UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

ECONOMIC PARTNERSHIP AGREEMENTS:
COMPARATIVE ANALYSIS OF THE AGRICULTURAL PROVISIONS

UNCTAD series on assuring development gains from the international trading system and trade negotiations

UNITED NATIONS

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Economic Partnership Agreements: Comparative Analysis of the Agricultural Provisions

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United Nations
New York and Geneva, 2010

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UNCTAD/DITC/TNCD/2009/3

UNITED NATIONS PUBLICATION

ISSN 1816-2878

PREFACE

As the focal point of the United Nations for the integrated treatment of trade and development and interrelated issues, and in accordance with the São Paulo Consensus adopted at the eleventh session of UNCTAD, the UNCTAD secretariat supports member States in assuring development gains from international trade, the trading system and trade negotiations, with a view to their beneficial and fuller integration into the world economy, and to the achievement of the United Nations Millennium Development Goals. Through intergovernmental deliberations and consensus-building, policy research and analysis, and technical cooperation and capacity-building support, UNCTAD's work on trade negotiations and commercial diplomacy aims at enhancing the human, institutional and regulatory capacities of developing countries to analyse, formulate and implement appropriate trade policies and strategies in multilateral, interregional and regional trade negotiations.

This paper is part of a new series entitled *Assuring Development Gains from the International Trading System and Trade Negotiations.* It builds on the previous series entitled *Selected Issues in International Trade Negotiations.* Experts are invited to express their own views, which do not necessarily reflect those of the UNCTAD secretariat. The targeted readership is government officials involved in trade negotiations, trade and trade-related policymakers, and other stakeholders involved in trade negotiations and policymaking, including non-governmental organizations, private sector representatives and the research community.

The objective of the series is to improve understanding and appreciation of key and emerging trade policy and negotiating issues facing developing countries in international trade, the trading system and trade negotiations. The series seeks to do so by providing a balanced, objective and sound analysis of the technical issues involved, drawing implications for development and poverty reduction objectives, and exploring and assessing policy options and approaches to international trade negotiations in goods, services and trade-related issues. It seeks to contribute to the international policy debate on innovative ideas to realize a development dimension for the international trading system, with a view to achievement of the Millennium Development Goals.

The series is produced by a team led by Mina Mashayekhi, Head, Trade Negotiations and Commercial Diplomacy Branch, Division on International Trade in Goods and Services, and Commodities.

ABSTRACT

This study analyses the development implications of the agricultural provisions of the Economic Partnership Agreements (EPAs) between the European Union (EU) and 36 African, Caribbean and Pacific (ACP) countries. It is argued that, for most countries, the loss of EU preferences was the decisive factor in signing the EPA, while the additional gains of improved market access have been limited.

With respect to ACP countries' import liberalization commitments, the analysis shows that ACP agricultural markets are not exposed per se to EU products but are affected very differently. In some EPAs, import liberalization is (heavily) front-loaded and also includes agricultural items that appear to compete with domestic production. In other EPAs, import liberalization is largely back-loaded and excludes most sensitive agricultural items. For some countries and regions, the EPA will affect agricultural protection less than the implementation of regional tariff commitments will.

However, the EPA does not only include import liberalization commitments, but also a set of trade policies that comprehensively rule not only EU–ACP trade but also intra-ACP trade. The implementation of these rules is likely to affect current agricultural policies, as well as the Special and Differential Treatment (SDT) policies applied in some regions.

The negotiations towards comprehensive EPAs offer both parties the chance to address areas that are feared to constrain ACP development and regional integration. Having had the time to study and digest the contents of the interim agreements and their potential impact in a regional context, both sides might be interested in revising some of the provisions agreed upon and/or taking up more favourable conditions that have been agreed upon in another region.

ACKNOWLEDGEMENTS

The paper was prepared by Mareike Meyn and Jane Kennan, both of the Overseas Development Institute (ODI), United Kingdom, for the Trade Negotiations and Commercial Diplomacy Branch, Division on International Trade in Goods and Services, and Commodities (DITC), UNCTAD, Geneva. The authors would like to thank Christopher Stevens (ODI), who was heading the research team that conducted the studies that this paper draws on. We would also like to thank Ralf Peters, Trade Negotiations and Commercial Diplomacy Branch, UNCTAD, for his valuable comments on the paper. Any remaining errors are the authors' responsibility.

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LIST OF ACRONYMS AND ABBREVIATIONS

ACP	African, Caribbean and Pacific (Group of States)
AfT	Aid for Trade
AGOA	African Growth and Opportunity Act
AoA	Agreement on Agriculture
BLNS	Botswana, Lesotho, Namibia and Swaziland
CARICOM	Caribbean Community
CARIFORUM	Caribbean Forum
CEMAC	Communauté économique et monétaire de l’Afrique centrale
CET	common external tariff
COMESA	Common Market for Eastern and Southern Africa
CSME	Caribbean Single Market and Economy
DFQF	duty-free quota-free
EAC	East African Community
EBA	Everything But Arms
EC	European Commission
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EPA	Economic Partnership Agreement
ESA	Eastern and Southern Africa
EU	European Union
FTA	free trade agreement
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GSP	Generalized System of Preferences
IEPA	interim economic partnership agreement
IMF	International Monetary Fund
HS	Harmonized System
LDC	least developed country
MFN	most favoured nation
NTB	non-tariff barrier
ODI	Overseas Development Institute
PACP	Pacific ACP
PICTA	Pacific Island Countries Trade Agreement
SACU	Southern African Customs Union
SADC	Southern African Development Community
SDT	Special and Differential Treatment
SFA	Special Framework of Assistance
SPS	Sanitary and Phytosanitary Standards
TBT	Technical Barriers to Trade
TDCA	Trade, Development and Cooperation Agreement
WTO	World Trade Organization

EXECUTIVE SUMMARY

Structure and contents

This study analyses the development implications of the agricultural provisions of the Economic Partnership Agreements (EPAs) between the European Union (EU) and 36 African, Caribbean and Pacific (ACP) countries by:

(a) quantifying the immediate monetary costs for non-signatory ACP countries;

(b) quantifying the immediate monetary benefits for signatory countries and analysing the options for increased supply;

(c) analysing the agricultural liberalization commitments of each (sub-) region under the EPA;

(d) analysing how the actionable and non-actionable provisions of the single EPA texts affect ACP agricultural production, trade and development.

Why sign an EPA?

For most EPA signatories, the potential loss of preferences was a decisive push factor. ACP exporters of beef, processed fruits, sugar, rice, bananas, citrus and horticulture would have been the most severely affected by the loss of the Cotonou preference level. As a result, all but 10 developing ACP countries had initialled an EPA by the end of 2007. The developing countries that did not sign were either hardly exporting to the EU (seven Pacific countries) or exporting only a few agricultural items facing tariff increases (three African countries).

By comparison, the pull factors for signing an EPA were small, because the status quo ante was already liberal. In 2006, 97.6 per cent of ACP exports had entered the EU market free of duty, therefore full duty-free quota-free (DFQF) market access offered only limited *additional* gains (in particular because sugar, the most valuable item for which quotas exist, remains restricted until 2015). Nevertheless, in addition to the immediate revenue gains of DFQF, there might be scope for increased export supply of some agricultural products, namely meat and meat products, grapes, rice, and possibly citrus. However, the competitive advantage of DFQF is time-bound and can only act as a “window of opportunity” to reform and adjust ACP economies, which in turn require financial and technical support. DFQF is not accompanied by significantly improved rules of origin in relation to food processing. Thus, in most cases, the current rules do not allow an ACP state to process raw materials from third countries. A boost of ACP supply capacity as a result of DFQF is therefore unlikely.

ACP agricultural liberalization commitments under the EPAs

The fact that the immediate threat of tariff increases was disproportionally higher than the immediate benefit of improved market access has worked to the disadvantage of the ACP. Most non-LDC ACP countries lacked the ultimate source of bargaining power of a weaker party – namely the ability to walk away from EPA negotiations. Some of the ACP countries signed hastily drawn liberalization schedules that do not consider domestic sensitivities sufficiently and are not harmonized on a regional level.

It is argued that Caribbean and Pacific countries had a political leverage that most African countries lacked, since they source considerably fewer products from the EU. As a result, they were able to exclude most agricultural products without increasing the total value of excluded trade.

However, as the analysis shows, African agricultural markets are not per se exposed to EU exports as a result of the EPAs but are affected very differently. Whereas, for instance, Côte d'Ivoire's agricultural liberalization is heavily front-loaded (with more than half of EU agricultural imports being liberalized in the first five years), Cameroon and Ghana have largely back-loaded their agricultural liberalization. Ghana revised its original liberalization schedule significantly in the course of 2008. While its original schedule foresaw the liberalization of 20% tariff agricultural items in 2009 (several of which appeared to stand in direct competition with domestic production), the revised schedule provides that no tariff exceeding 5 per cent should be removed until 2015. Moreover, Ghana managed to increase the proportion of imports excluded from liberalization from 20 per cent to 25 per cent, and liberalization of all of the highest-tariff items (20 per cent) is deferred until the two final years.

Côte d'Ivoire is also the only EPA signatory that included many agricultural items that appear to compete with domestic production, whereas most other countries liberalized only a few (or even no) agricultural items that appeared to stand in direct competition with domestic production.

For some countries and regions it is less the EPA that is likely to affect agricultural protection, but rather the implementation of regional tariff commitments. The five countries of the East African Community (EAC), for example, are liberalizing only one agricultural item that exceeds their 10 per cent common external tariff (CET) and is currently significantly sourced from the EU. However, given the disparity between the current protection level for some agricultural products in some countries and the three-band tariff, the EAC countries are likely to face adjustment costs for some agricultural products when implementing their CET. Similar adjustment costs will also be incurred by Zimbabwe when implementing the COMESA CET (to a much larger extent than for the EAC, since Zimbabwe's protection level is very high). Though such adjustment costs can be contributed as "customs effect" and not as "EPA effect", they might well be perceived as a harsh challenge by countries and domestic producers.

Implications of EPA liberalization commitments for regional integration

To date, 36 ACP countries have signed eight EPA texts covering 12 liberalization schedules. The EAC and the Caribbean Forum (CARIFORUM) are the only regions where the countries have agreed on joint schedules (though the CARIFORUM one is more of a summary of individual schedules that merge over time), whereas most other EPAs are in fact bilateral agreements between the EU and single ACP states.

In Central Africa, Cameroon was the only signatory country to the Communauté économique et monétaire de l'Afrique centrale (CEMAC) EPA; in West Africa, two countries – Côte d'Ivoire and Ghana – signed two separate agreements; and in Southern and Eastern Africa, the EPA process has revealed the inconsistency of countries' regional integration commitments and forced a decision – with the result that now both the Common Market for Eastern and Southern Africa (COMf) and the Southern African Development Community (SADC) are split.

It is a major objective in the ongoing negotiations towards full EPAs (covering not only trade in goods but also trade in services and different trade-related aspects) to form regional agreements by including all ACP countries. However, as argued in this study, it will be technically and politically difficult to revise signatories' liberalization commitments on a regional level. Low levels of economic integration and huge disparities among countries in terms of their protectionist tendencies (reflected in their wildly diverging tariff levels) have inhibited a joint approach to regional EPA negotiations. These problems have multiplied and become even more complex with the introduction of interim EPAs. Since some countries are in the process of starting with the implementation of their liberalization commitments, they would have to either reimpose tariffs on EU imports in order to accommodate a revised liberalization schedule covering all countries in the region; or the acceding countries would have to accept rapid tariff cuts to reach the level agreed upon under the EPA. It is difficult to envisage countries' motivations for agreeing to such an approach, given that most non-signatory countries are classified as least developed countries (LDCs) and have a comfortable fallback position of exporting duty-free to the EU.

Implications of the EPA provisions for agricultural development

Some of the rules set out by the EPA agreements restrict ACP agricultural policies. The EPA signatories have largely lost the ability to apply quantitative restrictions, local content requirements, or any other non-tariff barriers (NTBs), not only for trade with the EU but also for intraregional trade. Such restrictions are often used in South–South integration agreements to protect the lesser developed countries from the intermediate developed countries. It is therefore argued that the abolition of quantitative restrictions might constrain regional ACP policies aimed at promoting social cohesion.

It does not appear that EPAs constrain the ability of the ACP to defend themselves from EU import surges. What is, however, regarded as problematic is the effective application of trade defensive instruments in the ACP. In this respect, three problems have been identified. Firstly, safeguards might be applied too late to protect vulnerable ACP industries. Secondly, ACP Governments are not always sufficiently informed about import surges and/or willing to take appropriate action. Thirdly, the application of safeguards is often too onerous. While EPA safeguards are comparatively lax (which deals with the third problem), they cannot deal with the second problem (an uninformed and/or unwilling government). Moreover, they might add to the first problem, since the removal of tariffs increases the potential vulnerability of the ACP to import surges.

Another area of concern relates to the infant industry provisions of the EPA texts. Infant industry protection is only possible by applying safeguard measures *as a response* to increased imports. Infant industry protection that determines protective measures for new industries *a priori*, is, however, not possible. Moreover, the ability of ACP countries to protect their infant industries by applying safeguard measures is time-limited, leaving them without appropriate instruments once EPAs have been fully implemented.

While the measures relating to quantitative restrictions, safeguards and infant industry protection are enforceable (i.e. they are subject to dispute settlement), the provisions on development cooperation are largely non-actionable. Thus, all the EPA texts lack binding financial commitments that go beyond what was agreed under the tenth EDF.

Methodology and limits of the analysis

The analysis of the costs and benefits of signing or not signing an EPA draws on work undertaken in 2007 (Stevens et al., 2008a; Stevens and Kennan, 2007; and Meyn 2007a and 2007b). The analysis of the African liberalization commitments draws on the findings of a revised EPA analysis undertaken by the Overseas Development Institute (ODI) in cooperation with the European Centre for Development Policy Management in 2008 and early 2009 (update), but moves away from the general picture by setting the focus on agricultural liberalization commitments.

To judge whether the liberalization of agricultural products under an EPA might be problematic, we look at two indicators: first, the currently applied tariff rates of agricultural products, and second, whether the products are significantly imported from the EU. If the agricultural products identified are also likely to be produced by the ACP country in question, we consider their liberalization under an EPA as *potentially* problematic. Whether the liberalization of the respective products is, however, *de facto* problematic would need to be investigated by detailed country analysis.

Another limit of this analysis refers to the dynamics of EPAs, which are subject to ongoing negotiations. The paper covers the EPA agreements and negotiations until May 2009. The assessment of the EPA texts and liberalization schedules are the "final" interim EPAs as available on the European Commission's website. We compare these texts and schedules with those "initialled" in December 2008, and show the differences. Still, negotiations towards "full EPAs" (both geographically and as regards content) are currently under way, and the parties *might* still review and revise some provisions of the text for trade in goods, and parts of their liberalization schedules.

1. INTRODUCTION

This study analyses the Economic Partnership Agreements (EPAs) between the European Union (EU) and 36 African, Caribbean and Pacific (ACP) countries with respect to their agricultural provisions. Nineteen African states (including most non-LDCs and some LDCs) have initialled interim EPAs, as have two Pacific non-LDCs (Fiji and Papua New Guinea). Fourteen Caribbean countries (CARIFORUM)[1] have gone further and signed full EPAs that include services, investment, public procurement and intellectual property rights provisions.[2]

The European Union grants these countries immediate duty-free quota-free (DFQF) market access, while they, in return, liberalize "substantially all trade". The EPA countries liberalize between 75 per cent (Ghana) and 97.5 per cent (Seychelles) of EU imports and have between one year (Papua New Guinea) and 25 years (EAC, CARIFORUM) in which to do so. The European Commission insisted on limiting the ACP exclusion basket to about 20 per cent of import value, which had been regarded as a prerequisite to guarantee WTO compatibility.[3] Since the EU is the major trading partner for many ACP countries, mainly in Africa, the challenges of liberalization are expected to be substantial for many economies. When selecting their exclusion basket, ACP countries had to find a balance between reducing revenue losses and protecting domestic producers.

A major concern with regard to ACP liberalization commitments under the EPA is the agricultural market. Many ACP economies are agro-based economies, and agricultural activities employ the majority of their workforce. It is feared that tariff liberalization on agricultural products will further expose the vulnerable ACP economies to competition that they are unable to cope with. Already today, ACP producers, mainly in West Africa, complain about trade-distorting effects as a result of subsidized EU imports such as sugar, beef, poultry and dairy products (Bernal and Hampton, 2007). Although it is too simplistic to assume that EPA liberalization will automatically increase distortional effects in ACP agricultural markets, there is obviously the risk that tariff liberalization under an EPA increases ACP exposure to EU agricultural exports. To what extent this is the case in the single ACP countries and to what extent the safeguard mechanisms of the EPA texts offer the chance for protection will be analysed in this study. Moreover, it will be investigated whether the provisions of the EPA texts promote agricultural development in the ACP, for instance by granting duty-free and quota-free access to the EU market, and by offering support to overcome export barriers in the EU.

The study is structured as follows. After this introduction, section 2 briefly discusses the role of EU–ACP agricultural trade for ACP development. Section 3 elaborates on the pushing and pulling factors of entering into an EPA by quantifying the immediate costs and benefits for the ACP. To what extent ACP countries have committed to open up their markets for agricultural EU imports is discussed in section 4, by looking in detail at the exclusion baskets and liberalization commitments of the individual EPA regions and countries. As the discussion shows, most countries submitted individual liberalization schedules that have not yet been regionally harmonized. Considering that it is a primary objective of the EPAs to

[1] Haiti is part of the CARIFORUM EPA but has not yet signed it.

[2] Since the analysis focuses on liberalization of trade in goods, it does not differentiate between "interim" and "full" EPAs, but refers to "EPA" for all seven ACP regions.

[3] See box 1 on page 4.

promote regional integration among the ACP, an outlook is provided of the options and limits with regard to aligning the different schedules in a regionally harmonized approach.

Section 5 presents the actionable and non-actionable provisions of the EPAs in a comparative analysis focusing on the relevance of the individual provisions for ACP agricultural development. In addition to comparing the provisions among the seven EPAs, the analysis also considers to what extent the appropriate provisions of other EU FTAs with developing countries show more restrictive or more generous conditions.[4] Finally, section 6 summarizes the main findings and draws policy recommendations with regard to what provisions in the interim EPA would need to be revised to promote agricultural development in the ACP.

[4] Namely the Trade, Development and Cooperation Agreement (TDCA) with South Africa, and the Economic Partnership Agreement with Mexico.

2. THE ROLE OF AGRICULTURE IN CHANGING EU–ACP TRADE RELATIONS

Agriculture is a key sector in most ACP countries, most of all in Africa where it employs more than 63 per cent of the workforce (World Bank, 2006). Also, agricultural activities are the major source of income for the poor, who live mainly in rural areas. Agricultural growth is therefore considered to be the major driver for growth and poverty alleviation in most African countries (IFPRI, 2007: 1).

However, the ability of agriculture to generate growth and development varies considerably among countries and sectors. In most of the ACP, agricultural productivity is low, which is the combined result of unfavourable natural conditions and underinvestment in physical, institutional and human capital. Increased investment in technology, infrastructure, finance marketing and distribution systems, as well as the training of farmers and the strengthening of institutions, are regarded as prerequisites to setting free the full development potential of agriculture in Africa (World Bank, 2007; IFPRI, 2007).

The EU is the major export destination for ACP agricultural products, since it offers the unique option to access a high-price market that is considerably protected. ACP preferences in the EU market date back to 1975, when the nine countries of the European Economic Community decided to grant their former colonies free access for most of their products. These unilateral preferences gave the ACP a competitive advantage over other developing countries, with the objective of decreasing their dependency on primary commodities and diversifying their exports.[5] The European Economic Community justified the preferential treatment of ACP countries at the expense of other developing countries by the ACP countries' colonial heritage, their low degree of development and their high dependence on a few primary commodities, which made them suffer from declining and fluctuating terms of trade.

However, despite more than three decades of unilateral preferences, most ACP countries had been able neither to significantly expand nor to diversify their exports to the EU. The ACP share in total EU imports has reduced by more than half over the past three decades and is still heavily biased towards a few primary products, with fuels and minerals being the major revenue earners (EC DG Trade, 2006). In addition to the poor export performance, domestic agricultural production had not developed as expected. Many ACP countries have become food net importers and face increasing difficulties in satisfying the food requirements of their growing population.

Most of the ACP countries have undertaken substantial trade liberalization programmes under the aegis of the International Monetary Fund (IMF) and World Bank since the mid-1980s. Reduced tariffs were not only expected to result in lower prices (thus benefiting consumers and importers of intermediate products) but also to result in increased competition, which was regarded as beneficial by reducing monopolistic distortions and enabling companies to operate at their optimum capacity level. However, the ACP trade liberalization experiences had been rather disappointing, often associated with lower domestic production and increasing poverty among the rural population. One reason for this

5 In addition to preferential market access, the EEC agreed on payments to stabilize ACP export earnings for mining and agricultural commodities (STABEX and SYSMIN) and funded an industrial and agricultural capacity programme under the European Development Fund.

unfavourable development was that agricultural import tariffs were cut uniformly without considering the sensitivities for domestic production and consumption. Facing a lower protection level, the ACP agricultural producers were not able to compete with subsidized agricultural imports from industrialized countries. Additionally, many ACP countries show weak institutional and administrative capacities to guide agricultural policies and to protect their economies from import surges (Bernal and Hampton, 2007: 9).

Facing the double constraints of non-diversified, low-volume exports and vulnerable domestic markets, the challenges for more development-oriented EU–ACP trade relations appear to be twofold. First, to increase and diversify ACP production, and second, to improve the ability of the ACP to protect themselves from EU import surges. Since EPAs will liberalize about 80 per cent of ACP imports from the EU, there is major concern that countries will become even more defenceless to EU imports.

Whether the potential risks of including agricultural products into an EPA are outweighed by the benefits will be discussed in the next section. One push and one pull factor motivated the ACP to enter into an EPA: the risk of losing their preferences, and improved market access. The push factor of preference loss was, however, the decisive factor for signing the EPAs.

3. WHY SIGN AN EPA?

The unilateral character of EU–ACP preferences was outlawed by World Trade Organization (WTO) rules as discriminating against other developing countries. Since the ACP countries are not a homogeneous group of countries, but instead include both developing countries and least developing countries (LDCs), preferential treatment for the ACP countries discriminates against other developing countries and LDCs. The EU responded to the WTO ruling in two ways. First, in 2001, it expanded its Generalized System of Preferences (GSP) to include all LDCs (the "Everything But Arms" (EBA) initiative). Second, the Commission proposed changing the hitherto non-reciprocal character of EU–ACP relations into WTO-compatible arrangements (see box 1).

Box 1. What must a WTO-compatible EPA look like?

EPAs are negotiated under article XXIV of the General Agreement on Tariffs and Trade (GATT), which requires in essence that "the duties and other restrictive regulations of commerce … are eliminated on substantially all the trade between the constituent territories in products originating in such territories", with "a plan and schedule for the formation … of such a free-trade area within a reasonable length of time" (GATT article XXIV:8(b) and 5(c)).

The interpretation of article XXIV remains disputed, since it does not define what is required to attain the liberalization of "substantially all" trade.[6] The EU's view on "substantially all trade" relates to the share of trade that is liberalized considering about 90 per cent of bilateral trade liberalization to be WTO-compatible.

Regarding the interpretation of the term "reasonable length of time", the "Understanding on the Interpretation of Article XXIV" states that the time frame for liberalization should exceed 10 years only in exceptional cases. Since article XXIV was not conceptualized to govern North–South free trade agreements (FTAs) between regional blocs but to regulate the conditions of FTAs and customs unions vis-à-vis the multilateral trading regime, EPAs are often interpreted as an "exceptional case" (Scollay, 2005). The European Commission followed this argument in parts, agreeing to transitional periods for the full implementation of EPAs of up to 25 years in "exceptional cases" (Mandelson, 2007).

The Cotonou Agreement, signed in June 2000, established the basis for a new trading regime between the EU and ACP countries. By signing the Cotonou Agreement, the parties committed themselves to negotiate EPAs that are compatible with article XXIV of GATT by the end of 2007 (see box 1). The EU applied for a waiver at WTO which created the legal basis for temporary discrimination against the ACP while EPAs were negotiated. Since such a waiver has been increasingly difficult and costly to obtain (implying a buying-off of opponents of ACP discrimination that lose the most), the EU made it clear that it was not willing to apply for another waiver. Since the EU was also not willing to table "equivalent alternatives" to Cotonou (see box 2), there was urgency for ACP countries to agree on an EPA – or to lose their current preference level. Many of the ACP initialled the EPA at the last minute because they feared being downgraded to the EU's "next best alternative" – the Generalized System of Preferences (GSP).

6 According to the 'Understanding on the Interpretation of Art. XXIV' 'substantially all trade' refers in the case of CUs to the weighted average tariff rates and customs duties collected. FTAs (such as the EPA) must satisfy the provisions of WTO Art. XXIV:5.

Box 2. The EU's GSP systems; do "equivalent alternatives" to Cotonou exist?

As stipulated in article 37.6 of the Cotonou Agreement, the European Commission committed itself to consider "… to provide [non-LDC ACP] countries with a new framework for trade which is equivalent to their existing situation and in conformity with WTO rules." To date, however, the European Commission has failed to come up with an "equivalent" to Cotonou, but has named GSP as the only available alternative.

The only alternative remaining – the EU's GSP (Generalized System of Preferences) – comprises three different preference levels, of which only two have been made available to ACP countries to date:

(i) The *standard GSP*, which applies to most developing countries and all ACP countries;

(ii) The EBA *(Everything But Arms)* initiative, which has applied to the world's LDCs since 2001; and

(iii) The *GSP+* regime, which grants enhanced terms to a range of countries that have ratified and implemented a list of international conventions on core labour and human rights principles.

