

Wednesday 25 March 2009

EC-Ghana stepping stone Economic Partnership Agreement

P6_TA(2009)0177

European Parliament resolution of 25 March 2009 on the stepping stone Economic Partnership Agreement between Ghana, of the one part, and the European Community and its Member States, of the other part

(2010/C 117 E/19)

The European Parliament,

- having regard to its resolutions of 25 September 2003 on the Fifth Ministerial Conference of the World Trade Organisation (WTO) in Cancún ⁽¹⁾, of 12 May 2005 on the assessment of the Doha Round following the WTO General Council Decision of 1 August 2004 ⁽²⁾, of 1 December 2005 on preparations for the sixth Ministerial Conference of the World Trade Organisation in Hong Kong ⁽³⁾, of 23 March 2006 on the development impact of Economic Partnership Agreements (EPAs) ⁽⁴⁾, of 4 April 2006 on the assessment of the Doha Round following the WTO Ministerial Conference in Hong Kong ⁽⁵⁾, of 1 June 2006 on trade and poverty: designing trade policies to maximise trade's contribution to poverty relief ⁽⁶⁾, of 7 September 2006 on the suspension of negotiations on the Doha Development Agenda ⁽⁷⁾ (DDA), of 23 May 2007 on Economic Partnership Agreements ⁽⁸⁾, of 12 December 2007 on Economic Partnership Agreements ⁽⁹⁾, and its position of 5 June 2008 on the proposal for a Council regulation applying a scheme of generalised tariff preferences for the period from 1 January 2009 to 31 December 2011 and amending Regulations (EC) No 552/97, (EC) No 1933/2006 and Commission Regulations (EC) No 964/2007 and (EC) No 1100/2006 ⁽¹⁰⁾,
- having regard to the interim Economic Partnership Agreement between Ghana, on the one part, and the European Community and its Member States, on the other part,
- 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 Conclusions of the General Affairs and External Relations Council (GAERC) of April 2006, October 2006, May 2007, October 2007, November 2007, May 2008 and November 2008,
- having regard to the Commission Communication of 23 October 2007 on Economic Partnership Agreements (COM(2007)0635),
- having regard to the General Agreement on Tariffs and Trade (GATT), in particular Article XXIV thereof,
- having regard to the Ministerial Declaration of the Sixth Session of the WTO Ministerial Conference, adopted on 18 December 2005 in Hong Kong,
- having regard to the report and recommendations of the Task Force on Aid for Trade, adopted by the WTO General Council on 10 October 2006,

⁽¹⁾ OJ C 77 E, 26.3.2004, p. 393.

⁽²⁾ OJ C 92 E, 20.4.2006, p. 397.

⁽³⁾ OJ C 285 E, 22.11.2006, p. 126.

⁽⁴⁾ OJ C 292 E, 1.12.2006, p. 121.

⁽⁵⁾ OJ C 293 E, 2.12.2006, p. 155.

⁽⁶⁾ OJ C 298 E, 8.12.2006, p. 261.

⁽⁷⁾ OJ C 305 E, 14.12.2006, p. 244.

⁽⁸⁾ OJ C 102 E, 24.4.2008, p. 301.

⁽⁹⁾ OJ C 323 E, 18.12.2008, p. 361.

⁽¹⁰⁾ Texts adopted, P6_TA(2008)0252.

