

The SIA process Advisory

The SIA involved a four-year process in parallel with the ACP-EU trade negotiations.

The EU-ACP SIA was undertaken in parallel with the EPA trade negotiations, between December 2002 and December 2006. The SIA team employed a framework methodology developed in the first phase of the SIA to undertake six sector studies on a range of issues, one in each of the ACP regional negotiating configurations:

- Horticulture in Eastern and Southern Africa (ESA)
- Rules of origin in the Southern African Development Community (SADC) Group
- Financial services in Central Africa
- Agro-industry in Western Africa
- Tourism services in the Caribbean
- Fisheries in the Pacific

Stakeholder participation was an important element of the SIA process.

An important element of the SIA was public participation throughout the process to disseminate information, raise awareness, increase transparency, and ensure that the work is relevant and responds to the major concerns of stakeholders. This involved the development of a sustained dialogue with stakeholders, in a range of fora, about issues related to sustainability and the EPAs. Stakeholders were involved through various means: electronic mechanisms such as a dedicated Internet website or electronic discussion groups; stakeholder workshops in the EU and ACP regions to present and discuss the preliminary findings of the SIA. Over the four-year period, the SIA consortium made presentations at more than 30 meetings bringing together a broad range of stakeholders including trade negotiators and experts as well as representatives from private sector, trade unions or non-governmental organisations (NGO) in the EU and across the ACP.

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Sustainability Impact Assessment of the EU-ACP Economic Partnership Agreements*

The Sustainability Impact Assessment of the European Union-Africa, Caribbean, Pacific (EU-ACP) Economic Partnership Agreements (EPAs) has yielded several conclusions and recommendations for negotiators and other stakeholders that can help ensure that the EPAs promote development that supports economic, social and environmental sustainability.



*connectedthinking

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The EU-ACP Economic Partnership Agreements

Economic Partnership Agreements (EPA) are being negotiated between the European Union and 77 African, Caribbean and Pacific countries within the framework of the Cotonou agreement.

The EPAs will replace the Lomé Conventions' trade preferences.

EPAs will cover "substantially all trade", be WTO compatible, and will require a degree of asymmetry.

Negotiations should be completed in 2007.

The EPAs will have a strong development component.

How can ACP countries promote economic growth and sustainable development through trade?

The Economic Partnership Agreements (EPAs) are being negotiated between the European Union and the African, Caribbean and Pacific (ACP) group of countries within the framework of the Cotonou Agreement. The 77 countries that make up the ACP – developing countries, least-developed countries (LDCs), landlocked countries and small island developing states – face special challenges related to development. Most ACP countries are relatively weak in terms of their trading positions with the EU and the rest of the world. There is a high level of dependence on single commodities (often where international prices are falling) and low levels of regional integration, which aggravates supply-side constraints.

The EPAs are being negotiated within the framework of the Cotonou Agreement. The Cotonou Agreement replaced Lomé IV as a temporary measure in 2000 and includes similar non-reciprocal preferential access to the EU market for certain ACP agricultural and other goods, through to the end of 2007. Trade provisions in the Cotonou Agreement have been sanctioned by a waiver granted by the World Trade Organisation (WTO).

The EPAs will be reciprocal, cover "substantially all trade" and will be WTO-compatible. They will take into account the level of development of the Parties and the particular economic, social and environmental constraints the ACP countries face in terms of their capacity to adjust to the new trading arrangements. This is required by Article 37(7) of the Cotonou Agreement which provides that, "on the Community side, trade liberalisation shall build on the *acquis* and shall aim at improving current market access" for ACP countries. The negotiations will be flexible in establishing the duration of a sufficient transitional period and in the final product coverage (taking into account sensitive sectors). This requires a degree of asymmetry in terms of the timetable and extent of tariff dismantling which, in turn, requires careful consideration of what constitutes "substantially all trade".

The EPA negotiations began in September 2002 and should be completed by 31 December 2007. The EPAs will be implemented between 2008 and 2020.

The EPAs are intended to have a strong development component and several of the principles governing the negotiations refer to the role that the EPAs can play in promoting sustainability. Because the EPAs are situated in the broader context of the Cotonou Agreement they are perhaps better suited than many trading arrangements to address sustainability challenges. The central objectives of ACP-EU co-operation as set out in the Cotonou Agreement are: "poverty reduction and ultimately its eradication; sustainable development; and, progressive integration of the ACP countries into the world economy" (Article 19).

The EPAs present the ACP countries with new opportunities to trade, improve investment and capital flows, and generate advances in technology (including information technology) to promote economic growth, development and raise the living standards of the people in the ACP regions. Whether or not these potential gains can be realised depends on, inter alia, improving competitiveness, productivity, horizontal diversification, vertical integration, the delivery of basic services, and improved infrastructure (such as transportation, communications and financial services).

The SIA involved developing a methodology, undertaking case studies in key sectors throughout the ACP, and undertaking extensive consultation with negotiators, experts, and relevant stakeholders in civil society in the EU and in the ACP regions.

The EU-ACP Sustainability Impact Assessment

Trade is not an end in itself, but rather a tool for sustainable development.

EU-ACP SIA aims to assess the economic, environmental and social impacts of trade.

The SIA aims to encourage trade that promotes economic, social and environmental sustainability.

The SIA should help ensure that the EPA negotiations take sustainable development into account.

Trade is not an end in itself, but rather an essential tool contributing to sustainable development. The European Union is committed to understanding the impacts of its trade agreements on economic, environmental and social sustainability and seeks to ensure that its trading relationships promote, rather than detract from, efforts to pursue sustainable development.

This is why the European Union (EU) is undertaking a Sustainability Impact Assessment (SIAs) of Economic Partnership Agreements to identify the economic, environmental and social impacts of trade negotiations in order to integrate these issues into the agreements currently being negotiated between the EU and the ACP regions.

The objectives of the EU-ACP SIA

The ultimate objective of the EU-ACP SIA programme is to help ensure that trade between the EU and the ACP Group of countries supports economic, social and environmental sustainability. Fundamental to the EU-ACP SIA is the premise that strengthened regional integration in the ACP can be a tool for achieving sustainability.

The specific goals of the EU-ACP SIA are to:

- Enhance the analytical awareness and understanding of the negotiators of the links between trade liberalisation (and the EPAs in particular) and sustainability to ensure that the EPA negotiations take sustainable development fully into account.
- Contribute to research and policy efforts related to the EPA negotiations and to encourage negotiators to adopt positions that will promote sustainability in the EU and in the countries of the ACP.
- Help define, and provide input into, policy packages being developed by the EU and by the countries of the ACP to accompany EPAs to ensure that the outcome of the negotiations contributes to sustainable development.
- Increase transparency by developing a basis for the discussion with European and ACP stakeholders about sustainability implications associated with the negotiations.