



**Economic  
Commission for  
Africa**



**African  
Union**



**United Nations  
Development  
Programme**



**Kenya Ministry of  
Trade and Industry**



**African  
Development  
Bank**

## **REGIONAL MEETING ON ECONOMIC PARTNERSHIP AGREEMENTS**

**Jointly Organized by**

**The United Nations Economic Commission for Africa (UNECA), the United Nations Development Programme (UNDP), The Kenyan Ministry of Trade and Industry, the African Union (AU) and the United Nations Conference on Trade and Development (UNCTAD)**

# **FINAL REPORT**

## **INTRODUCTION**

1. The Regional meeting on Economic Partnership Agreements was jointly organized by the United Nations Economic Commission for Africa (UNECA), the United Nations Development Programme (UNDP), The Kenyan Ministry of Trade and Industry, the African Union (AU) and the United Nations Conference on Trade and Development (UNCTAD).

## **PARTICIPATION**

2. The following countries were represented in the meeting: Angola, Belgium, Benin, Botswana, Burkina Faso, Burundi, Cameroon Central African Republic, Republic of Congo, Democratic Republic of Congo, Cote D'ivoire, Djibouti, Ethiopia, Egypt, France, Gabon, The Gambia, Ghana, Guinea, Guinea Equatorial, Kenya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, The Netherlands, Namibia, Niger, Nigeria, Rwanda, Senegal, Sao-Tome & Principe, Senegal, Seychelles, Sierra Leone, The Sudan, Swaziland, Sweden, United Republic of Tanzania, Tchad, Tunisia, Uganda, Zambia, Zimbabwe. The meeting was also attended by the following regional economic communities SADC, CEMAC, UEMOA, CEEAC, and COMESA. The African Union Commission and the ACP Secretariat were also present in the meeting. The UN agencies that included UNECA, UNDP, UNCTAD, and UNECE and The World Bank were also present. Other organizations present were Namibia Chamber of Commerce and Industry, APOA-Association du Patronat Ouest Africain, NEPAD Business Group, Organisation Internationale de la Francophonie (OIF), Botswana Institute for Development Policy, SEATINI, ECDPM, AITIC, DFID, Economic and Justice Network, ACBF, South Centre, South Africa – Angola Chamber of Commerce, KEPLOTRADE, Pan Africa Women Organisation (PAWO) and GTZ.

## **SESSION I:**

### **OPENING SESSION**

3. The Assistant Minister for Trade and Industry of the Republic of Kenya officially opened the meeting. The Minister emphasized that there are potential gains from international trade. He gave various examples of such potential benefits such as technological transfer. However, the Minister also articulated the challenges that African countries face in international trade. In the context of the negotiations with the EU, the Minister observed that for some of the African countries, intra-Africa trade is becoming more and more important and as a result, the EPAs should reinforce this growing trade rather than making it difficult. Prior to the Minister's address, the representatives of UEMOA, UNECA, UNDP and the African Union gave some opening remarks. The presentations by the representatives of these institutions emphasized on the need for continued partnership in giving advise to African countries when it comes to trade issues. They all emphasized the important role that trade can play in the development of the African countries. They highlighted the point that the EPAs should play a significant role in ensuring that trade plays this role.

## **SESSION II:**

### **IMPACT ANALYSIS OF THE EPAS ON AFRICAN ECONOMIES: A CONTINENTAL VIEW**

4. This session focused on an ECA study that has attempted to quantify the potential economic and welfare impacts of the EPAs on Africa. The study presented results with various scenarios indicating the likely implications on African economies of different levels of reciprocity in final EPAs agreements. There was an emphasis on potential adjustment costs in terms of changes in the labour market due to the EPAs leading to more specialization vis-à-vis diversification. The study argued that deepening of regional integration provides an opportunity for the African countries to lessen some of the likely adverse effects of EPAs. The subsequent discussion by the delegates raised various important issues which can be summarized into the following areas:
5. The question of EPAs as development tools emerged as an important issue during the discussion. It emerged clearly from the discussion that if the EPAs were to focus more on trade liberalization, the EPAs are likely to

result in mixed results for Africa depending on the assumptions made. In particular, some delegates observed that if the EPAs fail to integrate substantial asymmetry, on the whole, the African countries will bear a disproportionate share of the adjustment burden likely to result from EPAs. The delegates recommended the need for balance in the negotiation between trade liberalization vis-à-vis development issues. Development component must not be a peripheral issue but a central part of the negotiations.

