

CIVIL SOCIETY DIALOGUE

MEETING ON

SUSTAINABILITY IMPACT ASSESSMENT IN SUPPORT OF THE NEGOTIATIONS TO DEEPEN
THE EU- EASTERN AND SOUTHERN AFRICA (ESA) ECONOMIC PARTNERSHIP AGREEMENT (EPA)

Date: 11/09/2020

Time: 10:00-12:00

Location: WEBEX

Agenda

1. Presentation of the state of play of the negotiations
2. Presentation of the draft Inception Report for the SIA in support of the EU-ESA-5 negotiations
3. Open discussion with stakeholders

Participants

Lead speakers:

Ewa Synowiec, Director, Directorate-General for Trade (DG Trade), Chief Negotiator for the negotiations to deepen the EU-ESA EPA and team members of DG TRADE Unit C1

Contractor: LSE Consulting team

Moderator: Transparency, Civil society and Communication Unit, DG Trade

Organisations that have registered:

- Participant from ACT Alliance Advocacy to the European Union
- Participant from Africa Europe Faith and Justice Network
- Participant from Association de l'Aviculture, de l'Industrie et du Commerce de Volailles dans les Pays de l'Union Europeenne asbl
- Participant from Association de l'Aviculture, de l'Industrie et du Commerce de Volailles dans les Pays de l'Union Europeenne asbl
- Participant from ASSUC- European Association of Sugar Traders
- Participant from Außenhandelsvereinigung des Deutschen Einzelhandels e.V.
- Participant from Brot für die Welt
- Participant from Bundesarbeitskammer Österreich
- Participant from Bundesarbeitskammer Österreich
- Participant from Bureau Européen de l'Agriculture Française
- Participant from BUSINESSEUROPE
- Participant from CEMA - European Agricultural Machinery Industry Association
- Participant from COMITE EUROPEEN des FABRICANTS de SUCRE
- Participant from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
- Participant from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
- Participant from Deutscher Industrie- und Handelskammertag e.V.
- Participant from Eurogroup for Animals
- Participant from EUROPEAN ASSOCIATION OF DAIRY TRADE
- Participant from European Centre for Development Policy Management
- Participant from European Chemical Industry Council
- Participant from European Cocoa Association
- Participant from EUROPEAN SERVICES FORUM
- Participant from EUROPEAN SERVICES FORUM

- Participant from EUROPEAN SERVICES FORUM
- Participant from European Tyre & Rubber Manufacturers' Association
- Participant from Fédération Française de l'Assurance
- Participant from Garment Manufacturers Association of Cambodia
- Participant from Global Witness
- Participant from IFPI Representing recording industry worldwide
- Participant from IFPI Representing recording industry worldwide
- Participant from International Trade Union Confederation
- Participant from Landwirtschaftskammer Österreich
- Participant from Lithuanian Investors Association
- Participant from PETITA I MITJANA EMPRESA DE CATALUNYA
- Participant from PETITA I MITJANA EMPRESA DE CATALUNYA
- Participant from Rosa Luxemburg Stiftung Brussels Office
- Participant from spiritsEUROPE
- Participant from spiritsEUROPE
- Participant from Tobacco Europe
- Participant from Tobacco Europe
- Participant from Verband Deutscher Maschinen- und Anlagenbau e.V.
- Participant from Wirtschaftskammer Österreich
- Participant from Wirtschaftskammer Österreich
- Participant from Zentralverband Elektrotechnik- und Elektronikindustrie e.V.

Presentation

Ewa Synowiec, Director of Directorate TRADE C and Chief Negotiator for the deepening of the EU-ESA EPA, provided an update to stakeholders as it pertains to the state of play of the ongoing negotiations with Comoros, Madagascar Mauritius, Seychelles and Zimbabwe (ESA-5). E. Synowiec noted that the process had been officially launched in October 2019 and so far had seen two successful rounds of negotiations (January 2020; July 2020). The parties have reached substantial progress on four key issues; technical barriers to trade, customs and trade facilitation, sanitary and phytosanitary measures and agriculture, while they reached better understanding of both sides' proposals on rules of origin. E.Synowiec further noted that the ESA team was well prepared for the negotiations and this was also the result of the ESA Coordination Hub, which is financed by the EU to assist the ESA-5 in discussing and consolidating their negotiating positions. Furthermore, DG TRADE noted that the COVID-19 pandemic had not so far put a damper on the willingness of the ESA-5 to negotiate, confirming thus their commitment to move forward. DG TRADE also noted that the deepened agreement would mean a comprehensive EPA which would become the first modern free trade agreement in Sub-Saharan Africa and as such, would set an example in terms of scope and ambition for similar exercises in the future in other regions/countries implementing EPAs in Africa. The next round of negotiations is set for November 2020 and will introduce new chapters.

With respect to the Sustainability Impact Assessment (SIA), E. Synowiec maintained that such a study was key in the formulation of sound, transparent and evidence-based trade policies. It increases their legitimacy, it improves transparency and it incorporates all sustainable development dimensions into one single "preventive" study. The impact assessment drives policy conclusions. Finally, recommendations are proposed by the contractor consisting in accompanying measures that should be put in place in order to maximise likely benefits or mitigate possible negative impact of the trade deal being discussed, thus important to the negotiations conducted in parallel.

Subsequently, LSE Consulting presented the inception report of the SIA in support of the negotiations to deepen the EU-ESA EPA. The presentation can be found [here](#).

