

## **P6\_TA-PROV(2006)0430**

### **EU-South Africa Strategic Partnership**

#### **European Parliament resolution on an EU-South Africa Strategic Partnership (2006/2234(INI))**

*The European Parliament,*

- having regard to the Communication from the Commission to the Council and the European Parliament of 28 June 2006 entitled 'Towards an EU-South Africa Strategic Partnership' (COM(2006)0347),
- having regard to the Communication from the Commission to the Council and to the Representatives of the Governments of the Member States meeting within the Council to give orientation to the Commission for the revision of the Agreement on Trade, Development and Cooperation between the European Community and its Member States, of the one part, and the Republic of South Africa, of the other part, of 28 June 2006 (COM(2006)0348),
- having regard to the Agreement on Trade, Development and Cooperation (TDCA) between the European Community and its Member States, of the one part, and the Republic of South Africa, of the other part<sup>1</sup>, which was signed in October 1999 and was applied provisionally and partially from January 2000 and which entered fully into force on 1 May 2004,
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific 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<sup>2</sup> (the 'Cotonou Agreement'),
- having regard to the report by the UN Millennium Project: 'Investing in Development: A Practical Plan to Achieve the Millennium Development Goals',
- having regard to the Joint Statement by the Council and the Representatives of the Governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy, 'The European Consensus'<sup>3</sup>,
- having regard to its resolutions of 17 November 2005 on a Development Strategy for Africa<sup>4</sup> and of 6 July 2006 on the EU-Caribbean Partnership for Growth, Stability and Development<sup>5</sup>,
- having regard to Rule 45 of its Rules of Procedure,

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<sup>1</sup> OJ L 311, 4.12.1999, p. 3.

<sup>2</sup> OJ L 317, 15.12.2000, p. 3. Agreement as amended by the Agreement amending the Partnership Agreement (OJ L 209, 11.8.2005, p. 27).

<sup>3</sup> OJ C 46, 24.2.2006, p. 1.

<sup>4</sup> *Texts Adopted*, P6\_TA(2005)0445.

<sup>5</sup> *Texts Adopted*, P6\_TA(2006)0304.

- having regard to the report of the Committee on Development (A6-0310/2006),
- A. whereas South Africa is the most significant political power in Sub-Saharan Africa, acting in particular in the framework of the African Union and the New Partnership for Africa's Development (NEPAD), at African level, and in the framework of the Southern Africa Development Community (SADC), at regional level, and an important player at global level, including in the multilateral World Trade Organisation (WTO) trade negotiations, as well as a growing contributor to peace-keeping and conflict resolution in Africa,
- B. whereas South Africa is by far the strongest economy in Sub-Saharan Africa as well as in the African, Caribbean and Pacific (ACP) group of States, and whereas in the wake of the fifth WTO ministerial conference held in Cancún it has played a leading role within G-20 as a representative of Africa's developing countries and has endeavoured to increase those countries' leverage in negotiations on issues which are crucial to their economies,
- C. whereas South Africa has acted as a member of the WTO's Cairns Group with a view to protecting the interests of economies which export agricultural products,
- D. whereas income disparities have been inherited from the apartheid era with the majority of the white population living in conditions comparable to western European standards, while the majority of the black population lives in conditions comparable to those in the least developed countries, with almost half of the population living below the poverty line,
- E. whereas the South African Government's black economic empowerment (BEE) strategy was approved in 2004 and aims to redress apartheid era inequalities by increasing economic participation by the disadvantaged population,
- F. whereas the unemployment rate is extremely high in South Africa with an official rate of above 30% and unofficial estimates close to 40%,
- G. whereas the unemployment rate reflects continuing racial discrimination, since unemployment affects 50% of the black population, 27% of the coloured population, 17% of the Asian population and a mere 6% of the white population,
- H. whereas the immigration situation in South Africa is a very special one as, on the one hand, it has attracted for decades legal (e.g. gold and diamond mining) and illegal (better standard of living) migration from the whole southern African region and, on the other hand, it is a country suffering greatly from the 'brain drain' phenomenon, particularly in the medical sector,
- I. whereas the South African Government has set out its macroeconomic policy targets in the Accelerated and Shared Growth Initiative for South Africa (ASGISA), aiming to lift economic growth to 6% and to halve unemployment and poverty by 2014,
- J. whereas South Africa has the highest number of HIV-infected people in the world with 320 000 people having died from AIDS in 2005, the AIDS pandemic being a humanitarian tragedy which has a particularly damaging effect on children who are orphaned and who suffer abuse and which is also affecting the South African economy,

