



**SOL's preliminary comments on the
JOINT STAFF WORKING DOCUMENT IMPACT ASSESSMENT
Accompanying the document
Joint Communication to the European Parliament and the Council
A renewed partnership with the countries of Africa, the Caribbean and the Pacific
Jacques Berthelot (jacques.berthelot4@wanadoo.fr), 4 December 2016**

It is outrageous to read this impact assessment on the renewed partnership EU-ACPs to succeed the Cotonou Partnership Agreement (CPA). The first thing which is strikingly evident is the repetition 79 times of the word "interests", in most instances concerning EU interests, many times common EU and ACPs interests and much less times ACPs interests. As if the first objective of the successor to the CPA is to foster EU economic and political interests and not the ACPs' interests first. This is a clear imperialistic objective that EU and ACPs NGOs cannot share. It is repeated that the CPA has not served enough the EU economic interests so that the new partnership should correct this weakness, particularly in enlarging, through the "rendez-vous" clause of the EPAs (even if this clause is not explicitly mentioned), the new partnership to the new issues of "*value chains, the digital economy, services, trade-related issues and investment*" as the EU and US are pursuing at the WTO even if most DCs are resisting them. We will confine our preliminary remarks to these two points.

1 – Let us first quote extensively some of the references to the EU interests

P.7: **"The goal is that of forging the best type of relationship after 2020 that allows the EU to effectively pursue its interests in an ever-competitive global arena"**... In this changed context, it becomes important for the EU to build even stronger and political relations with large group of countries, **so to pursue effectively its interests.**

P.8: The purpose of this Impact Assessment is to determine which type of format (if any at all) is required to organise and govern relations with partners in Africa, the Caribbean and Pacific, **as to enable the EU to best pursue its interests.**

P.9: **the challenges that the EU has to face in order to effectively pursue its interests**

P. 12: **the CPA** has provided certain specific provisions to address such challenges and potentials, but **has not been sufficiently effective in fostering these direct EU interests in its relation with ACP countries**

P.13: **the EU has every interest** in making sure that its companies remain competitive and are able to access new markets and benefit from these sources of growth... **Advanced ACP economies have a role to play as EU strategic partners to achieve with greater success the EU's own growth, jobs and investment agenda through trade and investment** or through sector cooperation

P.14: **Outcomes of international negotiations are not always fully in line with EU interests or ambitions**

P. 16: **The general objective is** that of shaping relations with partners in Africa, the Caribbean and the Pacific as **to best achieve the EU's strategic interests**

P. 17: **growing markets in ACP countries provide economic opportunities for EU businesses...** cooperation with formal and ad-hoc regional formats must be pursued **in order to serve interests more effectively on economic matters** and in the areas of peace and security and migration.

P. 22: **The importance to strengthen EU interests, specifically in the areas of security and migration,** has been mentioned by several EU Member States.

P.23: **The evolving global context, the shortcomings identified in the CPA evaluation and the updated EU interests, have casted doubts upon whether the current EU-ACP partnership could be the best format to meet the new objectives**

P. 24: **this option could help promote various EU interests on ad-hoc basis,** but would prevent the adoption of comprehensive approaches towards a broader range of partner countries... It would also weaken the role of the EU at the global level in that it assumes **that partner countries would positively respond to the invitation of the EU to work together on specific areas of interest to the EU**

P.25: However, **it would fail to support the EU in the achievement of a broader range of EU interests (i.e. security, migration) in a larger group of countries (e.g. middle-income countries)...** **the evaluation has pointed to a number of weaknesses with regards to principles and values, some implementation mechanisms to promote EU interests**

P.29: **Importantly, the EU would be expected to better promote its economic and political interests more clearly than the current CPA**

P.31-32: Importantly, **reaching out to the three groups (i.e. countries in North Africa, LDCs and SIDS) could provide the EU with additional diplomatic capital to tackle global challenges and promote its interests and values in various international fora (Objective 4).**

P.34: **Shape relations with partners in Africa, the Caribbean and the Pacific as to best achieve the EU's strategic interests**

P. 36: **serve EU interests, e.g. in international fora and by creating more opportunities for European firms** in the delivery of global public goods

P.45: **A central goal for the EU is the promotion of its values and interests at the international level,** which in a growing multipolar world, with actors projecting diverging priorities, requires the set-up of reliable alliances.

P.47: **EU-ACP trade cooperation is expected to bring substantial benefits to European firms, including small and medium enterprises (SMEs), based on implementation of EPAs and increased access to growing ACP markets...** **The ACP-EU dialogue on trade may be seen as too much focussed on ACP interest, and not enough on EU interests,** and some provisions can be considered to reflect an obsolete model of trade policy. In fact, the dialogue has mostly focussed on trade in goods and on tariffs, as well as certain non-tariff measures, whereas modern trade is organised around value chains, the digital economy, services, trade-related issues and investment. There is thus scope for improvement, and the current framework offers the necessary space for an update without calling into question the core principles and the institutional architecture of the ACP-EU partnership.

P.50: There is strong consensus on the strategic role that the private sector plays in generating sustainable economic growth in developing countries and at the same time enhancing investment returns for European firms and citizens

P.51: **The EU has every interest in making sure that its companies benefit from growth in ACP countries and are able to access new markets.** In this respect, some of the most advanced ACP economies do have a role to play in the EU's own growth, jobs and investment agenda through trade and investment or through sector cooperation. The holistic approach to the private sector underpins the EU's strategy for its own development – the Europe 2020 strategy – where SMEs and investments have been given a central place for achieving sustainable growth... This would not only limit the promotion of EU existing economic interests, but would result in curbed future market opportunities.