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- having regard to the United Nations Millennium Declaration of 8 September 2000, which sets out the Millennium Development Goals (MDGs) as criteria collectively established by the international community for the elimination of poverty,
 - having regard to the Gleneagles Communiqué, adopted by the G8 on 8 July 2005,
 - having regard to the Ministerial Declaration of the Fourth Session of the WTO Ministerial Conference, adopted on 14 November 2001 in Doha,
 - having regard to Rule 108(5) in conjunction with Rule 103(2) of its Rules of Procedure,
- A. whereas the European Union's previous trade relationship with the ACP countries until 31 December 2007 – which gave the latter preferential access to EU markets on a non-reciprocal basis – did not comply with the rules of the WTO,
- B. whereas EPAs are WTO-compatible agreements aimed at supporting regional integration and promoting the gradual integration of the ACP economies into the world economy, thereby fostering their sustainable social and economic development and contributing to the overall effort to eradicate poverty in the ACP countries,
- C. whereas WTO rules do not require EPA countries to undertake liberalisation in the areas of services, investment, government procurement, intellectual property rights, competition, trade facilitation, data protection, movement of capital or tax governance, and whereas negotiations on these issues should take place only when both parties are willing to do so; whereas the declared objectives of the EPAs of enhancing development and reducing poverty need to be met by means of progressive and properly designed trade liberalisation based on development benchmarks, which can play a role in promoting market diversity, economic growth and development,
- D. whereas the Conclusions of the General Affairs and External Relations Council of 26-27 May 2008 underlined the need for a flexible approach, while ensuring adequate progress, and called on the Commission to use all WTO-compatible flexibility and asymmetry in order to take account of different needs and levels of development in the ACP countries and regions,
- E. whereas former trade preference systems were not able to contribute to improving significantly the economic situation in these countries,
- F. whereas Interim Economic Partnership Agreements (IEPAs) are agreements on trade in goods aimed at preventing a disruption of ACP trade with the Union and they should be considered as a temporary solution while negotiations to conclude a comprehensive EPA with the West African region are ongoing,
- G. whereas the overall impact of trade rules established by the EPA could be much greater than the removal of tariffs,
- H. whereas, under Article 37(6) of the Cotonou Agreement, ACP countries have the right to explore alternatives to EPAs,
- I. whereas IEPAs are stepping stones towards full EPAs,
- J. whereas the European Union offers ACP countries 100 percent quota-free and duty-free access to EU markets, with transition periods for rice (2010) and sugar (2015),
- K. whereas capacity levels vary considerably between the different ACP countries as well as between the ACP and the European Union,

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- L. whereas there is limited competition between EU and ACP economies, since the vast majority of EU exports consist of goods that ACP countries do not produce but need either for direct consumption or as inputs for domestic industry,
- M. whereas the current financial and economic crisis means that trade policy will be more important than ever to the developing world, in order for it to take full advantage of opportunities in international trade,
- N. whereas the Most Favoured Nation (MFN) clause, which sets a normal, non-discriminatory tariff on goods imports, is included in EPA texts with the aim of ensuring that all exporters are treated the same as the most favoured trading exporter,
- O. whereas new, improved rules of origin have been negotiated between the European Community and the ACP countries and could potentially provide the ACP countries with considerable benefits if implemented appropriately and with due consideration for their reduced capacity levels,
- P. whereas the aim of the EU Strategy on Aid for Trade is to support developing countries' capacity to take advantage of new trade opportunities,
- Q. whereas the full EPA will inevitably condition the scope and content of future agreements made between the ACP countries and other trading partners, and the region's stance in the negotiations,
- R. whereas the balance of trade between the European Union and the Economic Community of West African States (ECOWAS) is equal in terms of trade between the regions,
- S. whereas Ghana is a member of ECOWAS, which is made up of 15 states; whereas the individual states vary greatly in size and GDP across the region,
- T. whereas 12 of the 15 countries that make up ECOWAS are considered Least Developed Countries (LDCs),
- U. whereas Ghana, Côte d'Ivoire and Nigeria are not classified as LDCs; whereas potential difficulties may therefore arise from unequal levels of government resources and capacity in the ECOWAS regional group due to the majority of its members being classified as LDCs,
 - 1. Reaffirms its view that, if appropriately designed, EPAs represent an opportunity to revitalise ACP-EU trading relations, promote ACP economic diversification and regional integration and reduce poverty in the ACP countries;
 - 2. Recognises the benefits that the conclusion of the IEPA between the European Community, on the one part, and the ACP countries on the other, has had for exporters, by expanding the possibilities for exports to the European Union after the expiration of the preferential tariff treatment provided for under the Cotonou Agreement on 31 December 2007, and therefore preserving and substantially expanding the export opportunities to the Union for Ghana, through both full market access and improved rules of origin;
 - 3. Welcomes the fact that the European Community is offering ACP countries full duty-free and quota-free market access to the Union for the majority of products, to support the liberalisation of trade between the ACP and the Union;
 - 4. Stresses that the EPA with Ghana must under no circumstances endanger the cohesion, or weaken the regional integration, of ECOWAS;
 - 5. Recalls that, whilst the interim agreement is WTO-compatible and can be considered a first step in the process, it may not automatically lead to a full EPA;

