



**JOINT REPORT OF THE FIRST SADC- EC EPA  
NEGOTIATING MEETING AT MINISTERIAL LEVEL**

**8 JULY 2004**

**WINDHOEK, NAMIBIA**

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**OPENING AND WELCOME**

1. Minister Jacob D. Nkate, Chief SADC Coordinator for EPA Negotiations and Minister of Trade and Industry for Botswana, and EC Commissioner Danuta Hübner co-chaired the meeting.
2. In his opening remarks Minister Nkate noted that the SA – EC Trade and Development Cooperation Agreement had implications on the SADC – EC EPA negotiations and in particular on the BLNS countries. He observed that South Africa was an important source of industrial inputs in the region and the absence of full cumulation with that country was a major barrier for increased exports from the rest of the region to the EC. He also noted that cumulation with other ACP regions were also important for increased exports from the SADC region.
3. On rules of origin currently in place, Minister Nkate observed that they were complex and that it would be necessary to examine the possibility of simplifying them to make them more facilitative to trade and to promote industrial development. On SPS measures, he said that continuous changes to the regulations made it difficult for small producers to comply, with the resultant negative effect on exports.
4. Minister Nkate appealed to the EC to take measures to make the various investment facilities in the EC more accessible to the region's private sector, especially small entrepreneurs, in order to promote investment. He called on the EC to give consideration to the need for SADC countries to adjust their fiscal policies due to the implementation of the EPA as most of the economies were still heavily dependant on tariff revenue.

5. Finally he observed that the HIV and AIDS pandemic had severely affected the region, particularly the productive age group of between 15 – 45 years.
6. In her remarks, Commissioner Hübner observed that time would be of essence in the negotiations. Equally important would be the quality of the outcome of the negotiations. She reiterated that the EPA should support the regional integration process of SADC. Commissioner Hübner acknowledged the concerns raised by SADC and noted that the EC would take them into account during the course of the negotiations. On rules of origin the Commissioner indicated that the EC would like to develop region specific rules of origin, which would provide for cumulation within the region but also with South Africa and inter-regionally and take into account the level of development in the region.
7. Commissioner Hübner indicated that the issue of overlapping Membership of some Member States should be clarified through these negotiations. She concluded by underlining that, through EPA negotiations, the EC stood ready to assist the SADC region in its own integration efforts.
8. In his remarks, Commissioner Poul Nielson stressed that, regardless of EPA negotiations, it was not sustainable to rely on tariffs as a source of revenue. On SPS, the Commissioner was of the view that this is one of the issues that will be attended to in the negotiations but could be considered on a case by case basis.
9. On investment facilities, Commissioner Nielson suggested that both parties should jointly explore funding possibilities with the European Investment Bank (EIB) to do more in the region. He, however, was of the view that the region should also ensure that there were viable projects for EIB to finance, as in his view there were more financial resources available than viable projects.

#### **SADC EC JOINT ROAD MAP FOR THE EPA NEGOTIATIONS**

10. The parties adopted the SADC - EC Joint Road Map, which will serve as a guide for the conduct of the negotiations. The Joint Road Map is attached as Annex I.

#### **JOINT SADC EU PRESS RELEASE**

11. The parties agreed on a Joint Press Release, which is attached as Annex II.

## CONCLUSION

12. In conclusion, the parties agreed to an Orientation Seminar to be held in Brussels at the end of September 2004 and a Senior Officials meeting in November 2004. They agreed that ministerial dedication and commitment to the process was necessary to ensure that the process is on course and a successful outcome of the negotiations is achieved.