

LAUNCHING OF NEGOTIATIONS ON ECONOMIC PARTNERSHIP AGREEMENTS

West Africa in the Cotonou dynamics

The West African countries of the Africa Caribbean and Pacific (ACP) group and the European Union officially launch the regional negotiations to implement the Economic Partnership Agreement as agreed under the Cotonou Agreement, signed on 23 June 2000. With this ceremony, the integration process of West Africa ACP into the globalisation dynamics has entered into its decisive phase.

Since the general launching of negotiations on the trade part of the Cotonou Agreement (phase I) on September 27, 2002 in the Belgian capital, several meetings have allowed to pave the way in this respect.

ECOWAS as a negotiation framework

On June 23rd, 2000, the European Union and 77 States in Africa, Caribbean and Pacific signed a new cooperation agreement governing their aid and trade relations. It is named "Cotonou Agreement". Concluded for 20 years, with a 5-year review clause, it succeeded to the Lomé Convention whose fifth version ended in February 2000. As far as trade is concerned, the Cotonou Agreement embarked upon a radical reform which will have a considerable impact on the ACP countries: it consists on putting in place right from 2008, economic partnership agreement (EPA) between Europe and ACP countries grouped in regional blocks.

On 25 and 26 September 2002, the ACP ministerial council held an extraordinary session in Brussels. The meeting prepared the launching of the first phase of the Economic Partnership Agreements (EPA) negotiations.

The preparation of negotiations at ministerial level is ensured by ambassadors, including those in charge of WTO-related issues in Europe. The technical preparation was performed by the ACP Secretariat with the contribution of experts consultative group, experts representing regional economic integration organizations, national experts and partner institutions' officials. The first ACP-EU EPA negotiations meeting at ambassadorial level was held on Wednesday 30th October, 2002 at the ACP Head Office in Brussels.

Such various meetings among experts enabled to level differences and ended up in the determination or identification of negotiation blocks and actors at regional level. In the western part of the continent, leaders agreed upon the Economic Community of West African States (ECOWAS) as the negotiation block. Regarding the state actors in ECOWAS countries, various experiences in the involvement of civil society organisations emerged and are being developed in each member State (settlement of focal points, creation of non state actors platform, establishment of an inter institutional commission bringing together State and civil society..).

In the dynamics of globalisation

The ACP-EU ministerial meeting of September 2002 agreed on the establishment, at ambassadorial level, of an ACP-EU Steering Committee on issues relating to the World Trade Organisation (WTO). For the ACP, this device would serve as consultation and coordination mechanism for ambassadors in post in Brussels and Geneva, both for WTO and EPA negotiations. Obviously, one is active and bustling quietly, but surely, about getting ACP countries follow the pace of globalisation.

Early discrepancies

During the first EPA negotiation meeting on 30 October 2002, discrepancies came out over the nature of the first phase of negotiations.

The ACP delegation, conducted by the Chairman of the ACP Ambassadors Committee, H.E. Sutiawan GUNESSEE, suggested seven questions to be considered for the first phase :

1 - Market access - including, inter alia, original rules, trade facilitation, especially customs procedures, non tariff hindrances to trade, including standardisation and certification, preventive measures, product cover and transition periods ;

2 - Agriculture and fishing, especially commodities and protocols relating to commodities, health and plant health measures ;

3 - Service trade - inter alia, implementation, enterprises, distribution, financial services, tourism, cultural service, construction and engineering services relating to trade, air and maritime transport, information and communication technologies ;

4 - Trade-related issues - including, among others, competition policies, intellectual property rights, trade and environment ;

5 - Development cooperation issues, namely constraints relating to offer, transport and communication infrastructures, energy, promotion programmes and investment protection, technologies, capacity building, financial support and other measures aiming at bearing structural adjustment costs ;

6 - Legal issues - they are, among others, dispute settlement, Agreements legal status, institutional issues and compatibility with WTO rules.

7 - Besides, ACP specified that some transversal issues like special preferential and differential treatment, health and phytosanitary measures and preventive measures, could be dealt with by more than one negotiation group.

