



REPORT ON THE 7th ROUND OF NEGOTIATIONS BETWEEN THE EUROPEAN UNION AND FIVE EASTERN AND SOUTHERN AFRICA (ESA) COUNTRIES FOR THE DEEPENING OF THE CURRENTLY IMPLEMENTED ECONOMIC PARTNERSHIP AGREEMENT

28 March- 1 April 2022

The European Union (EU) and the five Eastern and Southern African countries (Comoros, Madagascar, Mauritius, Seychelles and Zimbabwe) implementing the interim Economic Partnership Agreement (EPA) met virtually via video-conference from 28 March to 1 April 2022 to hold the seventh negotiating round for the deepening of this agreement, following the launch of the negotiations on 2 October 2019 in Mauritius.

This round included six issues, namely technical barriers to trade (TBT), rules of origin (RoO), trade in services, investment liberalisation and digital trade (TiSIL&DT), public procurement (PP), competition (COMP), and means of implementation (MoI) chapters.

The meeting was held in a positive and constructive atmosphere and progress was achieved on all trade-related issues. On TBT, two more articles (on chapter coordinator and technical consultations) were agreed. On RoO, substantive progress was made on the Product Specific Rules. On TiSIL&DT, there was good progress on a first text-based discussion. On COMP, good initial discussions took place and the organisation of negotiations for the next round was discussed. On PP, there was agreement on including transparency rules but divergence on their scope and content.

On MoI, both Parties achieved convergence in most parts of the text but need to work further towards a common understanding on the ambition, objectives and expectations. The EU reconfirmed its support for implementing the EPA and insisted on a pragmatic approach and within the existing partnership framework of cooperation.

Technical Barriers to Trade (TBT)

Both Parties had a constructive exchange of views on the outstanding issues. Progress was made on some of the remaining articles, notably on TBT chapter coordinator as well as on technical discussions and consultations. Other issues discussed included conformity assessment procedures. Cooperation and technical assistance will be discussed in the wider context of the negotiations on Economic and Development Cooperation.

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Rules of Origin (ROO)

The Parties continued discussion on the product specific rules and made substantive progress on a significant number of chapters in the industrial sector (up to chapter 68). Both sides continued discussions on a number of provisions such as wholly obtained, cumulation and tolerance.

Trade in Services, Investment Liberalisation and Digital Trade (TiSIL&DT)

The Parties had their first text-based discussion based on merged EU-ESA text proposals relating to the liberalisation and facilitation of services and investment. The Parties had constructive talks on Chapter I (General Provisions) and on section A of the Chapter V (Facilitation of Investment and of Trade in Services (FITS)). The Parties stressed the commonalities and differences in their respective approaches and texts.

In terms of next steps, the ESA States will discuss internally investment-related issues. Both the EU and ESA side will consult internally on various text provisions and revert at the next round.

Competition (COMP)

The Competition chapter was discussed for the first time at this round. The chapter covers three interconnected topics: competition policy, subsidies, and state-owned enterprises. Both sides presented their initial views and discussed the organisation of the negotiations. Linkages with other chapters were also considered.

Public procurement (PP)

The ESA and the EU exchanged their views on the scope of the chapter, some transparency provisions and the electronic procurement portals.

Both Parties agreed on the need to include transparency provisions notably on publication obligations and the use of electronic portals, where ESA would need some transitional period. There are some divergences of views between the EU and ESA relating to the scope of this chapter, notably on the use of thresholds and lists of entities in the annex of the chapter. Both Parties will consult internally and discuss in intersession the issue in advance of the next round.

Means of Implementation (MoI)

Both Parties confirmed the important progress achieved on the drafting on the text. The Parties went over the text proposal to continue the work towards a final joint text and agreed to a significant number of drafting provisions.

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The Parties also managed to identify the main elements where further work needed in view of achieving a common understanding of the chapter. This includes namely: the existence of a customized dedicated envelope, the inclusion of Key Performance Indicators, the long detailed list of identified cooperation areas, the linkage and framing within the Post-Cotonou Framework and the level of commitment in mobilizing additional external resources. The discussion focused mainly on the real expectations of the Parties on the ambition and objective of the chapter. The EU asked ESA partners to share further details on how the requested amount of 7bn was built. The EU reiterated its engagement to provide support for the specific needs of implementation of the Chapters' provisions but advanced the need to define this support within the existing partnership framework and with a more pragmatic view.