6. The important role that regional integration plays and is expected to play in Africa's development was reaffirmed by the delegates during the discussion. The delegates noted that the study that was presented highlighted the possibility that full reciprocity and weak asymmetry may claw back the gains that have already been made in the regional integration arena through loss and suppression of already existing intra-African trade. Besides undermining regional integration in terms of trade, there was concern that the EPAs could also adversely affect the African integration processes. The fact that the regional groupings do not necessarily fit in the existing legal RECs configurations was given as an example of how the EPAs have the potential of undermining the regional integration processes.
7. The question of asymmetry in the final EPAs agreements generated a lot of discussion among the delegates and emerged as a major point. Some delegates reiterated that during the Phase one of the EPAs negotiations and also in the Cotonou Partnership Agreement, there was no agreement on the issue of reciprocity. However, given the desire for the EPAs to be compatible with the WTO rules, the delegates agreed that reciprocity was therefore implied. The delegates discussed at length the notion of "substantially all trade" which they agreed needed to be clearly understood for the sake of determining the appropriate asymmetry levels. The meeting noted that the interpretation of Article XXIV is quite important in helping to establish whether asymmetrical EPAs that allow exclusion of up to 40 percent of Africa's trade would pass the definition of "substantially all trade".
8. The importance of intra-African trade was highlighted. The potential for the EPAs to contribute towards diversion of already existing intra-African trade growth was pointed out as a possible negative consequence. The delegates noted that if there was significant improvement in trade facilitation mechanism in the continent, the imminent declines in intra-African trade could be mitigated.

9. The delegates appreciated that fiscal losses will result as African countries open up their markets to the European Union. The delegates expressed concern to the idea that tariff revenue losses could be replaced by reverting to more consumption taxes such as value added tax or excise taxes since the burden of such taxes is likely to fall disproportionately more on the poor.
10. The time frame for the full-implementation of the EPAs was another area where the delegates deliberated in their discussion. There was concern that the 10-12 years as defined by the interpretation of Article XXIV of GATT may not be in favour of the African countries. The delegates were reminded that they should not feel bound to the current rules in relation to Article XXIV in their negotiations because the compatibility of the EPAs with the WTO will be determined by the rules that will be existing when they are being signed. In this respect, the sequencing of the implementation of the EPAs will therefore be determined by the existing WTO rules when the EPAs will be implemented.
11. The delegates emphasised the need for factoring in potential Doha Round outcome in the scenarios analysis. Some delegates observed that incorporation of Doha Round issues in the EPAs scenarios could change the emerging results towards a more appealing outcome.

## THE EU-CEMAC EPAs NEGOTIATIONS – PROGRESS AND CHALLENGES

12. The second session focused on the presentation of the modalities and objectives of the CEMAC-EU EPA. The CEMAC representative underlined the importance of reinforcing the development issues in order to improve the production capacity. Furthermore, the CEMAC representative emphasised the importance of stabilizing the socio-political climate. The ongoing negotiations should reinforce the peace and EPAs could contribute to improve the business climate in order to increase FDI and therefore economic growth.
13. The representative of ECA presented the main implications the EPA could have for CEMAC. This study quantified the economic and social impacts of the trade liberalization aspects of the proposed EPAs for the CEMAC. The main conclusion is that full reciprocity will be very costly for CEMAC countries irrespective of how the issue is looked at. The adjustment costs at the country level emerged as potential challenges for the EPAs in spite of the benefits that are likely to accrue to consumers.

14. Participants welcomed the results of these simulations but emphasised the importance of better coordinating the data collection in order to improve the robustness of these kind of studies.