The EU delegation, led by Mr Karl FALKENBERG, Director at the General Trade Department of the European Commission..., proposed four negotiation themes : access to market, rules relating to trade and investments, procedural issues as well as development issue which should be considered as a transversal issue.

The ACP group underscored that the Cotonou Agreement guidelines relating to negotiations of EPA state that : - it is up to the ACP Group to decide of procedures to follow for EPA negotiations ; - that " Parties " to the Cotonou Agreement (EU on the one hand and the entire ACP Group on the other hand) shall review , in regular intervals , the preparations and negotiations and shall proceed , in 2006 with the thorough examination of agreements as planned by all countries. This means that a all-ACP structure will be maintained under the whole process. Hence, the ACP recalled, that passage from phase I to phase II of negotiations should be careful with the regional or national interests, as well as the Group's unity and solidarity.

Both parties succeeded in agreeing on : the two-phase negotiation process, the former running September 2003, the latter commencing subsequently, with some flexibility enabling the co-existence of both. They agreed to keep ACP united in the course of the whole process so as to enable, among others, negotiations to be reviewed.

Nevertheless, discrepancies in views between both sides were noticed about the nature of phase I (for ACP, it should be meant as a 'negotiation' phase, while EU would wish this to be only a 'clarification' phase) ; and over the completion of this phase (for ACP it should end up in an informal agreement, whereas for EU its conclusion should not binding for the parties).

In December 2002, the EPA negotiation meeting at ambassadors level made it possible to consider, among many other cases, the EPA legal status, its ratification and coming into force ; the issue as to who should be party to the economic partnership agreement - States or ACP regions; who would be empowered by EU to make commitments - the Commission or member States, in particular in the areas of joint competence, especially in service and investment. Other meetings both at ambassadors and ministers level brought the positions together and ended up in the launching decision of phase II of negotiations for sixteen (16) West African countries members of ECOWAS.

Beyond the ACP-EU framework

ACP countries are part of the group of the poorest countries on the planet : either as developing countries, such as Nigeria, or as least developed countries (LDC's), such as Benin. In this respect, they enjoy a certain number of exceptions and flexibility in the implementation of WTO agreements. So far, although renewed, all peculiar exception provisions in favour of LDC's or DC's have a limited time length. Therefore, beyond non reciprocal trade preferences granted by the European Union to ACP countries as part of the Lomé Convention provisions and Cotonou

transitional provisions, the issue of implementation is one of the controversial items which the ACP-EU negotiators will have to face in the context of World Trade Organisation.

In addition to problems of inability to implement the agreements, some high officials from poor countries believe that agreements on textiles, subsidies, agriculture, protection of intellectual property, antidumping measures, health and phytosanitary measures as well as the introduction of new issues (Singaporean issues) do not appropriately take into account the interests and concerns of developing countries and require some "re-balancing".

Prior to the second Ministerial Conference of the World Trade Organisation (WTO) held in Geneva in May 1998, some poor and developing countries yet considered, that the issue of implementation of the Uruguay Round should be a central item for WTO activities.

This issue has to do with the WTO Agreements in general and most member governments. In many observers' opinion, such an issue determines, to a larger extent, the success in future negotiations within the organisation. The issue of implementation includes, inter alia, concerns related to the respect for standards and rules agreed in international trade operation, poor countries' difficulties and exceptions, and technical assistance and capacity building commitments made in favour of the weakest as part of the implementation of the agreements.

In Seattle in the USA, some little countries laid down the condition of continuation of more complex negotiations, to the increase of WTO capacity to provide them with technical assistance. They fear that implementation problems would be more numerous in the future should such an assistance was not given them prior to any conclusion of negotiations round.

WTO members plan the issue in a different way. For many developing countries, and particularly for least advanced countries, poor capacity was a major obstacle to a full implementation of Uruguay Round Agreements. A lack of financial, human and institutional resources prevented governments from implementing the often very complex Uruguay Round agreements.

