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Office of the Secretary General

Lomé, 07/02/2014

Policy Brief:

Churches condemn unfair trade agreement between the Economic Community of West African States and the European Union

The Dakar compromise agreement for the conclusion of a Regional Economic Partnership Agreements between the European Union (EU) and the Economic Community of West African States (ECOWAS), which was reached on the eve of the International Year of Family Farming (United Nations) and the Year of Food Security and Agriculture (African Union) in January 2014, is a major blow to technical experts and civil society negotiators. The fast track conclusion of negotiations at the reopening of talks, is seen as a precipitated diplomatic move, frittering away opportunities in a climate of shrinking political support towards the European Commission's (EC) hard stance in negotiations. Churches call on national governments to not secure national legal frameworks from parliament for an agreement, which is not in the interest of the West African region!

Rev. Dr. Tolbert Thomas Jallah, Jr., Secretary General of the Fellowship of Christian Councils and Churches in West Africa (FECCIWA), denounces the agreement reached by Chief Negotiators at the reopening of EPA negotiations, held from January 20-24th in Dakar: "The agreement has exposed West African countries to dangers in safeguarding their infant industries and sensitive products. There is a high degree of skepticism that the present agreement brings to the minds of faith leaders in West Africa." Rev. Dr. Jallah questions further, whether the hasty deal will gain the needed support of ECOWAS parliaments, who will have to approve and adopt the agreement on national levels: "Each state must have a say in the determination of its political, social, cultural and economic choice. We, the people of faith call on respective national governments to not secure national legal framework for this agreement, which does not fit in the interest of local economies for the people of our region! In contrary, it will disturb our regional integration process. Churches must hold the EU accountable in redefining its relationship with developing countries in present and future trade agreements!"

This sudden breakthrough, after years of deadlock in negotiations between the two regions, was triggered by the European Union's May 2013 move, to unilaterally impose a deadline of endorsement of Interim Economic Partnership Agreements (IEPAs) until October 2014.ⁱ Hence, IEPA signatories were under pressure to start effective endorsement of respective liberalization schemes. Two West African countries, Ghana and Ivory Coast, were to either renegotiate or reject bilateral EPAs, if not push forward a regional EPA. In this situation, the ECOWAS Extraordinary Summit of Heads of States and Governments agreed to move the regional solution further in the October 2013 meeting in Dakar. They agreed upon a new market liberalizing offer embracing 75% of all trade with the EU, retreating from their former 70% ceiling. Civil society representatives and church leaders had cautioned them: "We reject the new offer of 75% market liberalization [...], because this is economically not sustainable and is socially catastrophic for West Africa. Many rigorous studies,ⁱⁱ which have up to now not been challenged, have proved the negative impact of such levels of liberalization in terms of revenue

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loss, further job losses, collapse of local industries and investment, and so on.”ⁱⁱⁱ

In December 2013, trade and development ministers from five European countries had expressed their unease with the Commission’s hard stance in negotiations, pressurizing precarious concessions from vulnerable countries, endangering coherent and conducive relations with developing countries. In a letter addressed to Catherine Ashton, Andris Piebalgs and Karel de Gucht, eight trade and development ministers from Denmark, France, Ireland, The Netherlands and United Kingdom called on the EC to show more flexibility in EPA negotiations with ACP countries: “whilst the number of contentious and outstanding issues is narrowing down, differences on the ones remaining are still significant. In order to ensure the successful and rapid conclusion of these negotiations, further flexibilities should now be considered by the EU.”^{iv}

In this situation, three days of talks between the group of Technical Experts at the Reopening of EPA negotiations, January in Dakar, did not deliver any concessions, it was only at the successive Meeting of High-ranking Officials that “mutually acceptable compromises and solutions for conclusion of EPA negotiations”^v were reached. According to the timeframe spelt out in the agreement, the draft EPA is to be paraphrased and submitted to the meeting of Chief Negotiators to be held in Brussels on February 6th. Thereafter, ECOWAS Heads of States are expected to sign the agreement by the end of February, or beginning of March 2014. Through the Dakar agreement, parties have settled a number of issues, which had blocked negotiations for years, notably: The market opening was set at the roof of 75% during a adaptation period of 15 year for 95% and 20 years for a portion of 5% of all products. The sensitive list of 25 % of products, excludes all sensible agricultural products in accordance to the new trade regime as spelled out by the ECOWAS Common External Tariff. Limitations of rules of origins, which harness the development of regional value chains, demanded by EU negotiators, were relinquished in favor for more conducive terms, so called culmination of origin. The EU equally made concession on the Most Favored Nation (MFN) clause, by putting forward a compromise, allowing ECOWAS countries preferential economic relations with countries with world market integration not exceed 1.5%,