When the GSP+ regime was introduced in 2005, not one of the ACP countries applied. Given the impending deadline for the WTO waiver, however, as well as increased pressure to finalize the negotiations, two ACP countries, namely Nigeria and Seychelles, applied to become GSP+ beneficiaries during 2007. The Commission rejected their applications on the basis that neither country would meet the labour, human rights and environmental conditions necessary to benefit from GSP+ treatment, and, in any case, a decision on whether or not to renew the GSP+ regime was not due to take place until December 2008.[7]

3.1 The immediate costs of not signing an EPA

As research by ODI shows, the loss of EU preferences would have had immediate negative effects for ACP agricultural production:

(a) 267 products would have faced tariff jumps of over 10 per cent ad valorem. Among the products most affected would have been beef, processed fruit, sugar, rice, bananas, citrus and horticulture;

(b) Nearly two thirds of non-LDC ACP countries would have seen tariff jumps of over 25 per cent of their EU export values;

(c) Based on 2006 quantities, the taxes imposed on Botswana and Namibia's agricultural exports to the EU would have exceeded their annual EU aid funds by more than four times. Namibian meat exports would have faced tariffs of up to 132 per cent and in all likelihood would have stopped immediately. A similar situation would have arisen in Botswana, where the loss of EU preferences would have been most likely to turn the country into a mono-export economy. EU taxation of Botswana's beef exports would have equalled 80 per cent of its 2006 export revenue – higher than that paid by some of the most competitive beef suppliers in the world (see ODI, 2007a, 2007b and 2007c).

[7] However, beneficiaries of the EU's previous GSP regimes automatically qualified for GSP+ when it was launched in 2005 despite the fact that not all countries complied with the conditions at the time of its introduction. Moreover, at the time of applying for GSP+ the Seychelles had ratified all 27 relevant Conventions and Nigeria all but one (Stevens and Kennan, 2007). It also needs to be considered that it is the Commission that determines how and when to revise the regime and the degree to which it should be made available to ACP countries at any given point in time.

Facing the risk of collapsing exports to the EU, 35 of 75 ACP countries that had negotiated an EPA initialled agreements by December 2007.[8] The remaining ACP countries fall into three groups.

(1) Twenty-nine LDCs that can continue benefiting from unilateral preferences under the EU's EBA initiative;

(2) South Africa, which already has a free trade agreement with the EU – the Trade, Development and Cooperation Agreement (TDCA);

(3) Seven Pacific and three African states that are classified as developing ACP countries and are downgraded to the EU Generalized System of Preferences (GSP).

Since groups 1 and 2 can maintain their preferential market access, we will investigate the costs for group 3 countries. Drawing on earlier research (ODI, 2007a and 2008), this section highlights the costs for the three African and seven Pacific states of not having initialled an EPA.

3.1.1 The immediate costs for the African non-signatories to EPAs

As can be seen from table 1, the immediate monetary costs of not joining an EPA for the three African non-signatories to EPAs – Gabon, Nigeria and the Republic of the Congo – are limited. Only 1.7 per cent of Nigeria's exports have experienced a change in tariff. In the case of the Republic of the Congo, 3.3 per cent of total exports are affected, and in the case of Gabon, 4.1 per cent. Compared to other African developing countries, this is marginal. For Ghana and Kenya, for instance, more than 60 per cent of EU export items would have experienced tariff increases if they had been downgraded to the GSP.

Table 1. Monetary costs for non-EPA-signatory non-LDCs in Africa

Country	Value of exports, 2006 (in thousands of euros)	Number of HS-6 items with change of				Items accounting for 1% or more of the total exports which would experience a change in access
		10<20%	*20%+*	*Specific duty*	*Total*	
Gabon	14	5	-	1	6	**4.1%**
Nigeria	596	32	1	24	57	**1.7%**
Republic of the Congo	5,513	5	-	4	9	**3.3%**
Sources: Eurostat COMEXT; UNCTAD TRAINS; UK Tariff 2007.						

Some of the newly imposed tariffs that Gabon, Nigeria and the Republic of the Congo face are low. Others are either specific duties (which often implies a high barrier), or ad valorem tariffs exceeding 20 per cent.

The Republic of the Congo experiences moderate tariff increases for fish products and plywood (up to 6.5 per cent), specific duties of up to 14.9 per cent for tobacco products, and massive tariff increases for raw cane sugar (€33.90/100kg) which was exported duty-free under the Sugar Protocol until December 2007.

Gabon mainly faces tariff increases on fish products (up to 11.5 per cent). However, given the EU's demand for raw fish, these tariff increases may well be borne by EU importers.

8 Somalia and Timor-Leste are classified as LDC ACP countries and were not part of the EPA negotiations. Zambia – an LDC – initialled an EPA in mid-2008.

Although the share of Nigeria's exports affected by EU tariff increases is low (reflecting the dominance of crude oil exports), the list of products affected is much longer than that of Gabon or the Republic of the Congo, covering a total of 57 items. The products most affected are fish exports (6 items, tariffs of up to 11.4 per cent), vegetables (2 items, 8.9 per cent tariff), cocoa products, and beverages (tariffs of up to 6.1 per cent).

Due to the dominance of crude oil as the major export item for all three countries, it is rather unlikely that the loss of Cotonou preferences has had a significantly detrimental impact on their economies. However, this does not necessarily mean that the sectoral impact of the loss of preferences has not been significant. The Congolese sugar industry, which supplied an average of 11,769 tons of white sugar equivalent to the EU market in 2004–2006, stopped exporting to the EU after having faced most favoured nation (MFN) tariffs in January 2008.

Other industries may also have been negatively affected – it is just not as obvious as in the case of sugar exports. However, depending on the elasticity of EU demand for Congolese tobacco, Gabonese fish or Nigerian cocoa, small and medium tariff increases may have resulted in the cessation of EU exports.[9]

3.1.2 The immediate costs for the Pacific non-signatories to EPAs

The Cook Islands, the Marshall Islands, the Federated States of Micronesia, Nauru, Niue, Palau and Tonga are the developing Pacific countries that have not signed an EPA. Most of them only joined the group of ACP countries in 2000 and are hardly trading with the EU.

Taking the items that account for 1 per cent or more of total EU exports affected by tariff increases as an indicator is not meaningful in case of the Pacific. As table 2 reveals, more than half of Nauru's exports face tariff increases – covering 1 item.

In fact, the very limited number of export items affected (and the medium tariff increases they face, with a maximum tariff of 17.3 per cent for honey from the Cook Islands) is decisive for the fact that most Pacific countries did not join the EPA. The two exceptions are Fiji and Papua New Guinea – both beneficiaries of the EU Sugar Protocol.

Table 2. Monetary costs for non-EPA-signatory non-LDCs in the Pacific

Country	**Number of items with change of**				**Items accounting for 1% or more of the total which would experience a change in access**
	10<20%	*20%+*	*Specific duty*	*Total*	
Cook Islands	2	-	1	3	28%
Marshall Islands	-	-	1	1	0.01%
Micronesia (Federated States of)	n.a	n.a	n.a	n.a	29.5%
Nauru	1	-	-	1	52.2%
Niue	n.a.	n.a.	n.a.	n.a.	8.1%
Palau	n.a.	n.a.	n.a.	n.a.	36.0%
Tonga	1	-	-	1	52.7%

[9] This is reported, for instance, in the case of Nigerian cocoa exports (see: European Centre for Development Policy Management, 2008).

Potential monetary costs for Pacific EPA signatories if being downgraded to GSP					
Fiji	*8*	*2*	*2*	*12*	*92.6%*
Papua New Guinea	*2*	*3*	*-*	*5*	*28.1%*
Sources: Eurostat COMEXT; UNCTAD TRAINS; UK Tariff 2007.					

However, though defensive interests dominated when signing an EPA, the ACP also pursued offensive interests in EPA negotiations, such as improving their effective access to the EU market by eliminating residual tariff barriers, and benefiting from more generous rules of origin. Additionally, the ACP asked for increased financial and technical assistance in order to support compliance with increasingly stringent Sanitary and Phytosanitary Standards (SPS) and Technical Barriers to Trade (TBT), as well as for financial support to enhance trade infrastructure and productive capacities. The European Commission responded partially to these requests, and offered those countries that signed an EPA duty-free quota-free (DFQF) market access as well as "Cotonou plus" rules of origin. Moreover, the European Commission and the European Union increased the funds of the tenth European Development Fund (EDF) and aim to fund EPA-related support under their wider Aid for Trade strategy which promises about €1 billion per year by 2010 for the ACP countries. However, as the discussion in section 5.2 shows, the development support for the EPA remains disputed.

3.2 The immediate benefits of signing an EPA[10]

Under an autonomous decision taken by the Council in December 2007, the EU removed, starting from January 2008, all tariffs and quotas on imports from countries that have initialled EPAs, except on sugar and rice, for which DFQF is being phased in (European Council, 2007). In the case of rice, DFQF for the varieties exported by the ACP will begin in 2010. The transition for sugar will involve three phases for non-LDCs, but some of the details still have to be agreed:

1. January 2008–September 2009: Continuation of the Sugar Protocol, with "additional market access" (180,000 tons) for beneficiaries.[11]

2. October 2009–September 2015: DFQF for non-LDC ACP subject to an "automatic volume safeguard clause" (3.5 tons for all ACP countries) and, for processed agricultural products with high sugar content, an "enhanced surveillance mechanism in order to prevent circumvention of the sugar import regime".

3. October 2015 onwards: DFQF for non-LDC sugar exports, subject to a "special safeguard clause".[12]

In absolute terms the immediate gains will be relatively small, but this is because the status quo ante was already liberal. For some countries, the principal export benefit of EPAs is less the new opportunities offered by DFQF than the retention of the previous levels of access.

[10] This section is largely taken from Stevens et al. (2009).

[11] How the quotas are allocated within the EPA configuration is up to the countries to decide. With the exception of the Dominican Republic, no country-specific quotas were allocated.

[12] This will be applied when the EU market price of white sugar falls for two consecutive months below 80 per cent of the market price during the previous marketing year.

DFQF will have four types of actual or potential effect. The first, and most immediate, is the redistribution of the import tax that the EU formerly levied on imports. This will be transferred from the EU to elements in the ACP export supply chain (retailers, importers, shippers, exporters, producers). To the extent that any accrues to ACP producers or exporters, it will make exports more profitable.[13]

Secondly, if the revenue transfer induces importers to shift purchases away from less preferred sources towards the ACP, there could also be an increase in the volume of ACP exports. This may also enable them to increase their supply of competitive products without substantial new investment.

Thirdly, by removing some very high tariff barriers, DFQF might make it commercially feasible, for the first time, for ACP countries to export products to the EU that they already supply competitively to other markets.

The fourth effect could be the most substantial, but is also the most difficult to predict. If DFQF brings about increased supply from ACP states (e.g. as a result of new investment or shifts between products), there could be wide-ranging effects both in terms of foreign exchange earned and knock-on effects for the rest of the economy.

3.2.1 Which countries will gain?

As of January 2008, 35 ACP states had been accorded DFQF treatment for most of their exports. The greatest change has been for the 26 states that are not LDCs. LDCs already have DFQF under the EU's EBA initiative of 2001, which will be fully phased in by 2009. The only way in which their export situation will change is if the EPA rules of origin provide more opportunities than the EBA ones.

Some €1.4 billion of EU imports are affected immediately by DFQF (table 3). Although this is equivalent to just 2 per cent of total EU imports from all non-LDC ACP states in 2006, the immediate gains for some items may be large, and for some countries could be relatively important especially in the longer term if they are able to increase supply of the affected goods, and once DFQF is fully implemented.

Table 3 lists the ACP countries that stand to gain from DFQF; it is presented according to the value and number of the exports affected, although this is not a proxy for the relative gains each country might make. Those in italics have not yet initialled EPAs and so will be affected only if they do so in the future. Some €1.4 billion of existing exports from countries that have already initialled EPAs have been affected by DFQF already.

[13] The extent to which this is happening is likely to vary between products, reflecting the strength and position of ACP producers and exporters in the respective value chains.

The biggest tariff-saving gains will arise from the removal of those tariffs that are very high – but not so high as to stifle ACP exports altogether or to keep them at low levels. The goods for which the removal of EU import taxes will be greatest are listed in table 4. This table shows that the removal of import taxes will inject a significant amount (€12.7 million in 2006) into the ACP supply chain.

The goods at the top of the table are rice, grapes and beef, followed by citrus fruit and vegetables. These are the goods that have high tariffs but have been imported at moderate (or greater) levels. Lower down the table are a number of processed foods that are currently exported at only modest levels but which could become more important, particularly if DFQF is accompanied by supporting actions (see below).

Table 3. The countries exporting goods affected by DFQF

Non-LDC ACP exporter	*Number of different goods**	*Value of exports, 2006 (in thousands of euros)*
Mauritius	20	270,382
Cameroon	10	175,975
Côte d'Ivoire	16	146,382
Dominican Republic	21	111,436
Guyana	6	111,196
Fiji	1	105,792
Jamaica	17	85,052
Swaziland	15	81,065
Belize	4	67,854
Namibia	5	54,870
Zimbabwe	16	39,742
Saint Lucia	2	24,006
Botswana	3	23,712
Suriname	13	21,332
Trinidad and Tobago	9	18,288
Barbados	6	16,575
Ghana	24	13,940
Saint Vincent and the Grenadines	1	11,249
Kenya	28	10,685
Dominica	6	8,624
Congo	2	5,513
Antigua and Barbuda, Bahamas, *Gabon, Marshall Islands, Nigeria,* Seychelles		<€ 1 million each
	Total	**1,405,255**
** on a HS-6 digit level.* *Source:* Calculated from data obtained from the Eurostat COMEXT database.		

Table 4. Products eligible for greatest static DFQF gains

HS/CN	**Description**	**Non-LDC ACP exports, 2006 (in thousands of euros)**	**Duty paid in 2006 (in thousands of euros)**
ex 1006	Rice	29,651	4,041
08061010	Fresh table grapes	28,075	3,959
ex 0201/2	Beef	50,507	2,611
ex 0805	Citrus fruit	17,869	599
ex 07	Some fresh vegetables (i.e. tomatoes, onions, leeks, cauliflower, broccoli, kohlrabi, chicory, carrots, turnips, spinach, salad vegetables (excl. lettuce), sweetcorn, manioc, arrowroot/salep)	6,124	384
ex 19	Preparations of cereals	1,733	338
23023010	Wheat bran	493	244
18069070	Preparations containing cocoa for making beverages	1,174	220
ex 11	Flour of cereals or roots and tubers	917	132
ex 0808/9	Apples, pears, plums	815	77
15091090	Olive oil	248	77
04022119	Milk and cream of a fat content > 11% but <= 27%, unsweetened	87	23
ex 2007/9	Fruit jams and juice	194	19
08119011	Tropical fruit and nuts	60	5
22042185	Wine	97	4
12129920	Sugar cane	186	3
21069059	Flavoured or coloured sugar syrups	124	0.5
Total		**138,354**	**12,737**
Source: **Trade:** Eurostat COMEXT database. **Tariffs:** UNCTAD TRAINS database, UK Tariff 2007, EC TARIC Consultation online.			

3.2.2 Options for increased sales of current exports and boosting supply capacity

Will the removal of tariffs unlock the gates to ACP exports, or is the main problem that countries have limited supply potential and/or problems in accessing the EU market? The question is easiest to answer in cases where an ACP country already exports to markets other than the EU. The existence of exports to non-EU markets but not to Europe could, in cases where pre-DFQF tariffs have been high, indicate that the ACP are able to supply Europe competitively but so far have been prevented from doing so by protectionism.

However, the ODI study on DFQF suggests that no favourable effect for the ACP is likely to occur on a large scale. It is unlikely that the ACP will start to export to the EU goods that they currently sell in other markets. Most of these fall broadly into the same product categories as those already being exported to the EU. It is more likely, therefore, that DFQF will allow the ACP to export a wider range of items within the same broad product groups as currently feature in their basket than immediately to redirect entirely new products to the European market (Stevens et al., 2008a).

Apart from the immediate revenue gain, therefore, the long-term impact of DFQF will be determined by whether or not it provokes an increase in export supply from the ACP. In turn, this may require increased investment. The most likely candidates are meat, grapes, rice, and possibly citrus.

There could also be scope to increase exports of processed foods (especially those containing sugar once quotas have been lifted, provided that the remaining safeguards are unconstraining), but this will largely depend on how far the current rules of origin are amended during the continuing EPA negotiations. Critics have long alleged – and the European Commission has recently accepted – that some rules are unduly onerous and prevent the ACP from utilizing the tariff preferences that exist on paper. Previously a concern primarily in relation to manufactures, DFQF extends these concerns into processed foods. In many cases, the current rules do not allow an ACP state to process raw materials that are imported (unless they have been produced in another member of the same EPA or the EU; see box 3).

Box 3. Key changes of rules of origin under the EPAs

The express desire of the EU and ACP was that the rules of origin in the EPAs should be substantially improved compared to the status quo of Cotonou. However, the parties were not able to reach agreement on what this improvement should look like and agreed on interim measures, which show three important improvements to Cotonou and one potential problem for the interim period until the EPAs enter into force within the ACP.

Clothing: The EU has (at last) adopted a rule similar to that applying in the African Growth and Opportunity Act (AGOA) under the derogation for “lesser developed countries”. This is that both knitted and woven clothing can be produced from non-originating fabric without losing originating status under the EPA.

Fish: There is a major change to the rules for processed fish for the Pacific EPA signatories. Article 4:3 makes provision that fisheries products from signatory Pacific states can be processed from non-originating materials on the land of that state without losing originating status. All ACP: relaxed crew requirements.

Specific derogations: The EPA includes an appendix on derogations for several processed agricultural product groups (limiting non-originating inputs to 15% of product value). However, the derogations do not apply to all products within each chapter, and most products qualifying for a derogation need to comply with a value-added threshold of 60 per cent (Naumann, 2008:8–9).

Cumulation provisions: In at least one respect, the provisions are more restrictive than either Cotonou or the new EPAs. This area of restrictiveness in the "temporary" rules of origin (which apply between the end of the Cotonou trade regime and the implementation of the (interim) EPAs) concerns cumulation. Under the December 2007 Council regulation, full ACP cumulation is not permitted. Article 2 of annex 2 defines as the "ACP States" – with which cumulation is permitted – only those countries that have initialled (I)EPAs (and are listed in annex 1). Thus, full cumulation among all ACP countries will only be possible once the EPAs come into effect (which means either once they are signed or once they are ratified, depending on the respective countries).

There are also areas of improved cumulation provisions, for instance in the case of South Africa. This provision is of major relevance for Botswana, Lesotho, Namibia and Swaziland, which are together with South Africa in a customs union but export under two different trade regimes to the EU. An ACP product using South African inputs will acquire originating status if the ACP value added exceeds the value of imports from South Africa. This is a potential improvement to the Cotonou Agreement, which allowed cumulation provisions only for a limited list of products (according to annex XI to protocol 1). Moreover, the EPAs allow some cumulation with more developed "neighbouring" countries, such as Latin American states in the case of CARIFORUM, and North African states in the case of ESA.

Recent history indicates that new trade preferences granted to the ACP have been quite quickly extended by the EU to other suppliers. The competitive advantage of DFQF is likely to be eroded in the same way. While the speed and breadth of this erosion is a matter for speculation, it would be optimistic to expect the benefits to last for much more than a decade. DFQF has opened up a window of opportunity, but it is time-bound. To benefit fully from the opportunities, both ACP and EU countries will need to take further action. The former must engage without delay in necessary reforms and adjustments of their economies. And there is now an onus on the EU and its member states to provide positive assistance to help countries make the most of it.

The fact that the immediate threat of tariff increases was much higher than the immediate benefit of improved market access increased the disproportional power relation between the European Commission and the ACP. The ultimate source of bargaining power of the weaker party – namely to walk away from the EPA negotiations – would have implied very high costs and was not an option for many ACP countries.

Section 4, which follows, analyses ACP liberalization commitments, and the extent to which they are likely to imply challenges for domestic agricultural production. The main questions are:

(a) To what extent are agricultural commodities/processed agricultural products excluded from countries' liberalization commitments under an EPA?

(b) What agricultural products will be liberalized under the EPA and when?

(c) To what extent is the EPA liberalization of agricultural products problematic?

(d) To what extent do the national liberalization commitments/exclusion baskets of countries belonging to one regional bloc differ, and what are the consequences for regional integration processes?

4. ACP LIBERALISATION COMMITMENTS UNDER THE EPAS: FOCUS ON AGRICULTURE

The analysis of the African liberalization commitments is based on the findings of a comprehensive EPA analysis undertaken by the Overseas Development Institute (ODI) and the European Centre for Development Policy Management in early 2008, and again in early 2009 (to cover any changes).[14] The analysis of the liberalization commitments of CARIFORUM and PACP is based on a comprehensive EPA analysis that ODI undertook in December 2008.[15]

Benefiting from the broad approach undertaken in these studies, the following analysis focuses on agricultural liberalization commitments while considering the regional implications of country-specific schedules in Africa.

To judge whether the liberalization of agricultural products under an EPA might be problematic, we looked at two indicators: (a) the currently applied tariff rate; and (b) whether the product concerned is significantly imported from the EU. The tariff rate is a good indicator for the sensitivity of the product, implying that a high tariff rate indicates that the product is either:

(a) produced locally; and/or

(b) a substitute for a locally produced product; and/or

(c) a product that is aimed to be produced locally (infant industry); and/or relevant for revenue earning.

We consider a tariff of 15 per cent or higher to indicate the sensitivity of a product.[16] If the product is, at the same time, significantly sourced from the EU (defined as imports exceeding $100,000 p.a. on average in the period 2004–2006 or 2004–2005), we list its liberalization as “potentially problematic”. Looking, then, at the product in question, we will give an indication of whether the liberalization of the product might be indeed problematic. This would only be the case if:

(a) the product is produced and exported by the EU;[17]

(b) the product is likely to be produced in the ACP country in question.

With regard to the second point, it needs to be borne in mind that a broad study such as this cannot identify the agricultural production capacity/potential of all the 36 ACP countries in question. What we do is to highlight products currently liberalized under an EPA that *could be* problematic (because they were formerly highly protected and the EU is a major

[14] See Stevens et al. (2008b).

[15] See Stevens et al. (2008c).

[16] It is improbable that tariffs of 15 per cent or lower could prove to be such a strong barrier that imports have been kept well below their “natural level”. Hence, if goods have not been imported in the recent past (and many of them were not imported at all, or at very low levels), it is reasonable to suppose either that there is no demand for them in the ACP country in question, or that the EU is not a competitive supplier.

[17] The first is, for instance, *not* the case for items in chapter 9 (coffee, tea, maté and spices), since the EU does not produce unprocessed coffee or tea. It is also *not* the case for products listed in chapter 1 (live animals), since the EU no longer exports live animals.

supplier). Country-specific analyses would, however, be needed in order to determine whether the liberalization of the products in question is indeed a concern for the particular country.

4.1 The CEMAC EPA: Cameroon

4.1.1 Agricultural liberalization commitments and exclusions

Cameroon is the only Communauté économique et monétaire de l'Afrique centrale (CEMAC) signatory state and has established its liberalization schedule by reference to a common external tariff (CET) – which is assumed to be that of CEMAC. The broad pattern of its liberalization is shown in table 5. Liberalization will not commence until 2010, giving Cameroon two years to make any necessary amendments to its current tariff schedule to bring it into conformity with the CEMAC CET.

Liberalization is moderately back-loaded in the following senses: First, the basket of products to be liberalized in the final tranche accounted for a higher proportion of Cameroon's imports from the EU in 2005–2006 than did the goods in either of the two preceding tranches. Second, both the simple average tariff and the trade-weighted average of the products to be liberalized are higher in the later than the earlier tranches.

At the same time, Cameroon will experience some very early effects. Even the first tranche includes liberalization of some high-tariff items. Moreover, products accounting for almost half of Cameroon's imports from the EU in 2005–2006 will be fully liberalized within 10 years.

Table 5. Summary of Cameroon's market access schedule

	Number of lines	Import value (average, 2005–2006) [a]		Base tariff [b]			
		In thousands of dollars	*Share of total*	*Min.*	*Max.*	*Simple average*	*Trade-weighted average*
Total trade in HS 1–97		**1,031,689**	**100%**				
Goods to be liberalized by 1 January:							
2013	1,631	253,148	24.5%	0	30	9.8	8.1
2017	971	250,815	24.3%	5	30	12.1	11.1
2023	1,405	311,408	30.2%	5	30	25.8	16.4
Excluded goods:	1,217	216,317	21.0%	5	30	25.4	22
	5,224	**1,031,689**	**100%**				

Note:

(a) No import data are provided with the market access schedule. Cameroon's imports from EU25, as reported by Cameroon to the United Nations Commodity Trade Statistics Database (Comtrade), have been used. These are only available for two recent years (i.e. 2005 and 2006), so the average figures cited above refer to those two years only.

(b) '"Tarifs maximum appliqués au 31/12/2007 CEMAC", as shown in market access schedule.

Cameroon's exclusion basket accounted for 21 per cent of imports from the EU in 2005–2006. Of the 1,217 sub-heads that have been excluded (see table 6), less than one third are agricultural products.

Table 6. Summary of Cameroon's exclusion basket

Excluded items	Number of lines
Total	**1,217** at HS6 sub-head level
Covered by WTO Agreement on Agriculture	***354***
In highest applicable tariff band (30%)	798
Tariff 10% to 20%	409
Tariff less than 10%	10
Duty free	—

Cameroon excluded various agricultural products from a broad range of HS2 codes, such as fish, meat, vegetables, fats, milling products, dairy products, eggs, beverages and spirits, coffee and tea, cereals and cereal preparation and starches, cocoa, sugar, tobacco, wool, fruits and nuts, oil seeds, and fibres.

Of the 354 agricultural HS6 codes excluded by Cameroon, almost all (320 tariff lines) face an applied MFN tariff of 20 or 30 per cent.[18] Only 57 of the excluded tariff lines are significantly sourced from the EU (average imports of $100,000 or more in 2005–2006).

