

JCTR, CSTNZ, CUTS, PELUM AND KEPA ZAMBIA

Conference Brief on ACP and EU Economic Partnership Agreements (EPAs) “Boom or Doom for Zambia?”

“A National Civil Society Consensus Building Conference on Trade Policy and Development”

May 23rd 2007

Mulungushi International Conference Centre, Luangwa Room

Background

In 2000, the African Caribbean and Pacific (ACP) and European Union (EU) countries replaced the Lomé framework, an agreement that had governed EU relations with its former colonies since 1975 with the Cotonou Partnership Agreement (CPA). The CPA aims to reduce and eventually eradicate poverty consistent with the objectives of sustainable development and gradual integration of the ACP countries into the world economy.

The trade and economic cooperation dimension of CPA under Article 36.1 requires that ACP countries and the EU negotiate a new (World Trade Organisation) WTO compatible trade regime which should involve the progressive trade liberalisation between the two blocks of countries. Article 37 of the same agreement has provided the legal basis for a preparatory period from 2000-2007, in time for the agreements to come into force January 2008. Article 37.4 of the CPA has provided for a review of the process, structure, and substance of the negotiations. The review is aimed at assessing progress that has been achieved on both trade and development aspect of the negotiations and the work plan of negotiations. This is in order to identify any necessary measures to support the timely completion of the negotiations before the deadline for entry into force of the new arrangements or if more time is needed to effectively conduct the negotiation.

These agreements have been negotiated on the basis that the trade preferences under Lomé agreements violated key WTO principles and also that ACP countries under Lomé become poorer, despite preferential market access to EU markets. Thus, EPA is being negotiated on the basis of the belief by both ACP and EU states that they will be instrumental in attaining sustainable development for ACP countries.

Because of not having any agreement ready, the exact development impact of an East and Southern Africa (ESA) – EU EPA remains unknown. However what is known is that trade liberalisation commitments demanded under this new free trade agreement will create losers and winners between regions, within regions and within countries across sectors. It is thus the responsibilities of negotiating parties and their citizens to ensure that benefits in any accrue equitably and losses are compensated.

Despite the uncertainties in terms of the ultimate development outcomes of the EPA, it is worth noting that from the inception of the negotiations to date, two main divergence views on consequences of EPA have trailed EPA debates and negotiations. One that is positive is based on theoretical benefits of free trade, largely propagated by the EU and the other that is negative and cynical, is based on some practical experiences of trade liberalisation in developing countries.

An Overview of EPA- ESA Negotiation Status

With the December 2007 deadline for concluding negotiations looming, the last few months have witnessed intense political and technical discussions between governments in ACP and EU countries, between Civil Society Organisations (CSOs) in EC and ACP and CSOs within ACP on principles, scope, timeframes, and substance of EPAs.

Some civil society organisations in Zambia, the whole ACP and in Europe have followed the trade negotiations around EPA and have been consistent in calling for an EPA that includes measures that will promote and not hinder the development prospects of ACP countries in line with spirit of the Cotonou agreements and the WTO Doha Development Agenda. However, seven months before the planned conclusion of these negotiations major concerns still remain on fairness of the process, consultation inadequacies, and the perceived ambiguities on provisions that would ensure that adequate development measures are part of these trade agreements.

With the formal review of the EPA negotiations having been completed, the major question of development has not been securely agreed upon. This is a situation of grave concern to CSOs. as lack of agreement by EC and ESA on development outcomes and how to measure them, might imply a loss for ESA and in particular the poor. This is because a rushed agreement will lead to the specific development needs especially of weak market players not provided for.

Objectives of the Conference

In view of the many challenges highlighted by the just ended EPA review and general lack of substantive discussions on EPA among a cross section of stakeholders in Zambia, JCTR, CSTNZ, CUTS, PELUM AND KEPA ZAMBIA found it pertinent to organise this forum under the theme “EPA: BOOM or DOOM for Zambia” . This forum is meant to be a vehicle to start forming a national perspective of how development priorities of Zambia should not be compromised in the EPA process. Thus, the main objectives of this conference are:

1. To understand the current status and implications of the EPA negotiations between the European Commission (EC) and the Eastern and Southern Africa (ESA).
2. To be informed of the Zambian Government’s input into the ESA negotiating position with respect to the critical development interests of our country.
3. To inform government on the views of other stakeholders with respect to the critical negotiating issues in view needs and priorities of Zambian producers.
4. To build consensus among stakeholders (CSOs and Government and Private Sector – delete private sector is part of CSOs) with respect to our country’s critical development interests that should be reinforced in the ESA negotiating positions.

The need for this conference is in line with the belief that any international trade agreements if negotiated fairly can be effective tools for poverty eradication. But if left only to operate only on the basis of market forces, such an agreement can lead to increased poverty and social tension in our country and will benefit primarily the stronger economic partners.

Thus, if the EPA agreement does not accompany necessary capacity building measures, substantive public investments, domestic regulations, and safeguards informed by the needs and realities of the Zambia people this agreement poses some threats to Zambia’s development

prospects and must be stopped. However, if guided by the kind of questions and ideas stakeholders in Zambia's development debate can bring to bear on this discussion, there is the possibility that Zambia might derive some positive tangible benefits.

About the organizers

Organizers of this conference Jubilee-Zambia, CSTNZ, PELUM, CUTS and Keba Zambia have actively engaged in understanding some of the options and implications of signing an EPA for Zambia's development prospects. These CSOs have been involved in monitoring the negotiations at regional and intergovernmental levels, engaged in EPA debates at regional level and consequently, have joined international lobby efforts and posed questions to the European Commission officials directly on unclear issues in EPA. They have undertaken sensitization work in some provinces and with some interest groups at national level to take stock of what EPA will mean for small scale producers in specific sectors.

These CSOs have initiated this national consensus building conference, to solicit more views on EPAs. This is in recognition of the fact that full macro and micro implications of the EPA have not been widely discussed by stakeholders despite some impact assessment studies done by EU and the Zambian government. This conference therefore, aims at ensuring that the Zambian people as key stakeholders do not lose sight of the priorities and key challenges Zambia is confronting being part of this process. b8

Speakers: See enclosed program

Participants: Civil society organizations, farmer's organizations, private sector associations, government officials, media organizations, economic and business analysts, EU officials, MPs, participants from provinces of Zambia and academicians. All who would be interested and have a role to play in shaping the Zambian interest in the EPA.¹

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