### **SESSION III:**

#### **THE EU-ECOWAS EPA NEGOTIATIONS – PROGRESS AND CHALLENGES**

15. The session focused on the EPA negotiations for ECOWAS. Two presentations were made. The ECA representative presented a study carried out by ECA evaluating the impact of the EPA for ECOWAS. The presentation was followed by a presentation by the Trade Commissioner from WAEMU (UEMOA), who briefed the meeting on the current state of the EPA negotiations with the EU.
16. The ECA representative presented the main implications the EPA could have for ECOWAS. Under the assumption of a full liberalization scenario, the EU exports would increase substantially. Intra-ECOWAS trade would however be reduced. Therefore, for ECOWAS, achieving effective regional trade integration is of paramount importance, before liberalization with the EU is implemented. If other African RECs were also to adopt full trade liberalization under the EPA, ECOWAS countries would be affected too, albeit by a significantly lesser extent. Tariff revenue losses would be one of the main problems for the ECOWAS countries under such a scenario. ECOWAS countries should therefore seek to build – with EU's assistance- a diversified tax base. Consumers would however gain from trade creation.
17. The WAEMU trade Commissioner briefed the meeting on the current stage of EPA negotiations and the strategies followed by Western African countries. He stressed the importance for his region to alleviate the obstacles of Non Tariff Barriers. The Commissioner also emphasized the capital importance of securing real developmental benefits in the EPAs, beyond trade. During the discussions several keys issues emerged.
18. The delegates raised some questions with regard to the methodology used. They emphasised the need for policy recommendations to be fully appraised with the assumptions underpinning the results. The delegates also emphasised the need for countries to be cautious of “best-endeavours” intentions, as the example of the WTO history has demonstrated.

Countries should therefore insist on obtaining concrete commitments from the EU. The delegates noted that assessing the value of a trade agreement through welfare had strong limitations as consumers are also workers and measurement of welfare fails to capture variables such as employment. Furthermore, the delegates were concerned about the quality of trade data. Current data fails to take into account informal trade that occurs in western Africa and also between neighbouring RECs.

19. The meeting expressed concerns on non-tariff barriers which are not captured by simulation models as such barriers often constitute much more impediments to trade than tariffs do.
20. While building capacity is important at the national level to prevent rent capturing and abuse of dominant power by a few importers, African countries should resist taking up further commitments in the WTO on competition policy. The participants reiterated that trade aspects of EPAs are not necessarily the most important in ECOWAS compared to the development aspects.

## **THE EU-ESA EPA NEGOTIATIONS – PROGRESS AND CHALLENGES**

21. This session focused on the EU-ESA-EPA. The delegate of COMESA Secretariat did a presentation in three parts covering: a summary of the EU-EPA negotiating mandate; the key issue of these current negotiations and the progress realized so far and the challenges the COMESA countries are facing. The session also focused on an ECA study that has attempted to simulate the potential impacts of the EPAs trade liberalisation aspects on ESA countries. The presentation highlighted the result that trade creation exceeds trade diversion but there will be some adjustment costs associated to tariff revenue losses. With respect to the regional integration process in COMESA, unless there are clear mitigating measures, the EPAs could seriously undermine the gains that have been achieved so far in the integration processes of the sub-region. The following issues emerged from the ensuing discussions:
22. The question of deepening intra-COMESA trade emerged as an important issue during the discussion. This should be given sufficient lead-time to allow the COMESA countries build the requisite competitiveness. This should be accompanied with significant developmental programmes to complement the larger markets with increased supply and diversified capacities.

23. Sizable injections of investments in infrastructure and human resources should be a central part of the EPAs in order to help the ESA economies become competitive, diversify their economy and raise their productivity. This will also allow for the supply capacities in the ESA economies to be enhanced.
24. The delegates emphasized the importance to re-interpret Article XXIV of GATT. They noted that this would be necessary if a pro-development sequencing of the EPAs is going to be protected against challenges at WTO level.
25. Delegates reiterated that the development aspects of the EPAs have to be emphasized more rather than the commercial interests of the EU. Realizing the potential of this substantial development stimulus, however, requires surmounting some important obstacles in the fundamental design of EPAs. In particular the delegates expressed the necessity to create incentives for trade reform and the importance to reduce high tariffs and other border protections that would impose inefficiencies through trade diversion and monopoly pricing in EPA groupings.