The agricultural goods that Cameroon will be liberalizing are summarized in table 7.[19] As can be seen, Cameroon is liberalizing only a very few agricultural products in the first two tranches (2010–2017), and these products are currently hardly sourced from the EU. In fact, most products liberalized in the first two tranches are generally not exported by the EU (live animals, tropical fruits), so no increased supply as a result of tariff liberalization can be expected. The third liberalization tranche (2014–2023) covers 147 agricultural products, but it is only in the case of six of them that imports currently exceed $100,000 per product. These are mustard flour and prepared mustard, soup preparation, ice cream, preparation of animal feeding, adhesives based on starches, and olives. The extent to which these six products are in competition with domestic production would need to be investigated further.

Table 7. Summary of Cameroon's agricultural liberalizations

HS6	Liberaliza-tion tranche	Description	Tariff [a]	Average imports, 2005–2006 (in thousands of dollars) [b]
All items with a tariff of over 20 per cent				
010110	1 (2010–2013)	purebred breeding horses and asses	30	5
010611	1	live primates	30	0
010612	1	live whales, dolphins and porpoises 'mammals of the order cetacea' and manatees and dugongs 'mammals of the order sirenia'	30	-
010619	1	live mammals (excl. primates, whales, dolphins and porpoises 'mammals of the order cetacea', manatees and dugongs 'mammals of the order sirenia' and horses, asses, mules, hinnies, bovines, pigs, sheep and goats)	30	-
010620	1	live reptiles 'e.g. snakes, turtles, alligators, caymans, iguanas, gavials and lizards'	30	-
051110	1	bovine semen	30	4
071410	1	fresh, chilled, frozen or dried roots and tubers of manioc 'cassava', whether or not sliced or in the form of pellets	30	-
071420	1	sweet potatoes, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets	30	-
071490	1	roots and tubers of arrowroot, salep, jerusalem artichokes and similar roots and tubers with high starch or inulin content, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets and sago pith (excl. manioc 'cassava' and sweet potatoes)	30	2
060410	2 (2011–2017)	Mousses et lichens, pour bouquets ou pour ornements, frais, séchés, blanchis, teints, imprégnés ou autrement préparés	30	2
080300	2	Bananas and plantains, fresh or dried	30	0
080430	2	Pineapples, fresh or dried	30	0
080440	2	Avocados, fresh or dried	30	-

18 Cameroon applies a 5, 10, 20 and 30 per cent tariff.

19 The table lists all agricultural items with a CET of 20 per cent or more for the first two liberalization tranches plus all those with a 20 per cent or higher tariff that were imported from the EU in 2005–2006 to a value of $100,000 or more for the last liberalization tranche (2014–2023).

HS6	Liberalization tranche	Description	Tariff [a]	Average imports, 2005–2006 (in thousands of dollars) [b]
080450	2	Guavas, mangoes and mangosteens, fresh or dried	30	-
All items with a tariff of over 20 per cent and EU imports of >$100,000 (2005–2006)				
200570	3 (2014–2023)	Olives, prepared or preserved other than by vinegar or acetic acid	30	112
210330	3	Mustard flour and prepared mustard	30	111
210410	3	Preparations for soups and broths	30	190
210500	3	Ice cream containing cocoa	30	244
230990	3	Preparations of a kind used in animal feeding	30	2,171
350520	3	Adhesives based on starches and starch	20	647

(a) "Tarifs maximum appliqués au 31/12/2007 CEMAC", as shown in the market access schedule.
(b) As reported by Cameroon to the Comtrade database. Only two years' recent data (2005 and 2006) are available.

In conclusion, the initial impression of Cameroon's liberalization schedule is that:

(a) The "EPA effect" will start in 2010 (and will be additional to any effect of moving towards the CEMAC CET) and will be completed over the following 15 years; and

(b) The effects of liberalization for agricultural products on producers and consumers will be very moderate and end-loaded (2014–2023), because:

  (i) The first two tranches include only goods that are currently not imported from the EU and are hardly exported by the EU;

  (ii) The third tranche includes only six product lines that are currently protected by a 20 or 30 per cent tariff and significantly imported from the EU;

  (iii) Only six product lines liberalized in the last tranche are "potentially problematic". Whether the products in question are produced in Cameroon, and to what extent their liberalization implies competitive challenges for domestic producers, would need to be investigated in a country study.

4.1.2 Implications for CEMAC regional integration

Cameroon is the only CEMAC country that has initialled an EPA. The other CEMAC members are either classified as LDCs and have chosen the EBA initiative as a fallback position (Chad, the Central African Republic and Equatorial Guinea),[20] or export only very few items to the EU that are subject to increased tariffs under GSP/MFN (Gabon and the Republic of the Congo; see the discussion in section 3). All countries have been invited to join the CEMAC EPA, and negotiations towards a full EPA with all CEMAC members are ongoing. However, in addition to political uncertainty about joining an EPA, technical caveats complicate the negotiations.

[20] DR Congo is not a member of CEMAC but joined the Central African EPA (while at the same time being also part of the ESA configuration). DR Congo has not joined either EPA but exports under the EBA initiative.

Cameroon will start liberalizing its tariffs from the CEMAC CET level in 2010. Given that this CET is not yet fully implemented, a delay in the conclusion of a regional agreement would require some additional effort to realign tariffs within the region during the implementation of a full EPA. Should the conclusion of a regional agreement be delayed beyond that date, Cameroon would already have cut tariffs below the CEMAC CET level applied by other countries in the region. Accordingly, in order to implement a regional EPA, either Cameroon would have to increase tariffs again to the regional level, other countries would have to accept rapid cuts in tariffs to reach the level of Cameroon, or the regional EPA would have to specify a transition period during which Cameroon would apply different tariff levels than other countries in the region, until these gradually reached the same level of liberalization as Cameroon.

4.2 ECOWAS EPA

Côte d'Ivoire and Ghana are the only West African states that have initialled separate EPA texts and submitted individual liberalization schedules (hence, they are treated separately in this section).

4.2.1 Côte d'Ivoire: Agricultural liberalization commitments and exclusions

Côte d'Ivoire's liberalization schedule was amended during 2008. The start date was put back by 18 months until 1 July 2009, but little else changed.[21] Côte d'Ivoire's liberalization schedule is heavily front-loaded (with some 60 per cent of EU imports to be liberalized by the end of 2012). The liberalization process will be completed by 2022.

Table 8. Summary of Côte d'Ivoire's market access schedule

	Number of lines	Import value (average, 2004–2006) [a]		Tariff (as shown in market access schedule)				
		In thousands of dollars	*Share of total*	*Min.*	*Max.*	*Simple average*	*Trade-weighted average* [b]	*Number of lines on which based*
Total trade in HS 1-97		2,301,953	100%					
of which, total in 16 codes not listed in schedule [c]		3,528	0.2%					
Goods to be liberalized:								
Already duty-free	72	130,968	5.7%	0	0	0	0	68
1 July 2009	56	384,951	16.7%	5	20	8.4	20.0	54
1 January 2010	927	40,925	1.8%	5	20	6.3	6.0	900
1 January 2011	1,082	250,508	10.9%	5	20	12.2	8.7	1,008
1 January 2012	956	329,775	14.3%	5	20	6.4	6.3	917
1 January 2013	362	239,489	10.4%	5	20	15.0	7.4	317
1 January 2016	78	44,014	1.9%	5	20	5.4	5.1	71
1 January 2017	150	67,910	3.0%	5	20	10.3	10.5	144
1 January 2018	991	122,182	5.3%	5	20	19.9	19.9	951
1 January 2021	30	71,982	3.1%	5	5	5.0	5.0	26
1 January 2022	65	118,194	5.1%	10	10	10.0	10.0	24
1 January 2023	239	36,572	1.6%	5	20	19.9	20.0	213
Excluded goods:	640	460,954	20.0%	5	20	15.6	13.6	515
Totals	**5,648**	**2,298,425**	**99.8%**					**5,208**

Notes:

(a) No import values are included in the market access schedule. Côte d'Ivoire's imports from EU25 2004–2006, as reported by Côte d'Ivoire to the Comtrade database, have been used. As the schedule is at national tariff line (NTL) (10-digit) level and the trade data are at HS 6-digit sub-head level, where two or more lines fall within the same HS6 sub-head, the value of imports in that sub-head has been attributed to the line (or one of the lines) scheduled for the latest liberalization (or for exclusion, if applicable).

[21] The main difference is that the schedule now has annual tranches of liberalization until 2013 and then mainly annual tranches thereafter, whereas the original had just three multi-year tranches.

	Number of lines	Import value (average, 2004–2006) [a]		Tariff (as shown in market access schedule)				
		In thousands of dollars	*Share of total*	*Min.*	*Max.*	*Simple average*	*Trade-weighted average* [b]	*Number of lines on which based*

(b) Calculated by multiplying the import value by the tariff for each item, then totalling the results for all items, and dividing this total by total import value for all items. The number of lines on which the tariff so derived is based is lower than the number of lines in the schedule, partly because of missing trade data for the codes in the schedule which are not in H2, and partly because the value of each sub-head is included only once (see note a).

(c) In addition to the 16 H2 sub-heads which appear in the trade statistics but not in the schedule, there are a further 17 codes that appear in the schedule but not in the trade statistics (because they were not valid in the period 2004–2006). Three of these ceased to be valid in 1995 and ten in 2001. A further three did not become valid until 2007, and one appears never to have been a valid HS code.

The trade-weighted average tariff of the items to be liberalized in July 2009 is 20 per cent – significantly higher than in the following six tranches. The basket of goods to be excluded from any liberalization accounted for 20 per cent of the country's imports from the EU in 2004–2006. Of the 643 items, just over one third are agricultural, and almost two thirds face the highest current tariff of 20 per cent (see table 9). A further 28 per cent currently face a tariff of 10 per cent or more, with the rest facing positive duties of less than 10 per cent.

Table 9. Summary of Côte d'Ivoire's exclusion basket

Excluded items	Number of lines
Total	**640** at NTL (10-digit) level
Covered by WTO Agreement on Agriculture	***226***
In highest applicable tariff band (20%)	390
Tariff 10%	183
Tariff 5%	67
Duty-free	—

The main agricultural product groups excluded from liberalization are cotton; fats, coffee, tea and spices; meat; cocoa; beverages and spirits; dairies and eggs; live animals; tobacco; vegetables; sugar and sugar products; cereals; fish; and milling products.

Seventy-three per cent of the agricultural tariff lines excluded by Côte d'Ivoire face an applied MFN tariff of 20 per cent.[22] However, only 42 of these exclusions are imported in significant amounts from the EU (i.e. average imports of $100,000 or more p.a. in the period 2004–2006).

Still, agricultural liberalization is heavily front-loaded. Fifty-four agricultural items in which there were significant imports from the EU will be liberalized by 1 January 2013, 12 of them imported to a value of $1 million or more (see table 10). Côte d'Ivoire will liberalize meat and meat products, eggs, tomatoes, mushrooms, potatoes, (prepared) vegetables, flour, food preparation and jams in the first tranche. Most of these products appear to be items that compete with domestic producers. A similar picture appears for the second liberalization tranche (2013–17), when another 18 agricultural product lines with an average import value of $100,000 per product or more will be liberalized; 4 of which have been imported to a value of $1 million or more. The products of the second liberalization tranche include poultry, cheese, onions, pasta, couscous, cereals, and food preparation. The third liberalization tranche is the smallest, and includes only nine agricultural product lines that show a significant import value. Like the other two tranches, it includes products that appear to be in direct competition to domestic production, such as butter and high-sugar-content products.

[22] Côte d'Ivoire's liberalization schedule is at a 10-digit national level. The country applies tariffs of 5, 10 or 20 per cent.

In addition to the items covered by the Agreement on Agriculture (AoA), Côte d'Ivoire will be liberalizing eight fish items which could well be directly or indirectly competitive with domestic food supplies.[23] However, since the applied tariff is currently 10 per cent, domestic producers already have only limited protection from external competition.

Table 10. Summary of Côte d'Ivoire's agricultural liberalization (items with 20 per cent tariff and average import value of $100,000 or more)

NTL code	Liberalization date	Description (abbreviated in many cases)	Average imports from EU 2004–2006 (in thousands of dollars) [a]
0806100000	1 Jan. 2011	Fresh grapes	341
0910500000	1 Jan. 2011	Curry	105
2207101000	1 Jan. 2011	Undenatured ethyl alcohol, of actual alcoholic strength of >= 80%: No description at level 8	552
2207200000	1 Jan. 2011	Denatured ethyl alcohol and other spirits of any strength	733
0408110000	1 Jan. 2013	Dried egg yolks, whether or not sweetened	147
0808100000	1 Jan. 2013	Fresh apples	714
1601001000	1 Jan. 2013	Sausages and similar products, of meat, offal or blood; food preparations based on these products: No description at level 8	278
1602100000	1 Jan. 2013	Homogenized prepared meat, offal or blood, put up for retail sale as infant food or for dietetic purposes, in containers of <= 250 g	118
1602200000	1 Jan. 2013	Preparations of liver of any animal	116
1602310000	1 Jan. 2013	Meat or offal of turkeys "Gallus domesticus", prepared or preserved	206
1602390000	1 Jan. 2013	Prepared or preserved meat or meat offal of ducks, geese and guinea fowl of the species domesticus	102
1602410000	1 Jan. 2013	Hams and cuts thereof, prepared or preserved	187
1602490000	1 Jan. 2013	Prepared or preserved meat and offal of swine, including mixtures	111
1602500000	1 Jan. 2013	Prepared or preserved meat or offal of bovine animals	1,254
1602900000	1 Jan. 2013	Prepared or preserved meat, offal or blood	151
2002100000	1 Jan. 2013	Tomatoes, whole or in pieces, prepared or preserved otherwise than by vinegar or acetic acid	118
2003100000	1 Jan. 2013	Mushrooms of the genus "Agaricus", prepared or preserved otherwise than by vinegar or acetic acid	178
2004100000	1 Jan. 2013	Potatoes, prepared or preserved otherwise than by vinegar or acetic acid, frozen	142
2004900000	1 Jan. 2013	Vegetables and mixtures of vegetables, prepared or preserved otherwise than by vinegar or acetic acid, frozen	301
2005200000	1 Jan. 2013	Potatoes, prepared or preserved otherwise than by vinegar or acetic acid	169
2005400000	1 Jan. 2013	Peas "Pisum Sativum", prepared or preserved otherwise than by vinegar or acetic acid	1,038
2005590000	1 Jan. 2013	Unshelled beans "Vigna spp., Phaseolus spp.", prepared or preserved otherwise than by vinegar or acetic acid	108
2005800000	1 Jan. 2013	Sweet corn "Zea Mays var. Saccharata", prepared or preserved otherwise than by vinegar or acetic acid (excl. frozen)	103
2005900000	1 Jan. 2013	Vegetables and mixtures of vegetables, prepared or preserved otherwise than by vinegar, non-frozen	424
2007990000	1 Jan. 2013	Jams, jellies, marmalades, purees or pastes of fruit, obtained by cooking, whether or not containing added sugar or other sweetening matter	567
2103200000	1 Jan. 2013	Tomato ketchup and other tomato sauces	162
2103300000	1 Jan. 2013	Mustard flour and meal, whether or not prepared, and mustard	406
2103901000	1 Jan. 2013	Preparations for sauces and prepared sauces; mixed condiments and seasonings: No description at level 8	855
2106901000	1 Jan. 2013	Food preparations, n.e.s.: No description at level 8	13,493
0207360000	1 Jan. 2018	Frozen cuts and edible offal of ducks, geese or guinea fowls of the species domesticus	132
0406300000	1 Jan. 2018	Processed cheese, not grated or powdered	317
0406900000	1 Jan. 2018	Cheese	1,706
0705190000	1 Jan. 2018	Fresh or chilled lettuce (excl. cabbage lettuce)	229
0710900000	1 Jan. 2018	Mixtures of vegetables, uncooked or cooked by steaming or by boiling in water, frozen	385

[23] Namely frozen tuna, herring, sardines and mackerel. Three of these items are currently imported at more than $10 million per annum.

NTL code	Liberalization date	Description (abbreviated in many cases)	Average imports from EU 2004–2006 (in thousands of dollars) [a]
0712200000	1 Jan. 2018	Dried onions, whole, cut, sliced, broken or in powder, but not further prepared	2,296
0712900000	1 Jan. 2018	Dried vegetables and mixtures of vegetables, whole, cut, sliced, broken or in powder, but not further prepared	291
1902190000	1 Jan. 2018	Uncooked pasta, not stuffed or otherwise prepared, not containing eggs	348
1902300000	1 Jan. 2018	Pasta, cooked or otherwise prepared (excl. stuffed)	128
1902400000	1 Jan. 2018	Couscous, whether or not prepared	195
1904100000	1 Jan. 2018	Prepared foods obtained by swelling or roasting cereals or cereal products, e.g. corn flakes	291
1904200000	1 Jan. 2018	Prepared foods obtained from unroasted cereal flakes or from mixtures of unroasted cereal flakes and roasted cereal flakes or swelled cereals	106
1905310000	1 Jan. 2018	Sweet biscuits	1,021
1905320000	1 Jan. 2018	Waffles and wafers	236
1905400000	1 Jan. 2018	Rusks, toasted bread and similar toasted products	323
1905900000	1 Jan. 2018	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products	1,040
2104101000	1 Jan. 2018	Soups and broths and preparations therefor: No description at level 8	5,952
2104200000	1 Jan. 2018	Food preparations consisting of finely homogenized mixtures of two or more basic ingredients, such as meat, fish, vegetables or fruit, put up for retail sale as infant food or for dietetic purposes, in containers of <= 250g	118
0405100000	1 Jan. 2023	Butter (excl. dehydrated butter and ghee)	812
1512190000	1 Jan. 2023	Sunflower-seed or safflower oil and their fractions, whether or not refined, but not chemically modified (excl. crude)	1,132
1514190000	1 Jan. 2023	Low erucic acid rape or colza oil "fixed oil which has an erucic acid content of < 2%" and its fractions, whether or not refined, but not chemically modified	241
1704100000	1 Jan. 2023	Chewing gum, whether or not sugar coated	120
2105000000	1 Jan. 2023	Ice cream and other edible ice, whether or not containing cocoa	195
2201100010	1 Jan. 2023	Mineral waters and aerated waters, not containing added sugar, other sweetening matter or flavoured: No description at level 10	796
2202100000	1 Jan. 2023	Waters, incl. mineral and aerated, with added sugar, sweetener or flavour, for direct consumption as a beverage	333
2208600000	1 Jan. 2023	Vodka	428
2402100000	1 Jan. 2023	Cigars, cheroots and cigarillos containing tobacco	1,266

Note:
(a) As reported by Côte d'Ivoire to the Comtrade database.

In conclusion, the initial impression of the Côte d'Ivoire liberalization schedule is that:

(a) The liberalization will occur more rapidly than is the case for Cameroon, both because the implementation period is shorter and because the liberalization is heavily front-loaded;

(b) Both the revenue impact and the effect on agricultural producers could be felt very early in the implementation period;

(i) Agricultural liberalization is heavily front-loaded, with 76 per cent of agricultural items being liberalized in the first tranche;

(ii) Fifty-two per cent of agricultural products being liberalized face a current tariff of 20 per cent;

(iii) The first tranche will liberalize 54 agricultural products for which the EU is a major import source;[24]

[24] Defined as average 2004–2006 agricultural imports accounting for at least $100,000 per item.

(c) Most agricultural products liberalized in all tranches appear to be in direct ompetition with domestic production.

It appears doubtful that Côte d'Ivoire's liberalization schedule sufficiently takes into consideration the interests of domestic agricultural producers. A detailed country study would be necessary to verify/disprove this initial impression and to assess whether Côte d'Ivoire's liberalization schedule should be redrafted in the light of the country's agricultural development objectives.

4.2.2 Ghana: Agricultural liberalization commitments and exclusions

The second country in the Economic Community of West African States (ECOWAS) that signed the EPA – Ghana – will start liberalizing in 2009 and will complete the process by 2022 (table 11). The schedule is front-loaded; two thirds of EU imports will be duty-free within eight years.

Ghana revised its liberalization schedule during 2008. Although the end date for the first tranche of liberalization remains unchanged (1 January 2013), none of the tariffs that must be removed by then exceeds 5 per cent, whereas under the original schedule, there were several 20 per cent tariffs to be liberalized (with a trade-weighted average of 6.6 per cent).

The proportion of imports excluded from liberalization has increased from 20 per cent to 25 per cent, and liberalization of all of the highest-tariff items (20 per cent) is deferred until the two final years.

Table 11. Summary of Ghana's market access schedule

	Number of lines	Import value (average, 2004–2006) [a]		Tariff until 31 December 2012 [b]				
		In thousands of dollars	*Share of total*	*Min.*	*Max.*	*Simple average*	*Trade-weighted average* [c]	*Number of lines on which based*
Total trade in HS 1-97		1,521,631	100%					
Goods to be liberalized:								
already duty-free	174	210,896	13.9%	0	0	0	0	169
from 1 Jan. 2013	821	132,620	8.7%	5	5	5	5	798
from 1 Jan. 2015	1,002	120,074	7.9%	5	5	5	5	961
from 1 Jan. 2017 (starts 1 Jan. 2016)	1,098	550,614	36.2%	10	10	10	10	1,029
from 1 Jan. 2021 (starts 1 Jan. 2019)	54	42,926	2.8%	10	10	10	10	51
from 1 Jan. 2022 (starts 1 Jan. 2019)	1,242	83,862	5.5%	20	20	20	20	1,217
Excluded goods:	1,038	380,640	25.0%	5	20	18.3	16.9	999
Totals	**5,429**	**1,521,631**	**100%**					**5,224**

Notes:

(a) No import values are included in the market access schedule. Although Ghana has reported to Comtrade its imports from the EU in 2005 and 2006, because of known anomalies in the figures for 2005 at least, mirror data from Comtrade on EU exports to Ghana have been used. The schedule contains all 5,224 sub-heads in the 2002 version of the HS – plus a further 205 which ceased to be valid in 2001 and for which there are, therefore, no import values.

(b) As given in the market access schedule.

(c) Calculated by multiplying the import value by the tariff for each item, then totalling the results for all items, and dividing this total by the total import value for all items. Only items for which 2004–2006 import value data were available were included.

Some 25 per cent of the value of Ghana's imports from the EU is excluded from liberalization. The agricultural exclusion basket has increased from 28 per cent of all products in the original schedule to 33 per cent in the revised one.

Table 12. Summary of Ghana's exclusion basket

Excluded items	Number of lines
Total	**1,038** at HS6 sub-head level
Covered by WTO Agreement on Agriculture	***338***
In highest applicable tariff band (20%)	884
Tariff 10%	105
Tariff 5%	49
Duty-free	—

The main agricultural products excluded are cotton, vegetables, meat and meat products, vegetable and meat preparation, fats, fruits and nuts, coffee and tea, beverages and spirits, hides and skins, cereals, cocoa, dairies, sugar and sugar products, tobacco, and live animals.

Of the 338 agricultural HS6 codes excluded by Ghana, 78 per cent (264 tariff lines) face an applied MFN tariff of 20 per cent.[25] Almost one quarter of the agricultural exclusions (78 items) are significantly sourced from the EU (average imports of $100,000 or more in the period 2004–2006).

Ghana's liberalization schedule had been significantly revised. While the original one foresaw for the first tranche that 10 agricultural products that face a tariff of 20 per cent and are significantly sourced from the EU would have been liberalized (most of which were likely to stand in direct competition with domestic production, such as poultry, flour, grains and sunflower seeds), this picture has changed completely. The new schedule only liberalizes 5% tariff products until 2015, and 10% tariff items in the period 2016–2021. Table 13 shows only items that are liberalized in the last tranche (2019–2022). As can be seen, in its last EPA tranche, Ghana liberalizes 14 agricultural products that currently face a tariff of 20 per cent and are significantly sourced from the EU. Eight of them are dairy products, which *might* stand in direct competition to domestic production.

Table 13. Summary of Ghana's agricultural liberalization (items with 20 per cent tariff and average import value of $100,000 or more)[a]

HS6	Description (abbreviated in some cases)	Average imports from EU 2004–2006 (in thousands of dollars)[b]
040120	milk and cream of a fat content by weight of > 1% but <= 6%, not concentrated nor containing added sugar or other sweetening matter	789
040130	milk and cream of a fat content by weight of > 6%, not concentrated nor containing added sugar or other sweetening matter	133
040210	milk and cream in solid forms, of a fat content by weight of <= 1,5%	7,027
040291	milk and cream, concentrated but unsweetened (excl. in solid forms)	2,068
040299	milk and cream, concentrated and sweetened (excl. in solid forms)	139
040390	buttermilk, curdled milk and cream, kefir and other fermented or acidified milk and cream, whether or not concentrated or flavoured or containing added sugar or other sweetening matter, fruits, nuts or cocoa (excl. yogurt)	1,366
040410	whey and modified whey, whether or not concentrated or containing added sugar or other sweetening matter	2,504
040590	fats and oils derived from milk, and dehydrated butter and ghee	2,516
070190	fresh or chilled potatoes (excl. seed)	144
070990	fresh or chilled vegetables: other	130
090230	black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings of <= 3 kg	115
091050	curry	322
190590	bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers,	587

25 Ghana applies tariffs of 5, 10 or 20 per cent.

HS6	Description (abbreviated in some cases)	Average imports from EU 2004–2006 (in thousands of dollars) [b]
	rice paper and similar products	
210500	ice cream and other edible ice, whether or not containing cocoa	262

Notes:
(a) All items are being liberalized between 1 January 2019 and 1 January 2022.
(b) As there are known anomalies in Ghana's 2005 export data as reported to the Comtrade database, mirror data on EU exports to Ghana have been used instead.

