

## **Kigali Declaration**

in the context of the approaching 31 December 2007 deadline for the negotiation of Economic Partnership Agreements

The ACP-EU Joint Parliamentary Assembly, meeting in Kigali (Rwanda) from 19 to 22 November 2007:

### **I. Preamble**

- A. Whereas the Cotonou Agreement sets out the Parties' agreement to conclude new WTO-compatible trading arrangements, progressively removing barriers to trade between them and enhancing cooperation in all areas relevant to trade and development and building on the *acquis* as well as improving market access,
- B. Whereas establishing regional markets represents a key instrument for successfully implementing EPAs, and whereas regional integration represents an important basis for the social and economic development of ACP States,
- C. Recalling that the objective of ACP-EU economic and trade co-operation is to promote development and to foster the gradual integration of ACP States into the world economy,
- D. Recalling that, according to the Cape Town Declaration, the main objective of the EPA negotiations is to strengthen the economies of ACP States,
- E. Underlining that the Cape Town Declaration called for negotiations to be structured in an open and transparent way, taking into account the differences in resources and level of development between the two negotiating sides,
- F. Recognizing the fact that thus far, for various reasons, none of the ACP negotiating teams have been able to complete negotiations on a comprehensive EPA,

### **II. The negotiation process**

- 1. takes note that ACP States declare that they have been put under pressure by the European Commission to sign an EPA and that this is against the spirit of the ACP-EU partnership;
- 2. urges the European Commission to acknowledge that more time is needed for ACP States to assess, in a comprehensive way, the implications of the agreements proposed, given that negotiations have only taken place in earnest for the past two years;

3. notes with concern that the European Commission has stated that, if agreements are not in place, tariffs will be imposed on many exports from non-LDC ACP States, starting on 1 January 2008, and that this would threaten the welfare and livelihoods of millions of workers in ACP States;
4. notes the recent acknowledgment by the European Commission to adopt a two-step approach in order to avoid trade disruption for some ACP States and to continue negotiations beyond 31 December 2007 on comprehensive development-friendly EPAs;
5. underlines the importance of regional markets and stresses that any 'two-step' approach or any other initiative that might undermine ongoing ACP regional integration processes, must be avoided;
6. stresses that the European Commission must honour commitments made in the Cotonou Agreement to ensure that the ACP States - including non-LDC States - not in a position to sign an EPA, be provided with a new framework for trade which is equivalent to their existing situations and in conformity with Article 37(6) of the Cotonou Agreement;

### **III. Principles**

#### *Overall Approach*

7. believes that all agreements reached, whether interim arrangements or full EPAs, must ensure that no country is left worse off after the expiry of the negotiation deadline;
8. calls for the threshold for accession of LDCs in interim agreements to be adequately lowered to match their stage of development;
9. stresses that the process of regional integration for EPA regions must be an underlying principle of these agreements, and EPAs must be consistent with, and contribute to, the strengthening of ACP regional integration initiatives;

#### *Enhancing Market Access*

10. appreciates that for LDCs not yet party to the interim arrangements, the 'Everything But Arms' (EBA) initiative alone is not sufficient, and should be coupled with improved and simplified rules of origin;
11. underlines that the simplification of rules of origin is a prerequisite and that all necessary flexibility in the implementation of the new agreements should be introduced;

12. stresses that the European Commission should accord appropriate asymmetries in the agreements, in particular concerning the definition of substantially all trade; coverage of sensitive products; length of transition periods and pace of liberalization based on development benchmarks, safeguards and dispute settlement;
13. notes that the conclusion of a new generation of Free Trade Agreements by the European Commission could lead to the further erosion of trade preferences that ACP States currently enjoy; hence, the EU should take this into account and provide adequate support for adjustment, enhanced competitiveness and diversification in ACP States;
14. calls for adequate financial and technical assistance to ACP States to enable them to meet EU import regulations and standards and thus fully benefit from the improved market access;

#### *Addressing Supply Side Constraints*

15. notes with concern that many of the provisions tabled by the European Commission in the areas of services, competition, intellectual property, and government procurement, as some ACP regions do not want to address these issues, and urges the Commission to be flexible on this matter;
16. regrets the delays in the ratification of the revised Cotonou Agreement that could impede the implementation of the 10<sup>th</sup> EDF, which is likely to result in a shortfall in annual aid allocations to ACP-EU cooperation, and therefore encourages all parties to complete the ratification process as soon as possible;
17. stresses that a “goods only” agreement must include specific provisions for EPA-related aid for trade support, in addition to the EDF, to build supply side capacity and address the social impact of trade liberalization in ACP States;
18. further stresses that delivery of EDF resources must not be linked to, or made conditional on signing EPAs;

#### *Government Revenue Diversification*

19. calls for more attention to be paid to revenue diversification challenges facing ACP States, particularly given that import duties on significantly all trade with the EU would be abolished;
20. welcomes the proposal for the establishment of EPA Regional Funds, which will include a “Fiscal Adjustment Facility”, funded by the Commission and EU Member

States, in order to provide financial assistance for revenue diversification initiatives in ACP States and to support fair trade initiatives;

*Addressing External Trade Effects of the Reform of the Common Agricultural Policy*

21. calls on the EU to ensure that any reforms on the Common Agricultural Policy (CAP) are fully coherent with the objectives of its development policy and cooperation with ACP States;
22. believes that important lessons from earlier agricultural reforms (including banana and rum sector adjustments, as well as the EU CAP reform) must be applied in the design and implementation of sugar sector accompanying measures;

*The Gender Dimension*

23. regrets that, thus far, no specific positive measures have been developed to safeguard and promote the rights of women and girls in accordance with Article 31 of the Cotonou Agreement, and there has been no gender mainstreaming in the EPA negotiation process; therefore, calls on the Commission to carry out a systematic analysis, during the negotiations and following their conclusion, of the social impact of EPAs on the most vulnerable groups;

**Conclusion**

24. agrees to organise JPA oversight to publicly monitor and review the trade and development impact of EPA implementation, to improve policy coherence for development and to design mechanisms to ensure accountability and regular reporting of the EPAs' contribution to equitable and sustainable development;
25. concludes that the Joint Parliamentary Assembly will continue to work to ensure that any new framework for trade will leave no single country worse off, and further, that new trading arrangements will foster prosperity and sustainable development in all ACP States.