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6. Points out that WTO rules do not require or forbid agreements on services or the so-called 'Singapore issues';
7. Acknowledges the establishment of transition periods within the IEPA for small and medium-sized enterprises (SMEs) in order for them to adapt to the changes put in place by the agreement, and urges the authorities of the states concerned to continue to support the interests of SMEs in their negotiations on a comprehensive EPA;
8. Urges the ACP countries to further the process of liberalisation, and encourages the extension of such reforms beyond trade in goods, to increase the liberalisation of trade in services;
9. Urges the Commission not to put undue pressure on Ghana to accept liberalisation commitments in public services and the so-called 'Singapore issues';
10. Calls for the Union to provide increased and adequate assistance both to the authorities in the ACP and to the private sector in order to facilitate the transition of the economies following the signing of the IEPA;
11. Calls on the Commission and the Member States to clarify the actual distribution of funds throughout the ACP region stemming from the pledged priority spending within the increased Aid for Trade budget;
12. Recalls the adoption, in October 2007, of the EU Strategy on Aid for Trade, with the commitment to increase the collective EU trade-related assistance to EUR 2 billion (2 000 000 000) annually by 2010 (EUR 1 billion from the Community; EUR 1 billion from the Member States); insists that the West African region receive an appropriate and equitable share;
13. Calls for an early determination and provision of the share of the Aid for Trade resources; stresses that these funds should be additional resources and not merely a repackaging of European Development Fund (EDF) funding, that they should conform to Ghana's priorities and that their disbursement should be timely, predictable and in line with the execution schedules of national and regional strategic development plans; opposes any kind of conditionality linked to the EPAs in the matter of granting European aid and calls on the Commission to guarantee that access to the funds of the 10th EDF is kept separate from the results and pace of the negotiations;
14. Urges the relevant countries to provide clear and transparent information about the economic and political situation and development in these countries in order to improve cooperation with the European Union;
15. Underlines the importance of transparent management of natural resources, as they are key to development; urges the negotiators of the full EPA to account fully for such a mechanism and to outline the best practices in order that Ghana may make the maximum gains from such resources; reaffirms in this context its resolution of 13 March 2007 on corporate social responsibility: a new partnership ⁽¹⁾ and asks the Commission to make sure that EU-based transnational companies with production facilities in ACP countries abide by core International Labour Organisation standards, social and environmental covenants and international agreements to achieve a worldwide balance between economic growth and higher social and environmental standards;
16. Highlights the importance of intra-regional trade and the need for increased regional trade links in order for sustainable growth to be ensured in the region; underlines the importance of cooperation and congruency between different regional entities;
17. Encourages a further lowering of tariffs between developing countries and regional groups, which today account for 15 to 25 percent of the value of trade, in order further to promote south-south trade, economic growth and regional integration;

⁽¹⁾ OJ C 301E, 13.12.2007, p. 45.