In conclusion, the initial impression of Ghana's liberalization schedule is that:

(a) The revision of Ghana's liberalization schedule reduces the adjustment effect significantly, since only 0–5 per cent tariff items will be liberalized in the first three tranches (until 2015);

(b) The revenue impact of the EPA liberalization is likely to be less severe than under the original schedule. Most importantly, the share of revenue loss in the first tranche is much lower now than before (7.5 per cent compared to 29 per cent), so that the country has more time to put alternative revenue collection systems in place to compensate for tariff losses.

(c) The revised schedule seems to have largely incorporated the interests of domestic producers (which did not appear to be the case before).

4.2.3 Implications for ECOWAS regional integration

Côte d'Ivoire and Ghana are the only ECOWAS states that initialled (different) EPAs; that is to say, over four fifths of the ECOWAS states have not joined the interim EPA. It is understood that either schedule would be superseded in case of a broader ECOWAS EPA, but the question of how this could be realized remains open. While Ghana is only liberalizing zero-tariff items until 2012, Côte d'Ivoire will have liberalized some 60 per cent of EU imports by the end of 2012. Though both EPA texts provide for the option to revise countries' liberalization schedules in the light of a regional tariff (another novelty compared to the original EPA), at the same time, the options for such a regional amendment are restricted. Thus, the "general incidence" resulting from any tariff changes should not be higher than Ghana and Côte d'Ivoire's liberalization commitments vis-à-vis the European Commission. In the light of countries' very divergent schedules, it is difficult to see how this could be realized.

Another question that remains open is which ECOWAS countries will join the EPA. In spite of the optimistic and positive rhetoric in the region on the prospects of concluding a full regional EPA, given the current situation, the road ahead remains unclear (as does the ECOWAS economic integration process).

4.3 East African Community (EAC)

The EAC is the only region in which all signatories have identical schedules, which were revised in the course of 2008. Countries' schedules are all based on reductions from what is described in the schedule as the "MFN rate", which is assumed to be the agreed CET which all EAC states have committed to adhere to.

Although the first "liberalization" tranche, covering two thirds of imports, must be completed by 2010, all of the items in it face a zero MFN tariff, and so, as in the original schedule, none of the countries is required to start removing any positive tariffs until 2015. Any liberalization before that date required to achieve the "MFN rate" set out in the schedule needs to be judged, therefore, as a customs union effect rather than as an EPA effect.

The countries have 24 years starting from the date they attain their agreed CET rates (and 26 years starting from 2008) to complete the interim EPA liberalization process. Even though the majority of items that are to be liberalized will have their tariff removed over the next 15 years (the bulk of these in the period 2015–2023), this makes the EAC EPA the one with the longest transition period.

4.3.1 Agricultural liberalization commitments and exclusions

Although the EAC liberalization schedules are the same, their impact is determined by the level and distribution of imports from the EU in the recent past. Obviously, countries that import from the EU large quantities of items that will be liberalized earlier in the EPA process will face a more rapid adjustment shock than those that do not.

A flavour of the potential non-revenue adjustment effects (for domestic producers and consumers) in each of the countries is provided in tables 14–18, which provide, for each of the EAC countries, information on the number and value of the goods to be liberalized in each of the tranches (and to be excluded from liberalization), as well as the current MFN rate for these goods. In all cases, countries have to start removing positive tariffs on a significant proportion of imports during the second phase. The trade-weighted average MFN tariff for the goods covered by the second tranche varies from a low of 16.1 per cent (for Uganda) to a high of 22.5 per cent (for Rwanda).

The proportion of imports that is being excluded from liberalization for the region as a whole is around 17–18 per cent.[26] But this varies between countries (because they import different things), from a low for Uganda (of 16.1 per cent) to a high for Rwanda (of 22.5 per cent). See tables 14–18.

[26] The EPA schedule states that 17.4 per cent of imports are excluded, and the ODI calculations based on mirror data on average imports in 2004–2006 put the figure at 18.2 per cent (Stevens et al., 2009).

Table 14. Summary of Burundi's market access schedule

	Number of lines	Import value (average, 2004–2006) [a]		MFN tariff [b]			
		In thousands of dollars	*Share of total*	*Min.*	*Max.*	*Simple average*	*Trade-weighted average*
Total trade in HS 1–97		**85,698**	**100%**				
Of which, in codes listed in the EAC schedule		85,640	99.9%				
in codes missing from the EAC schedule [c]		58	0.1%				
Goods to be liberalized in:							
2010	1,950	35,572	41.5%	0	0	0	0
2015–2023	1,129	29,092	33.9%	10	25	10.1	10.0
2020–2033	960	3,410	4.0%	25	25	25.0	25.0
Excluded goods:	1,390	17,566	20.5%	10	100	24.8	23.7
	5,429	**85,640**	**99.9%**				

Notes:

(a) The market access schedule lists total EAC import values for each item, but not those for each of the individual countries. Because of the disparity (in terms of years and nomenclature) in the availability of data reported to Comtrade by the EAC countries, data reported by EU25 on their exports were used to mirror EAC imports. Where more than one line in the market access schedule is covered by a single HS6 sub-head, the full value of the individual countries' imports in that sub-head has been attributed to the occurrence in which the largest all-EAC imports are shown in the schedule.

(b) As shown in the market access schedule.

(c) The market access schedule is in the 2002 version of the HS, which contains 5,224 sub-heads. However, the 5,224 sub-heads covered in the schedule do not correspond exactly to the 5,224 in HS 2002. The schedule contains two codes not valid in HS 2002, and does not contain two sub-heads which *are* part of HS 2002.

Table 15. Summary of Kenya's market access schedule

	Number of lines	Import value (average, 2004–2006) [a]		MFN tariff [b]			
		In thousands of dollars	*Share of total*	*Min.*	*Max.*	*Simple average*	*Trade-weighted average*
Total trade in HS 1–97		**1,214,717**	**100%**				
Of which, in codes listed in the EAC schedule		1,214,469	99.98%				
in codes missing from the EAC schedule [c]		248	0.02%				
Goods to be liberalized in:							
2010	1,950	610,498	50.3%	0	0	0	0
2015–2023	1,129	314,330	25.9	10	25	10.1	10.0
2020–2033	960	72,418	6.0%	25	25	25.0	25.0
Excluded goods:	1,390	217,223	17.9%	10	100	24.8	27.5
	5,429	**1,214,469**	**99.98%**				

Notes:

(a) See note a in Burundi's schedule.

(b) As shown in the market access schedule.

(c) See Table 14, note c.

Table 16. Summary of Rwanda's market access schedule

	Number of lines	Import value (average, 2004–2006) [a]		MFN tariff [b]			
		In thousands of dollars	*Share of total*	*Min.*	*Max.*	*Simple average*	*Trade-weighted average*
Total trade in HS 1–97		**109,453**	**100%**				
Of which, in codes listed in the EAC schedule		109,445	99.99%				
in codes missing from the EAC schedule [c]		8	0.01%				
Goods to be liberalized in:							
2010	1,950	49,561	45.3%	0	0	0	0
2015–2023	1,129	26,520	24.2%	10	25	10.1	10.0
2020–2033	960	8,731	8.0%	25	25	25.0	25.0
Excluded goods:	1,390	24,634	22.5%	10	100	24.8	29.3
	5,429	**109,445**	**99.99%**				

Notes:
(a) See note a in Burundi's schedule.
(b) As shown in the market access schedule.
(c) See Table 14, note c.

Table 17. Summary of the United Republic of Tanzania's market access schedule

	Number of lines	Import value (average, 2004–2006) [a]		MFN tariff [b]			
		In thousands of dollars	*Share of total*	*Min.*	*Max.*	*Simple average*	*Trade-weighted average*
Total trade in HS 1–97		**639,035**	**100%**				
Of which, in codes listed in the EAC schedule		638,974	99.99%				
in codes missing from the EAC schedule [c]		61	0.01%				
Goods to be liberalized in:							
2010	1,950	320,784	50.2%	0	0	0	0
2015–2023	1,129	165,956	26.0%	10	25	10.1	10.0
2020–2033	960	33,077	5.2%	25	25	25.0	25.0
Excluded goods:	1,390	119,158	18.6%	10	100	27.9	27.9
	5,429	**638,974**	**99.99%**				

Notes:
(a) See note a in Burundi's schedule.
(b) As shown in the market access schedule.
(c) See Table 14, note c.

Table 18. Summary of Uganda's market access schedule

	Number of lines	Import value (average, 2004–2006) [a]		MFN tariff [b]			
		In thousands of dollars	*Share of total*	*Min.*	*Max.*	*Simple average*	*Trade-weighted average*
Total trade in HS 1–97		**319,695**	**100%**				
Of which, in codes listed in the EAC schedule		319,633	99.98%				
in codes missing from the EAC schedule [c]		62	0.02%				
Goods to be liberalized in:							
2010	1,950	167,288	52.3%	0	0	0	0
2015–2023	1,129	83,739	26.2%	10	25	10.1	10.0
2020–2033	960	16,981	5.3%	25	25	25.0	25.0
Excluded goods:	1,390	51,625	16.1%	10	100	24.8	26.4
	5,429	**319,633**	**99.98%**				

Notes:
(a) See note a in Burundi's schedule.
(b) As shown in the market access schedule.
(c) See Table 14, note c.

One quarter of the EAC's exclusion basket is agricultural products (table 19), and all are goods with an MFN of 10 per cent or more.[27]

Table 19. Summary of the EAC exclusion basket

Excluded items	Number of lines	
Total	**1,390**	at HS6 sub-head and 8-digit national-tariff-line levels
Covered by WTO Agreement on Agriculture	***349***	
Tariff unknown	—	
In highest applicable tariff band	5	= 100%
Tariff 10% or more	1,385	
Tariff less than 10%	—	
Duty-free	—	

Of the 349 agricultural products excluded, 93 per cent face a currently applied tariff of 25 per cent or higher. However, only 67 of the excluded high-tariff items are significantly sourced from the EU (average imports of $100,000 or more in the period 2004–2006). The agricultural exclusion basket covers vegetables; coffee, tea and spices; dairies; fruits and nuts; meat and meat preparations; beverages and spirits; cereal preparations; oils; sugar and confectionary; cocoa; and live animals and plants.

Table 20 gives an overview of EAC liberalization under the EPA. Since the first liberalization tranche (2010) covers only items that are already duty-free, it is not included in the table. The second tranche (2015–23) covers only items with a tariff of 10 per cent, six of which are currently significantly imported from the EU. Flour and starches appear to be the only products that might compete directly with domestic production. However, a 10 per cent tariff is hardly sufficient to protect domestic production. Only one item with a tariff of 25 per cent that is significantly imported from the EU and might compete with domestic production is to be liberalized in the last tranche (rape/colza oil).

Table 20. Summary of EAC agricultural liberalization (average import value of $100,000 or more)

NTL	Liberaliz-ation tranche	Description	Tariff [a]	Average imports, 2004–2006 (in thousands of dollars) [b]
11081200	2015–2023	Maize starch	10.0%	150
12081000	2015–2023	Flours and meals of soya beans	10.0%	378
12122000	2015–2023	Seaweeds and other algae, fresh, chilled, frozen or dried, whether or not ground	10.0%	107
23099000	2015–2023	Preparations of a kind used in animal feeding (excl. dog or cat food put up for retail sale)	10.0%	1,911
35011000	2015–2023	Casein	10.0%	274
35051000	2015–2023	Dextrins and other modified starches	10.0%	232
15141900	2020–2033	Low erucic acide rape or colza oil: other	25.0%	1,287

Notes:
(a) As shown in the market access schedule.
(b) No import data are included in the market access schedule. Because of the disparity (in terms of years and nomenclature) in the availability of data reported to Comtrade by the EAC countries, data reported by EU25 on their exports were used to mirror EAC imports. Although the market access schedule is at HS6 sub-head level, several of the codes are duplicated, with different sub-components falling into different liberalization tranches. Where this is the case, the import value for the full HS6 sub-head has been attributed to the latest liberalization tranche (or to the exclusion list if applicable).

27 The "MFN rates" listed in the schedule are 0%, **10%, 25%, 35%,** 40%, 45%, **50%,** 55%, **60%** and **100%.** Those in bold apply to agricultural products.

In conclusion, therefore, the initial impression of the EAC liberalization schedule is that:

(a) The "EPA effect" will not start until 2015 and will be completed over 26 years from 2008, giving the region a good period of time within which to adjust;

(b) The effects of EPA-induced liberalization on producers and consumers will be end-loaded, because the cuts will be from the CET, with most of the highest-tariff items reserved for the final tranche;

(c) Only one agricultural product will be liberalized that faces a tariff exceeding 10 per cent and is currently significantly imported from the EU;

(d) Given the disparity between the current protection level for some agricultural products (up to 100 per cent) and the three-band EAC CET with its highest protection level of 25 per cent, adjustment costs as a result of implementing the EAC CET can be expected. To what extent the EAC CET is sufficient to protect domestic production in Eastern Africa, and whether additional protection measures for selected products are advisable, would need to be investigated in detailed country studies.[28]

4.3.2 Implications for EAC regional integration

The EAC is the only region where countries have agreed on an immediate joint regional liberalization schedule based on their CET. If countries' commitments under the EPA are implemented fully and in a timely way, economic integration will have been reinforced.

A different picture emerges, however, with respect to COMESA/ESA integration. With the exception of the United Republic of Tanzania, all EAC countries are members of COMESA and are committed to becoming members of the COMESA customs union (rescheduled for December 2008). Officially, the EAC EPA will merge with the ESA EPA and the SADC EPA in a "tripartite process". However, as the following discussion shows, this will be extremely challenging.

4.4 Eastern and Southern Africa (ESA) EPA

Five ESA states initialled an EPA with the same text at the end of 2007. They are Comoros, Madagascar, Mauritius, Seychelles and Zimbabwe. Although all of them also established their liberalization schedules in relation to the COMESA CET, the details of their liberalization and of their exclusion baskets are different. Hence, they are treated as separate actors.

During 2008, Zambia initialled the common ESA EPA text, too. However, Zambia's liberalization schedule is completely different, with no reference to a CET and with different start and end dates.

For the five ESA states that initialled the EPA at the end of 2007, the phasing of liberalization is made in relation to the product groups established by COMESA for its CET. However, although the COMESA members agreed on a three-band CET (0 per cent for raw materials and capital goods, 10 per cent for intermediate goods and 25 per cent for final

[28] ODI has started this process, and at the time of writing (April/May 2009), was working on an agricultural EPA study for the EAC secretariat.

goods), they never agreed a formal definition that allocated each item in the nomenclature to one of the three groups. The EPAs have made this specific link, but it is far from clear that “raw and capital” or “intermediate” or “final” are defined in the same way in each country’s schedules. In fact, over 1,000 items are being liberalized by one or more of the ESA countries where there is some degree of discrepancy in the CET classification, which may make eventual agreement on a common, customs union–wide set of tariffs more difficult.

In all five cases, liberalization is occurring in three tranches, which relate, broadly speaking, to the COMESA CET categories. Tariffs are not being reduced by equal annual instalments during these two tranches (as is the case in some other EPAs). There will be tariff cuts in 2013, 2014, 2016, 2017, 2020 and 2022. EPA-induced liberalization will take place, therefore, over a period of 10 years, but since it will not begin until 2013, the effective period is 15 years from 2008 on. During the first five years (2008–2012), though, countries must accommodate their current tariffs to the COMESA CET level.

4.4.1 Comoros: Agricultural liberalization commitments and exclusions

The TRAINS database does not list MFN tariffs for Comoros, so it is unclear how far current tariffs will have to be reduced in order to reach the agreed CET. All of the items in the first tranche of liberalization (2013) have CETs of zero (table 21). It has until 2014, therefore, which is the first year for the other two tranches, to begin “EPA-induced” liberalization.

Table 21. Summary of the Comoros’ market access schedule

	Number of lines	**Average import value, 2004–2006** [a]		**CET** [b]			
		In thousands of dollars	*Share of total*	*Min.*	*Max.*	*Simple average*	*Trade-weighted average*
Total trade in HS 1–97		**31,786**	**100%**				
Goods to be liberalized in:							
2013	1,456	6,837	21.5%	0	0	0	0
2014–2022 (reductions in 2014, 2017, 2020, 2022)	2,496	7,956	25.0%	10	10	10	10
2014–2022 (reductions in 2014, 2016, 2018, 2020, 2022)	1,157	10,848	34.1%	0	25	24.98	25
Excluded goods:	93	6,145	19.3%	Not given in schedule			
	5,202	**31,786**	**100%**				

Notes:
(a) As included in the market access schedule.
(b) As included in the market access schedule (for all but the 93 excluded lines). No MFN tariffs are available in TRAINS for Comoros. There are preparatory periods for the CET to be achieved: these are 5 years (2008–2012) for raw and capital goods (to be liberalized in 2013), and 2008–2013 for the rest.

The exclusion basket accounted for 19.3 per cent of Comoros imports from the EU in 2004–2006. Two thirds of the excluded items are agricultural (table 22). But the absence of any information on either MFN or CET tariffs for the other items means that the information provided for other countries on the exclusion list table has not been possible for Comoros.

Table 22. Summary of the Comoros’ exclusion basket

(a) Excluded items	**(a) Number of lines**	
Total	**93**	86 at HS6 sub-head level, 7 at NTL 8-digit level – falling into 87 HS6 sub-heads
Covered by WTO Agreement on Agriculture	***63***	
In highest applicable tariff band	?	No MFN tariffs available for Comoros, and no CET tariffs shown in the market access schedule for excluded items
Tariff 10% or more	?	
Tariff less than 10%	?	
Duty-free	?	

Twenty-five of the excluded agricultural products were significantly imported from the EU in the period 2004–2006. Some but not all of the agricultural goods excluded are items that the EU can supply and that stand in direct competition with domestic production, such as fruits and nuts; meat; coffee, tea and spices; fish; dairy products; vegetables; and beverages.

4.4.2 Madagascar: Agricultural liberalization commitments and exclusions

Although in each of the liberalization tranches Madagascar has some items for which its recent MFN duties have been zero, they also all contain other items that have faced tariffs of up to 20 per cent (table 23). The items that will be liberalized in 2013 accounted for 37 per cent of the country's imports from the EU in 2004–2006, implying a sharp front-loading given the similarity of trade-weighted tariffs.

Table 23. Summary of Madagascar's market access schedule

	Number of lines	Average import value, 2004–2006 [a]		MFN 2006 [b]					CET [c]
		In thousands of dollars	*Share of total*	*Min.*	*Max.*	*Simple average*	*Trade-weighted average* [d]	*Number of lines on which based* [e]	
Total trade		**355,538**	**100%**						
Goods to be liberalized in:									
2013	1,297	131,563	37.0%	0	20	10.6	10.4	1,151	0
2014–2022 (reductions in 2014, 2017, 2020, 2022)	2,445	92,779	26.1%	0	20	11.6	11.5	2,303	10
2014–2022 (reductions in 2014, 2016, 2018, 2020, 2022)	1,127	62,739	17.6%	0	20	17.7	13.3	1,066	25
Excluded goods:	575	68,457	19.3%	0	20	18.5	17.7	574	Not shown in schedule
	5,444	**355,538**	**100%**					**5,094**	

Notes:

(a) As given in the market access schedule (for all but 108 of the lines).

(b) MFN tariffs could not be identified (from the 2006 Madagascar tariff schedule in TRAINS) for 263 lines in the market access schedule (accounting for 0.03 per cent of the average value of imports 2004–2006).

(c) The CET rate is included in the market access schedule (other than for the 575 excluded lines). There are preparatory periods for the CET to be achieved: these are 5 years (2008–2012) for raw and capital goods (to be liberalized in 2013) and 2008–2013 for the rest.

(d) Where a range of tariffs applies to different items within the HS6 sub-head, the highest has been used.

(e) i.e. the number of lines for which both MFN tariff and import value are known.

Some 19.3 per cent of the average value of imports 2004–2006 is excluded altogether from liberalization, and just under 60 per cent of the lines concerned are agricultural (table 24). Out of the 341 excluded agricultural items, 293 face a tariff of 20 per cent.[29] About 8 per cent of them (23 items) are significantly imported from the EU.

Table 24. Summary of Madagascar's exclusion basket

(a) Excluded items	(a) Number of lines
Total	**575** at HS6 sub-head level
Covered by WTO Agreement on Agriculture	***341***
In highest applicable tariff band	500 = 20%
Tariff 10% or more	57
Tariff less than 10%	12
Duty-free	6

[29] Madagascar applies a 5, 10 and 20 per cent tariff.

The agricultural exclusions are, in the main, goods for which the EU is a plausible supplier of items that would compete directly or indirectly with local farmers, such as meat and meat preparation, vegetables and vegetable preparation, dairy, beverages and spirits, fruits, fats, cereals and cereal preparation, milling products, cocoa products, sugar and confectionery.

None of the items liberalized in any tranche which is imported in significant values from the EU currently has an applied tariff of more than 10 per cent (see table 25). In other words, Madagascar would need to raise the tariffs for some items to meet the 25 per cent tariff band of the COMESA CET. Since Madagascar's maximum applied MFN tariff is 20 per cent, tariff rises would generally be required to meet the COMESA CET. However, the EPA "standstill" provision (according to which the current level of applied protection for EU imports will be frozen) is in contradiction to this policy objective (see discussion in section 5.1.2).

Table 25. Summary of Madagascar's agricultural liberalization (average import value of $100,000 or more)

HS6 (2002)	Liberalization tranche	Description	Tariff [a]	Average imports, 2004–2006 (in thousands of dollars) [b]
050510	1 (2013); CET: 0	Feathers used for stuffing and down not further worked than cleaned, disinfected or treated for preservation	5	141
050800	1	Coral and similar materials, shells of molluscs, crustaceans or echinoderms, cuttle-bone, powder and waste thereof, unworked or simply prepared but not otherwise worked or cut to shape	5	116
110710	2 (2014-2022); CET10	Malt (excl. roasted)	10	400
150200	2	Fats of bovine animals, sheep or goats (excl. lard stearin, lard oil) eostearin, oleooil and tallow oil, not emulsified or mixed or otherwise prepared)	5	23
151110	2	Crude palm oil	5	9
151620	2	Vegetable fats and oils and their fractions	5	129
100630	3 (2014-2022); CET 25	Semi-milled or wholly milled rice, whether or not polished or glazed	0	228
150910	3	Virgin olive oil and its fractions obtained from the fruit of the olive tree solely by mechanical or other physical means under conditions that do not lead to deterioration of the oil	5	117
210210	3	Active yeasts	10	425

Notes:
(a) Maximum MFN 2006, obtained from TRAINS database.
(b) As given in the market access schedule.

4.4.3 Mauritius: Agricultural liberalization commitments and exclusions

Mauritius's first tranche of liberalization had to be completed in 2008 (rather than 2013 as specified in the other ESA EPAs). Not all of these goods had been liberalized in 2006, the latest year for which tariff data are available (see table 26). This group of products accounted for one quarter of imports from the EU in 2004–2006. Since only 4.4 per cent of imports are being excluded altogether, the great bulk of imports (71 per cent in total) will be liberalized between 2013 and 2022. However, since the country has announced its intention to be a "duty-free island" (and to use sales taxes instead of tariffs to collect revenue from consumption), this will presumably not pose any "additional" EPA-induced problems.

Table 26. Summary of Mauritius's market access schedule

	Number of lines	Average import value, 2004–2006 [a]		MFN 2006 [b]					CET [c]
		In thousands of dollars	*Share of total*	*Min.*	*Max.*	*Simple average*	*Trade-weighted average* [d]	*Number of lines on which based* [e]	
Total trade		**865,330**	**100%**						
Goods to be liberalized in:									
2008	1,398	212,155	24.5%	0	30 or spec.	2.7	1.8	1,322	0
2013–2017 (reductions in 2013, 2014, 2015, 2017)	2,541	251,961	29.1%	0	30 or spec.	1.5	1.2	2,411	10
2013–2022 (reductions in 2013,2015, 2018, 2020, 2022)	1,257	363,328	42.0%	0	30 or spec.	7.2	3.1	1,009	25
Excluded goods:	185	37,887	4.4%	0	30	23.1	23.4	175	Not shown in schedule
	5,381	**865,330**	**100%**					**4,917**	

Notes:
(a) As given in the market access schedule (for all but nine of the lines).
(b) MFN tariffs could not be identified (from the 2006 Mauritius tariff schedule in TRAINS) for 279 lines in the market access schedule (accounting for 0.6 per cent of the average value of imports 2004–2006).
(c) The CET rate is included in the market access schedule (other than for the 185 excluded lines). There is a preparatory period for the CET to be achieved for intermediate/final goods of 2008–2012.
(d) Where a range of tariffs applies to different items within the HS6 sub-head, the highest has been used.
(e) i.e. the number of lines for which both MFN tariff and import value are known.

Of the 185 items that have been excluded from liberalization (accounting for only 4.4 per cent of the value of Mauritius's imports from the EU), half are agricultural goods. Just under 60 per cent of these have tariffs of 30 per cent.

Table 27. Summary of Mauritius's exclusions

Excluded items	Number of lines	
Total	**185**	at HS6 sub-head level
Covered by WTO Agreement on Agriculture	***93***	
Tariff unknown	2	
In highest applicable tariff band	108	= 30% or specific duty
Tariff 10% or more	66	
Tariff less than 10%	—	
Duty-free	9	

Only 14 of these high-tariff agricultural products are significantly imported from the EU, such as frozen chicken, prepared meats, sugar and confectionery, biscuits, ice cream, mineral water and non-alcoholic beverages.

However, only three items liberalized in the first tranche face tariffs of 15 per cent or more and are significantly imported from the EU (see table 28). The liberalization of turkey offal and swine meat might, however, imply competition challenges for domestic producers. A similar picture applies in the second liberalization tranche, where five agricultural products are liberalized that meet the selection criteria for table 28. Prepared poultry offal and the three chocolate preparation items are likely to stand in direct competition to domestic production. The last liberalization tranche appears to liberalize less sensitive products, such as wine and spirits. The liberalization of rusks, potatoes and prepared vegetables might, however, also be problematic for domestic producers.