#### **SESSION IV:**

#### **THE EU-SADC EPA NEGOTIATIONS – PROGRESS AND CHALLENGES**

26. The session focused on two presentations. The first presenter was a representative from the SADC Secretariat, which was followed by a presentation of a simulation based on economic models by an ECA Expert. The SADC delegate presented the situation in the SADC-EC EPA focusing mainly on the configuration, the preparatory process, progress and challenges. The delegate informed the meeting that the negotiations are in advanced stages in SPS, TBT and Regional Integration. He further said that, preparations to commence negotiations in Market Access, Trade Facilitation and Rules of Origin have started. The main challenges listed include technical and financial capacity both at Member State and SADC Secretariat level and also ensuring coherence of positions and avoidance of conflicts in trade policies and commitments.

27. The ECA presented simulation results on potential impacts of EPAs on SADC. The presentation pointed at evidence of the potential impact of the EPAs on the revenues of the sub-region, and highlighted the importance of favourable concessions by the European Union to the SADC countries. The results reveal that the industrial adjustment as well as fiscal and trade imbalances could be major for the SADC countries. The presenter raised the issue of the inconsistency of the commitments of SACU countries, given the *de facto* association with EU through the TDCA agreement between the European Union and South Africa of the BNLS countries, and the need for alternative strategies for non-SACU members of SADC.
28. In the discussion that followed the presentations, the delegates underlined the methodological difficulties related to the simulations on SADC sub-region. They noted that the RECs configuration could create difficulties in the EPAs negotiations process. Thus, the SADC negotiations as evidenced by the divergence of interests among countries of this REC will be difficult. The SACU-SADC countries have a strong interest in adjusting the tariffs on their imports from the EU at the level of the tariffs applied by South Africa. This adjustment is required to maintain the custom union of the SACU. On the contrary, the non-SACU SADC countries could be interested in a more development friendly arrangement with the EU.

## **NEGOTIATING FTA WITH THE EU: OTHER AFRICAN COUNTRIES EXPERIENCES**

### **Egyptian and Tunisian experiences of negotiations with the EU**

29. The representative of Egypt firstly pointed out the context in which the agreement with the EU was agreed on. When focusing on the agreement guidelines, he stressed the difficulties his country faced to include agriculture in the association agreement. In the ensuing presentation, made by the representative of Tunisia the focus was on the complexity of negotiations, partly due to the global aspect of the association agreement. The Tunisian representative presented the Tunisian negotiation's strategy which focused both on the differentiated treatment given to sensitive products and the financial support given by EU to help the country undertake a better transitional phase and reduce adjustment costs. The presenter finally linked the relatively lower negative impacts on Tunisian industries to the Tunisian strategy of diversification of trade partners.

30. The delegates pointed out the necessity to share mutual experiences, especially regarding the adjustment programmes undertaken during transitional periods. North Africa experiences show that the difficulties anticipated in the EPA agreement need not necessarily be economically and socially fatal (de-industrialisation can be avoided). The studies undertaken before the beginning of the partnership agreement negotiations give to the EU and African countries a better idea of the difficulties that the African countries might face with liberalization occasioned by EPAs like they did in the case of Tunisia. Thus should help them prepare for adjustment processes.
31. The delegates welcomed the presentation by the representative of the Francophonie regarding the different possibilities of assistance that the Francophonie and the Commonwealth Secretariat can offer to the African countries in the EPAs negotiations.

## **EPAS AND REGIONAL INTEGRATION**

32. This session considered a presentation by the World Bank. The presentation noted that poorly designed EPAs could undermine African development. Another risk which could be of significance to African countries is that aid for trade which is likely to be part of the EPAs agreements might be insufficient to fully back the required internal reforms. On the rewards side, the World Bank presentation pointed that the EPAs may be better than the alternatives (EBA for LDCs and GSP for non-LDCs). Furthermore, the EPAs have the possibility of harnessing more rapid internal and external reforms to promote trade and growth. In order to optimize the rewards and minimize on the risks of the EPAs, the World Bank enumerated some objectives that African countries should pursue in the negotiations. The African countries should use the EPAs to leverage trade related reforms; changes in the EU policy; internal and external reforms; and also to improve regional investment climate among other important objectives. To achieve the highlighted objectives, the World Bank presentation suggested several strategies. One strategy could be to use variable geometry in the determination of the MFN CET consistent with regional development priorities (essentially, within a given EPA grouping, different schedules for MFN CET setting could be allowed). This should go hand in hand with the removal of internal barriers. The next phase of the strategy would be to undertake MFN liberalization with tariff preferences to the EU being back-loaded. Another strategy would be for the African countries to negotiate for SSA-wide less

