Word of caution
This update gives an account of the state of the negotiations during the period between the adoption of the roadmap to date. It is certainly not exhaustive and all the issues raised here are not dealt with in detail. The report on the meetings of the Regional Negotiation Committee, for example, is limited to issues central to the negotiations at this stage (EPA reference framework and definition of joint technical groups) and their consideration by the two meetings. The other aspects of the agenda, such as the work schedule, the RPTF (Regional Preparation Task Force) procedures and the identified studies will be included as soon as the official reports are available.

Brief reminder
Even though the two sides seem to agree on the EPA objectives and strategies, fundamental divergences emerge at every stage of the discussions as regards the content of the negotiations and of the EPA. In fact, both West Africa and the European Community are of the view that the aim of the EPA is development, its value added is development financing and the preferred strategy is support to the existing regional integration process.

The roadmap for the EPA negotiations between West Africa and the European Community was adopted on 4 August 2004, following discussions that lasted almost a year. The key point of divergence relates essentially to the order and prioritisation of the negotiation themes. West Africa upholds the view that with the partners’ assistance, there was need to first consolidate the integration process and create a regional market, and then negotiate the content of the free trade agreement between the two zones, namely West Africa and the European Union. The latter, however, had no intention of linking the opening of trade negotiations with the completion beforehand of the West African integration process.

The second stumbling block concerns financing adjustment costs and strengthening competitiveness. During the talks on the roadmap, the EC simply called for the deletion of the paragraphs on the improvement of competitiveness and capacity building which, in their view, did not belong there, since these issues had already been dealt with in the Cotonou Accord and are managed within the framework of the EDF. West Africa actually requested for additional resources devoted solely to the problems and shocks relative to the creation of the free trade zone between the two entities, West Africa and EU.

The third disagreement concerns consistency with the multilateral negotiations at the WTO, particularly as regards the opening of discussions on
the Singapore issues. West Africa rejected it on the basis of the Doha commitments and the Cancun results while the EC was favourable to it.

**Comments on the roadmap**

In the roadmap, the two regions found a compromise reconciling the different positions more or less. The consolidation of integration is still a priority. However, the completion of the process will not be a precondition to the trade negotiations. Similarly, the improvement of competitiveness, capacity building and the financing of adjustment costs will be taken into account even though this component is essentially West Africa’s responsibility. The EC does not undertake to provide additional resources, even though it admits—following West Africa’s insistence—that complementary resources could be sought in this regard. The impact of the EC’s consent is mitigated, since the roadmap states that possible complementary resources could be sought particularly from Member States as well as other donors.

As for the Singapore issues, the region persists in its refusal to hold any discussions concerning them unless the question is settled within the WTO. One can however question the impact of such a position, given that the region will discuss its integration process with the EU and the rules concerning competition, investments, etc which it will adopt within this framework.

On the one hand, the roadmap between West Africa and the EU, contrary to those of other regions, is relatively comprehensive, while the other regions, namely the Caribbean, prepared a more general framework focussed on the negotiation process, specifying the schedules and a negotiating methodology, without dwelling on the substance of the EPA negotiations. The West African approach can be dangerous, since the content of the roadmap binds the negotiators who will no longer dispose of the same latitude, because some issues have been discussed, determined and approved by the decision-making bodies (ECOWAS Trade Ministers and the EC Commissioner in charge of Trade).

Besides, the roadmap had the merit of already spelling out the positions relative to the above-mentioned points and somewhat enlightening the various actors about each other's intentions, negotiating strategies and capacities. The EC seems to be the major winner of this «first round» constituted by the roadmap, because it succeeded in safeguarding its interests consisting in refusing additional resources, not taking the undertaking to back-up the integration consolidation process or to improve competitiveness. Everything concerning the necessary support should be examined within the TFPR which is not a negotiating organ but one which is expected to back-up the negotiations. Moreover, the EC succeeded in selling the idea of having the two sides discuss themes such as investments and competition within the framework of regional integration.
**Operationalising the roadmap**

**Meeting of the Technical Support Committee (TSC)**

Following the meeting of the ECOWAS and UEMOA secretariats in charge of the EPA negotiations, held in Dakar in early November 2004, the TSC met in Lome essentially to define the terms and conditions of implementing the regional EPA preparation programme. Thus, the technical/thematic groups identified by the 2 secretariats as well as their terms of reference were enriched and validated and an indicative scheduling was adopted.