Table 28. Summary of Mauritius's agricultural liberalization (average import value of $100,000 or more)

HS6	Liberalization tranche	Description	Tariff [a]	Average imports, 2004–2006 (in thousands of dollars) [b]
020727	1 (2013); CET: 0	Frozen cuts and edible offal of turkeys of the species domesticus	30	115
021019	1	Meat of swine, salted, in brine, dried or smoked (excl. hams) , shoulders and cuts thereof, with bone in, and bellies and cuts thereof)	30	187
081320	1	Dried prunes	15	163
160239	2 (2014-2022); CET 10	Prepared or preserved meat or meat offal of ducks, geese and guinea fowl of the species domesticus (excl. sausages and similar products, finely homogenized preparations put up for retail sale as infant food or for dietetic purposes, in containers of a net	30	430
180631	2	Chocolate and other preparations containing cocoa, in blocks or bars of <= 2 kg, filled	30	260
180632	2	Chocolate and other preparations containing cocoa, in blocks or bars of <= 2 kg (excl. filled)	30	253
180690	2	Chocolate and other preparations containing cocoa or immediate packings of <= 2 kg (excl. in blocks, slabs or bars and cocoa powder)	30	2,249
210410	2	Soups and broths and preparations therefor	15	104
190540	3 (2014-2022); CET: 25	Rusks, toasted bread and similar toasted products	30	212
200520	3	Potatoes, prepared or preserved otherwise than by vinegar or acetic acid (excl. frozen)	15	138
200570	3	Olives, prepared or preserved otherwise than by vinegar or acetic acid (excl. frozen)	15	129
200590	3	Vegetables and mixtures of vegetables, prepared or preserved otherwise than by vinegar, non-frozen (excl. preserved by sugar, homogenized vegetables of subheading 2005.10, and tomatoes, mushrooms, truffles, potatoes, peas "Pisum sativum", beans "Vigna, Ph	15	166
210690	3	Food preparations, n.e.s.	15	5,063
220410	3	Sparkling wine of fresh grapes	30	2,602
220421	3	Wine of fresh grapes, incl. fortified wines, and grape must whose fermentation has been arrested by the addition of alcohol, in containers of <= 2 l (excl. sparkling wine)	30	2,779
220429	3	Wine of fresh grapes, incl. fortified wines, and grape must whose fermentation has been arrested by the addition of alcohol, in containers of > 2 l (excl. sparkling wine)	30	194
220510	3	Vermouth and other wine of fresh grapes, flavoured with plants or aromatic substances, in containers of <= 2 l	30	303
220820	3	Spirits obtained by distilling grape wine or grape marc	30	219
220830	3	Whiskies	30	4,357
220850	3	Gin and genever	30	107
220870	3	Liqueurs and cordials	30	474
230910	3	Dog or cat food, put up for retail sale	15	121
230990	3	Preparations of a kind used in animal feeding (excl. dog or cat food) put up for retail sale)	15	1,101
240210	3	Cigars, cheroots and cigarillos containing tobacco	30	184
240220	3	Cigarettes, containing tobacco	30	2,222

Notes:
(a) Maximum MFN 2006, obtained from TRAINS database.
(b) As given in the market access schedule.

4.4.4 Seychelles: Agricultural liberalization commitments and exclusions

Seychelles, like Comoros and Madagascar, and unlike Mauritius, has its first EPA commitments in 2013. But in some cases, it will need to reduce very high tariffs to meet the CET target. Table 29 shows that this customs union effect far outweighs the EPA one. The trade-weighted average tariff for goods that will be liberalized by 2013, to reach the CET of zero per cent, was 104.1 per cent in 2006.

Only 2.5 per cent of the value of Seychelles imports from the EU in 2004–2006 is excluded from any liberalization. But their 2006 trade-weighted average tariff was high, at 79.3 per cent. Some 37 per cent of them are agricultural products (table 30), and 25 agricultural items face a tariff of 15 per cent or more.

Table 29. Summary of Seychelles' market access schedule

	Number of lines	Average import value, 2004–2006 [a]		MFN 2006 [b]					CET [c]
		In thousands of dollars	*Share of total*	*Min.*	*Max.*	*Simple average*	*Trade-weighted average* [d]	*Number of lines on which based* [e]	
Total trade		**224,557**	**100%**						
Goods to be liberalized in:									
2013	1,492	139,380	62.1%	0	200	5.8	104.1	1,246	0
2013–2017 (reductions in each year)	2,606	33,824	15.1%	0	200	1.4	0.7	2,103	10
2013–2022 (reductions in each year)	1,390	45,789	20.4%	0	200 or Scr/lt 10	11.1	2.4	1,213	25
Excluded goods:	131	5,563	2.5%	0	225 or SR/lt 170	116.4	79.3	104	Not shown in schedule
	5,619	**224,557**	**100%**					**4,666**	

Notes:
(a) As given in the market access schedule (for all but 17 of the lines).
(b) MFN tariffs could not be identified (from the 2006 Seychelles tariff schedule in TRAINS) for 926 lines in the schedule – largely because the tariff schedule is in H0 (1988), and the market access schedule is in HS 2002/2007. These 926 lines accounted for 5.8 per cent of the average value of imports in 2004–2006.
(c) The CET rate is included in the market access schedule (other than for the 131 excluded lines plus 26 others). There are preparatory periods for the CET to be achieved: these are 5 years (2008–2012) for raw and capital goods (to be liberalized in 2013) and 2008–2013 for the rest.
(d) Where a range of tariffs applies to different items within the HS6 sub-head, the highest has been used.
(e) i.e. the number of lines for which both MFN tariff and import value are known.

Table 30. Summary of Seychelles' exclusion basket

(a) Excluded items	(a) Number of lines	
Total	**131**	at HS6 sub-head level
Covered by WTO Agreement on Agriculture	***49***	
Tariff unknown	15	
In highest applicable tariff band	5	= 225% (1) or SR/lt 170 (4)
Tariff 10% or more	100	
Tariff less than 10%	5	
Duty-free	6	

Note: Tariff breakdowns assume that all specific duties equate to 10 per cent or more ad valorem.

Apart from fish, Seychelles' exclusions appear primarily to be related to revenue generation. The main agricultural products excluded from liberalization (and significantly imported from the EU) are frozen pork, wine and other alcoholic beverages, and ethyl alcohol.

As can be seen from table 31, Seychelles' agricultural liberalization under the EPA is marginal. Strangely, eggs, currently protected by a 200 per cent tariff and imported significantly from the EU, are liberalized in the first tranche. The second tranche does not cover any agricultural item that is not already duty-free.

Table 31. Summary of Seychelles' agricultural liberalization (average import value of $100,000 or more)

HS6	Liberalization tranche	Description	Tariff [a]	Average imports, 2004–2006 (in thousands of dollars) [b]
040700	1 (2013); CET 0	Birds' eggs, in shell, fresh, preserved or cooked	200	1,032
070960	1	Fresh or chilled fruits of the genus Capsicum or Pimenta	0–25	32
190219	3 (2014–2022); CET 25	Uncooked pasta, not stuffed or otherwise prepared not containing eggs	50	50

Notes:
(a) Maximum MFN 2006, obtained from the TRAINS database.
(b) As given in the market access schedule.

4.4.5 Zambia: Agricultural liberalization commitments and exclusions

The Zambian schedule was completed in 2008 and differs substantially from the schedules for the other ESA states. The schedule starts from Zambia's 2008 MFN tariffs (with no mention of a CET) and the liberalization tranches are not the same as for the other ESA countries which, apart from minor variations, start liberalization in 2013 and complete it in 2022. The Zambian schedule specifies the tariff payable in every year from 2009 to 2023 inclusive, for all the goods that are to be liberalized. The first tariff cuts do not need to be made until 2014, when the tariffs on 858 items (all with an MFN of 5 per cent) must be removed. A second phase of liberalization starts in 2017 with a reduction to 10 per cent, followed by further reductions in 2020 and 2023. The final phase of liberalization starts in 2019, with 5 per cent reductions annually to 2023 (see table 32).

Table 32. Summary of Zambia's market access schedule

	Number of lines	Average imports, 2004–2006 [a]		MFN 2008 [b]			
		In thousands of dollars	*Share of total*	*Min.*	*Max.*	*Simple average*	*Trade-weighted average* [c]
Total trade [d]	**5,964**	**451,692**	**100%**				
Goods to be liberalized:							
Already duty-free	1,346	220,957	48.9%	0	0	0	0
In 2014	858	94,123	20.8%	5	5	5	5
2017–23 (reductions in 2017, 2020 and 2023)	1,784	31,199	6.9%	15	15	15	15
2019–23 (in equal annual instalments)	1,562	13,295	2.9%	25	25	25	25
Excluded goods:	414	92,119	20.4%	0	25	21.5	14.9
	5,964	**451,692**	**100%**				

Notes:
(a) As given in the market access schedule (for all but one of the lines).
(b) As given in the schedule. Unlike the other ESA signatories, no CET rates are given in the schedule.
(c) Calculated by multiplying the import value by the MFN tariff for each item, then totalling the results for all items, and dividing this total by total import value for all items.
(d) This is the total of the import values included in the schedule. However, items in 14 HS6 sub-heads (in the 2007 version of the HS, used in the schedule) are not listed in the schedule. It is understood that these codes will be added to the schedule at a later date. According to the data reported by Zambia to the Comtrade database for 2007 (which is the only year for which data are available in the same version of the HS as the schedule), there were no imports in any of the missing sub-heads.

Zambia excluded some 20 per cent by value of total EU imports, and 36 per cent of the excluded lines are agricultural items (see table 33). The exclusion basket covers milk and cream, durum wheat, broken rice, vegetable fats and oils and unspecified food preparations (all of which are currently significantly sourced from the EU).

Table 33. Summary of Zambia's exclusions

Excluded items	Number of lines	
Total	**414**	At 8-digit national-tariff-line level
Covered by WTO Agreement on Agriculture	151	
In highest applicable tariff band (25%)	288	(of which 1 subject to 'Prohibition under Statutory Instrument No. 141 of 1996 The Environmental Protection')
Tariff 15%	109	(of which 2 subject to 'Prohibition under Statutory Instrument No. 20 of 1994 The Environmental Protection', and 3 subject to 'Seasonal export quotas/prohibitions under Chapter 421, Control of Goods Act of 1954')
Tariff 5%	14	(of which 1 subject to 'Prohibition under Statutory Instrument No. 141 of 1996 The Environmental Protection')
Duty-free	3	(all subject to 'Prohibition under Statutory Instrument No. 20 of 1994 The Environmental Protection')

As can be seen from table 34, Zambia is liberalizing no agricultural item with a tariff exceeding 5 per cent that is significantly sourced from the EU prior to 2017. Thereafter, the only agricultural items being liberalized are grains, and dried peas and beans.

Table 34. Summary of Zambia's agricultural liberalization (average import value of $100,000 or more)

NTL code	Liberalization tranche	Description	Tariff [a]	Average imports, 2004–2006 (in thousands of dollars) [a]
01051100	2014	Live fowls of species gallus domesticus	5	440
12099100	2014	Vegetable seed, of a kind used for sowing	5	245
33021000	2014	Mixtures of odiferous substances of a kind used in the food and drink industries	5	143
35030010	2014	Gelatin and derivatives; isinglass; glues of	5	162
10070000	2017–23	Grain sorghum	15	1,088
11042910	2017–23	Other worked grains of rice, n.e.s.	15	454
07131090	2019–23	Dried peas, shelled: other	25	462
07133190	2019–23	Dried beans (vigna mungo), shelled:.other	25	424

Note:
(a) As given in the market access schedule.

4.4.6 Zimbabwe: Agricultural liberalization commitments and exclusions

Like the other ESA countries – apart from Mauritius and Zambia – Zimbabwe's first tranche of liberalization is in 2013 (table 35). But its other two tranches begin a year later than the norm (in 2015), and, unusually, the liberalization of final goods is completed one year earlier than that of intermediate goods.

Table 35. Summary of Zimbabwe's market access schedule

	Number of lines	Average import value, 2004–2006 [a]		MFN 2003 [b]					CET [c]
		In thousands of dollars	*Share of total*	*Min.*	*Max.*	*Simple average*	*Trade-weighted average* [d]	*Number of lines on which based* [e]	
Total trade		129,292	100%						
Goods to be liberalized in:									
2013	1,480	58,021	44.9%	0	60	13.0	12.0	1,468	0
2015–2023 (reductions in 2015, 2018, 2021, 2023)	1,882	19,027	14.7%	0	80	12.4	8.8	1,881	10
2015–2022 (reductions every year)	1,149	26,215	20.3%	0	100	28.4	23.0	1,068	25
Excluded goods:	716	26,029	20.1%	0	100	23.7	42.4	447	Not shown in schedule
	5,227	**129,292**	**100%**					**4,864**	

Notes:
(a) As given in the market access schedule.
(b) MFN tariffs could not be identified (from the 2003 Zimbabwe tariff schedule in TRAINS – the most recent available) for 363 lines in the schedule (accounting for 1 per cent of the average value of imports 2004–2006).
(c) The CET rate is included in the market access schedule (other than for the 716 excluded lines plus 1 other). There are preparatory periods for the CET to be achieved: for raw and capital goods (to be liberalized in 2013) this is 5 years (2008–2012); for the rest the schedule says 6 years, but then gives dates of 2008–15 for intermediate goods (to be liberalized 2015–2023) and 2008–2014 for final goods (to be liberalized 2015–2022).
(d) Where a range of tariffs applies to different items within the HS6 sub-head, the highest has been used.
(e) i.e. the number of lines for which both MFN tariff and import value are known.

The COMESA CET for the products to be liberalized in 2013 is zero, but recent Zimbabwean tariffs on some goods have been much higher. The trade-weighted average MFN tariff in 2003 for the goods to be liberalized in 2013 was 12 per cent. Since 45 per cent of the country's imports from the EU in 2004–2006 fall into this category, the impact could be significant.

Zimbabwe is excluding from liberalization a basket of commodities that accounted for about one fifth of the value of its imports from the EU in 2004–2006. Fewer than 10 per cent of the lines concerned are agricultural products (table 36).

Table 36. Summary of Zimbabwe's exclusion basket

Excluded items	Number of lines	
Total	**716**	at HS6 sub-head level
Covered by WTO Agreement on Agriculture	***68***	
Tariff unknown	269	
In highest applicable tariff band	2	= 100%
Tariff 10% or more	350	
Tariff less than 10%	82	
Duty-free	13	

The main agricultural products excluded are dairy products, grains, confectionery, cocoa products, food preparations, wine and other alcoholic beverages, tobacco and modified starches. Of these excluded items, only tobacco is currently significantly imported from the EU.

Only a few of Zimbabwe's agricultural products to be liberalized under the EPA have a current applied MFN rate of 15 per cent or higher and are significantly sourced from the EU (see table 37). Rice, maize and beans might have the potential to compete with domestic production. However, given the current situation of production shortages of basic food crops, the liberalization of these items is unlikely to harm domestic producers.

Table 37. Summary of Zimbabwe's agricultural liberalization (average import value of $100,000 or more)

HS6	Liberalization tranche	Description	Tariff [a]	Average imports, 2004–2006 (in thousands of dollars) [b]
100640	1 (2013); CET 0	Broken rice	15	2,087
100590	1	Maize (excl. seed)	25	4,853
071310	2 (2014–2022); CET	Dried, shelled peas "Pisum sativum", whether or not skinned or	40	202
071332	2	Dried, shelled small red "Adzuki" beans "Phaseolus or Vigna	40	109
071339	2	Dried, shelled beans "Vigna and Phaseolus"	15	216
230990	3 (2014–2022); CET	Preparations of a kind used in animal feeding (excl. dog or cat	40	153

Notes:
(a) Maximum MFN 2003, obtained from TRAINS database.
(b) As given in the market access schedule.

In fact, the concern for Zimbabwe is less the liberalization under an EPA based on the COMESA CET, but the implementation of the COMESA CET. The list of agricultural items to be liberalized in 2013 which had MFN tariffs in excess of 20 per cent covers 219 agricultural products.[30] For another 105 items to be liberalized in the second tranche, tariffs would need to be reduced to 10 per cent. Another 114 items to be liberalized in the third tranche still show a tariff exceeding 25 per cent. If Zimbabwe implements the COMESA CET as indicated in its EPA liberalization commitments, the country will face significant implications with respect to revenue losses and increased competition. Many agricultural items that face a MFN tariff of 40 per cent or more will be liberalized under the EPA, including items for which EU imports would compete with domestic production, such as meat and meat products, dairy products, flowers, (prepared) vegetables, fruits and nuts, coffee and tea, food preparation, beverages, animal feed and tobacco. However, only peas and animal feed are currently significantly sourced from the EU.

4.4.7 Summary of ESA countries' liberalization commitments

The diversity of countries' liberalization commitments makes it rather difficult to draw conclusions on the ESA EPA. The initial impression is that:

(a) In several respects, the group is in a midway position between the West/Central African signatories on the one hand, and the EAC on the other:

(i) Unlike Cameroon, Côte d'Ivoire and Ghana, the EPAs are – with the exception of Zambia – not wholly unrelated to the other members of the emerging customs unions to which the countries belong, but neither are they as closely linked as those of the EAC;

(ii) The implementation period is shorter than that of the EAC, and although it starts later than those of the West/Central African countries, the ESA states will need to bring their current tariffs into conformity with the CET before the EPA-related liberalization begins;

[30] 2003 tariffs reported by Zimbabwe to TRAINS; in January 2009, these were the most recent tariffs available.

(b) The countries face very different challenges. The island countries in the group (especially Mauritius and Seychelles) have a policy latitude not available to large mainland countries (because the high proportion of imports in their consumption, and the fact that most goods must enter via a seaport or an airport, make it more feasible to replace tariffs with a sales tax). The challenges of implementing the EPA – but also the COMESA CET – will be very different, since ESA countries have very different protection levels. Whereas, for instance, Madagascar would need to raise its maximum tariff of 20 per cent to reach the third band of the COMESA CET, Zimbabwe will face severe adjustment costs when bringing its applied MFN tariffs down;

(c) It appears that the EPA countries (with the exception of Zimbabwe) have largely accommodated their defensive agricultural interests. Madagascar is not liberalizing any agricultural items significantly sourced from the EU with a tariff exceeding 10 per cent; Zambia is only liberalizing four agricultural items that face a tariff of 15 per cent or more and are significantly sourced from the EU; and the small size of the exclusion baskets of Mauritius and Seychelles indicates that they do not consider the agricultural items that are liberalized to be sensitive. For Zimbabwe, the alignment of its current tariff structure to the COMESA CET appears to be a bigger problem than the EPA liberalization process.

4.4.8 Implications for COMESA of the liberalization commitment

Sixteen of the 19 COMESA countries negotiated, as the ESA group, an EPA with the EU.[31] ESA splintered in the final negotiation process: five countries initialled the ESA agreement in 2007, one in 2008, and four others initialled in 2007 in the EAC framework. The remaining six COMESA countries are LDCs (the Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Malawi and Sudan) which can export to the EU under the EBA initiative.

At this stage, the regional character of the ESA EPA grouping is difficult to see, and the initialling of a separate agreement by EAC partner states has created some tensions within the grouping. Though all the parties involved in the ESA EPA negotiations have made the political commitment to pursue negotiations towards a full and comprehensive EPA, this has proved extremely difficult: no product is excluded by all countries, and 70 per cent of all products excluded were chosen by one country only – a clear indication of the countries' very divergent protection interests. In addition to the technical difficulties in aligning the six different ESA schedules with the separate EAC liberalization offer, the region also needs to convince the remaining six countries of the benefits of signing an EPA with the EU. In the absence of an established CET for COMESA, it is less clear what interest the LDCs would have in tabling a market access offer.

4.5 Southern African Development Community (SADC) EPA

As indicated above, the SADC countries are now split into four groups: signatories to the SADC except those that signed an EPA; signatories to the ESA EPA; one signatory to the EAC EPA; and non-signatories. This section covers only the four EPA signatory members of

[31] Egypt and Libya are not classified as ACP countries, and Swaziland negotiated in the SADC EPA group.

the Southern African Customs Union (SACU), i.e. Botswana, Lesotho, Namibia and Swaziland (BLNS) – and Mozambique.

4.5.1 BLNS: Agricultural liberalization commitments and exclusions

Table 38 provides analogous information for BLNS to that provided on the other EPA signatories above. The table, however, uses two sets to show the tariff status quo, because it is different for Botswana, Lesotho and Swaziland (BLS) on the one hand, and for Namibia on the other. Goods originating in the EU are treated in one of two ways, according to the country through which they first enter SACU. Those goods that enter SACU via the territory of Botswana, Lesotho, South Africa or Swaziland have been subject to the tariffs specified in Trade, Development and Cooperation Agreement (TDCA) between South Africa and the EU. Those goods that enter SACU via Namibia have been charged the MFN tariff set out in the SACU CET.[32]

[32] But Namibia has not applied “top-up” duties on EU-originating goods that enter its territory via another member and on which a lower TDCA tariff has been paid than would have been the case had they been imported direct (BLS have not done so, either).

Table 38. Summary of BLNS market access schedule

Tariff range	Number of lines	Import value 2007 [a]		TDCA tariff [b] (Botswana, Lesotho, Swaziland)						MFN tariff [c] (Namibia)					
		In thousands of euros	*Share of total*	*Min.*	*Max.*		*Simple average* [d]	*Trade-weighted average* [d,e] *and number of lines on which calculated*		*Min.*	*Max.*		*Simple average* [d]	*Trade-weighted average* [d,e] *and number of lines on which calculated*	
Total trade in HS 1-97		**366,107**	**100%**												
Goods to be liberalized in:															
2008	4,161	271,746	74.2%	0	30	or spec.	0.1	0.03	3,127	0	55	or spec.	1.9	1.2	3,115
2008–2010	21	524	0.1%	6.3	60.48		15.2	8.7	16	10	96	or spec.	24.1	20.9	16
2008–2012	1,326	48,035	13.1%	0	60.48	or spec.	9.4	8.9	908	0	96	or spec.	15.3	16.3	909
2008–2014	2	0	0.0%	25	25		25.0	0	2	25	25		25.0	0	2
2008–2017	16	13	0.0%	15.75	25	or spec.	24.4	0	13	25	25	or spec.	25.0	25.0	13
2011–2015	46	5,464	1.5%	0	20	or spec.	11.4	10.6	38	5	40	or spec.	22.7	8.2	38
2011–2018	3	42	0.0%	15.75	15.75		15.8	15.8	3	25	25		25.0	25.0	3
Goods not being fully liberalized:															
Partial liberalization [f]	831	17,002	4.6%	0	31		12.9	16.0	739	0	43		24.9	21.9	739
Frozen at 2007 TDCA rate [g]	4	223	0.1%	12.6	17.01	or spec.	14.8	0	2	20	27	or spec.	23.5	27.0	2
Excluded goods [h]	177	21,192	5.8%	0	96	or spec.	20.9	6.1	123	0	96	or spec.	21.3	6.8	123
Goods for which the treatment is not clear from the schedule	80	1,867	0.5%	0	20	or spec.	5.1	9.4	56	0	40	or spec.	10.0	5.8	56
	6,667	**366,107**	**100.0%**						**5,027**						**5,016**

Notes:

(a) No import data are included in the market access schedule. Because the schedule is in the 2007 version of the HS, and because only Namibia has reported 2007 trade to the Comtrade database, EU data on EU27 exports to BLNS in 2007 from Eurostat's COMEXT database have been used to mirror imports. Because the schedule is partly at 8-digit NTL level and partly at HS6/4, items within a given HS6 sub-head may fall into two or more liberalization tranches, or be split between liberalization and exclusion. Wherever this is the case, the import value (which is at HS6 level) for the full HS6 sub-head has been attributed to the latest liberalization tranche, or, where some items within it are to be liberalized and others not, to the exclusion list.

(b) 2007 'Preferential tariff for European Union countries' from South Africa's schedule in UNCTAD's TRAINS database. Where no preferential rate is shown for an item, it has been assumed that the MFN rate applies. Tariffs were unobtainable for 8 of the lines in the schedule which are in codes no longer valid in 2007.

(c) 2007 'MFN duties (applied)' from South Africa's schedule in UNCTAD's TRAINS database. Tariffs were unobtainable for 8 of the lines in the schedule which are in codes no longer valid in 2007.

(d) Ad valorem tariffs only. Where a range of tariffs applies to different items within an HS6 sub-head, the highest has been used in these calculations. Where the given tariff is, for example, '10% or 100c/kg', the 10% ad valorem has been used.

(e) Calculated by multiplying the import value by the maximum AV tariff for each item (specific duties are not taken account of), then totalling the results for all items, and dividing this total by the total import value for all items. Only items for which both an AV tariff and the import value are known are included in the calculation. In most of the cases where import data are "missing", this is because the value applying to each HS6 sub-head has been "counted" only once.

(f) i.e. goods categorized as Industry List 5, on which tariffs will be reduced but not removed.

(g) i.e. goods categorized as List 5, regime 1.

(h) i.e. goods categorized as Agriculture List 4 or Industry List 6.

The great bulk of BLNS imports (by value) will either be liberalized by 2012, or are – as with the TDCA – industrial products subject to partial liberalization. Almost three quarters of imports had to be liberalized in the first tranche (2008), and by 2012 the liberalization process will have been completed (as far as it goes) on 87 per cent of the country's imports. Just 5.8 per cent of goods are excluded from liberalization altogether.

By 2012, therefore, the import policy of BLNS with respect to the EU is likely to be very similar to that of South Africa under the TDCA (although because of product classification problems, it is not possible to be absolutely certain that everything that BLNS will liberalize by 2012 is identical to what South Africa will liberalize under the TDCA).

