

AFRICAN UNION

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**AU CONFERENCE OF MINISTERS OF TRADE
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CAIRO, ARAB REPUBLIC OF EGYPT**

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AU'S MINISTERIAL DECLARATION ON EPA NEGOTIATIONS

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We, the Ministers of Trade of the Member States of the African Union, meeting in our Third Ordinary Session in Cairo, Egypt, on 8-9 June 2005 to consider a number of issues including the Economic Partnership Agreement (EPA) negotiations between our countries/regions and the European Union affirm the following:

1. EPAs as Development Tools

We reiterate that EPA negotiations should reflect the understanding and agreement in the Cotonou Partnership Agreement that EPAs should serve as instruments for development and poverty reduction. They must also support the deepening of intra-African trade. In this regard, emphasis should be placed on the need for urgent and easily accessible substantial additional resources for building supply capacity, infrastructure development, diversification, competitiveness of African economies and to deal with anticipated adjustment costs.

2. Regional Integration and EPAs

We place emphasis on regional integration as a key objective for African countries and realise that the process will continue well after the December 2007 deadline for conclusion of EPA negotiations. The EPA negotiations need to be seen in this context and should be supportive of this objective. Recognizing the limitations that overlapping membership to multiple RECs might pose to the implementation and maximization of possible gains from the EPAs, we request the RECs to urgently harmonise their trade integration policies before they conclude and sign the EPAs.

3. Speed of Negotiations

We recognise the principles that governed the ACP countries position during the Phase I of EPA negotiations and note that the different EPA groupings are moving at different speeds. We recommend that the different EPA groupings should harmonise their positions on issue of common interest before final decisions are taken.

4. The Role of the African Union Commission in Coordination of EPA Negotiations

We call on the Commission of the African Union to continue the implementation of the mandate given it by the AU Summit in Maputo in 2003 to monitor, coordinate and harmonise the EPA negotiations. The mechanism which has been established should include the gathering and exchange of information on EPA negotiations among the RECs and also identification of areas of common interest. We also call upon the RECs to give the AU Commission the necessary support and cooperation by, *inter-alia*, submitting progress reports on EPA negotiations.

5. Intra-African Trade Barriers

We note with concern that intra-African trade barriers continue to hinder regional integration processes on the African continent. We commit ourselves to taking measures that will lead to expeditious elimination of inter-REC and intra-REC trade barriers.

6. Asymmetry and Flexibilities in EPAs

We reiterate that Article XXIV of GATT needs to be appropriately amended to allow for necessary special and differential treatment, less than full reciprocity principle and explicit flexibilities that are consistent with the asymmetry required to make EPAs pro-development. Conclusions of the market access aspects of the EPAs should take place upon completion of the amendment.

7. Market Entry Barriers and Capacity Building

We recognise the impact of SPS and TBT on market access to be an issue of major concern to Africa and therefore recommend that non-health related rules and regulations under SPS be reviewed before agreements. Adequate resources should be provided to build capacity to meet the SPS and TBT requirements, which constitute non-tariff barriers to Africa's export trade.

8. Singapore Issues

We reaffirm the position of African countries that, except for trade facilitation, the other three Singapore issues of investment, competition policy and transparency in Government procurement should remain outside the ambit of the WTO Doha Work Programme/ EPA negotiations

9. Intellectual Property Rights

We note that the African Group initiated the discussion on the clarification of flexibilities in TRIPs, particularly in relation to patents and public health as well as biodiversity. We call on African countries to take appropriate measures at the national level to make full use of these flexibilities in line with the outcome of the AU Commission Workshop held in March 2005 in Addis Ababa. We call on the EU not to introduce in the EPA negotiations any TRIPs plus proposals (which go beyond existing TRIPs obligations) which would compromise these flexibilities. If such proposals are advanced, they should be rejected.

10. Articulation and Coherence at Multilateral, Regional and Bilateral Negotiations

We emphasise the need for coherence in the positions taken in negotiations at the multilateral, regional and bilateral levels and mandate the AU Commission to put in place mechanisms to ensure this coherence.

11. AU Commission Collaboration with other relevant Organizations in further Work

We mandate the AU Commission to undertake in collaboration with other relevant organizations further work on the following issues:

- a) Adjustment costs in relation to de-industrialisation and revenue losses;

- b) The treatment of EBA Scheme within the broader framework of EPAs;
- c) Implications of the enlargement of the EU and the reform of the Common Agricultural Policy, including the review of the Commodity Protocols; and
- d) Mode 4 in Services.

We thank the Government and the People of the Republic of Egypt for the warm hospitality extended to us and for the excellent facilities put at our disposal.

Done in Cairo, Egypt on 9th June 2005.