- K. whereas South Africa is an engine for the economy of the whole region of Sub-Saharan Africa and whereas the economic development of South Africa can have an effect on poverty alleviation and the achievement of the Millennium Development Goals (MDGs) at regional level,
- L. whereas the high crime rate hampers economic development and the tourist industry and discourages foreign direct investment,
- M. whereas the EU is South Africa's most important trading partner, while trade with South Africa is of moderate importance to the EU,
- N. whereas South Africa is a qualified member of the Cotonou Agreement not eligible for non-reciprocal trade preferences and not benefiting from funding through the European Development Fund, but participating in political cooperation and the ACP-EU institutions,
- O. whereas the EU is by far the most important donor to South Africa, providing about 70% of total donor funds which amount to about 1.3% of the national budget,
- P. whereas economic and trade relations and cooperation in political, social, cultural, environmental, health and other fields, are covered by the TDCA, which aims to create a free trade area with an asymmetric timetable and protection of sensitive sectors,
- Q. whereas the Commission has proposed a new EU-South Africa Strategic Partnership with three main objectives, i.e. to create a single, coherent and clear framework covering all areas of cooperation, to move from political dialogue to strategic political cooperation and to enhance existing cooperation with a revised TDCA,
- R. whereas the TDCA has enabled the EU to close the gap in the trade balance with South Africa and has put a greater burden on South Africa than on the EU in terms of tariff adjustments, with the effect that the EU benefits more from the current TDCA than does South Africa,
- S. whereas EU agricultural and EU high technology products are entering the South African markets with negative effects on the agricultural sector and on the development of South African strategic value-added production, such as pharmaceuticals, machinery and vehicles,
- T. whereas South Africa has already made extensive commitments under GATS in the service sector and faces severe constraints in achieving acceptable levels of access and universal service,
- U. whereas the Commission intends to revise the TDCA, particularly by including further provisions on the liberalisation of trade and binding commitments on services, investment, government procurement, intellectual property, competition, standardisation, customs and rules of origin,
- V. whereas the inclusion of investment and government procurement may create difficulties for South Africa and for other Southern Africa Customs Union (SACU) countries,

- W. whereas the Commission also proposes to bring the TDCA into line with the revised Cotonou Agreement concerning the proliferation of weapons of mass destruction, the fight against terrorism, the fight against impunity, and the prevention of mercenary activities,
- X. whereas the Commission intends to propose to the EU-South Africa Joint Cooperation Council on 14 November 2006 a draft EU-South Africa Action Plan on the implementation of the Strategic Partnership,
1. Welcomes the Commission's approach which is to take steps towards an EU-South-Africa Strategic Partnership and to propose a coherent long-term framework for cooperation;
  2. Emphasises that this Strategic Partnership should provide a single framework under which the existing cooperation instruments can improve performance in the interests of the South African population and economy;
  3. Emphasises that the Strategic Partnership should be complementary to the EU-Africa Strategy and incorporate existing strands of work on the Development Cooperation Instrument, Economic Partnership Agreements (EPAs) and other ongoing negotiations;
  4. Stresses that the Action Plan should have poverty alleviation as its overriding objective, in line with the Cotonou Agreement and with a view to achieving the MDGs, and takes into account the effect of the Strategic Partnership on the countries of the region and on the EPA negotiations;
  5. Stresses that tackling the HIV/AIDS crisis, with a balanced approach between prevention (with an emphasis on sexual and reproductive health), treatment and cure, must remain a political priority for the South African Government; welcomes the Government's decision in favour of a programme to deliver anti-retroviral drugs, but nonetheless insists that its implementation be urgently improved;
  6. Welcomes the new approach which is to move from political dialogue to strategic political cooperation in which South Africa is identified as the 'anchor country' capable of pursuing shared objectives on regional, African and global issues, taking into account the fact that South Africa plays an important role as spokesperson for Sub-Saharan African countries in international fora such as the WTO and the United Nations;
  7. Calls for South Africa to clarify the relationship between SADC, SACU and TDCA , with a view to devising a more orderly regional development policy; calls on the Commission to clarify EU policy in relation to SADC, SACU and TDCA, taking into account the EPA negotiations;
  8. Suggests that the EU-South Africa political dialogue should be further developed by means of regular exchange visits by parliamentary delegations (which are essential if there is to be greater mutual understanding of matters of common interest, the two parties' respective democratic systems and areas of responsibility);
  9. Emphasises the specific political role which South Africa is already playing for the whole continent (e.g. for Sudan, Congo, Liberia) and considers that this position has to be acknowledged and supported by the European Union; emphasises in this context the

