

The EU Commission refuses to publish four reports on the West Africa EPA

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According to Regulation (EC) No 1049/2001 of the EU Parliament and Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents, *"In order to bring about greater openness in the work of the institutions, access to documents should be granted by the European Parliament, the Council and the Commission not only to documents drawn up by the institutions, but also to documents received by them. Sensitive documents... protect essential interests of the European Union or of one or more of its Member States in the areas covered by Article 4(1)(a), notably public security, defence and military matters"*¹.

In that context one wonders why the DG Trade of the EU Commission has refused to circulate four reports on the impacts of the EU-West Africa (WA) EPA (Economic Partnership Agreement) that it has ordered and financed, presumably because it did not share their negative conclusions. In that instance the issues of public security, defense and military matters were not at stake.

However these four reports were leaked and have circulated. The first two reports were made by the French Consultancy firm ITAQA in 2008 and 2012, the third by two Researchers of the University of Ibadan in April 2014 and the fourth by IFPRI in January 2016.

David Laborde of IFPRI (<http://www.ifpri.org/profile/david-laborde-debucquet>) gives the links to the two ITAQA reports: *"Regional CGE modeling for West Africa: an EPA Study"* written together with Bernard Decaluwe, Helene Maisonnave and Veronique Robichaud. Report for the EC and ECOWAS secretariats done by ITAQA Sarl. Volumes 1, 2, 3 & 4. April 2008. French and English version. Available at <http://epa-model.eu/site/> on request". However when you click to this link you get the message: "Sorry, The website will be back online as soon as possible" (<http://epa-model.eu/cgi-sys/suspendedpage.cgi>). The same team made three other reports in 2009 and 2010: *"EPA in West Africa: implications of the Interim Agreements of Ivory Coast and Ghana for the both countries and the region"* written with Bernard Decaluwe, Helene Maisonnave and Veronique Robichaud. Report for the EC and ECOWAS secretariats done by ITAQA Sarl. Volumes 1, 2, 3. French and English version. Available at <http://epa-model.eu/site/> on request; *"Empirical and Theoretical improvements for the regional CGE model of West Africa"* written with Csilla Lakatos, Helene Maisonnave and Veronique Robichaud. Report for the EC and ECOWAS secretariats done by ITAQA Sarl. French and English version. Available at <http://epa-model.eu/site/> on request; *"Analysis of the Alternative Market Access Scenarios and EPADP for West Africa"* written with Bernard Decaluwe, Helene Maisonnave and Veronique Robichaud. Report for the EC and ECOWAS secretariats done by ITAQA Sarl. Volumes 1, 2, 3. French and English version. Available at <http://epamodel.eu/site/> on request." As for the 2012 ETIQA report David Laborde gives again the link: *"A study with Market Access and EPADP scenarios using the HS6 model for the West Africa EPA"* written together with Bernard Decaluwe, Helene Maisonnave and Veronique Robichaud. Report for the EC and ECOWAS secretariats done by ITAQA Sarl. French and English version. Available at <http://epamodel.eu/site/> on request", and the link tells you the same "Sorry, the website will be back online as soon as possible".

- The 2008 report, based on 2004 trade data, concluded that:

- The trade diversion in favour of imports from the EU reduces the regional integration process, one of the main EPA objectives: at the end of the liberalization process Nigeria's imports would be reduced by 8.7% from Mali, by 5.7% from Niger, by 5% from Ghana and by 4% from Ivory Coast (IC).
- The losses of customs duties would be of €3.182 bn the last year of the liberalization period (-29.2%) for ECOWAS, of which €1.898 bn for Nigeria (-28.3%).

¹ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32001R1049&rid=2>

- Nigeria's investments would be reduced by 12% and GDP by 1.8% at the end of the liberalization period.

- The April 2012 report discloses the results of the market access offer simulation proposed by the ECOWAS and communicated to ETIQA in February 2012 and compared the results with a Business as usual situation with EU GSP tariffs for DCs and DFQF EBA for LDCs.

- Average ECOWAS tariffs applied on products originating from the EU will drop from an average of 10.7% to 5%, a decline by half in 30 years.

- The most significant decrease are shown by IC (64%) and Nigeria (55%).

- By the end of the liberation process in 2040, the imports from the EU zone increase by 12%, the same for Nigeria.

- Trade liberalization barely contributes to an improvement in performance of exports from the countries in this zone. The only countries benefitting are IC and Ghana because of the suppression of the GSP duties but Nigeria's situation would deteriorate in the long term.

- There is a decline in intra regional exchanges, reflecting trade diversion in favor of the EU and to the detriment of regional partners. For products equal in quality and characteristics, the decline in the prices of European imports due to the tariff reductions pushed African importers away from regional producers because they became less competitive than before the tariff cuts.

- For the whole ECOWAS, the loss of total fiscal revenue would be of 8% at the end of the tariff reduction process, of which of 14.8% for Nigeria.

- The impact on real GDP is a direct reflection of the change in investments, with a drop at 2.8% below the BAU (business as usual) level in 2040 for Nigeria.