Table 39 summarizes the exclusion basket of BLNS, which accounts for 10.5 per cent of the value of BLNS imports from the EU.[33] Once again, figures are given separately for BLS on the one hand, and Namibia on the other. Most items face tariffs of over 10 per cent (and up to a possible 96 per cent), but as with many other EPA signatories, there are some items on the list that are currently duty-free.

Table 39. Summary of BLNS exclusions [a]

Excluded items	Number of lines	
Total	**1,012**	
Covered by WTO Agreement on Agriculture	***105***	
	Botswana, Lesotho, Swaziland	**Namibia**
Specific duty only	9	11
In highest applicable tariff band	6 = 450c/kg with a maximum of 96% [b]	6 = 450c/kg with a maximum of 96% [b]
Tariff 10% or more	736	887
Tariff less than 10%	194	44
Duty-free	67	64

Notes:
(a) As shown in the BLNS summary tables, "exclusions" include goods to be only partially liberalized, goods whose rates are to be frozen at the 2007 TDCA rate, and goods explicitly excluded from liberalization.
(b) This is assumed to be the highest applicable tariff – although it is possible that some of the other specific duties are, in fact, higher.

About 10 per cent of the BLNS exclusion basket covers agricultural products. BLS is excluding 68 agricultural items – and Namibia 69 – that face a current TDCA/MFN tariff of 15 per cent or higher or a specific duty. Meat and meat products, dairy products, cereals, sugar and high-sugar-content products, milling products, cereal preparations and food preparations are the main agricultural products excluded. For BLS, none of the products excluded is significantly imported from the EU; for Namibia, four excluded products (frozen whole chickens, milk powder, butter and cheese) were imported from the EU in 2007 in values exceeding €100,000.

BLS are liberalizing only two agricultural products that face a duty of 15 per cent or higher (or a specific duty) and are significantly imported from the EU, namely grape must and whisky (see table 40). For Namibia, the selection criteria are met by four products in the first tranche (coffee, chocolate, water and non-alcoholic beverages) and three products in later tranches. However, as explained above, Namibia may de facto have already liberalized these products if they are not imported directly but via South Africa.

[33] "Goods not being fully liberalized" as stated in table 38.

In summary, it does not appear that the EPA liberalization commitments pose competition challenges for domestic producers. However, some of the provisions of the EPA text are regarded as problematic, particularly for Namibia (see discussion in section 5.1).

Table 40. Summary of BLNS agricultural liberalization (2007 import value of €100,000 or more in any country)

Code	Liberalization tranche	Description	Tariff [a]	Imports, 2007 (in thousands of euros)
Namibia				
090121	1	Roasted coffee (not decaffeinated)	6c/kg	404.7
180690	1	Chocolate and other preparations containing cocoa, in containers or immediate packings of <= 2 kg: other	17	290.0
22021010	1	Waters, incl. mineral and aerated, with added sugar, sweetener or flavour: In sealed containers holding 2,5 li or less	4,36c/li	726.2
22029020	1	Non-alcoholic beverages (excl. water, fruit or vegetable juices and milk): in sealed containers holding 2,5 li or less	25	113.1
22087020	3	Liqueurs and cordials in containers holding 2 li or less	154c/li	395.5
23091010	3	Dog or cat food imported from Switzerland	20	273.2
180632	6	Chocolate and other preparations containing cocoa, in blocks, slabs or bars of <= 2 kg (excl. filled)	20	105.7
BLS				
22042130	3	Grape must with fermentation prevented or arrested by the addition of alcohol	86c/li with a maximum of 15.75% (BLS) 25 (N)	141.9
22083010	3	Whiskies in containers holding 2 li or less	97,02c/li (BLS) 154c/li (N)	218.0

Notes:
(a) MFN 2007 except for the two items where two rates are shown (which are the only two imported to a significant value by a BLS country), where the first rate is that applicable on imports into BLS under the TDCA.
(b) Mirror data on EU exports to BLNS in 2007 from Eurostat's COMEXT database.

4.5.2 Mozambique: Agricultural liberalization commitments and exclusions

Unlike BLNS, Mozambique's commitments are not linked to the TDCA and can be analysed in the same way as those of all the other EPA signatories. The Mozambique liberalization schedule was subject to continuing negotiations during 2008. As a result, it contains several changes, compared to the version included in the EPA that was initialled at the end of 2007. The first tranche of liberalization was put back from 2008 to 2009 and was substantially increased. Some 2,109 lines (85 of which – accounting for almost 16 per cent of total import value – are already duty-free) are to be liberalized on entry into force before 1 January 2009 (table 41). They account for 70.5 per cent of imports (which compares to a requirement in the original schedule to liberalize only 50.8 per cent of imports in the first tranche). The second tranche of liberalization has also been increased compared to the original schedules (from 2.6 per cent of imports to 11 per cent) but has been deferred from 2018 to 2023, bringing it into line with several other African EPAs.

Table 41. Summary of Mozambique's market access schedule

	Number of lines	Import value 2005		MFN tariff [a]			
		In thousands of dollars	*Share of total*	*Min.*	*Max.*	*Simple average*	*Trade-weighted average* [c]
Total trade in HS 1–97 [b]		**266,305**	**100%**				
Goods to be liberalized:							
2009	2,109	187,809	70.5%	0	20	9.2	5.2
2023	29	29,169	11.0%	2.5	20	8.1	6.2
Excluded goods: [d]	3,239	49,326	18.5%	0	20	11.1	n/a
	5,377	**266,3045**	**100%**				

Notes:

(a) As given in the market access schedule, augmented by data from TRAINS – see note d.

(b) As given in the market access schedule – but see note d.

(c) Calculated by multiplying the import value by the tariff for each item, then totalling the results for all items, and dividing this total by the total import value for all items. This was not possible for excluded items – see note d.

(d) The market access schedule lists only the 2,138 items to be liberalized. The number of items being excluded, and their codes, were identified by comparing the market access schedule with Mozambique's 2007 tariff schedule: any code in the latter which is not included in the former is assumed to be being excluded. A total import value for these excluded items was derived by subtracting the value of imports of the goods listed in the schedule from the total value of imports also shown in the schedule. Because this gives only a total figure for all exclusions (with no detail on imports in the individual items), it is not possible to calculate a trade-weighted average tariff.

The increase in both tranches of tariff removal has been accommodated by reducing the share of imports that are excluded from liberalization. According to the data in the schedule, it represents a large fall in the proportion of trade that is excluded: down from 37.8 per cent to 18.5 per cent.

Some 18 per cent of items in the exclusion basket are agricultural products (see table 42), over half of which face a tariff of 20 per cent. The main agro-based products excluded are meat, dairy products, fruit and vegetables, coffee, tea and spices, and beverages.[34]

Table 42. Summary of Mozambique's exclusions

Excluded items	Number of lines	
Total	**3,239**	at 8-digit NTL level, falling into 3,162 HS6 sub-heads
Covered by WTO Agreement on Agriculture	***585***	
In highest applicable tariff band	1,319	= 20%
Tariff 10% or more	—	
Tariff less than 10%	1,887	
Duty-free	33	

Table 43 summarizes the agricultural products that Mozambique is liberalizing under the EPA. In the first tranche (2009), Mozambique does not have to liberalize any agricultural item that faces a high tariff and is significantly sourced from the EU. It is only in the second tranche (2023) that Mozambique has to liberalize four agricultural products that meet the selection criteria. The liberalization of wheat, pasta and waffles imports might affect domestic producers, who have 10 years' time in which to adjust.

[34] Chapters which contain 15 or more excluded items with a tariff of 20 per cent.

Table 43. Summary of Mozambique's agricultural liberalization

NTL code	Liberalization tranche	Description (HS6)	Tariff [a]	Import value, 2005 (in thousands of dollars) [a]
19023000	2009	pasta, cooked or otherwise prepared (excl. stuffed)	20	183
19043000	2009	bulgur wheat in the form of worked grains, obtained by cooking hard wheat grains	20	489
22083000	2009	whiskies	20	333
22089000	2009	ethyl alcohol of an alcoholic strength of < 80% vol, not denatured; spirits and other spirituous beverages: other	20	343
04021090	2023	milk and cream in solid forms, of a fat content by weight of <= 1,5%: other	20	320
07131000	2023	dried, shelled peas "pisum sativum", whether or not skinned or split	20	622
16010000	2023	sausages and similar products, of meat, offal or blood; food preparations based on these products	20	701

Note:
(a) As given in the market access schedule.

4.5.3 *Implications for SADC of the liberalization commitment*

Uncertainty about the position of South Africa makes predictions about future developments in the SADC region difficult. Under SACU, the conclusion of an EPA by those countries that have initialled the interim agreement is legally possible with the consent of South Africa even if is not a practical possibility for most goods. A refusal to give this consent, however, might put the existence of SACU into question and would leave it up to the European Commission's discretion to decide whether BLNS fulfil their tariff liberalization commitments under the EPA or not.

Like ESA, SADC is split, which implies significant challenges for its customs union, to be launched in 2010. Half of the SADC member states are also members of COMESA, which (re-)announced the creation of its customs union by the end of 2009. The EPA process has revealed the inconsistency of southern African countries' regional integration commitments and forced a decision – with the result that now both COMESA and SADC are split. Whether Angola and South Africa will join the SADC EPA remains to be seen. The other SADC members have either initialled the EAC EPA (United Republic of Tanzania), the ESA EPA (Madagascar, Mauritius, Zambia and Zimbabwe) or fallen back to the EU's EBA initiat ive (the Democratic Republic of the Congo, and Malawi).

4.6 CARIFORUM EPA

The CARIFORUM EPA comprises the 14 members of the Caribbean Community (CARICOM),[35] and the Dominican Republic which is associated to the regional bloc by an FTA. All CARICOM countries except the Bahamas and Haiti are members of the Caribbean Single Market and Economy (CSME), which entered into force in 2006 aiming to establish a common market. In 1993, member countries had adopted a CET for all goods except agricultural products; this was supposed to be implemented in four phases by 1998. However, the deadline was missed and the CARICOM CET is still not fully implemented today. CARICOM's CET is also not really common, because it offers broad scope for tariff suspensions and reductions and also for national derogations from the CET. Tariff

[35] Additionally, the British territory of Montserrat is a member of CARICOM.

harmonization and reduction is particularly difficult for the Eastern Caribbean countries,[36] which rely heavily on customs revenue as a source of income (WTO, 2007).

4.6.1 Agricultural liberalization commitments and exclusions

Although the EPA appears to include a single regional liberalization schedule for CARIFORUM (with some national exceptions), the reality is that the schedule comprises 15 country-specific schedules with a certain level of overlap.

For each product, the schedule shows the treatment to be accorded within CARIFORUM, *unless* a country has registered an exception. These "exceptions" vary from about 400 tariff lines in case of Dominica, to over 3,600 in case of the Bahamas.[37]

Even after the end of the 25-year implementation period, the CARIFORUM countries will not have a common external tariff on all their EU-sourced imports.[38]

Though the EPA text states that the first tranche of liberalization starts "by 2011" (which would give countries a three-year moratorium), it also lists for each item in its liberalization schedule how it will be treated by the start of 2009. Comparing the 2009 tariffs with countries' latest available MFN tariffs (2006), it shows that these are higher for all countries except Haiti, which suggests that unless they had already completed the process, countries still had to do some "pre-EPA liberalization" before January 2009.[39]

Analysing the timetable for major liberalization, the different implications of countries' liberalization commitments become apparent. While Jamaica will liberalize, for instance, only about 11 per cent of products that currently face a tariff of 20 per cent or more, the figure is more than 93 per cent for the Bahamas (see table 44). The revenue implications of the EPA will, therefore, be quite different among the CARIFORUM countries.

CARIFORUM's "default" exclusion list (from which there are many variations by the individual countries[40]) is long, covering 489 HS-6 codes. Some 262 items (54 per cent) are agricultural products, and 64 items are fishery products. The main agricultural product groups excluded are meat and meat products, dairy products, vegetables, fruits and nuts, sugar and confectionery, cereal preparations, fruit and vegetable preparations, and beverages.[41]

CARIFORUM's main agricultural imports from the EU are summarized in table 45. Nine of the 15 CARIFORUM countries are liberalizing only up to three agricultural products that face a tariff of 15 per cent or more and are significantly sourced from the EU. Another four countries are liberalizing 4–6 products falling into this category, and only the Dominican Republic and Suriname are liberalizing a broad number of agricultural products that face a tariff of 15 per cent or more and are significantly sourced from the EU. In the Dominican

[36] The members of the Organization of Eastern Caribbean States are Antigua and Barbuda, Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines.

[37] On a HS-6 digit level.

[38] Taking 2007 volumes on the HS-6 digit sub-head, 6.5 per cent of CARIFORUM imports from the EU will face different tariffs in 2033.

[39] See Stevens et al. (2009) for more information.

[40] The number of lines being excluded by individual CARIFORUM countries ranges from 318 (Haiti) to 490 (Grenada).

[41] These are the chapters with the highest number (15 or more) of excluded lines in the "default" exclusion list (from which there are huge variations within the country schedules).

Republic, these products include olive oils, grape juice, (sparkling) wines, dried vegetables, spirits, dairy products, vegetables and food preparations. In Suriname, the products in question are mainly vegetable fats, dog food, and preserved fruits and vegetables. In-country studies would be needed to verify that these products (and those liberalized by the other CARIFORUM countries) do not stand in competition to domestic products.

Table 44. Proportion of import value accounted for by items with a tariff of 20 per cent or more (or specific duty)

Liberalization [a]	Antigua and Barbuda	Bahamas	Barbados	Belize	Dominica	Dominican Republic	Grenada	Guyana	Haiti	Jamaica	Saint Kitts and Nevis	Saint Lucia	Saint Vincent and the Grena-dines	Suriname	Trinidad and Tobago
2009	–	0.1	–	–	–	4.3	–	0.2	–	0	–	0	–	1.0	–
2011–2013	–	69.4	–	–	–	7.5	–	–	–	–	–	–	–	0	–
2011–2018	0	7.3	0.1	0	0	3.6	0	0	–	0	0	0	0	0.1	0
2013–2018									0						0
2015–2022						6.8									
2011–2023	13.4	11.0	20.2	17.6	17.5	7.7	28.1	9.5	–	9.4	32.7	73.0	64.3	12.4	10.8
2013–2023	–	–	–	–	–	–	–	–	–	–	–	0.1	–	–	–
2018–2023	0.1	5.0	0.4	15.4	–	0.2	–		–		0.5	0	–	–	0
2011–2028	0.2	0.3	2.9	1.2	0.2	2.0	0.5	0.5	–	0.7	0.8	0.2	0.3	1.8	0.2
2013–2028	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2011–2033	0.4	0.4	1.6	1.1	0.3	3.3	1.0	0.7	–	0.9	0.7	0.5	0.1	1.9	0.8
2013–2033	–			–	–	0	–	–	–	–	–	–	–	–	–
2015–2033	–			–	–	–	–		–		–		–	–	
Total (%)	**14.1**	**93.6**	**25.2**	**35.3**	**18.0**	**35.5**	**29.5**	**10.9**	**0.0**	**10.9**	**34.6**	**73.8**	**64.7**	**17.2**	**11.8**

Key:
A shaded cell denotes that the country in question has no liberalization scheduled for the tranche in question.
'–' denotes that there were no imports of items with tariffs of 20 per cent or more (or a specific duty) in the tranche in question.
'0' denotes that imports of items with tariffs of 20 per cent or more (or a specific duty) amounted to less than 0.05 per cent of total imports.

Table 45. Summary of CARIFORUM countries' agricultural liberalization (average import value of €100,000 or more)

HS6	Liberalization tranche	Description (abbreviated in some cases)	Tariff	Average imports, 2004–2006 (in thousands of euros)
Antigua and Barbuda				
330210	2011–2023	mixtures of odoriferous substances and mixtures of a kind used in the food and drink industries	15	187
Bahamas				
110710	2009	malt (excl. roasted)	30	709
330210	2011–2023	mixtures of odoriferous substances and mixtures of a kind used in the food and drink industries	35	785
200410	2011–2033	potatoes, prepared or preserved otherwise than by vinegar or acetic acid, frozen	35	554
Barbados				
070190	2011–2023	fresh or chilled potatoes (excl. seed)	30	820
081030	2011–2033	fresh black, white or red currants and gooseberries	40	399
151620	2011–2033	vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared	40	157
200410	2011–2033	potatoes, prepared or preserved otherwise than by vinegar or acetic acid, frozen	20	975
200551	2011–2033	shelled beans 'vigna spp., phaseolus spp.', prepared or preserved otherwise than by vinegar or acetic acid (excl. frozen)	20	107
Belize				
330210	2011–2023	mixtures of odoriferous substances and mixtures of a kind used in the food and drink industries	15	236
200410	2011–2033	potatoes, prepared or preserved otherwise than by vinegar or acetic acid, frozen	20	235
Dominica – none				
Dominican Republic				
150910	2009	virgin olive oil and its fractions obtained from the fruit of the olive tree solely by mechanical or other physical means under conditions that do not lead to deterioration of the oil	20	2,220
200969	2009	grape juice, incl. grape must, unfermented, brix value > 30, whether or not containing added sugar or other sweetening matter (excl. containing spirit)	20	227
220410	2009	sparkling wine of fresh grapes	20	1,356
220421	2009	wine of fresh grapes, incl. fortified wines, and grape must whose fermentation has been arrested by the addition of alcohol, in containers of <= 2 l (excl. sparkling wine)	20	5,800
150990	2011–2013	olive oil and fractions obtained from the fruit of the olive tree solely by mechanical or other physical means under conditions that do not lead to deterioration of the oil (excl. virgin and chemically modified)	20	1,903
220429	2011–2013	wine of fresh grapes, incl. fortified wines, and grape must whose fermentation has been arrested by the addition of alcohol, in containers of > 2 l (excl. sparkling wine)	20	880
220510	2011–2013	vermouth and other wine of fresh grapes, flavoured with plants or aromatic substances, in containers of <= 2 l	20	122
220590	2011–2013	vermouth and other wine of fresh grapes, flavoured with plants or aromatic substances, in containers of > 2 l	20	378
071290	2011–2018	dried vegetables and mixtures of vegetables, whole, cut, sliced, broken or in powder, but not further prepared (excl. onions, mushrooms and truffles, not mixed)	20	403
110813	2011–2018	potato starch	20	275
200590	2011–2018	vegetables and mixtures of vegetables, prepared or preserved otherwise than by vinegar, non-frozen: other	20	488
220820	2011–2018	spirits obtained by distilling grape wine or grape marc	20	444
220850	2011–2018	gin and genever	20	106
220860	2011–2018	vodka	20	1,221
220870	2011–2018	liqueurs and cordials	20	1,002
040210	2015–2022	milk and cream in solid forms, of a fat content by weight of <= 1,5%	20	1,905

HS6	Liberalization tranche	Description (abbreviated in some cases)	Tariff	Average imports, 2004–2006 (in thousands of euros)
040221	2015–2022	milk and cream in solid forms, of a fat content by weight of > 1,5%, unsweetened	20	50,509
040610	2011–2023	fresh cheese “unripened or uncured cheese”, incl. whey cheese, and curd	20	100
040630	2011–2023	processed cheese, not grated or powdered	20	173
070190	2011–2023	fresh or chilled potatoes (excl. seed)	20	272
200799	2011–2023	jams, jellies, marmalades, purées or pastes of fruit, obtained by cooking, whether or not containing added sugar or other sweetening matter: other	20	196
230910	2011–2023	dog or cat food, put up for retail sale	20	132
210690 60	2011–2023	preparations based on textured protein substances	20	2,361
220830 Ex	2011–2023	Scotch whisky valued at 1 British pound per 700 ml or less	20	12,116
040690	2011–2028	cheese (excl. fresh cheese, incl. whey cheese, not fermented, curd, processed cheese, blue-veined cheese, and grated or powdered cheese)	20	5,627
071090	2011–2028	mixtures of vegetables, uncooked or cooked by steaming or by boiling in water, frozen	20	105
180632	2011–2028	chocolate and other preparations containing cocoa, in blocks, slabs or bars of <= 2 kg (excl. filled)	20	132
180690	2011–2028	chocolate and other preparations containing cocoa, in containers or immediate packings of <= 2 kg (excl. in blocks, slabs or bars and cocoa powder)	20	604
190531	2011–2028	sweet biscuits	20	965
190532	2011–2028	waffles and wafers	20	131
190590	2011–2028	bread, pastry, cakes, biscuits and other bakers’ wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products	20	497
210420	2011–2028	food preparations consisting of finely homogenized mixtures of two or more basic ingredients, such as meat, fish, vegetables or fruit, put up for retail sale as infant food or for dietetic purposes, in containers of <= 250g	20	107
240220	2011–2028	cigarettes, containing tobacco	20	299
071080	2011–2033	vegetables, uncooked or cooked by steaming or by boiling in water, frozen (excl. potatoes, leguminous vegetables, spinach, New Zealand spinach, orache spinach, and sweetcorn)	20	268
090420	2011–2033	fruits of the genus capsicum or of the genus pimenta, dried or crushed or ground	20	101
200190	2011–2033	vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid (excl. cucumbers and gherkins)	20	113
200210	2011–2033	tomatoes, whole or in pieces, prepared or preserved otherwise than by vinegar or acetic acid	20	374
200410	2011–2033	potatoes, prepared or preserved otherwise than by vinegar or acetic acid, frozen	20	2,711
200570	2011–2033	olives, prepared or preserved otherwise than by vinegar or acetic acid (excl. frozen)	20	1,308
Grenada				
330210	2011–2023	mixtures of odoriferous substances and mixtures of a kind used in the food and drink industries	15	153.0
Guyana				
070190	2011–2023	fresh or chilled potatoes (excl. seed)	30	1,076.1
330210	2011–2023	mixtures of odoriferous substances and mixtures of a kind used in the food and drink industries	15	697.1
151620	2011–2033	vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared	40	108.4
200410	2011–2033	potatoes, prepared or preserved otherwise than by vinegar or acetic acid, frozen	20	120.4

HS6	Liberalization tranche	Description (abbreviated in some cases)	Tariff	Average imports, 2004–2006 (in thousands of euros)
Haiti – none				
Jamaica				
070190	2011–2023	fresh or chilled potatoes (excl. seed)	40	1,196.0
210210	2011–2023	active yeasts	15	807.5
330210	2011–2023	mixtures of odoriferous substances and mixtures of a kind used in the food and drink industries	15	3,186.7
071090	2011–2028	mixtures of vegetables, uncooked or cooked by steaming or by boiling in water, frozen	40	337.4
200410	2011–2033	potatoes, prepared or preserved otherwise than by vinegar or acetic acid, frozen	20	1,996.7
200551	2011–2033	shelled beans ‘vigna spp., phaseolus spp.’, prepared or preserved otherwise than by vinegar or acetic acid (excl. frozen)	20	173.3
Saint Kitts				
330210	2011–2023	mixtures of odoriferous substances and mixtures of a kind used in the food and drink industries	25	116.2
Saint Lucia				
330210	2011–2023	mixtures of odoriferous substances and mixtures of a kind used in the food and drink industries	15	165.8
200410	2011–2033	potatoes, prepared or preserved otherwise than by vinegar or acetic acid, frozen	30	237.3
Saint Vincent and the Grenadines				
070190	2011–2023	fresh or chilled potatoes (excl. seed)	20	142.6
330210	2011–2023	mixtures of odoriferous substances and mixtures of a kind used in the food and drink industries	15	162.1
Suriname				
151620	2009	vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared	40	321.7
210210	2009	active yeasts	20	242.0
230910	2011–2023	dog or cat food, put up for retail sale	25	265.8
330210	2011–2023	mixtures of odoriferous substances and mixtures of a kind used in the food and drink industries	20	180.6
200190	2011–2033	vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid (excl. cucumbers and gherkins)	25	100.1
200410	2011–2033	potatoes, prepared or preserved otherwise than by vinegar or acetic acid, frozen	25	532.3
200490	2011–2033	vegetables and mixtures of vegetables, prepared or preserved otherwise than by vinegar or acetic acid, frozen (excl. preserved by sugar, and tomatoes, mushrooms, truffles and potatoes, unmixed)	25	369.9
200520	2011–2033	potatoes, prepared or preserved otherwise than by vinegar or acetic acid (excl. frozen)	25	193.4
200540	2011–2033	peas ‘pisum sativum’, prepared or preserved otherwise than by vinegar or acetic acid (excl. frozen)	25	188.2
200551	2011–2033	shelled beans ‘vigna spp., phaseolus spp.’, prepared or preserved otherwise than by vinegar or acetic acid (excl. frozen)	25	509.5
200559	2011–2033	unshelled beans ‘vigna spp., phaseolus spp.’, prepared or preserved otherwise than by vinegar or acetic acid (excl. frozen)	25	367.6
200590	2011–2033	vegetables and mixtures of vegetables, prepared or preserved otherwise than by vinegar, non-frozen	25	336.6
Trinidad and Tobago				
180500	2011–2023	cocoa powder, not containing added sugar or other sweetening matter	20	331.7
151411	2011–2028	low erucic acid rape or colza oil ‘fixed oil which has an erucic acid content of < 2%’, crude	40	130.8
071080	2011–2033	vegetables, uncooked or cooked by steaming or by boiling in water, frozen (excl. potatoes, leguminous vegetables, spinach, New Zealand spinach, orache spinach, and sweetcorn)	40	138.0

HS6	Liberalization tranche	Description (abbreviated in some cases)	Tariff	Average imports, 2004–2006 (in thousands of euros)
151620	2011–2033	vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared	40	251.3
200410	2011–2033	potatoes, prepared or preserved otherwise than by vinegar or acetic acid, frozen	20	2,992.6
200510	2011–2033	homogenized vegetables put up for retail sale as infant food or for dietetic purposes, in containers of <= 250 g	20	131.8

Note:
(a) Obtained from UNCTAD's TRAINS database for the most recent year available.
(b) Mirror data on EU exports to CARIFORUM countries from Eurostat COMEXT database.