importance of the African Union – of which South Africa is one of the founders and also an active member – as a possible spokesperson for the African continent in a globalised world, and hopes for further development of the African Union;

10. Calls, in this respect, on South Africa to use this political influence to bring about a peaceful settlement of the crisis in its neighbouring country Zimbabwe;
11. Asks the Commission to bear in mind the fact that South Africa has built up important policy and trade links with Asian and Latin American countries and with developed countries in the context of international configurations;
12. Stresses that the Action Plan should take economic differences between the EU and South Africa into account, particularly in the area of trade, as – with regard to semi-developed economies – is acknowledged by the WTO itself in its advocacy of special, differential treatment which will enable certain tariffs and other trade measures needed for the purpose of protecting those fledgling economies to remain in force;
13. Stresses that under the Action Plan, particular emphasis should be placed on creating incentives for foreign investment through the drawing up of an innovative strategy in association with the South African authorities with a view to overcoming the main obstacles to investment, such as the social and economic impact of AIDS, the high crime rate and state involvement in employment policy and property;
14. Urges the Commission not to insist on including in the revised TDCA elements which would hamper South African economic development or the struggle for poverty alleviation, not to interfere in South Africa's decisions regarding the participation of the private sector in the provision of basic services and to draw lessons from the failure of the SACU-US free trade negotiations, in which the USA tried to impose unacceptable conditions on SACU;
15. Suggests that the EU budget provide appropriations to facilitate the difficult trade integration process in the southern African region;
16. Suggests that the Action Plan and the EU budget include support for a sound South African energy security strategy taking into account climate change and its social and environmental impact on the poor in South Africa and the region, focusing inter alia on the development of renewable sources of energy, in particular small hydropower plants, wind energy and biomass;
17. Stresses that the Action Plan should have a participatory and multi-stakeholder approach and focus on support for South African priorities, including action to combat the spread of HIV, the government's measures for economic recovery and the fight against economic inequality, foster social cohesion and ensure that economic benefits spread beyond the emerging financial elite, in line with the ASGISA and the BEE strategy;
18. Suggests that those South African demands for technical assistance which are focused on reaching the development objectives of the country and also contribute to the social and economic development of the region should be prioritised, with a view to encouraging other African leaders to assume their responsibilities as regards drawing up and implementing a sustainable economic development model for the continent;

19. Furthermore, proposes that an area of cooperation should be developed in the field of education and training, to include exchanges of students and teachers and a South Africa Window in the Erasmus Mundus programme;
20. Notes the considerable benefits that South Africa has derived from loans from the European Investment Bank and calls for at least an equal level of support to be maintained for the period 2007-2013 while taking into account the needs of micro enterprises and SMEs;
21. Insists that development assistance should be allocated locally and external experts only employed and goods only imported when no comparable expertise or goods are available in the region;
22. Stresses the pioneering role in the field of immigration policy which South Africa could play for the southern African region and also for the African continent as a whole thanks to its unique experience in this field; stresses therefore that South Africa urgently needs to strengthen its efforts to adopt a coherent and efficient migration policy; calls on the Council and the Commission to foster these efforts with an exchange of experiences as well as to focus on this special role of South Africa in migration programmes such as AENEAS and its follow-up programme;
23. Urges the Commission to stay in constant dialogue with the South African Government and to include Parliament, local governments and civil society in the discussion of Strategic Partnership and of the Action Plan and its subsequent implementation;
24. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the EU Member States and the Government and the National Assembly of the Republic of South Africa.