should not lead to an erosion of the trade preferences that ACP countries currently enjoy;
18. Calls on the Commission and the European Parliament's Legal Service to evaluate each individual agreement to ensure that the legal powers and prerogatives of the European Parliament are fully respected; asks for the assent procedure to be applied to each agreement; considers that legal action should be taken in the event that the European Parliament's competence is not fully respected;
19. Requests the Commission and the Council to seek Parliament's assent to the conclusion of EPA interim agreements pursuant to Article 300(3), second subparagraph, of the EC Treaty;
20. Instructs its President to forward this resolution to the Council, the Commission, the ACP-EU Council and the ACP-EU Joint Parliamentary Assembly.