4.6.2 Implications of the liberalization commitment for CARICOM/CARIFORUM

Analysis of the CARIFORUM liberalization schedule shows the following:

(a) There will be significant differences in countries' liberalization tranches. Permanent exceptions from the regional norm will also remain after the end of the implementation period. This appears to be in contradiction with the region's intention to move towards a common market by 2015.

(b) It appears that immediate change is required by most countries to bring applied MFN tariffs in line with the 2009 tariffs stated in the liberalization schedule.

(c) Nine of the 15 CARIFORUM countries are liberalizing only up to 3 products that currently face a high protection level and are significantly sourced from the EU. Only the Dominican Republic and Suriname are liberalizing a broad range of products that fall into this category.

(d) Most countries have back-loaded the liberalization of high-tariff items, but some countries will experience significant revenue losses in the early tranches.

4.7 PACP EPA: Fiji and Papua New Guinea

The Pacific region covers 14 small island countries and territories,[42] with a total population of 7.8 million of whom more than 70 per cent are from Papua New Guinea. The islands are hardly economically integrated (Agritrade, 2006). Though most Pacific countries are not WTO members, they are highly open to trade, with an openness level of 114 per cent in 2004 compared to 49 per cent for Africa and 80 per cent for the Caribbean (UNCTAD, 2004). This high level of trade openness is not surprising, given the smallness and remoteness of the Pacific islands.

4.7.1 Fiji: Agricultural liberalization commitments and exclusions

Fiji will be liberalizing just over 84 per cent of its imports from the EU over a period ending in 2023 (table 47). Over one fifth of imports must be duty-free on entry into force, but 171 of the 498 items involved already face zero duties according to the tariff rates given in the schedule. Most of the items face 5 per cent tariffs, so the adjustment impact of the first tranche has been minor.

[42] Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu and Vanuatu.

Table 46. Summary of Fiji's market access schedule

	Number of lines	Import value 2007 [a]		Base tariff [b] (percentage, unless stated otherwise)			
		In thousands of euros	*Share of total*	*Min.*	*Max.*	*Simple average* [c]	*Trade-weighted average* [c]
Total trade in HS 1–97		**31,118**	**100%**				
Liberalization on:							
1 January 2008	498	7,096	22.8%	0	15	3.3	1.7
1 January 2013	765	702	2.3%	5	15 or spec.	5.4	6.3
1 January 2018	2,240	17,164	55.2%	5	27 or spec.	7.1	7.3
1 January 2023	1,105	1,227	3.9%	3	27 or spec.	17.2	21.8
Excluded	1,173	4,929	15.8%	5	27 or spec.	17.0	19.7
Totals	**5,781**	**31,118**	**100.00%**				

Notes:
(a) As no import data are given in the market access schedule, mirror data (at HS6 subhead level) from Eurostat's COMEXT database have been used. The data are for one year (2007) only, as the market access schedule is in the 2007 version of the HS, in which only one full year's data exist. One excluded item falls into HS 870599, which is not a valid HS 2007 code. In order to avoid double-counting, the full import value has been attributed to the item with the latest liberalization (or if some items are to be liberalized and others excluded, to the exclusions).
(b) As included in the market access schedule.
(c) Calculated on ad valorem tariffs only. 84 items carry either an ad valorem or a specific duty; for these the ad valorem rate has been used in the calculations. A further 176 items carry a specific duty only, for which it was not possible to calculate an ad valorem equivalent and which are therefore not included in these averages.

Fiji is excluding 15.8 per cent of the value of EU imports, of which about 40 per cent are agricultural products (see table 48). Over half currently have tariffs of 10 per cent or more, but just 75 are in the highest tariff band (27 per cent).

Table 47. Summary of Fiji's exclusions

Description	Number of lines
Total	**1,173** at HS6 and national tariff line level
Covered by WTO Agreement on Agriculture	***469***
In highest applicable tariff band	75 (= 27% or varying specific duties, whichever is greater)
Specific duty only	58
Tariff of 10% or more	667
Tariff of less than 10%	373
Duty-free	—

As can be seen from table 49, there is only one agricultural item that Fiji is liberalizing that falls into the classification of high tariff and substantial imports. It therefore appears from this analysis that Fiji's agricultural market will hardly face any challenges as a result of the EPA liberalization process.

Table 48. Summary of Fiji's agricultural liberalization (import value of €100,000 or more)

HS6	Liberalization tranche	Short description	Tariff [a]	Imports 2007 (thousands of euros) [b]
330210	2018	mixtures of odoriferous substances and mixtures, of a kind used in the food and drink industries	15	1,197

Note:
(a) As given in the market access schedule.
(b) Mirror data on EU exports to Fiji in 2007 from Eurostat's COMEXT database.

4.7.2 Papua New Guinea: Agricultural liberalization commitments and exclusions

Papua New Guinea's liberalization schedule is unique: it will be liberalizing everything that is to be liberalized (just over 88 per cent of its imports from the EU) on entry into force; there will be no transition period (table 50).

Table 49. Summary of Papua New Guinea's market access schedule

	Number of lines	Import value (average, 2003–2005) [a]		Base tariff [b] (percentage, unless stated otherwise)			
		PGK	*Share of total*	*Min.*	*Max.*	*Simple average* [c]	*Trade-weighted average* [c]
Total trade in HS 1–97		**118,109,849**	**100%**				
Liberalization on 1 Jan 2008	4,796	104,094,212	88.1%	0	40	1.4	0.01
Excluded	1,048	14,015,637	11.9%	15	70 or spec.	23	15.8
Totals [d]	**5,844**	**118,109,849**	**100%**				

Notes:
(a) No import values (other than a total) are included in the market access schedule. Papua New Guinea national import data used.
(b) As included in the market access schedule.
(c) Calculated on ad valorem tariffs only. Where a duty is given as, for example, "40% or K2.10", the 40 per cent ad valorem has been used in the calculation. Sixty-one of the items being excluded carry a specific duty only, for which it was not possible to calculate an ad valorem equivalent and which are therefore not included in the averages shown here.
(d) The summary provided with the MA schedule states that the schedule covers 5,847 lines – but only 5,844 were included in the version ('080708') provided to the Consultants. Certainly in an earlier version (received in December 2007) there were 5,847 lines, but codes 22042110, 85242100 and 85242200 no longer appear.

One reason for the decision not to agree a multi-year implementation period may be that almost all of the tariffs that will be "liberalized" are already set at zero. This is suggested in table 50, which shows that although the current tariff on the items to be liberalized goes as high as 40 per cent, the trade-weighted average is a mere 0.01 per cent; only 305 products faced positive tariffs. Imports of all 305 items together accounted for just 0.07 per cent of the total value of EU imports.

Table 50. Summary of Papua New Guinea's exclusions

Description	Number of lines
Total	**1,048** at national tariff line level
Covered by WTO Agreement on Agriculture	***399***
In highest applicable tariff band	5 (= 70%)
Specific duty only	61
Tariff of 15% or more	982
Tariff of less than 15%	—
Duty-free	—

Papua New Guinea is excluding about 12 per cent of the value of EU imports from liberalization under the EPA; 40 per cent of the exclusion basket is agricultural products (see table 51). Vegetables and preparations of vegetables, animal or vegetable oils, fruit and nuts, coffee, tea and spices, meat, cereal preparations and meat/fish preparations are the most important excluded items. But only 65 of the 339 exclusions are imported from the EU. Papua New Guinea is not liberalizing any agricultural item that faces a tariff of 15 per cent or more and is significantly sourced from the EU.

4.7.3 Implications of the liberalization commitment for Pacific regional integration

The nature of the Pacific islands, some of which are thousands of kilometres apart, makes it extremely difficult to establish economic integration processes in form of FTAs or customs unions. The Pacific Regional Economic Integration Programme created the Pacific Island Countries Trade Agreement (PICTA), which aims to establish an FTA among Pacific states. While PICTA originally envisaged liberalizing intra-Pacific trade by 2010 for developing countries and by 2012 for LDCs, the time schedule was changed to early 2007 because of EPAs.

It is rather unlikely that the PACP EPA implies significant challenges for implementing the PICTA. This is because intraregional trade within the Pacific is low and the geography of the Pacific islands very much limits intraregional trade. It can therefore be assumed that – if PACP comes into force – countries will be able to implement the rules of origin, thus hindering EU-originated goods from being traded informally among the Pacific islands.

4.8 Summarizing the ACP liberalization commitments

Caribbean and Pacific countries have a political leverage that does not apply to most African countries. Considering that both Caribbean and Pacific countries source considerably fewer products from the EU than African countries do, they were able to exclude most agricultural products without increasing the total value of excluded trade – since they do not source these items from the EU.

Only two Caribbean countries (the Dominican Republic and Suriname) source a broad range of agricultural items from the EU that are currently protected by high tariffs. In-country studies would need to be undertaken to investigate whether the gradual liberalization of these items will result in adjustment problems for domestic producers.

The agricultural markets of African signatory states are quite differently affected by their liberalization commitments under the EPA. While Côte d'Ivoire's agricultural liberalization is heavily front-loaded (with more than half of EU agricultural imports being liberalized in the first five years), Cameroon and Ghana largely back-loaded their agricultural liberalization. Moreover, Ghana succeeded in revising its original liberalization schedule significantly in the course of 2008. While its original schedule provided for the liberalization of 20 per cent tariff agricultural items in 2009 (several of which appeared to stand in direct competition with domestic production), the revised schedule does not provide for the removal of any tariff exceeding 5 per cent until 2015.

Cameroon, BLNS, Ghana, Mozambique and Zambia are liberalizing hardly any agricultural items that appear to stand in competition with domestic production. Agricultural liberalization for Côte d'Ivoire, on the other hand, includes many items that appear to compete with domestic production.

EAC agricultural products are hardly affected by the EPA, since the region included only very few items that exceed the scheduled tariff of 10 per cent and that are significantly sourced from the EU. However, given the disparity between the current protection level for some agricultural products and the three-band EAC CET with the highest protection level of 25 per cent, EAC countries are likely to face adjustment costs for some products. Zimbabwe will be subject to similar adjustment costs when implementing the COMESA CET (though to a much larger extent given the high protection level of the Zimbabwean economy). Although these adjustment costs can be described as "customs effect" and not as EPA effect, they might well be perceived as a harsh challenge by domestic producers. In this context, it also needs to be taken into consideration that a maximum protection level of 25 per cent might not be sufficient to avoid increased competition from subsidized EU imports. This might already be a problem in Madagascar, which applies a maximum MFN level of 20 per cent.

As the discussion has shown, it will be technically and politically difficult to revise countries' liberalization commitments at the regional level. Since some countries (BLNS, Côte d'Ivoire, Fiji, Mauritius, Mozambique and Papua New Guinea) are in the process of starting implementation of their liberalization commitments, they would have to reimpose tariffs on EU imports in order to accommodate a revised liberalization schedule covering all countries in the region. This, however, may not be possible, since the EPA signatories are committed to "freeze" the currently applied tariff level for items that are not subject to liberalization (as will be discussed in the next section).

5. IMPLICATIONS OF THE EPA PROVISIONS FOR AGRICULTURAL DEVELOPMENT

When discussing the implications of EPA provisions for agricultural development, one needs to differentiate between “actionable” and “non-actionable” provisions. Actionable provisions set clear rules for parties’ action, such as prohibiting the introduction of new export duties or increases to applied customs tariffs. Their breach by either party can be brought to the dispute settlement body and may result in sanctions, such as the temporary termination of preferences.

Non-actionable provisions are not enforceable. One example (which is discussed in section 5.2.1) is the provision on development cooperation under the EPAs, which does not cover any binding financial commitments that go beyond what has been agreed already under the tenth European Development Fund (EDF).

5.1 Actionable terms affecting agricultural development

5.1.1 Export duties

The imposition of export duties is widespread within ACP countries. Namibia, for instance, puts a levy on the export of live cattle to promote domestic slaughtering. Although the European Commission originally intended to eliminate customs duties on ACP exports immediately, it seems to have accepted a more flexible approach. Thus, the CARIFORUM EPA is the only treaty that provides for the abolition of export duties within three years. All other texts only indicate that no new export duties shall be introduced and no existing export duties shall be increased. Moreover, all interim EPAs, except for the ESA EPA, contain a clause that allows the temporary introduction/increase of export duties on a limited number of products in “exceptional circumstances” (such as protection of infant industries). Whether an “exceptional circumstance” exists that justifies the increase/introduction of export duties has to be agreed upon mutually in some regions (EAC and PACP), while “consultations” are deemed to be sufficient in other regions (CEMAC, Côte d’Ivoire, Ghana and SADC).

The ESA EPA has an appendix that lists exceptions to article 15 (*new/higher* export duties) and in which Zambia is the only country that registered *existing* export duties. However, the value added of listing existing export taxes (which are not required to be abolished under the EPA) is not clear. There is no provision that would allow the ESA countries that completed the appropriate appendix to increase existing export taxes or to introduce new ones.[43]

It therefore appears that the EPAs of CEMAC, Côte d’Ivoire, Ghana and SADC have the most generous regulations, since they only need to “consult” the European Commission before raising/introducing export taxes. CARIFORUM has the strictest provision, since it needs to abolish existing export duties (see appendix 1).

[43] It was intended that such an annex would also be developed in the case of Côte d’Ivoire. However, the revised EPA version has removed the relevant provision in article 16 as well as the declaration by Côte d’Ivoire of its intention to develop annex III by the end of February 2008.

5.1.2 Standstill

All EPAs have a so-called standstill clause, which "freezes" the existing level of applied tariffs. The phrasing of the standstill clause is different among the regions. The texts for EAC, ESA, CEMAC, Ghana and Côte d'Ivoire provide that parties "agree not to increase their applied customs duties in their mutual trade."[44] (The same applies to CARIFORUM, where the standstill clause is built into the liberalization schedule.) In the SADC and PACP texts, the standstill clause is limited to "all products subject to liberalization". Thus, SADC and PACP retain the option to increase their tariffs up to their bound MFN level for those products that are excluded from liberalization.

5.1.3 MFN clause

All EPA texts contain a clause that is absent from earlier EU FTAs such as the TDCA. The MFN clause extends any preferences granted to other "major trading economies" (defined as economies accounting for a share of world merchandise exports of above 1 per cent) automatically to any party of the EPA. CARIFORUM, PACP and SADC have achieved a possible exemption from the MFN clause if mutually agreed (see discussion in Stevens et al., 2008b).

The factual relevance of the MFN clause is disputed. While many ACP countries argue that it would constrain FTAs with emerging economies such as China or India, others argue that this would only be the case if the parties succeeded in negotiating a more generous FTA under article XXIV of WTO. Moreover, the ACP could negotiate a preferential trade agreement or a free trade agreement with another developing country under the WTO's "Enabling Clause" (article XVIII), thereby taking advantage of the absence of a definition of "free trade agreement" in the MFN clause.

5.1.4 Trade defence

Effective instruments for trade defence would allow the ACP the opportunity to impose measures (in certain circumstances before any consultation) in cases where EU imports were to increase in such a quantity that they would threaten domestic producers and industries (and vice versa). Considering that most ACP companies are very small and vulnerable, immediate action might be necessary to protect their existence.

Multilateral and bilateral safeguards

All EPA texts include clauses that exempt the countries from any measures taken by the EU in article XIV of GATT, the Agreement on Safeguards, and article 5 of the Agreement on Agriculture (AoA) for five years. The operation of the provision will be reviewed and may be extended. The only country that is excluded from this provision is South Africa, which has, however, not yet joined the SADC EPA.

The application of a bilateral safeguard provision, applicable to all goods, is provided for in all present agreements. The parties can suspend the reduction of tariff rates, increase the

[44] The standstill clause for the Ghana and Côte d'Ivoire EPAs was revised during 2008 by incorporating the potential need to revise the CET in the light of a regional tariff. However, the "general incidence" resulting from such tariff changes should not be higher than the country's liberalization commitments vis-à-vis the EC.

tariff to the MFN level and/or introduce tariff quotas.[45] In principle, the provisions on trade defence apply equally to both parties, but since it is unlikely that the EU can reasonably demonstrate "market disturbance" due to imports from an ACP region (necessary to justify the use of safeguards), the safeguards would be asymmetric in practice. On the other hand, the enforcement mechanism against misuse is not spelled out clearly.[46]

There are no time limits for the application of general safeguards. All EPA texts provide that they shall, however, not exceed what is necessary to remedy or prevent serious injury.

All texts provide for the application of pre-emptive safeguards "where exceptional circumstances require immediate action". Pre-emptive safeguards apply to all goods, and are limited to 200 days for the ACP countries and the EU's outermost regions, and 180 days for the EU. This provision is more stringent than what was agreed in the EU FTAs with South Africa and Mexico, where there were no time restrictions for pre-emptive safeguard measures.

Safeguards referring to food security

CARIFORUM, CEMAC, Côte d'Ivoire and Ghana and have inserted a phrase that would enable them to impose pre-emptive safeguards "if the availability or access to foodstuffs is endangered".[47] As stated in the CARIFORUM EPA, chapter 2, article 4:

Article 4

Food security

1. The Parties acknowledge that the removal of barriers to trade between the Parties, as envisaged in this Agreement, may pose significant challenges to CARIFORUM producers in the agricultural, food and fisheries sectors and to consumers and agree to consult with each other on these issues.

2. Where compliance with the provisions of this Agreement leads to problems with the availability of, or access to, foodstuffs or other products essential to ensure food security of a CARIFORUM State and where this situation gives rise or is likely to give rise to major difficulties for such a CARIFORUM State, that Signatory CARIFORUM State may take appropriate measures in accordance with the procedures laid down in paragraphs 7 (b) to (d), 8 and 9 of article 3 of Chapter 2.

It is, however, difficult to see the additional value of this provision. Given the comparably lax safeguards in all EPA texts, countries that do not have an extra clause on food security could, in case of food shortages, still apply pre-emptive safeguards by claiming "disturbances in a sector of the economy … producing major social problems."

The text for the EAC is the only one that allows the temporary imposition of quantitative restrictions in case of food shortages, and, if necessary, for the classification, grading or marketing of exports.[48]

45 For CARIFORUM, EAC, SADC the safeguard provisions allow either tariff increases or the introduction of quotas while for PACP, ESA, CEMAC, Ghana and Côte d'Ivoire both options can be taken.

46 In this respect concern was raised because both parties can apply safeguards in case of 'market disturbance' while the Cotonou Agreement only allowed the imposition of EU safeguards in case of 'serious market disturbance'.

47 PACP also has a clause referring to food security, which is, however, only subject to regular safeguard measures.

48 Some countries used to apply export bans to fight local shortages of food. From an economic point of view an export ban is not desirable, since it taxes ACP consumers and is likely to increase the rent-seeking behaviour of producers. Proponents argue, however, that the ACP countries should keep the "policy space" required in order to apply an export ban if necessary.

Article 17

Prohibition of quantitative restrictions

1. Unless otherwise provided in this Agreement, all prohibitions or restrictions on the importation, exportation or sale for exports between the Parties, other than customs duties, taxes, fees and other charges provided for under Article 6, whether made effective through quotas, import or export licenses or other measures, shall be eliminated upon the entry into force of this Agreement. No new such measures shall be introduced in trade between the Parties. The provisions of this Article shall be without prejudice to the provisions of Title IV of this Chapter.

2. **The provisions of paragraph 1 of this Article shall not extend to the following:**

(a) Export prohibitions or restrictions temporarily applied to prevent or relieve critical shortages of foodstuffs or other products essential to the exporting contracting party;

(b) Import and export prohibitions or restrictions necessary to the application of standards or regulations for the classification, grading or marketing of commodities in international trade.

A similar restriction for imports and exports in case of food insecurity might be justifiable under the ESA text (art. 56h) and the EAC text (art. 40h). Thus, the EPA text should not prevent the parties from adopting measures “which are essential to the acquisition or distribution of products in general or local short supply”.

5.1.5 Prohibition of quantitative restrictions and non-tariff barriers

All EPA texts provide for the *general* prohibition of quantitative restrictions and national treatment on internal taxation and regulation. There are, however, exceptions to this general rule in some EPAs:

- The ESA IEPA now includes a completed annex listing exceptions from the general prohibition on quantitative restrictions in the main text. However, Seychelles is the only country that has registered an exception from the national treatment requirement. This raises the question of whether or not the other countries are applying discriminative taxation policies, or whether they have failed (accidentally or by design) to list them. Evidence from WTO’s 2008 *Trade Policy Review* publications on Madagascar and Mauritius suggests that both countries are applying import charges on some products in addition to tariffs.

- The revised Ghana EPA now includes a new annex (II) allowing the country to introduce an additional levy on imports of 0.5 per cent of the cost, insurance and freight (CIF) value until the end of 2017. This fee has “the objective of generating funds to stimulate the export sector and support trade in general.”

- All EPAs (except for CARIFORUM and CEMAC) can impose non-tariff barriers in the case of infant industry protection – subject to mutual agreement with the European Commission.

5.1.6 Infant industry protection

Safeguards can be applied for up to 8 years in the first 10 to 20 years (depending on the EPA text) if increased imports harm domestic producers.

With the exception of CARIFORUM and CEMAC, all texts have additional provisions for infant industry protection in “exceptional circumstances”. Protective measures refer either to reintroducing MFN tariffs temporarily, discriminating with respect to internal taxation and regulation, or introducing/increasing export taxes. While the EAC and SADC only need to “consult” with the European Commission, the other regions need the consent of the European Commission to defend their infant industries accordingly.

5.1.7 Subsidies

While import and export restrictions other than customs duties and taxes shall generally be abolished, the maintenance of national subsidies conforming to WTO provisions is allowed in all the texts. The texts for CEMAC, CARIFORUM and PACP refer to the gradual phasing out by the EU of its agricultural export subsidies, which it is, however, already committed in the WTO to do by 2013.

5.1.8 Special provision on administrative cooperation

The same clause on special provision on administrative cooperation can be found in all texts. This includes the temporary suspension of preferences if administrative cooperation fails repeatedly to be provided. Breaches of the obligations on administrative cooperation include failure to prove the originating status of products, and refusal or undue delay in applying the results of any investigation or in obtaining authorization. If the Joint EPA Council fails to find a solution to overcome the administrative problem within three months, the complainant may suspend the preference for the product in question for a maximum period of six months, with the option to renew.

5.1.9 Technical barriers to trade and sanitary and phytosanitary standards

Except for the EAC and ESA (where the chapter on SPS and TBT has not yet been drafted), all EPA texts comprise comprehensive provisions on technical barriers to trade. WTO obligations are reiterated and cooperation areas and technical support are outlined.

While the CARIFORUM EPA outlines SPS and TBT cooperation more generally, the CEMAC, Côte d’Ivoire, Ghana, PACP and SADC EPAs cover special treatment provisions for “priority products” – with a view to facilitating access to the EU market by increasing understanding of and compliance with standards, technical regulations and conformity assessments. Additionally, the CEMAC, PACP and SADC EPAs also define products for which standards should be harmonized regionally (e.g. with respect to testing, traceability and accreditation). The European Commission has agreed to support these endeavours accordingly.

Table 51. Provisions on SPS and TBT

	Priority products for exports to the EU	Priority products for regional harmonization	Additional regional approach
SADC	Fish and fishery products, meat and meat products, fruits and nuts, vegetables, cut flowers, coffee, sugar	Fish and fishery products, meat and meat products, cereals, vegetables and spices, oilseeds, coconut, copra, cotton seeds, groundnut, cassava, beer, juices, dried and canned fruits	Collaboration between national and regional public and private authorities.
CEMAC	Coffee, cocoa, spices (vanilla and pepper), fruits and nuts, vegetables, fish and fish products, wood products.	Live animals (particularly small ruminants), meat and meat products, fish and fish products, tubers and plants (incl. peanuts and cassava), potatoes	Harmonization of regional standards and other import conditions within four years.
Ghana	Annex to be developed *"no later than three months after signature"*	No provisions	No
Côte d'Ivoire	Annex to be developed by the end of February 2009 *(still outstanding in March 2009)*	No provisions	No
PACP	Palm oil, coffee, tea, cocoa, copra, fish and fish products, sugar, seaweed, noni products, spices, kava, soaps, nuts, pearls, textiles, jewellery, handicrafts, alcohol, jams, biscuits, timber products, pottery, movies, postcards, calendars, crocodile meat and skins, rubber saps, ornamental fish, flower, petroleum and products thereof, gas and hydrocarbon.	Textiles and clothing, diverse food items (biscuits, beer, chicken, coffee, noodles etc.), precious metals, pearls, artefacts and handicrafts, music CDs, chemicals, toiletries, palm oil, cement, fabricated steel products, timber.	No
CARIFORUM	No provisions	No provisions	Objective to create harmonized SPS measures, standards and procedures; collaboration between national competent authorities; exchange of information through regional contact points.
ESA		No provisions. Chapter on TBT/SPS still outstanding.	
EAC		No provisions. Chapter on TBT/SPS still outstanding.	

As can be seen from table 53, the CEMAC, CARIFORUM and SADC EPAs highlight the relevance of collaboration between regional authorities, and endeavour to work towards a harmonized regional approach with respect to standardization. CEMAC goes the furthest with respect to regional integration, foreseeing the harmonization of Central African standards and related import conditions within four years.

5.2 Non-actionable provisions on agriculture and fisheries

5.2.1 Development cooperation

The CARIFORUM EPA is the only text that comprises a chapter on agriculture. It covers a broad range of development cooperation measures in the agricultural and fisheries sector, such as technology transfer, training, access to finance, support for marketing initiatives and promotion of joint ventures (see table 54).

The texts for PACP and Ghana do not explicitly name agriculture or fisheries as development priorities. Côte d'Ivoire mentions the harmonization of regional agricultural policies as a funding priority under the tenth EDF. For CEMAC, agricultural capacity-building activities (leading to increased production and improved quality of products) shall be a priority area of development cooperation. Further development cooperation activities refer to enhanced food security, and support for agribusiness, livestock production, fisheries and aquaculture management, but are not further specified. The SADC text emphasizes the relevance of agriculture and fisheries for development in its preamble and in the areas of cooperation aimed to overcome supply-side constraints (chapter III, article 11).