restrictive rules of origin. Other components of the negotiation strategy would be to focus on regional interest driven services liberalization; improved trade facilitation measures; technical and financial assistance; and ultimately an emphasis on development.

33. The World Bank presentation received a commentary from UNCTAD, which on the whole seemed to agree with the issues raised. UNCTAD suggested that there might be need for building in flexibilities in the EPAs, making some of the issues open in the future. The World Bank presentation was then followed with several points of discussion.
34. The delegates raised the need for a clear-cut definition of what would constitute an optimal EPA sequencing given the time frame. The need was expressed for African countries to be conscious of the fact that global integration is not synonymous to regional integration and one must come before the other. In response, the World Bank explained that regional integration is intimately linked with the other world as the experience of East Asia has shown. Regional integration does not come before exports to the world, but hand in hand with them. On sequencing the Bank suggested should start with internal reforms, then moving on to simultaneous MFN and intra-regional liberalization by shaving off tariff rates with an eventual opening up to the EU in the latter years of the allowed time-frame.
35. The delegates made observation that since Africa constitutes a small share of the EU export market, they could be rating quite low in terms of priority to development assistance allocation.
36. Delegates noted that overlapping memberships to the RECs could be resulting in uneven distribution of integration benefits. In this respect, concern was raised that the harmonization of strategies between the different regions is lagging behind and it may undermine regional integration objectives.
37. Whereas the World Bank recommended using of EPAs to leveraging internal and external trade related reforms, the delegates highlighted that there might be equity issues, which need not be overlooked. The World Bank agreed that any tax reform should take into equity objectives – understanding that current tariff base of revenues often taxed the poor more than the rich in many countries.
38. While the delegates appreciated the need to draw lessons from other free trade area agreements in informing their position during the EPAs

negotiations, the delegates expressed caution that it is important that such recommendations be put in context. The context with which partners with EU agreed to sign on areas such as IPRs and competition (e.g. in the EU-Chile FTA) is not the same to that facing the African countries.

39. In the context of SSA-wide rules of origin, the delegates noted that the decision to harmonise RECs in Africa could actually be in the hands of the EU and this is a point that should be pointed out during EPAs negotiations.

## **SESSION V:**

### **PREFERENTIAL AGREEMENTS, NON-TARIFF BARRIERS AND ASSOCIATED MARKET ACCESS ISSUES AND COHERENCE BETWEEN EPAs AND WTO NEGOTIATIONS (Article XXIV and necessary flexibilities in favour of Africa-Exploiting the commitments to LDCs in the WTO)**

40. An ECA representative discussed the issue of preferential market access, non-tariff barriers and associated problems of market access. The presenter suggested that it was important to evaluate fully what would be given up if African countries were to give up preferential market access for fully reciprocal market access under the EPAs. The presentation pointed out that most analysis of the preferential market access gave negative evaluations regarding their impact, but new evidence suggests this is wrong. If, for example, one considers exports which go under preferential market access, with those that are zero-rated MFN, then the rate of utilization of the Cotonou scheme is surprisingly high for most African countries.
41. At the same time, the presenter raised concerns regarding the way in which old tariff barriers were being replaced by a new generation of NTBs, particularly in areas like phytosanitary measures. In the presentation, it was pointed that the standard argument that the EU and other industrialised countries are simply responding to consumer pressure for higher safety standards is perhaps disingenuous, especially in view of anecdotal evidence showing that many industrialised countries are actually relaxing domestic standards.
42. The delegates during the discussion were concerned that the ECA presentation was arguing that EPAs might not be able to resolve the

problems related to NTBs and rules of origin. One representative said that his understanding was that this was not the case, and that the EPAs would expressly address these issues (for example, through help to meet safety standards- the EU is not about to lower these standards, but we might be able to meet them with help). In this discussion, the ECA presenter conceded that with rules of origin, it was possible that the EPAs would help, by allowing cummulation within regional blocks. But this might not help Africa if South Africa was not included within the cummulation. One expert made the suggestion that perhaps African countries in their negotiations of the EPAs should adopt the 10 percent domestic content rule as suggested by the Commission for Africa Report. Regarding standard setting, however, the ECA presenter pointed that the problem was that it was a moving target.