Making their own assessment, many developing countries assume that the Uruguay Round Agreements did not produce the expected economic returns. They often quote, by way of example, the decrease of African countries' market share in the world trade. The same argument served as basis for new directions given to ACP-EU cooperation. If in Doha, they were able to avoid discrepancies, they resurged in Cancun, especially during negotiations on Singaporean issues and agricultural subsidies.

THE COTONOU AGREEMENT : EPA for what?

The Cotonou Agreement is meant to correct shortcomings in the Lomé Conventions and at the same time, is aimed at harmonizing the cooperation framework with WTO requirements. It is different from the Lomé agreements on two basic principles and the support to private sector and civil society.

1) Reciprocity

2) Economic Partnership Agreements (EPA)

the strengthening of private sector and civil society should be added to these two points

The Cotonou Agreement's main objectives are : poverty reduction and integration of ACP countries into world trade.

Under the Lomé agreements (1975-2000) : 92% of ACP products have a non reciprocal preferential access to the European market. Despite such preferential treatments, ACP countries' export

have decreased on the European market . ACP market shares have dropped from 6.7% in 1976 to 2.8% in 1999. WAEMU countries supply less than 1% of European exports while the European Union provides 50% of WAEMU imports.

In accordance with the Most Privileged Nation (MPN), the agreement signed in Cotonou intends to review the old unilateral and non reciprocal preferential treatment provision and replace it by the EPA so as to have a Free Trade Zone between 2016-2020.

The economic partnership agreement are based on three (3) principles

-Reciprocity

-Regions : for us ECOWAS

-Special treatment for LDC's.

IMPACT OF COTONOU AGREEMENT ON SUB REGIONAL INTEGRATION

An impact is expected in terms of consolidation of collaboration between WAEMU and ECOWAS especially in the context of EPAs preparation and negotiation. As a matter of fact, EPA are to be negotiated per region and not on individual basis. The ECOWAS Secretariat in conjunction with the Commission lead the negotiations (Guideline 03/2000/CM/WAEMU dated 29 July 2000 and Decision A/DEC.11/12/01 of 21/12/01) in conformity with a decision of the Conference of Heads of State of WAEMU and ECOWAS.

The fact that the negotiation framework in the sub region is ECOWAS will contribute to strengthening integration in West Africa. Consulta-

tions and cooperation as part of the EPAs and Cotonou Agreement should bring about :

- peace
- political stability
- consolidation of democracy
- good governance
- intense collaboration between authorities in the sub region

should favour socio-economic and cultural exchange and a better social condition ;

ECOWAS mediation in the political crisis in Côte d'Ivoire is an example.

In conclusion, the Cotonou Agreement through the EPA, gives impetus to regional integration within ECOWAS.

Implication of the NGA in the setting in work of the agreement of Cotonou : The Friedrich Ebert Stiftung and the Benin's experience

One of the innovations brought by the Cotonou agreement is the implication of the Non Governmental Actors (NGA) in the ACP-EU cooperation. In Benin, with the support of the Friedrich Ebert Stiftung, several organized structures of the civil society position themselves in relation to the agreement and develop various actions to imply themselves better in its implementation. Among others, one can cite :

- The setting up in September 2002 and the animation by Benin Economic Journalists Network (Réseau-JEB) in partnership with the foundation, of a device of support to the setting in work of the Cotonou agreement. Named " Desk Medias and Cotonou Agreement ", this device gathers every month about thirty journalists of various medias around thematics related to the agreement ;
- the organization by the foundation and "Agence Proximités" of a series of socioeconomic forum which gathers, every two months officials around a table of exchange and harmonization of viewpoints on major economic subjects ;
- the organization of periodic meetings of information of the unionists

by Benin union organizations network for the follow-up of the Cotonou agreement ;

- the setting up, in February 2003, of the Platform of the actors of the civil society in Benin (PASCiB) constitutes an important progress of the implication of the Non Governmental Actors in the implementation of the agreement. This platform gathers up to date seven networks and central organizations of national span having each several years of experience in the domain of support to the development. There are :
 - ▶ Front of the NGOs for the follow-up of the agreement of Cotonou (FOSAC) ;
 - ▶ Network of the union organizations of Benin for the follow-up of the agreement of Cotonou (ROSYB) ;
 - ▶ Forum of the European NGOs in activity in Benin (FONGEB) ;
 - ▶ Benin Economic Journalists Network (Réseau-JEB) ;
 - ▶ National federation of the associations of parenthood of Benin (FENAPEB) ;
 - ▶ National federation of the craftsmen of Benin (FENAB) ;
 - ▶ Federation of the unions of producers of Benin (FUPRO-Benin).