- The third report on the EPA impact on Nigeria was prepared by Adeola Adenikinju and Abiodun Bankole of the University of Ibadan and published on April 23, 2014: *CGE modelling of impact of European Union-West Africa Economic Partnership Agreement on Nigeria*. It took into account the last data on the ECOWAS CET (Common external tariff) and the EPA text, with the following conclusions for Nigeria:

- Customs duties would fall from 10% at the start of liberalization to 35% at the end (2035).
- Total budget revenues would fall by 0.5% at the start and by 5% at the end.
- GDP would fall by 2% (\$8.3 bn), which is considerable.
- Unemployment would rise by 15%, with reductions in wages and consumption.
- The interest rate would increase to 25% in 2035, with a negative impact on both public and private investment.

- Trade diversion mentioned in a 2011 study is confirmed, with imports from the rest of ECOWAS falling by 3% to 4%, which would reduce regional integration that the EPA claims to promote.

The fourth report was prepared by Antoine Bouet, David Laborde and Fousseini Traoré of IFPRI which put it on its website in January 2016 or early February. It was seen by the Technical Centre for Agricultural and Rural Cooperation (CTA) in Brussels which announced it in its Newsletter that SOS Faim from Brussels received and circulated the link to its networks the 22 February 2016 from which J. Berthelot of Solidarité, among others, was able to download the report but had no time then to analyse it. The link was: http://www.ifpri.org/publication/european-unionwest-africa-economic-partnership-agreement-small-impact-and-new-questions?utm_source=bruxelles.cta.int+feb+2014&utm_campaign=d713474f83-CTA_Bulletin_du_Bureau_de_Bruxelles_481_19_02_2016&utm_medium=email&utm_term=0_af42edf269-d713474f83-78376401&goal=0_af42edf269-d713474f83-78376401&mc_cid=d713474f83&mc_eid=27900573ce. It is likely that not so many people were able to download it as the link worked only few days as the DG Trade asked IFPRI to withdraw it from its website. Eventually on 23 April J. Berthelot made some comments on excerpts of the report (on 4 pages) and circulated them widely together with the report itself, assuming that the report was already largely

known. Apparently the DG Trade got J. Berthelot's comments and asked IFPRI to do its best to put an end to the dissemination of the report. So that IFPRI called him today to explain its problems. IFPRI received at first a verbal agreement of DG Trade to put the report on its website but, after several requests to DG Trade from West Africa to withdraw the report from the IFPRI website, DG Trade reminded IFPRI that its contract with IFPRI required a written agreement that it did not give. Clearly Solidarité (now called SOL) does not want to harm IFPRI and its relations with DG Trade so that it will not put the report on its website as it intended to do. However it cannot renounce to its short comments on excerpts of the report. The more so as the IFPRI report was published with the following notice: *"IFPRI Discussion Papers contain preliminary material and research results and are circulated in order to stimulate discussion and critical comment. They have not been subject to a formal external review via IFPRI's Publications Review Committee. Any opinions stated herein are those of the author(s) and are not necessarily representative of or endorsed by the International Food Policy Research Institute"*.

If DG Trade wants to reply to Solidarité's comments it is welcome.

Now what are, in short, the authors' conclusions (excerpts from the report):

- "Public revenues coming from the collection of import duties are negatively affected by the reform, from -7.5 percent in Benin to -25.8 percent in Burkina Faso. This is a key implication of this trade agreement since it can potentially affect the ability of Africa's public sectors to finance public services.

- The results concerning welfare are negative for Nigeria, Senegal, Benin, the Rest of ECOWAS region, and Togo and positive for Burkina Faso and Côte d'Ivoire. In all West African countries, households are positively affected by a decreasing consumption price index (see Table 4.13) but negatively affected by a lump-sum tax needed to maintain public expenses and public sold constant.

- In the EXP scenario, public expenses are decreased (by 8.5 percent in Senegal and Togo in 2035 and by 4.5 percent in Benin in 2035) to maintain the public deficit in proportion of GDP constant after the loss of custom duties... We may assume that such a reduction could jeopardize the provision of public goods in all West African countries.

- In other scenarios, we impose a new tax in the model that is levied to maintain real public per capita constant. Even if the lump-sum tax is not politically realistic, it clearly illustrates how much each citizen has to pay for public good to be maintained. This tax decreases individual private available income such that in six of eight countries/regions, welfare is reduced. Compensating for the loss of custom duties by an additional income tax results in a similar scenario.

- In conclusion, the benefits of the EPA between the EU and WA's countries appear small, if not negative. West African countries should find a source of increased growth from other trade agreements, either multilateral or regional.

- EPADP consists of an "envelope" of €1.3 billion per year from 2015 to 2035 given by the European Commission". Clearly this statement is not politically feasible as the Cotonou agreement expires in 2020 and the Commission cannot guarantee that the EU will continue to grant as much funds to WA, the more so as the Commission DEVCO brochure of July 2015 confirms that there is not a single additional euro for EPADP: *"From 2014-2020, €6.5 billion will be delivered to support PAPED... The funds are drawn from the existing EU financial instruments: 11th European Development Fund National Indicative Programmes (NIP), Regional Indicative Programme (RIP), intra-ACP programme, and relevant EU thematic budget lines"* (https://ec.europa.eu/europeaid/sites/devco/files/epa-brochure_en.pdf).