43. One expert clarified the situation regarding the EBA rules of origin. A general point was made that EU rules of origin are generally very strict. But the only difference between EBA and Cotonou is that EBA is fully GSP compatible and the way in which cummulation works is different. This expert considered that automatic ACP cummulation would not make a big difference to the outcome for African countries. He also noted that several Asian countries (e.g. Laos, Bangladesh) have a special derogation on Rules of origin and have been utilising this very successfully. One short-term measure is perhaps that African countries should seek a similar dispensation. The same expert suggested that, with so many regional trade agreements around the world, and with 50% of world trade being under preferential terms, the rules of origin should be made WTO compatible.
44. There was a comment that with the South Africa-EU FTA already concluded, the risk was that it would become the standard for the rest of the continent. There was the question then to what extent can we expect from the EU help in forming one unified approach to regional integration in the continent?
45. On Article XXIV, UNCTAD and South Centre representatives tackled its potential implication for the EPAs. The presenters discussed the challenge posed to EPAs with regard to WTO compatibility. They observed that obtaining a waiver for the Cotonou Convention in the WTO has proved costly and difficult. Moreover, some provisions of the ACP-EU trade arrangement have been challenged in the Dispute Settlement Mechanism of the WTO, notably the bananas and sugar arrangements.

46. Therefore the future EPAs will have to be made compatible with Article XXIV of the GATT. These provisions are being renegotiated in the current WTO negotiations on regional trade agreements (under Paragraph 29 of the Doha Declaration), which is complicating the EPA negotiations, especially with regard to the degree of asymmetry that will be allowed. Some of the contentious points of the current WTO negotiations on Article XXIV are the interpretation of the “substantially all of the trade” provision (art. 24-5), and the length of the transitional period. The presenters also explained the procedural aspects of the WTO requirements on RTAs, notably the notification and examination procedures. They reminded the delegates that the WTO Committee on Regional Trade Agreements has not made much progress in the examination of RTAs as notified to the WTO. They restated the point that the Article XXIV provides very little flexibilities and does not contain S&D provisions for developing countries. The flexibilities are limited by the presence and jurisprudence of legally binding WTO dispute settlement system. The presenters then appraised the meeting on the various proposals currently on the negotiation table on Article XXIV.
47. In its submission to the WTO, ACP countries requested other members for the inclusion of strong S&D provisions in the revised version of Article XXIV. The EC’s submission largely supports this position. However other members such as Australia have insisted on very stringent and rigorous provisions in Article XXIV. Therefore according to the presenter, the outcome of the negotiations might not be necessarily favourable to ACPs. It might not be easy for ACP to negotiate favourable Art 24. Presenters also cited the main S&D flexibilities and benefits offered to LDCs in the WTO. Presenters concluded by saying that ACP countries have to be vigilant on the negotiations on Article XXIV, and to ensure coordination between these negotiations and the ones on EPAs.
48. The delegates then stressed that Developing Countries have experienced difficulties in convincing other WTO partners to operationalise S&D provisions under the Doha Work Programme. Progress under the WTO on S&D could have been used as a yardstick to measure what development aspects could be under EPAs. The meeting warned that there is a possibility that the outcome of the EPAs will be determined by the lowest common denominator if negotiations are not well coordinated between EPAs and WTO.

49. The delegates emphasised the importance of removing unpredictability of the WTO rules with regard to RTAs, to foster growth and investments in Africa. There was a danger that EPAs might be concluded before the Doha World Programme, even though the opposite would be preferable.
50. The delegates insisted that it was essential to have substantial S&D provisions on Article XXIV. But it was noted that the present outlook of the negotiations is not very favourable even though there is a very strong cases for S&D in Article XXIV.