The groups are as follows:

1. Free Trade Zone, Customs Union, Trade Facilitation
2. Standards, Quality Control, Related Services, SPS, T.B.T
3. Competition, Intellectual Property
4. Investments
5. Agriculture
6. Fisheries
7. Non Agricultural Products (industrial and Handicrafts)
8. Services

A list of studies envisaged within this framework was drawn.

This meeting also aimed at preparing the joint meeting of the Regional Negotiating Committee at senior officials’ level, in order to prepare a frame of reference for the EPA negotiations. To that effect, the state and perspectives of regional integration were reviewed. The RPTF procedures were also examined.

**Meetings of the Regional Negotiating Committee (RNC) (joint WA-EC meetings)**

**At experts’ level**

The meeting of experts was held in Abuja on 20 and 21 December 2004. The main objectives of the meeting was to determine a work schedule for 2005, examine the practical details of the preparation of the frame of reference for the EPA negotiations and agree on the joint technical negotiating groups.

1° The ECOWAS and UEMOA secretariats presented the state of regional integration. The ECOWAS free trade zone is not yet completely set up, despite the directives of the Conference of Heads of State. The measures taken by Member States to create a unified regional market are not sufficient. It was moreover stated that the UEMOA common external tariff (CET) would be extended to all ECOWAS countries at the end of 2007, at the latest, and during a three-year transition period.
Concerning the practical details of the EPA reference framework, the European side submitted a written proposal entitled: «draft structure of the report on regional integration in anticipation of the EPA (frame of reference for the negotiations) ». This proposal was composed of an introduction and two parts:
The introduction takes stock of the EPA negotiations and stated the objectives of the report.
The first part deals with «the Economic and Institutional Environment in West Africa ». It concerns putting the region into context, indicating the countries and institutions, basic economic and commercial data as well as the perspectives, tracing the evolution and evaluating the regional integration process, and defining the priorities related to the EPA negotiations.

The second part entitled: «Economic and commercial integration in West Africa » constitutes the contents to be negotiated, and will comprise six points.

A first point would specify the institutional framework as regards trade (legal framework, commercial competence, multilateral policy, existing commercial agreements and arrangements, instituting the common trade policy).

The second point would formulate commercial policies and practices in the region according to various measures (customs tariffs, tariff nomenclature, registration fees and others, import and export tax, quantitative restrictions, prohibitions, controls, licences and subsidies, customs procedures, rules of origin, antidumping and safeguard measures etc.).

The third point would be devoted to the norms, technical obstacles, SPS policies and measures.

The fourth point would relate to the sectoral impacts of the trade policies and practices of the region (agriculture, livestock and fisheries, mines and energy, industry).

The fifth point would concern trade-related sectors (competition, intellectual property, public procurement, environment, labour standards, consumer policies).

The sixth point would define the exchange of services and investments.

After its examination and discussion, the EC proposal was rejected by the region, which stated its disagreement both with the title and the content and requested further clarification about the implication of the reference framework. West Africa considered it as a joint framework for the definition of the EPA content (themes) and objectives. For this reason, the issues to be
dealt with should be broader than those mentioned in the EC document. In fact, this document is focussed on regional integration and only on its trade component. Besides, the region rejected the idea of including certain issues such as public procurement and labour standards in the reference framework.

In its response, the EC explained that it is a frame of reference for the EPA and not the framework for the negotiations. The proposed structuring is meant to prepare the second phase of the negotiations aimed at determining the EPA global architecture. Besides, the EC is opposed to the removal of issues concerning public procurements and labour standards. West Africa pointed out that it could accept that these issues be mentioned in the joint report but they will not be negotiated. To conclude, West Africa undertook to submit a proposal for the structuring of the frame of reference (a counter-proposal) before the meeting of senior officials.