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18. Welcomes the development of a customs union in the West African group and the endeavours being made to create a monetary union, especially considering the benefits to firms that would be available through the synchronisation of the West African region, leading to a wider market, increased trade, and increased opportunities for the creation of economies of scale;
19. Calls for appropriate and transparent monitoring mechanisms - with a clear role and influence - to follow the impact of EPAs, with increased ACP ownership and broad stakeholder consultation; stresses that a comprehensive review of the IEPA must be undertaken not later than five years after the date of signature regarding its socio-economic impact, including the costs and consequences of implementation, and allowing for amendments to the provisions of the Agreement and adjustments to their application;
20. Insists that, in keeping with the Paris Principles on Aid Effectiveness, aid must be, inter alia, demand-driven, and calls on the ACP, therefore, to specify for what purpose additional EPA-related funds are needed, particularly with regard to regulatory frameworks, safeguard measures, trade facilitation, support in meeting international sanitary and phytosanitary and intellectual property standards and the composition of the EPA monitoring mechanism;
21. Calls on the Commission to do its utmost to restart the negotiations on the DDA and ensure that trade liberalisation agreements continue to promote development in poor countries;
22. Is convinced that full EPAs should be complementary to an agreement on the DDA and not an alternative for ACP countries;
23. Respects the need for a chapter on trade defence with bilateral safeguards; calls on both parties to avoid unnecessary use of these safeguards; calls on the Commission to accept, within the framework of continuous negotiations with a view to concluding a comprehensive EPA, a revision of the safeguards contained in the interim EPA in order to guarantee appropriate, transparent and quick utilisation provided that the criteria for their application are met;
24. Notes the large gap between levels of public spending on agricultural subsidies and support: whilst the EU spends EUR 55 billion per annum and the USA spends USD 55 billion per annum, since the 1980s Ghana has given no subsidies to its farmers/producers of agricultural products;
25. Believes that, despite Ghanaian agricultural products having preferential access to the EU market, the EPA cannot bring about the development of Ghanaian agricultural production unless production capacity is strengthened and modernised through technical and financial investment;
26. Notes that this disadvantages farmers in the ACP countries by decreasing their competitiveness both domestically and abroad, as their products are more costly in real terms than subsidised EU and US products;
27. Therefore supports the agreed tariff-line exclusions focused on agricultural goods and some processed agricultural goods, given that they are based chiefly on the need to protect infant industries or sensitive products in these countries;
28. Notes that Ghana has received tariff-line exclusions for chicken and other meats, tomatoes, onions, sugar, tobacco and beer;
29. Stresses that the full EPA should encourage processed exports with simpler and improved rules of origin, particularly in key sectors such as agriculture;

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30. Recognises that the IEPA already includes a development cooperation chapter (Title 2) covering development cooperation, fiscal adjustment, supply-side competitiveness, business-enhancing infrastructure, which needs to be implemented fully; stresses that, in the framework of the full regional agreement chapters on services, investments and trade-related rules must urgently be concluded; calls on both parties to adhere to their agreed commitment to conclude negotiations on competition and government procurement only once adequate capacity has been built;
31. Stresses that any full EPA must also include provisions regarding good governance, transparency in political offices, and human rights;
32. Points out that the EPAs should contribute to the achievement of the MDGs;
33. Calls on the negotiating parties to include binding arrangements regarding investment, competition and public procurement, which could boost Ghana as a business and investment destination, and points out that, since these rules will be universally applied they will benefit both consumers and local public administrations;
34. Notes the importance of input from non-state actors and other concerned stakeholders in the ECOWAS region, as well as an analysis of the effects of EPAs, which will help build the genuine partnership that is needed in monitoring EPAs;
35. Asks for a prompt ratification procedure in order to make the benefits of the interim EPA available to the partner countries without unnecessary delay;
36. Recommends a flexible, tailor-made and pragmatic approach in the ongoing negotiations on a full EPA; calls on the Commission, in this context, to take particular account of the request by Ghana concerning the development aspects of the agreement; welcomes in this regard the Conclusions of the GAERC of May 2008;
37. Encourages the negotiating parties to finish the negotiations as planned during 2009; encourages the parties to take every measure to be in a position to finalise a full EPA between the ACP countries and the European Union before the end of 2009 as planned;
38. Stresses that the full EPA should include a revision clause and a global impact assessment, which should be carried out within three to five years after the signature of the agreement; requests that the European and Ghanaian Parliaments be involved in any revision of the agreement;
39. Stresses in particular the crucial role of ACP parliaments and non-state actors in the monitoring and management of EPAs, and asks the Commission to guarantee their involvement in the ongoing negotiation procedures; takes the view that this requires a clear agenda between the Union and ACP countries based on a participatory approach;
40. Considers it important that, in the implementation of EPAs, an appropriate monitoring system should be established, coordinated by the relevant parliamentary committee and involving members of the Committee on International Trade and of the Committee on Development, ensuring an adequate balance between the maintenance of the leading role of the Committee on International Trade and overall consistency on trade and development policies; considers that this parliamentary committee should operate in a flexible manner and actively coordinate its work with the ACP-EU Joint Parliamentary Assembly (JPA); considers that this monitoring should start after the adoption of each interim EPA;
41. Insists that the European Parliament must be fully informed and involved during the transitional negotiation process;
42. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States and of the ACP countries, the ACP-EU Council of Ministers and the ACP-EU Joint Parliamentary Assembly.
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