West Africa in the era of globalisation

Globalisation of trade and the necessity to strengthening the competitiveness of local economies have led a number of countries to establish regional groupings for the integration of their markets. In the globalisation era, regionalism is a crucial stage, a springboard for globalisation. Regional trade blocks, such as ECOWAS and WAEMU are not only accepted, but encouraged as part of multilateral trade system.

With about six million (6.000.000) inhabitants and an economic growth of around 5% for a population increase of almost 4%, Benin is at the crossroad of WAEMU and ECOWAS both regional integration blocks. Most West African countries with low income like Benin, Niger, Togo, and to a least extent, Burkina Faso and Mali, would have to manage a dilemma : abide by the WAEMU convergence rules without losing sight of the crucial importance that the dynamics of integration holds within ECOWAS (several monetary, linguistic and commercial realities to harmonize). The choice of ECOWAS as framework for negotiation of EPA is a sizeable factor in the dynamics of regional integration in West Africa.

Yet, Africa represents less than 2% of world trade and the various integrated initiatives taken by WTO and other international institutions in favour of the least developed countries are still far from meeting the strengthening needs in management capacity, infrastructure development, and promotion of private sector necessary to enable such countries, beyond cultural exception, to affirm their economic capabilities on the world level.

Since Abuja in 1991, African countries have taken a lot of commitments

with a view to placing regional integration in the centre of their development strategy. The Abuja Treaty, establishing the African Economic Community which was signed by the OAU member states in June 1991, is based on a more innovating and realistic regional integration approach. In May 1994, it was already ratified by thirty-four African countries and was then ready to come into force.

Through the Abuja Treaty, African countries undertake to establish within thirty-four years an economic space and a common market of continental scope from regional economic communities currently in place. The Treaty proposes a legal and institutional framework as well as a systematic approach assorted with benchmarks so as to get a progressive regional cooperation and integration process in the course of the next three decades. It entrusts the African Union Secretariat with the supervision of this process.

The basic principle of the Treaty wishes that regionalisation of economic activity in Africa could give national economies (the size of which is reduced as a result of total " balkanisation " of the continent) the possibility of determining a series of critical areas - ranging from adoption and design of new technologies to production and marketing - the capacities that will enable them to play a significant role in the world economy.

With an average weight of about 2% in international trade, African countries, in particular those of West Africa being confronted with several economic and cultural realities, still unintegrated, should work towards the establishment, in the long run, of a larger economic space without distinction in terms of linguistic or historic barriers.

Convergence criteria and rules should no longer be strictly limited to economic objectives, but should consider more and more objectives of political dialogue for the respect for basic standards in governance,

democracy and human rights. That is the only way Africa can give evidence of her maturity before the world. West African CSO should ensure strategic wakefulness and play a role of catalyst.

WAEMU : Economic integration or veiled structural adjustment ?

According to Profesor Makhtar Diouf of IFAN, Cheikh Anta Diop University, Dakar, the dynamics of integration with the harmonisation of policies within WAEMU is of foreign inspiration. "Structural adjustment programmes, vector of poverty, have been individually implemented in African countries over the past twenty years. The reworking it has been subjected to in Africa and elsewhere has brought the Bretton-Woods institutions, backed up, in this respect, by European Union, to operate a tactical change : such structural adjustment measures are introduced as measures of economic integration ". These are some abstracts of ideas advocated by the professor in an analysis published in August 2002 and entitled : " Globalisation and Regionalism : The 'new regionalism' in Africa ".