3° Technical groups

ECOWAS presented the 8 technical groups adopted by the W.A region. The EC proposed the adoption of only 3 joint groups (free trade zone, trade-related sectors, services and investment). After discussions, the meeting agreed to maintain the following 5 joint groups:

1. Free trade zone, customs union and trade facilitation
2. Standardisation, quality control and related services, SPS and TBT measures
3. Other trade-related sectors
4. Investments and Services
5. Sectoral analysis: agriculture, fisheries, non-agricultural products.

West Africa rejected the designation of the latter group and proposed «Production Sectors» instead.

The results of the meeting were mitigated. The good news is that the region rejected the proposed structure for the EPA reference framework made by the EC. However, the composition of the joint groups is not satisfactory. These concern negotiating groups and emphasis was placed on the Singapore issues which are found in at least 3 groups, and production issues almost not considered.

Under the pretext that it concerns regional integration and that the commitments are intra-regional, the negotiations might fall into the trap of encompassing all the issues that were initially rejected by the region. In that case, the latter might, on the one hand, see its integration process slip away. On the other, during the institution of when the free trade zone with the EU will be achieved, the region might find itself bound by processes or commitments which were initially intra-regional.
With regards intra-regional commitments, is the decision to extend the UEMOA Common External Tariff (CET) to the entire ECOWAS space judicious? This CET considered very low, is called to question by UEMOA farmers who consider it to be greatly detrimental to their sectors. It should be recalled that the CET was defined prior to the definition of the UEMOA common agricultural policy and that the farmers were not involved in the process. Moreover, since UEMOA is not recognised by the WTO, the bounded tariffs are those of UEMOA member States taken individually, which are a lot higher. It thus seems, at first glance, that the rate could be increased without much difficulty. The reactions of Ghana and Nigeria on this issue as well as the actions of farmer organisations are urgently awaited.

**Meeting on the RNC at senior officials’ level**

The meeting was held in Brussels from 1 to 3 February 2005. The agenda of the discussions focused on the structure of the joint report on the EPA reference framework, the definition of joint thematic technical groups, the 2005 work schedule, priority studies as well as the RPTF procedures and work programme.

**Structure of the EPA reference framework**

Following the issuance of a working document by the ECOWAS secretariat, which commented the EC’s proposal to structure the EPA reference framework (joint regional integration report), the UEMOA Secretariat in turn, produced a structuring proposal document, which was used by the meeting as a working document for this agenda item.

The structure proposed by the EC, slightly amended, was in substance the same as the one presented at the experts’ meeting, held in Abuja in December.

West Africa proposed the following title and six-point structure:

«Structuring the report on the frame of reference of the EPA between West Africa and the European Union ».

1. Introduction

2. Economic and institutional environment in West Africa.

3. Consolidating regional economic integration in West Africa
   3.1 Background, general evaluation and regional integration perspectives
   3.2 Improvement axis in view of the economic integration process

4. Promoting sustainable development in the region
4.2 Improving the competitiveness of the productive machine and related services
4.3 Consolidating of long-term development bases

5. The harmonious and competitive integration of the region in the global economy
   5.1 The region’s current participation in international trade
   5.2 Improving the commercial capacities of countries of the region

6. Mobilising resources for the success of the process
   6.1 Efforts to be made by the West African region
   6.2 European Union commitments
   6.3 Support expected from other development partners

In its proposal, West Africa took into account all the EPA themes and priorities as well as its three objectives, namely:
   - the consolidation of regional integration in West Africa
   - the promotion of sustainable development in West Africa
   - integrating the region in the global economy.

The exchanges on these two points revealed converging views on the first and second parts of this text, both of which were reserved for the introduction and the contextualising of the EPA between the two regions. However, divergences emerged as regards all the other points as well as on the different approaches adopted by the two parties.