For the EAC and ESA, a chapter on agriculture is still subject to ongoing negotiations. However, agriculture and fisheries appear to be priority development areas of ESA. The outlined development cooperation activities are comprehensive, ranging from the creation of sustainable production systems, to improved infrastructure, to the strengthening of trans-boundary disease programmes (see table 52).

What remains unclear in all EPA texts is to what extent development cooperation is likely to materialize. To date, the European Commission has limited its financial commitments for EPAs to the funds provided under the tenth EDF (2007–2013). Moreover, the Commission and EU member countries have pledged to raise, from 2010 onwards, €2 billion a year for Aid for Trade, half of which shall be specifically targeted at the ACP. However, to date, the funds have not been secured and the strategy is not clear, and it remains uncertain to what extent any long-term financial commitment will be provided.

Table 52. Provisions on development cooperation for agriculture and fisheries

	Content	Objectives	Development cooperation instruments	Regional integration	Further provisions
CARIFORUM	Chapter on Agriculture and Fisheries	Sustainable development; enhanced competitiveness; support for small-scale enterprises; poverty alleviation, food/livelihood security, and diversification	Promotion of processing activities, training, creation of linkages, export support; development of marketing capabilities including research; compliance with quality standards/SPS; strengthening institutional capabilities; technology transfer; investment promotion; exchange of best practice, dialogue.	Progressive removal of barriers and creation of appropriate regulatory framework shall be undertaken.	EU commitment to prior consultation in case of preference erosion for traditional exports; Joint Declaration on Bananas (ongoing technical and financial support).
SADC	No Chapter on Agriculture and/or Fisheries. Priority products for SPS export support were agreed upon.				
ESA	Chapter on Agriculture is subject to ongoing negotiations.	Enhanced sustainability, productivity and diversification of agricultural production; development of agro-industries; improved food security.	Agriculture: (a) build/improve sustainable production systems, irrigation facilities and infrastructure; (b) link production areas to markets and storage; (c) promote and implement R&D and strengthen technology transfer; (d) develop vehicle insurance schemes and access to finance; (e) establish/strengthen institutions and trans-boundary disease programmes. Fisheries: (a) capacity-building/institutional strengthening to ensure international product compliance, regulatory reform, and enhanced marketing; (b) technology transfer and R&D; (c) sustainable resource utilization and development; (d) diversification and branding; (e) private sector support and storage facilitation; and (f) promotion of joint ventures and finance facilities.	Development of harmonized regional policies, legal and regulatory frameworks, standards, quality assurance and certification instruments based on international standards.	-
CEMAC	No Chapter on Agriculture and/or Fisheries. Agricultural capacity-building, food security and fisheries support shall be priority areas of EU-CEMAC development cooperation; Creation of “priority products” for regional harmonization/SPS support.				
EAC	Chapter on Fisheries Chapter on Agriculture is subject to ongoing negotiations		Fisheries: cooperate towards sustainable development and growth; enhancing production capacities; building linkages to other sectors; promote processing; capacity building; investment facilitation; trade facilitation; fisheries management and conservation; vessel and post-harvest management; promoting joint ventures; training programmes; cooperation with respect to standards and SPS; export market development; infrastructure support; technology development; legal/regulatory support; socio-economic support, e.g. small-scale fisheries	Support regional policies aimed at increasing productivity and competitiveness; cooperation with regional fisheries organizations; develop common systems of reporting fishing activities; regional training programmes to enhance the participation of EAC citizens in the fishing industry; address intra-regional trade barriers; strengthening regional institutions and fisheries management.	-
Côte d’Ivoire	No Chapter on Agriculture and/or Fisheries. Harmonization of regional agricultural policies remains a priority area for funding under the tenth EDF. Priority products for SPS export support were agreed upon.				
Ghana	No Chapter on Agriculture and/or Fisheries. Priority products for SPS export support were agreed upon.				
PACP	No Chapter on Agriculture and/or Fisheries. Priority products for SPS export support were agreed upon.				

CARIFORUM and SADC are the only regions that aim to set up regionally managed development financing mechanisms which could help to mobilize and channel funds for implementing the EPAs. ESA aims to establish a joint development committee to monitor the implementation of its development cooperation arrangements. It is, however, not clear how these regional financing mechanisms will work in practice.

Countries' overlapping memberships of regional bodies, as well as the low number of signatory states, pose additional strains on the implementation of the African EPAs. Channelling additional funds towards countries and subregions without undermining alternative regional integration attempts will be another important challenge.

5.2.2 Further provisions on agriculture

CARIFORUM succeeded in inserting a paragraph dealing with the preference erosion of its traditional export commodities: bananas, rum, rice and sugar. Thus, consultations are expected before the European Commission undertakes any policy measures (such as multilateral liberalization commitments) affecting the competitive position of traditional Caribbean export products. CARIFORUM has further highlighted the economic relevance of bananas to many Caribbean islands and the competitive challenges the countries face due to decreased MFN tariffs and increased competition from African suppliers (Cameroon and Côte d'Ivoire).[49] In their Joint Declaration on Bananas, the parties underline the EU's commitment to continued support to enhance the competitiveness of Caribbean banana producers.

However, none of the provisions inserted by CARIFORUM obliges the EU to compensate Caribbean producers for the erosion of preferences or to fund any development programme that goes beyond what had been agreed.

A more substantial provision had been included in CARIFORUM's public procurement rules. Thus, the region excludes agricultural products made in furtherance of agricultural support programmes (including food aid) from the public procurement provisions of the EPA.[50]

5.3 Summarizing the actionable and non-actionable provisions on agriculture and fisheries

The rules set out by the EPA agreements will restrict ACP agricultural policies. One example is the "standstill clause", which restricts countries' option to increase the applied tariff rates for goods that are not subject to liberalization, removing, for instance, the option to (partially) compensate for revenue losses as a result of EPAs. Another example is the abolition of quantitative restrictions; this applies not only to EU–ACP trade but also to intraregional trade. Quantitative restrictions are often used in South–South integration agreements to improve the trading conditions of least developed countries and to promote

[49] Belize, the Dominican Republic, Jamaica and the Windward Islands are the most dependent producers with respect to GDP and employment (EC, 2006). In 1999, the EU established a Special Framework of Assistance (SFA) to improve the competitiveness of Caribbean banana producers and to help them diversify into other products in order to cope with the challenges induced by a reformed EU banana regime. However, Caribbean banana producers have lost market share to Cameroon and Côte d'Ivoire, and face increasing competition from Latin American producers that provide 85 per cent of the EU's banana imports. The ability of the Caribbean to continue exporting to the EU therefore depends largely on the EU's MFN rate (€176/t) and its preferential access to the EU market.

[50] CARIFORUM excluded several other areas from the principle of non-discrimination. Moreover, there are provisions for limited tendering that offer the option to exclude businesses from the procurement rules in some cases, such as "extreme urgency".

social cohesion. The Southern African Customs Union (SACU), for instance, provides for SDT in favour of Botswana, Lesotho, Namibia and Swaziland by allowing the countries to keep import restrictions for sensitive products from South Africa (such as beef, wheat and dairy products). Since ACP regions are often dominated by an "intermediate country" (South Africa in SADC, Nigeria in ECOWAS, Kenya in EAC), the prohibition of quantitative intraregional restrictions makes it very difficult for the ACP to apply SDT for their least developed countries.[51]

Another area of concern is the application of trade defensive instruments in ACP. However this is rather a general concern, to which EPAs add only partially. Three general areas of concern can be identified:

(1) The application of trade defensive instruments is per definition reactive, i.e. safeguards can only be applied once imports have already surged. If, however, the import shock happens quickly, safeguards might be applied too late to protect vulnerable ACP industries.

(2) Governments are not always sufficiently informed about import surges and/or willed to take appropriate action (balancing urban consumer interests against rural producer interests).

(3) Safeguards are too onerous.

While EPAs deal with problem 3 (by applying comparably lax safeguards), they cannot deal with problems 1 and 2. Moreover, problem 1 might worsen as a result of ACP import liberalization under the EPA. Countries would need to consider sector-specific mechanisms of "early warning" for products (a) that are currently highly protected; (b) that are liberalized under the EPA; and (c) for which the EU is a relevant supplier. As analysed in section 4, it appears that only a few countries will significantly expose their agricultural markets as a result of EPAs. For most countries, the liberalization of some agricultural products was identified as being *potentially* problematic. Assessing whether their liberalization is de facto a problem would need to be analysed in detailed country studies.

A third area of concern relates to the infant industry provisions of the EPA texts. As discussed, infant industry protection is only possible as a reaction to import surges; i.e. no proactive infant industry protection is possible (which, for instance, could have been agreed by creating a regularly reviewed annex defining which industries should be granted infant industry status). An even more serious concern is that all EPA texts prescribe strict time limits for infant industry protection. Thus, most regions can only protect their infant industries in the first 10 years after entry into force of the EPA. In other words, from 2018 onwards, once EPAs have largely liberalized bilateral trade, most of the ACP will lack the option to protect upcoming industries from imports from the EU.

While some of the enforceable conditions of the EPA texts are rather onerous and hardly in the interests of agricultural development in the ACP, all texts lack the mechanisms to enforce agreed areas of development cooperation. While the European Commission recognizes the structural and institutional constraints impeding ACP countries' productive and trading capacities, it has not included any additional financial commitment in the EPA,

[51] It should be noted that the CARIFORUM, SADC and CEMAC EPAs have a "regional preference clause", which provides that any preference granted to the EU must be extended to its regional EPA partners.

arguing that these financial commitments are not about development financing, which will be dealt with separately. However, although the funds of the tenth EDF have increased considerably (to €22.7 billion for the period 2008–13), they are not deemed to be sufficient to cover the adjustment and implementation costs of the EPAs. EU member countries have agreed, therefore, to provide about €1 billion per year for ACP Aid for Trade to complement the EDF. ACP, however, requests legal certainty that such resources will be made available when needed.

EPA needs assessments have already started in the Caribbean, where the national and regional implications of the bewildering array of new legal, procedural and administrative requirements that come with the EPA are being examined. The Caribbean countries are also reflecting on the coherent strategies needed to implement Aid for Trade, and will follow this by identifying concrete projects. In addition, optimal delivery mechanisms are being explored which are supposed to contribute to making funds more accessible and may find better ways to target actors in the private sector.

While sufficient funds from the EDF are available *in theory* to cover first-round needs (such as immediate revenue losses), it is not guaranteed that the funds will be adequately used. What is needed is to tighten up the framework for aid, to ensure that it is given in adequate amounts and in an appropriate and timely way, and to deal with the actual, new costs that will be created by the EPA. It is necessary to commit the European Commission and EU member countries to immediately supplying available resources according to countries' high-priority needs, to specify medium-term needs as soon as possible, and to monitor the delivery and effectiveness of aid.

6. SUMMARY AND POLICY RECOMMENDATIONS: THE WAY TOWARDS DEVELOPMENT-FRIENDLY EPAS FOR TRADE IN GOODS

The Economic Partnership Agreements initialled between the EU and 36 ACP countries remain hotly contested. While proponents argue that EPAs are “development tools” that promote economic development, strengthen regional integration and facilitate the incorporation of the ACP countries into the global economy, opponents fear that revenue losses and the increased exposure of ACP economies to EU imports will be detrimental to development. The impact of tariff liberalization on ACP agricultural markets is often at the centre of the debate.

Agriculture is a key sector in most ACP countries and is the source of income for the majority of the population. Agricultural growth is regarded as a key driver of growth and poverty alleviation in many ACP countries. The impact of EPAs on ACP agricultural development will be twofold. Firstly, DFQF might offer new export opportunities for the ACP, thus stimulating agricultural growth. Secondly, agricultural tariff liberalization under the EPA might expose the ACP economies to (subsidized) EU imports but also be beneficial for (urban) consumers and importers of intermediate products.

Starting with an analysis of ACP countries’ motivations for entering into an EPA, we found that fear of losing the Cotonou preference level (which in many cases equalled the ability to continue exporting to the EU market) was the decisive factor in signing the EPA. ACP exporters of beef (Botswana and Namibia), sugar (beneficiaries of the EU Sugar Protocol in Africa, the Caribbean and the Pacific), bananas (Cameroon, Côte d’Ivoire and several Caribbean countries), rice (Guyana and Suriname), horticulture (Kenya) and citrus (Swaziland, Zimbabwe) were among the countries that were affected the most by the loss of Cotonou preferences. Facing the alternative of being downgraded to the EU’s “next best alternative”, the GSP (and MFN in the case of beef and sugar), most developing ACP countries initialled an EPA – many of them at the last minute. Only 10 developing ACP countries (7 of them Pacific islands that hardly trade with the EU) did not sign an EPA and have faced GSP tariffs for their EU exports since January 2008. While the overall economic effects of the loss of preferences for these countries appear to be very small, there might well be negative sectoral effects in the three non-signatory African states (affecting sugar, fish, tobacco, vegetable and cocoa exports).

The additional gains from receiving DFQF market access are comparably small, because the ACP had already enjoyed largely free access to the EU under the Cotonou Agreement. The immediate gains from the redistribution of the revenue are eroding, and need to be built on in order to bring longer-term benefits by enabling an increase in ACP supply. This will often require significant investment in both physical and human resources, some of which will need to come from the private sector and some from the public sector. As the centrepiece of the EU’s commitment to EPAs so far, it would be sensible to ensure that there is also adequate aid provision to help remove blockages to increased supply. The European Union has committed itself to provide more Aid for Trade to developing countries, and should ensure that part of this enhances the utilization of DFQF by removing obstacles to production and export such as poor infrastructure and other physical or institutional deficiencies.

The EPA signatories will face very different agricultural adjustment costs as a result of the EPA. The Caribbean and Pacific signatories were – with very few exceptions – able to exclude most agricultural products that appear to be sensitive and are significantly sourced from the EU, since the EU is, for them, a trading partner of only medium relevance. For most African countries, however, the EU is the most important trading partner. Considering revenue implications and domestic sensitivities, it was much more difficult for African countries to compile a comprehensive exclusion basket not exceeding 20 per cent of EU import value. Additionally, the time pressure at the end of 2007 had contributed to hastily drawn liberalization schedules. As the analysis reveals, agricultural liberalization is significantly front-loaded for Côte d'Ivoire, including the liberalization of agricultural items that appear to compete with domestic production, such as poultry, eggs, dairy products and cereals. Ghana, which also had a front-loaded schedule including the early liberalization of sensitive agricultural products, has revised its schedule significantly in 2008, thereby back-loading its liberalization commitments and increasing its exclusion basket from 20 per cent to 25 per cent of EU import value. Similarly, Cameroon, BLNS and Zambia appear to have largely excluded sensitive agricultural items from the EPA liberalization process.

A third group of countries (EAC and Zimbabwe) appears to be less affected by the EPA liberalization commitments and more by moving their applied tariff rates towards the agreed regional tariff. Though this type of adjustment effect can be classified as "customs effect", it might imply severe challenges for revenue authorities, and potentially for domestic producers. In fact, most of the ACP countries have a maximum protection level of 20 or 25 per cent, which might not be sufficient to protect domestic producers from (EU) import surges. In the light of ACP difficulties in applying effective safeguard measures, one might want to reconsider not only EPA liberalization commitments for selected agricultural products, but also the maximum protection level for sensitive products.

Future ACP–EU agricultural trade will not only be influenced by tariff liberalization commitments, but also by the EPA texts. These show several enforceable provisions affecting agricultural trade. By comprehensively restricting non-tariff barriers to trade, the EPAs limit ACP's options to apply SDT in intraregional trade schemes. Thus, free intraregional trade is not necessarily the ideal in an ACP integration context. Most ACP regions have regional hubs that are much more developed than those in the other countries. Intraregional trade among developing countries, however, tends towards divergence, due to the dominance of trade diversion in favour of the more developed countries (Venables, 1999). To avoid dominance by ACP "intermediate countries" in regional trade (and the subsequent polarization), ACP regions have agreed on SDT for their least developed countries. This takes the form, inter alia, of exemptions from tariff suspensions, exemptions from tariff reductions, national derogations, fiscal incentives, special rules for revenue sharing and/or local content requirements. By restricting such discriminatory measures, EPAs also restrict ACP countries' options to form variable and differential regions.

The negotiations towards comprehensive EPAs offer both parties the chance to address areas that are feared to constrain ACP development and regional integration. Having had the time to study and digest the contents of the interim agreements and their potential impact in a regional context, both sides might be interested in revising some of the provisions agreed upon and/or taking more favourable conditions agreed upon in another region. The European Council regulation from 27 May 2008 makes explicit reference to ACP's option to draw on provisions agreed in other EPA texts (European Council, 2008, point 3).

While the revision of the EPA texts is a comparatively straightforward task, the revision of countries' liberalization schedules with the objective of drafting regionally inclusive schedules is much more challenging, not only from a technical but also from a political point of view. The technical challenge will be to revise the schedules for those countries that are already in the process of getting under way with implementation of their liberalization commitments (and would need to reimpose tariffs in order to accommodate a revised schedule covering all countries in the region). Meeting the political challenge of entering into *regional* EPAs will be much more difficult; this had been attempted without success in previous years of EPA negotiations. In order to submit a joint regional liberalization offer, a certain degree of economic integration needs to be reached. However, low levels of trade integration and divergent economic interests (reflected in the non-convergence of tariff levels) continue to complicate the formulation of a common negotiating position. Considering further that the vast majority of non-EPA signatories are classified as LDCs and have the non-reciprocal EBA initiative as a fallback position, the motivation for countries to enter into regional EPAs is difficult to see.

Another uncertainty relates to the implementation of the EPA. Given the progressive erosion of ACP preferences in the EU market (with the ongoing reform of the Common Agricultural Policy, bilateral and multilateral liberalization commitments, and increasingly more stringent food standards as main factors), the EU might lack the option of imposing sanctions in case the ACP did not implement its EPA commitments accordingly. The cost of being downgraded to the GSP is reduced the more the value of DFQF diminishes. A time may come when ACP may regard the costs of losing preferences as less dramatic than the costs of implementing the EPA. If the EU wishes to see EPAs being implemented, it is imperative to have agreements that mirror the development interests of both sides – including the provision of timely and adequate development support.

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APPENDIX 1
COMPARATIVE ANALYSIS OF THE EPA TEXTS

Provision	Least restrictive in the EPA	Moderately restrictive in the EPA	Most restrictive in the EPA	*Least restrictive in other EU FTA*
1. Customs duties				
Regional liberalization	PACP, CEMAC (Cameroon), Ghana, Côte d'Ivoire (regional integration envisaged but no binding provisions yet)	CARIFORUM (individual schedules will merge; SDT possible; CF will do its best to levy customs duties only once); SADC (joint approach for BLNS; individual for Mozambique; schedules shall be merged)	EAC (joint approach, no SDT)	
Time frame	CARIFORUM, EAC (25 years)	CEMAC, Ghana, Côte d'Ivoire, ESA, Fiji (15 years)	SADC (10 years) Papua New Guinea (immediately)	
Review of tariff concessions in case of "serious difficulties"	CEMAC (unilateral stop of liberalization possible for max. 1 year)	CARIFORUM, PACP (in case of serious difficulties; to be agreed upon mutually)	EAC, ESA, SADC, Ghana, Côte d'Ivoire (no indication)	
Export duties	SADC, CEMAC, Ghana, Côte d'Ivoire (temporary (re-) introduction allowed; subject to consultations with the European Commission); PACP, EAC: (temporary (re-) introduction allowed; subject to mutual consensus).	ESA (no new/higher export duties)	CARIFORUM (no new duties, existing duties to be abolished within 3 years)	
Standstill provision		PACP, SADC (limited to products that will be liberalized)	CARIFORUM, EAC, ESA, CEMAC, Ghana, Côte d'Ivoire (for all trade)	
MFN clause	CARIFORUM, PACP: (parties will consult on how to apply MFN clause; Joint Council/Commission takes final decision)		EAC, ESA, CEMAC, SADC, Ghana, Côte d'Ivoire (no exception from MFN clause)	TDCA and Mexico: no provisions
Sanctions in case of failure to provide administrative cooperation			All regions/countries (temporary suspension of 6 months)	TDCA and Mexico: no provisions
Summary (number of appearances in each (I)EPA restrictiveness column):				
CARIFORUM	*2*	*2*	*3*	
CEMAC	*3*	*1*	*3*	
Côte d'Ivoire	*2*	*1*	*4*	
EAC	*2*	*—*	*5*	
ESA	*0 (+Zambia 1)*	*2*	*4*	
Ghana	*2*	*1*	*4*	
PACP	*2*	*2 (+ Fiji 1)*	*1 (+ Papua New Guinea 1)*	
SADC	*1*	*2*	*3*	

Provision	Least restrictive in the EPA	Moderately restrictive in the EPA	Most restrictive in the EPA	*Least restrictive in other EU FTA*
2. Trade protection/NTBs				
ACP exclusion from GATT/AoA safeguards	All regions/countries (5 years with the option of extension)			TDCA and Mexico: no provisions
Safeguard instruments	ESA, EAC, PACP, CEMAC, Ghana, Côte d'Ivoire (suspension of tariff reduction, increase of customs duties to applied MFN rate *and* tariff quotas)		SADC, CARIFORUM (suspension of tariff reduction, increase of customs duties to applied MFN rate *or* tariff quotas)	TDCA: no specification; measures need to be communicated to Joint Council Mexico: no specification ("appropriate measure")
Maximum safeguard protection	No time limit: not to exceed what is necessary to remedy or prevent serious injury.			TDCA: periodic review by Joint Council; max. period 3 years Mexico: up to 3 years in exceptional cases
Pre-emptive safeguards			All regions: max. 200 days	TDCA and Mexico: no time restrictions
Safeguards related to food security	CARIFORUM, CEMAC, Ghana, Côte d'Ivoire (linked to pre-emptive safeguards)	PACP (not linked to pre-emptive safeguards)	EAC, ESA, SADC (no provisions yet)	TDCA: linked to pre-emptive safeguards Mexico: linked to pre-emptive safeguard and the introduction of export duties.
Maximum period to apply safeguards for infant industry protection	PACP (10 years/15 years for LDCs and small island states) in the first 20 years	CEMAC, ESA, SADC: 8 years in the first 10–15 years (10 years for ESA, 12 years for SADC, 15 years for CEMAC and all LDCs)	CARIFORUM, EAC, Ghana, Côte d'Ivoire: 8 years in the first 10 years (extendable for G+CI)	TDCA: 4 years in the first 12 years
No new safeguards for a product that has been previously subject to safeguards	All regions: for 1 year			TDCA and Mexico: for 3 years
Quantitative restrictions for infant industry protection	All regions except PACP: no		PACP (protected goods shall not increase 3 per cent of tariff lines or 15 per cent of import value).	TDCA: Protected goods shall not increase 10 per cent of import value
Further provisions for infant industry protection	EAC, SADC (temporary introduction of export taxes is possible after consultations with the European Commission)	Ghana, Côte d'Ivoire, PACP, ESA (temporary increase of customs/excise duties possible subject to mutual agreement)	CARIFORUM, CEMAC (only safeguards)	TDCA and Mexico: only safeguards
Abolition of NTBs and quantitative measures	EAC (restrictions in case of food insecurity and for commodity marketing possible) Seychelles: Exempted from NT provision for 10 years Ghana: Annex III lists products for which application of discriminatory charges is allowed for 10 years.	Côte d'Ivoire, ESA, SADC, PACP (exemptions in case of infant industry protection possible; subject to mutual agreement)	CARIFORUM (only anti-dumping/countervailing measures are exempted)	

Provision	Least restrictive in the EPA	Moderately restrictive in the EPA	Most restrictive in the EPA	*Least restrictive in other EU FTA*
Maximum period for which infant industry protection is applicable	PACP (first 20 years)	CEMAC (first 15 years) SADC (first 12 years/15 years for LDCs); with option of extension) ESA (first 10 years/15 years for LDCs) Ghana, Côte d'Ivoire (first 10 years with option of extension)	EAC, CARIFORUM (first 10 years for all countries)	
Quantitative restrictions for infant industry protection	All texts except PACP: non-existent		PACP (safeguards may not increase on more than 3 per cent of tariff lines or 15 per cent of import value)	
Subsidies		All regions/countries: national subsidies allowed		Mexico: national subsidies allowed; TDCA: no provisions
Summary (number of appearances in each (I)EPA restrictiveness column):				
CARIFORUM	*6*	*1*	*6*	
CEMAC	*7*	*3*	*2*	
Côte d'Ivoire	*7*	*4*	*2*	
EAC	*8*	*1*	*4*	
ESA	*6 (+1 Seychelles)*	*5*	*2*	
Ghana	*8*	*3*	*2*	
PACP	*6*	*4*	*3*	
SADC	*6*	*4*	*3*	
III. Customs and trade facilitation[52]				
Single administrative document	CEMAC, Ghana, Côte d'Ivoire, SADC (no provisions)		CARIFORUM, PACP (review of progress after 3 and 5 years respectively)	
Development of common regional standards	PACP (no provisions)	Ghana, Côte d'Ivoire, SADC (promotion of harmonized customs legislation and procedures)	CARIFORUM, CEMAC (regional customs legislation, joint procedures and documentation)	
Common institutions	PACP, CEMAC (no provisions)		CARIFORUM, Ghana, Côte d'Ivoire, SADC (Special Committee on Customs)	
Summary (number of appearances in each (I)EPA restrictiveness column):				
CARIFORUM	—	—	*3*	
CEMAC	*2*	—	*1*	
Côte d'Ivoire	*1*	*1*	*1*	
EAC				
ESA				
Ghana	*1*	*1*	*1*	
PACP	*2*	—	*1*	
SADC	*1*	*1*	*1*	

52 Chapters not yet drafted for EAC and ESA.