



## REPORT ON THE 14<sup>th</sup> ROUND OF NEGOTIATIONS AT TECHNICAL AND SENIOR OFFICIALS' LEVEL BETWEEN THE EUROPEAN UNION AND FIVE EASTERN AND SOUTHERN AFRICAN STATES ON THE DEEPENING OF THE CURRENTLY IMPLEMENTED ECONOMIC PARTNERSHIP AGREEMENT

30 September - 4 October 2024 in Brussels

### Summary:

The European Union (EU) and the five Eastern and Southern African (ESA5) States (Comoros, Madagascar, Mauritius, Seychelles, and Zimbabwe), which are implementing the Economic Partnership Agreement (EPA) since 2012, convened in Brussels and via videoconference from 30 September to 4 October 2024 for the 14<sup>th</sup> negotiating round of deepening the EPA at technical and Senior Officials' level.<sup>1</sup>

The Parties provisionally concluded the Chapter on Transparency in Public Procurement (**TIPP**) as well as the sections on State-Owned Enterprises and Competition Policy, which are part of the Competition (**COMP**)<sup>2</sup> Chapter<sup>3</sup>. In addition, they focused on the following thematic areas: Rules of Origin (RoO), Intellectual Property Rights (IPR) and Geographical Indications (GIs), Trade in Services, Investment Liberalization, and Digital Trade (TiSIL&DT), Trade and Sustainable Development (TSD), Economic and Development Cooperation (EDC), and Dispute Settlement and Institutional Provisions (DS&IP). Compromise proposals were exchanged for two parts, **IPR** (excluding GIs, which require further negotiations) and **EDC**, potentially paving the way for a swift provisional conclusion. Good progress was made on **RoO**, **TiSIL&DT**, **TSD**, and **DS&IP**.

On **RoO**, product-specific rules were agreed, with only a few headings outstanding. On **GIs**, the Parties continued their constructive discussions. On **TiSIL&DT**, a first presentation and initial discussion on the exchanged market access offers on services and investment took place and a common understanding on most of the provisions in the legal text was achieved. On **TSD**, both Parties increased their understanding of each other's positions and converged on several labour and environmental provisions. ESA5 maintained their concerns about potential difficulties in implementing legally binding TSD commitments and emphasized the need for receiving adequate development cooperation support. On **DS&IP**, the part on Exceptions under the General and Final Provisions was provisionally closed. Further discussions are required on provisions related to civil society's involvement in monitoring

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<sup>1</sup> The negotiations were launched (upon request of ESA5 and after agreeing on a joint scoping paper) at political level on 2 October 2019 in Mauritius.

<sup>2</sup> The third section of the Competition Chapter, Subsidies, is still pending.

<sup>3</sup> The Chapters on Sanitary and Phytosanitary Measures (SPS), Partnership in Agriculture, Fisheries and Aquaculture, and Technical Barriers to Trade (TBT), as well as the Protocol on Mutual Administrative Assistance in Customs Matters are already provisionally concluded.

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the EPA implementation, coverage of TSD provisions by Dispute Settlement, and transparency in dispute settlement procedures.

The 15<sup>th</sup> round of EU-ESA5 negotiations is scheduled to take place in the last week of January 2025 in the Republic of Seychelles (the venue still to be confirmed).

### **Details:**

#### **Transparency in Public Procurement**

The Parties reached an agreement on the ESA5 transparency schedules, which include thresholds and entities subject to transparency disciplines. As a result, this chapter was provisionally closed, following the provisional closure of the legal text prior to the 14<sup>th</sup> round.

#### **Competition**

The sections on State-Owned Enterprises (SOEs) and Competition Policy were provisionally closed. This outcome is crucial for promoting fair competition, transparency, and good governance. The third part of the chapter, Subsidies, remains pending.

#### **Rules of Origin**

Both Parties made progress on the pending product specific rules, with only a few headings remaining to be agreed. Discussions were also held on the articles on cumulation and derogation, but no agreement has been reached yet.

#### **Intellectual Property Rights and Geographical Indications**

On Intellectual Property Rights (except its sub-section on Geographical Indications), all thematic sections were provisionally closed. Several previously contentious provisions in the general section have also been agreed upon. The EU presented a comprehensive compromise package that addresses all remaining pending issues, as a basis for a final agreement. On Geographical Indications, the Parties continued their constructive discussions.

#### **Trade in Services, Investment Liberalization, and Digital Trade**

The EU and the ESA5 States had a first exchange on their market access offers on services and investment. The Parties continued text-based discussions on Chapters I General Provisions, II Investment Liberalisation, III Cross-border Trade in Services, IV Temporary Presence of Natural Persons for Business Purposes, and the 'Digital Trade' section of Chapter VI Sectoral Regulatory Framework. They made significant progress by achieving a common understanding on most of the provisions discussed.

The Parties will consult internally on various remaining provisions and revert at the next (15<sup>th</sup>) round. The EU and the ESA5 States agreed to hold intersessional meetings before the

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next round to further discuss their respective market access offers on services and investment, as well as the Chapter on 'Capital Movements, Payments and Transfers and Temporary Safeguard Measures'.

### **Trade and Sustainable Development**

Both Parties discussed and increased their understanding of each other's positions and converged on several labour and environmental proposals, thereby advancing the negotiations. The discussions covered, amongst others, matters related to climate change, environmental standards, sustainable forest management, responsible business conduct, the role of civil society, and cooperation support for the implementation of the Chapter.

The ESA5 States maintained their concerns about potential difficulties in implementing legally binding commitments to Trade and Sustainable Development and emphasized the need for receiving adequate development cooperation support. The EU is addressing these concerns in the negotiations, while underlining the need for high ambition and strong provisions on Trade and Sustainable Development.

### **Economic and Development Cooperation**

The Parties came to the table with substantial proposals, enabling significant progress towards a provisional conclusion, based on the extensive preparatory work and progress achieved during the last (13<sup>th</sup>) round. A consensus was reached, allowing for the provisional closure of Title I (General Provisions). Significant progress was also made on Title II (Areas of Cooperation), with almost all articles being agreed. A limited number of cases were identified where differences on certain formulations remained, specifically in the header of the 2<sup>nd</sup> paragraph referring to *Areas of cooperation* in all sectoral articles of Title II and the Articles on TSD, Energy, as well as Digital and Information and Communications Technology. The Parties agreed to strive for rapid progress on these issues, with a view to provisionally close the EDC Chapter. To this end, the EU proposed at Senior Officials' level a compromise package covering the elements above and ESA5 agreed to revert on it.

### **Dispute Settlement and Institutional Provisions**

The Exception part under General and Final Provisions was provisionally agreed. On Dispute Settlement, the text has been agreed except for certain provisions on transparency (documents to be disclosed to the public and hearings open to the public) and dispute settlement provisions covering Trade and Sustainable Development. On Institutional Provisions, the main remaining divergence relates to the dedicated mechanisms of civil society involvement in monitoring the EPA implementation, given ESA5 concerns about existing national structures for consultations of non-state actors. Further discussion is needed to find common ground.