The EC questions parts 3, 4, 5 and 6 of the West African proposal both in their form and substance. The EC argued that, for example, part 3 should not be labelled “consolidating regional economic integration in West Africa” but rather “regional economic and commercial integration”. It also insisted on the fact that the negotiations should be focussed on the commercial aspect alone, because the aspect relative to the improvement of competitiveness and capacity building should be dealt with by the other Cotonou instruments.
West Africa recalled the development and regional integration goal of the EPA as well as the need for a structural transformation of West African economies.

Discussions on this issue were lengthy and difficult. The arguments put forward by the EC were sometimes based on a partial interpretation of the roadmap for the negotiations, or were simply dogmatic. The EC reaffirmed indeed that the policy change would necessarily result in growth and development, and quoted some sentences contained in the roadmap to assert that the aspects relative to the improvement of competitiveness fall under the region’s internal development policies and that the EC cannot therefore intervene in this area.
The West African region brushed up its proposal (the title remains unchanged) and presented a 5 points document structuring the EPA reference framework which stays close to the roadmap as follows:

1. Introduction
2. Economic and institutional environment in West Africa.
3. Consolidating regional economic integration in West Africa
4. Improving competitiveness
5. Resource utilisation and mobilisation procedures

Parts 3 and 4 repeat the titles of points I and II of the roadmap which mention the issues that will be negotiated within the framework of the regional free trade zone and the EPA between the two regions. Part 5 is devoted to the implementation of the work programme which will be adopted as the negotiations unfold.

The EC insisted on issues such as trade facilitation, competition policy as well as investments and government contracts. It explained that the 1st phase of the negotiations between the 2 regions will consist in agreeing on the region’s trading system. The EC would like to hold discussions on the intra-regional arrangements regarding trade but not on issues concerning production. In its view, the latter falls under strictly internal development policies and strategies.

For its part, West Africa firmly argued that the EPA should encompass the two aspects: development and trade. As regards, the Singapore issues, it stated that as shown by the proposed structure, it is ready to discuss investments, trade facilitation and competition policy but has no intention of discussing public procurements even if it is within the framework of regional integration. West Africa recalled that it has no mandate to discuss this issue which is not included in the roadmap and that it could therefore not be incorporated in the frame of reference.

The EC then proposed a compromise consisting in preparing two separate reports, one on trade-related issues and another relative to the reinforcement of competitiveness, and even a third on the EPA implementation terms. The last two would be RPTF reports. This proposal was rejected by the other party. The EC then came up with another compromise consisting in including all the parts in the same report, provided that the document clearly states the parts falling under the technical negotiating groups and those coming under the responsibility of the RPTF or that of the West African region. The latter proposal was not accepted either, since West Africa insisted on the fact that the theme “Improving competitiveness and levelling up” should be part of the negotiations, because of the region’s weak supply capacity. The meeting ended without reaching consensus on this issue relative to the structuring of the frame of reference.
**Joint technical groups**

The five joint technical groups mentioned above were accepted by the senior officials. However, a consensus could not be reached on the designation of the last group. West Africa proposed «Production sectors: agriculture, livestock, fisheries, non-agricultural products (industry and handicrafts)» while the EU proposed the denomination «Sectoral analyses: agriculture, livestock, fisheries, non-agricultural products (industry and handicrafts)».

**Preparations undertaken by the region**

The region pursues its preparations, 5 impact studies (agriculture, non agricultural products, services, trade-related issues, Intellectual Property) have already been produced and discussed at regional level.

At national level, studies undertaken by some countries like Benin, Burkina, Mali, Niger, Ghana are ready and some of them have already been discussed.

The various working groups of the region have initiated their work. The group on agriculture met sometime in February and the one dealing with the free trade zone will meet at the end of February.

**Next phases of the negotiations**

The issue of the EPA reference framework is still in suspense and will be re-examined during the next meeting of senior officials, scheduled in June-July 2005.

The first joint technical meetings are expected to begin in March. The EPA reference framework will be adopted in September 2005, at the latest.