## **CONCLUSIONS**

51. The EPAs negotiations in all sub-regions should give prominence to the developmental dimension of the subsequent EPAs. Emphasis on building supply-capacities should be a top-priority in the negotiations and must supersede trade liberalisation question linked to reciprocity.
52. Given the emerging evidence that inequality is a key constraint to fighting poverty; EPAs should aim not to worsen inequality through the internal reforms that might be required upon their signing. Negotiations at the sub-region level should use capacity to reduce inequality as a check to any reform commitments and adjustments to be necessitated by the EPAs.
53. The potential for regional integration to mitigate on some of the possible adverse effects of the EPAs should be harnessed from now by the removal of the existing intra-REC and inter-REC tariff and non-tariff barriers.
54. Africa should take advantage of the EPAs negotiations to argue for much less restrictive SSA-wide compatible rules-of-origin. The simple 10 percent value-added suggested by the Commission for Africa would be an appropriate starting point. Establishment of a region wide working group of Ministers to negotiate uniform non-restrictive rules-of-origin for all ACP could give impetus to operationalisation of this conclusion.
55. Harmonisation of RECs is an important pre-requisite to realizing benefits that likely to accrue from the EPAs. The overlapping memberships that could hinder realization of such benefits must be addressed now to avoid undermining or unnecessarily delaying these benefits.
56. Negotiations at sub-region levels should aim at deep asymmetries that result in balanced outcomes between specialization in primary commodities sectors and diversification of economies at the national level.

Hence the need for a common understanding on what “substantially all the trade” means since only then can asymmetrical EPAs be immunized against challenge at the WTO.

57. African countries should aim to achieve reasonable number of years at the WTO in the current negotiations as a minimum time-frame necessary under Article XXIV for North-South RTAs that EPAs will characterize.
58. Optimal sequencing of the EPAs is one that addresses the internal barriers first before the opening up for the EU. Therefore, sub-regional negotiations should all aim to have dismantlement of tariffs in favour of the EU back-loaded in the agreed time-frame.
59. As a way forward, there is need for better coordination of the negotiations as the varying speeds have potential of setting precedents that may not be universally accepted across the continent. It is necessary for the different regional negotiating forums to compare negotiating strategies to ensure coherence with the Ministers’ of Trade Declaration on the EPAs.

## **SESSION VI: ROAD MAP FOR TRADE FACILITATION IN ACP COUNTRIES**

60. ACP countries need to be proactive in trade facilitation. This is a win-win situation for ACP countries and a unique opportunity to link WTO and EPA negotiations so as to have both the framework and the resources available to undertake beneficial reforms in the area of TF. Also, TF is integral to realizing the potential benefits under EPAs.
61. As a road map for ACP, there are a number of suggestions/recommendations stemming from today discussion to effectively tackle the issue
62. There is a need for strong political will (even if it is a win-win situation)
63. Each country needs a country needs assessments to identify priorities in TF. In doing so it will have to take into account the work that has been already done to identify the gaps. Engage the private sector in this assessment. For ACP LDC countries an opportunity to undertake such an assessment is provided by the Integrated Framework.

64. The baseline for such an assessment should be the already available international standards and instruments. This will mainstream TF done at a country level with the international trading system. No need to reinvent the wheel..
65. Existing international standards, recommendations and tools should be used wherever possible.
66. In national discussion on TF there is the need to fully engage the private sector from the outset.
67. Every country should have a coordinating entity/agency to follow the process and involves the various agencies involved and with a role to play in TF. Customs is a key agency in this process. If already in place and functional, the National Trade and Transport Facilitation Committee is the appropriate coordinating group.
68. On the basis of the above assessment and consultations, a national TF Implementation strategy should be developed as an integral component of their trade and economic development policy. This will form the basis of our negotiating position and strategy.
69. Together with a national strategy on TF, there is also a need of having a regional approach and strategy to TF. This is particular relevant for ACP African countries many of which are land locked.
70. There is wealth of information already available. Some of documents have been distributed, other are available in relevant web-site identified in the presentations.