P.61: Like option 2.1, it provides the EU with added diplomatic capital for a more strategic pursuit of its interest (and those of the ACP group) in the international arena.

P.63: This option enables the preservation of all the valuable elements of the current CPA but most importantly put the right conditions in place for the EU to meet its new objectives, including that of more effectively pursuing its political and economic interests, increasing its impact in the global arena

P. 64-65: For the trade related aspects of the ACP-EU relation, the absence of a legally-binding framework agreement at ACP level would generate substantial drawbacks. To ensure legal certainty, **to maintain** the political dialogue mechanisms and, moreover, **the possibility to use appropriate enforcement measures under the Economic Partnership Agreements, the texts of the agreements might need to be revised**, since they contain references to the CPA. This might entail renegotiating the EPAs, which would not only be a cumbersome process, but also generate political and reputational risks for the EU.

P.66: Promote EU commercial interests and market opportunities, increase investment

P.72: **Most respondents underline the need to pursue EU interests in the future relationship with ACP countries**

P.78: Looking forward, respondents largely agree on EU interests to be pursued in the future in our relations with ACP countries

P.95: Promoting a mutually beneficial growth agenda with ACP economies, especially with some of the more advanced, benefitting EU's commercial interests through increased trade and investment and sector cooperation

2 – The apology of the EPAs is also outrageous

We will limit ourselves to comment some extracts of the impact assessment.

P.13: ACP countries remain in need of a transparent, stable and rules-based business climate. The Economic Partnership Agreements (EPAs) contribute to respond to such needs by creating a stable and predictable framework for trade relations.

[But this framework of trade relations will be totally unstable and unsustainable for ACPs which would lose huge amount of fiscal revenues and employment as their enterprises would be less and less competitive with those of the EU.]

P. 48: EPAs are based on the objectives and the essential and fundamental elements of the CPA laid down in Articles 1, 2 and 9... [on objectives of poverty eradication, economic and social development, human rights and good governance] The reference to these elements in the various EPAs implies that they can be part of the implementation and dialogue between the parties, and, as the last resort, an EPA could even be suspended in case of non-respect...

[But the EU is the first to not have complied with these objectives especially in the EPAs that would impoverish the ACPs. Especially the EU did not comply with the MFN Clause which should have obliged to grant to ACPs the same lower tariffs, even duty-free, granted in its other FTAs. See my paper "The signing of the EPAs and interim EPAs was extorted by the European Commission's fraudulent behaviour"]

The existence of an ACPEU partnership has so far facilitated the channelling of funding for the preparation and implementation of EPAs. Dismantlement of this partnership could involve a risk of uncertainty concerning the magnitude of such funding

[Another lie as the DG DEVCO (Development and Cooperation) said in its brochure of July 2015 that there is not a single additional euro to the traditional cooperation funds: "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).]

P.59: from a trade perspective, the absence of a framework agreement at all-ACP level might entail a substantive revision of the EPAs, which would result in new cumbersome and difficult renegotiation processes, bearing significant political risks for the EU. The fact that the EU will have to rely on a diverse set of thematic approaches and less comprehensive regional partnerships will negatively affect the degree of efficiency (turning strategies into concrete activities) as well as coherence of its action (both EU coherence and policy coherence for development).

[One more the EPAs are viewed as a way for the EU to bring them under its control and it does not want to complexify this control by allowing the EPAs to pursue different objectives in line with their regional specific constraints, objectives and coherence of their actions, not of the EU objectives and actions! The imperialist nature of the so-called "renewed partnership" is more and more obvious and the EU and ACPs civil society cannot endorse this view but have to denounce it without ambiguity.]

In fact the EPAs should be radically changed or otherwise deleted so as to become true development instruments leaving to RECs (regional economic communities) such as Ecowas or EAC (Eastern Africa Community) to decide by themselves the full strategy of their regional development and regional EPAs without any EU interference. On trade issues the EU has two options:

- either to get a WTO waiver to grant to ACPs, at least of SSA, a non-reciprocal preferential access to the EU market as the US has got for AGOA since 2000 and renewed in 2015 for 10 years. This would be the best solution;

- or to grant at least the GSP+ status to the non-LDCs countries. This would be a good solution also for the Ecowas (Ghana, Ivory Coast and Nigeria) EPA and EAC (Kenya) EPA. And to comply at the same time with the MFN clause by which the EU must grant to non-LDCs Member States the same level of tariffs applied in its other FTAs, particularly those implemented with 3 Andean countries and 6 Central American countries; the CETA with Canada for which the EU tariff offer has been finalized and the TTIP for which the EU tariff offer has also be completed apart for a limited list of agricultural tariff lines which almost do not concern the ACPs exports (except some sugar and bovine meat that do not concern IC, Ghana, Nigeria and Kenya). Eventually the only import duties that these countries would have to pay on their exports to the EU would be on bananas at the same rate as the Andean countries. See the details in "*The signing of the EPAs and interim EPAs was extorted by the European Commission's fraudulent behaviour*" (<https://www.sol-asso.fr/analyses-politiques-agricoles-jacques-b/>)]