Open discussion with stakeholders

ACT Alliance Advocacy to the European Union inquired on the expected outcome of the negotiations concerning the trade defense instruments (unfair trading practices) and whether this would increase the capacity of the ESA countries to launch their own investigations as mentioned in the preliminary SIA study (Slide 14). They were also interested in ascertaining whether unfair trading practices covered agriculture and fisheries.

In response, LSE Consulting noted that whilst it could not be confirmed upfront whether the defense mechanism would be improved, it was certainly an objective of the study to highlight the possibilities of the negotiations in this regard. With respect to fisheries, the case study will discuss this. The improvement in administrative capacity cannot be confirmed upfront but it is expected as the deepening of the EPA is to improve trade capacity in the ESA-5 countries.

DG TRADE noted that in terms of the agricultural chapter, it was not about market access concessions but rather, about closer cooperation and dialogue. The agricultural chapter aims at establishing a partnership to facilitate dialogue between the EU and the ESA-5 (e.g. on commodities, regional value chains, food security, sustainable food systems and rural development, biodiversity etc.), to combine development cooperation and policy dialogue, to cooperate on geographical indications and to exchange experience, information and best practices on other issues covered by this chapter. They also noted that the agricultural chapter was mostly for the benefit of ESA-5 partners. The agricultural chapter forms part of the negotiating mandate given its potential impact on economic cooperation and development. The chapter is geared towards providing technical support and other assistance needed for capacity building in the ESA-5.

The **European Services Forum** queried whether negotiations on services and investment market access have started and how the ESA-5 are participating in the negotiations of this chapter.

DG TRADE noted that the aim was to start first discussions on services and investment in the next round of negotiations. They further indicated that the more developed countries of the ESA-5 region were keen on negotiating the services and investment chapter notably, Seychelles and Mauritius and had undertaken relevant reflection and preparations.. The aim is thus to have exploratory talks in the next round in November based on non-papers prepared by experts after which, the parties will proceed to negotiate on the text.

Brot fur die Welt asked how the SIA would factor in the pandemic and its impact on the participation of civil society. He noted that their partners in Madagascar and Zimbabwe noted that the negotiations for the comprehensive EPA had started without civil society's knowledge and likewise the space for civil society participation was shrinking. Moreover, the COVID-19 related arguments were misused by governments to exclude civil society from that process. They also asked about the impact of the EPA for the AfCFTA membership of the ESA countries and whether the EU attempts to become a hidden member of the AfCFTA via the EPAs.

LSE Consulting noted that on the stakeholder consultation, they were working closely with the EU Delegations and together with local partner, SEATINI, made adjustments to the stakeholder consultation strategy in the context of COVID-19. They also invited Brot fur die Welt for further discussion on how to improve the stakeholder consultation and make sure all groups especially vulnerable groups are included.

CEFS - Association of European Sugar Producers asked whether sugar was being negotiated as part of the agricultural chapter of the EPA and what was the interest from the negotiating parties, in particular, Mauritius? A follow up question to the first was whether the SIA study could look into the impact of sugar imports from Mauritius on the EU niche market for special sort of sugar.

In response, LSE Consulting noted that the impact of sugar imports would be part of the SIA analysis. DG TRADE clarified that market access for sugar was not part of the current negotiations (currently, under the existing EPA, it already enters the EU market duty free and quota free). DG TRADE also noted that market access for sugar had undergone reform recently, which included an assessment of its impact on Sugar Protocol producers. Accompanying measures for those countries (Accompanying Measures for Sugar Protocol countries, AMSP) have been put in place to counter the impact. They also added that market access for sugar was linked to rules of origin, which had been updated on certain aspects by both parties before the currently ongoing negotiations.

Eurogroup for Animals asked whether of the SPS chapter would be limited to farm animals or whether it would include working animals. They also asked whether there were plans to incorporate animal welfare in the SIA given its impact on the achievement of the Sustainable Development Goals (for example the goal to end poverty and hunger).

LSE Consulting noted that the team would look at issue of animal welfare as part of the SIA study. DG TRADE also added that animal welfare was part of the current negotiation mandate under the sanitary and phytosanitary chapter and will be looked at in the context of cooperation. The aim is to raise awareness of how animal welfare could impact the economy and to discuss with trading partners, what actions can be taken together with respect to this issue. They also added that the agricultural chapter identified several areas where cooperation could increase, notably organic food, mitigation of climate change due to agri-food production, enhancing biodiversity and sustainable food systems among others. This will be at the centre of continued discussion under the agricultural chapter.

Business Europe queried whether any other African regions/countries had expressed interest in deepening their Economic Partnership Agreements. They also asked with respect to the EU's ambition to establishing consultative bodies for civil society, whether there would be domestic advisory groups under the deepened agreement, or whether DG TRADE envisaged institutional setting similar to the EU-CARIFORUM EPA.

DG TRADE noted that so far Southern African Development Community (SADC) EPA countries (except for South Africa) had expressed interest in continuing negotiations with the EU on services (as foreseen in the EPA). They also noted that Angola was interested not only in joining the EU-SADC EPA but also in negotiations of the investment facilitation agreement with the EU. With respect to consultative body for civil society under the deepened EPA with ESA-5, DG TRADE noted that this was to be discussed.

The final question was raised by **the Lithuanian Investors Association**: Is there scope for the discussion of digital economy and cyber security in the negotiations?

To this, DG TRADE noted that the digital aspects was part of the negotiating mandate. They added that exploratory talks on this issue would take place in the next round of negotiations in November 2020 or in the rounds thereafter.