-In 1996, the IMF was the first to introduce, in WAEMU the Macro-economic Multilateral Monitoring System, followed in 1999 by the Pact of Convergence, Stability, Growth and Solidarity "with a view to ensuring the harmonious insertion of WAEMU economies into the world economy " (Additional Act N° 04/99). This was about the need to keep up the development of some timely indicators (GDP growth, inflation, budgetary balance, foreign balance) as well as fiscal revenue, wage bill, debt servicing, public expenditure within predetermined limits. It is stated that " the convergence objectives should be compatible with the objectives of monetary policy and take into account commitments taken, especially within the context of structural adjustment programmes " (Additional Act N°04/99, article 6).

-The new WAEMU's role in the regionalisation of structural adjustment appears clearly in the presentation of the motives of guideline N°02/2001CM/UEMOA : " concerned with ensuring a better appropriation of the regional dimension embedded in structural adjustment programmes ... , spell out the guideline, the content of which, is as follows : Article 1 : Member States shall be invited to associate the Commission (of WAEMU) with the consultations and negotiations with the Bretton-Woods institutions".

-The Foreign Common Rate (FCR or TEC) was first introduced by the IMF. The said rate has made WAEMU officially move into customs union. Customs duty, the most considerable element of entry duties covers four categories of products at rates varying from a minimum of 0% to a maximum of 20% ; the rate of figure fee is set at 1%, which makes maximum import duties decreased from 65% to 22%, and average tax rate from 13.1% to 11.6%.

-It was IMF which, in 1998 introduced into WAEMU the harmonisation of the rate of the value added tax (VAT) increased by 18% for all products and for all members countries. WAEMU thus, finds itself a peculiar situation in the world. Within the European Union, one can count about forty various VAT rates according to products and countries. The VAT harmonisation measure forms part of a guideline defined by the council of ministers (02/98/CM/1998) to effect implementation latest by end 2002. Senegal is the first to implement it, condition imposed by IMF to receive funding as part of " growth and poverty reduction facility ".

Negotiation of west Africa-UE Economic Partnership Agreements The unions fix their priorities

The European union and the countries of the group Africa Carrebeans and the Pacific (ACP) started since September 2002 the commercial negotiations within the framework of the implementation of the Cotonou agreement. In accordance with the initial planning, the second phase takes into account regional negotiations for the setting up before 2008 of Economic Partnership Agreements (EPA). The official launching of negotiation of the EPA, as far as ECOWAS + Mauritania is concerned, takes place on October 6th, 2003 in Cotonou. On the eve, the Beninese union confederations, through the Benin union organizations Network for the follow-up of the implementation of the ACP-UE agreement of Cotonou, one of the components of the PASCIB, draw the attention of the negotiators on some of their priorities or expectations to be integrated in the process of the implementation of the Economic Partnership Agreements :

- the processed of the norms and international conventions of labor ;
- the realization of the studies of impact of the partnership agreements

and the processed of the results ;

- the safeguard of the acquisitions and preferences granted to least developed Countries ;
- the necessity to encourage the emergence of economic operators to the scale of the region ;
- the defense of the employments ;
- the exclusion of some products of the application field of the EPA ;
- the suppression of the subsidies on agricultural products in the EU ;
- the setting up of compensations for the losses of resources ;
- the cancellation of the debt ;
- the orientation of the productive sectors towards the transformation of the primary products.

Benin union confederations ask for a growth of investments in the implementation of the ACP-EU cooperation and their concentration in the development of the infrastructures and the normalization of the products.

'Acp-Ue, Cotonou daily' is a timely information bulletin covering issues relating to trade and sustainable development as part of the implementation of the Cotonou agreement. This publication is based on current news and various facets of the agreement. It is published by Friedrich Ebert Stiftung ([web: www.fes.de/cotonou](http://www.fes.de/cotonou)) and the Platform of Civil Society Actors of BENIN (PASCIB/ [email: pascib_benin@yahoo.fr](mailto:pascib_benin@yahoo.fr)) with the technical assistance 'Agence Afrique Performance' ([email: afriperf@yahoo.fr](mailto:afriperf@yahoo.fr)).

