1. State of Play

The negotiations towards a West African-EU regional agreement formally started in 2003. Côte d'Ivoire and Ghana both agreed interim EPAs with the EU in December 2007. These agreements were put in place to prevent disruption of their exports to the EU after the trade provisions of the Cotonou Agreement expired at the end of that month and to provide additional time to negotiate a more comprehensive regional EPA. The regional negotiations have continued ever since, with the aim of replacing the two interim agreements by a regional deal.

In the meantime, the EU Market Access Regulation provided for a unilateral and provisional advance application of the benefits of these interim agreements, meaning that Côte d'Ivoire and Ghana's export products already enjoy free access to EU markets. This includes cocoa, bananas and other agricultural products worth around a third of annual exports to the EU. Four years of such unprecedented advance application of trade preferences have provided enough breathing space for ratification of the interim agreements or further regional negotiation. Therefore, the Commission has proposed to withdraw, by 1 January 2014, the Market Access Regulation for the countries that have not taken the necessary steps towards ratifying the EPAs they initialled in 2007. The proposal aims to put ACP-EU trade relations on a solid legal footing based on the respect of WTO and EU law, as well as balance and fairness towards other ACP and indeed non-ACP developing countries.

As Ghana has not yet signed its interim EPA and Côte d'Ivoire has signed but not yet ratified its agreement, they have to make the choice on how to go ahead and establish a partnership with the EU. To maintain free access to the EU, they can take the necessary steps towards ratification of their respective interim EPAs and/ or conclude the regional West African EPA.

As the rest of the West African region is largely made up of Least Developed Countries, they have duty free access to the EU under the Everything But Arms (EBA) scheme while full EPA negotiations continue. The exceptions are Cape Verde and Nigeria. Cape Verde has continued to benefit from EBA for a transitional period of four years following its graduation from LDC status (2008 – 2011) and has now successfully applied for the GSP+ special incentive scheme. Nigeria decided not to enter into an interim EPA and benefits from the regular EU Generalised System of Preferences (GSP). However, both countries are part of the regional negotiations and aim to replace GSP preferences by a partnership with the EU.

* This fact sheet describes the content of the interim Economic Partnership Agreements. It does not in any way replace or interpret the provisions of these agreements.
2. Main features of the interim EPAs

Trade in goods

The provisions on Trade in Goods cover:

- **Duty free quota free access** into the EU for all imports from Ivory Coast and Ghana as of 1 January 2008, with some transitional provisions for sugar (until 2015);
- An asymmetric and gradual opening of their markets to EU goods, taking full account of the differences in levels of development between them and the EU (see below);
- A chapter on trade defence with bilateral safeguards allowing each party to reintroduce duties or quotas if imports of the other party disturb or threaten to disturb their economy;
- A chapter on technical barriers to trade as well as Sanitary and Phyto-sanitary (SPS) measures, to help West African exporters meet EU import standards; and
- A chapter aiming at facilitating trade through measures such as more efficient customs procedures and better cooperation between administrations.

Goods liberalised in the interim EPAs

All imports from Ivory Coast and Ghana have entered the EU duty and quota free since the 1st of January 2008 (other than transition periods until 2010 for rice and 2015 for sugar). This is an improvement over the previous "Cotonou" trade regime.

In return, over the next 15 years, Ivory Coast will liberalize 81% of imports from the EU (representing 89% of tariff lines) and Ghana will liberalize 80% of imports from the EU (representing 81% of tariff lines).

Liberalised EU imports are mainly industrial machines (pumps, generators, turbines, etc), certain vehicles (boats, aircrafts, cars), and certain chemicals. These are all inputs used by Ivorian and Ghanaian industries which are not produced locally. Eliminating import duties on these products will reduce the costs of inputs for local businesses.

Goods not liberalised in the interim EPAs

Côte d'Ivoire and Ghana excluded a number of agricultural goods and non-agricultural processed goods from liberalisation, mainly to ensure the protection of certain sensitive agricultural markets and industries but also to maintain fiscal revenues.

The exclusion lists of Côte d'Ivoire and Ghana are not identical as they reflect the respective situation in each country. But both countries are working with the West African region to produce a common market access offer in the context of the full EPA negotiations.

Both Ghana and Côte d'Ivoire have excluded chicken and other meats, tomatoes, onions, sugar, tobacco, beer, worn clothes. Côte d'Ivoire has also excluded cement, malt, gasoline and cars while Ghana has excluded wheat, frozen fish, and industrial plastics.
**Other elements**

There is a detailed dispute settlement mechanism to support effective implementation of the agreements and new, improved, *Rules of Origin* will be annexed to the interim EPAs as soon as they are agreed with the whole region in the full EPA negotiations. In the meantime Côte d’Ivoire and Ghana benefit from general EPA improved rules of origin (Council Regulation 1528/2007).

**Development Cooperation**

Development Cooperation provisions make the link with European Union and EU Member States development cooperation instruments. They identify priority areas of development cooperation to accompany the implementation of the interim EPAs. The main areas identified are:

- **Reinforcing and upgrading** of the capacity of productive sectors;
- **Cooperation** on fiscal adjustment;
- **Improvement** of the business environment; and
- **Implementation** of trade rules in the agreements.
3. State of play of the full EPA negotiations

Negotiation of a regional EPA covering West Africa (Benin, Burkina Faso, Cape Verde, Gambia, Ghana, Guinea, Guinea Bissau, Ivory Coast, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo) are ongoing. The objective of the EU and West Africa in these negotiations is to conclude an agreement at regional level, which supports development and fosters regional integration. The Economic Community of West African States (ECOWAS) negotiates on behalf of its members (15 countries) plus Mauritania; and is assisted by the UEMOA Secretariat (*Union Economique et Monétaire Ouest-Africaine*).

Negotiators meet regularly at both technical and senior official level, and a ministerial-level meeting of "Chief Negotiators" was last held in June 2009. The interim EPAs and the comprehensive EPA with the Caribbean have been useful points of reference in these negotiations.

In June 2009 the Chief Negotiators decided to first focus on an agreement in trade in goods and development cooperation: leaving areas such as services and other trade-related issues to be negotiated at a later date. EU and West Africa agreed on a rendezvous clause that would see them start negotiating on areas including services, investment, competition, intellectual property, sustainable development and public procurement within six months of conclusion of the agreement on trade in goods and development cooperation.

Questions remain on how to maximise the contribution to regional development via the West African common market access offer for goods, both in terms of product coverage (degree of liberalisation) and calendar of dismantling (speed of liberalisation).

The text of the trade in goods provisions has been largely agreed but still contains points of divergence for which we are looking for compromise, such as the non-discrimination ("MFN") clause. As is the case for the interim EPAs, there are provisions covering trade defence, Technical Barriers to Trade, SPS measures, and trade facilitation.

The framework for development cooperation has been agreed and the EU has pledged €6.5 billion for the first five years' worth of financing of the EPA Development Programme (known under its French acronym PAPED). A few questions remain open in the PAPED Protocol.

In Rules of Origin negotiations, few outstanding issues remain. These discussions started from the Rules of Origin used in the Cotonou Agreement and those contained in Council Regulation 1528/2007. This has already resulted in simplifications that could help West Africa develop, such as the "single transformation" for textiles products.

For the latest state of play, please see:

For dates of EPA negotiating rounds please see:
http://ec.europa.eu/trade/wider-agenda/development/economic-partnerships/#calendar