in case regions with respective rates at 2%, and industrialization rates less than 10% of their GDP. ECOWAS on their side, gave in on demands concerning aid for trade payments towards the EPA Development Program (EPADP) by accepting 6.5 Bn €, instead of formerly claimed 15 Bn € of “fresh” aid allocations topping up means of the European Development Fund. They also acknowledged that no new concessions were to be made by the EU on agricultural subsidies, further to the pledge to dismantle all export subsidies.^{vi} These talks have been questioned by German Chancellor Angela Merkel’s Advisor on African Affairs, Gunter Nooke, for EU and Africa to restart the negotiations in an interview with Deutsch Welle.^{vii}

West African Churches under the auspices of the Fellowship of Christian Councils and Churches in West Africa condemn hasty agreements. “We are going to launch series of roundtable national consultations with all actors to ensure that this agreement does not counter the sustainable development needs of the 15 ECOWAS member states and Mauretania.” says Rev. Dr. Jallah, Jr.

Civil society observers and faith leaders have sharply disapproved the content of the compromise and attack ECOWAS diplomatic failure. Key manufacturing products were not integrated into the sensitive list - such as textiles, aluminum, insecticides, cement, soap and detergents, wire and metals, pharmaceuticals. Ghana based Economic justice Network (EJN) asserts that the needs of the manufacturing sector in Ghana were scarified. “This almost certainly signifies the demise of domestic light manufacturing with the loss of thousands of factories, hundreds of thousands of jobs and most of all the prospects of industrialization and developmental transformation of the economies of West Africa.”^{viii} By pointing to insufficient commitment made towards EPADP funding, the economic reason behind the deal was put into question: “West Africa has also conceded to forgo its tariff revenue in return for promised aid by the EU. Revenues to be forgone are even more than the uncertain aid. [...] The region as a whole stands to lose \$1.8billion annually in import tax revenues. In return the EU promises 6.5 billion Euros for the whole region over a period of five years.”^{ix}

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Civil society observers and faith leaders reject the agreement for its deceitful conclusion: “for the first time the EPA process will now exclude the technical experts, civil society and the private sector in the region, in order to rush through finalization and signing of the agreement in a matter of days.”^x The West African Civil Society Platform (POSCAO) and ROPPA in their common statement denounce: “The process that builds gradually to the conclusion of the EPA was far from being transparent and was technically hazardous and flawed. This agreement has never been a simple matter of diplomats and politicians. The EPA deals with the economic future, the livelihoods

and lives of citizens of West Africa and must therefore be so treated.”^{xi} Just before the Brussels Chief Negotiators Meeting beginning of February, the POSCAO called upon the meeting to adhere to the pattern that had prevailed in the negotiations from the beginning and pursue a thorough and inclusive analysis of the compromise within the Ministerial Monitoring Committee on the EPA (MMC). Signature had to be conditioned by proper evaluation of the agreement and sharing all relevant information with stakeholders at local, national and regional levels before signing.^{xii}



Rev. Dr. Tolbert Thomas Jallah, Jr.
Secretary – General, FECCIWA

ⁱ Regulation (EU) No 527/2013 of the European Parliament and of the Council: “amending Council Regulation (EC) No 1528/2007 as regards the exclusion of a number of countries from the list of regions or states which have concluded negotiations.

ⁱⁱ Refer to: ENDA/FES: “Impact Study of the Economic Partnership Agreement Market Access”, July 2011.

ⁱⁱⁱ West African Platform of Civil Society Organizations on the Cotonou Agreement (POSCAO): “West African Civil Society Memorandum on The Economic Partnership Agreements And Common External Tariff”, Dakar, 24 October 2013.

ⁱⁱⁱ Refer to: ENDA/FES: “Impact Study of the Economic Partnership Agreement Market Access”, July 2011.

^{iv} Joint letter to the High Representative of the Union for Foreign Affairs and Security Policy, and Vice President of the European Commission and the European Commissioners for Development and Trade, 5 December 2013.

^v High Ranking Officials Meeting: “Negotiation of the Economic Partnership Agreement between West Africa and the European Union Meeting, Conclusions”, Dakar, 24 January 2014. Amongst the high ranking Officials were represented by Mr. Hamid Ahmed, ECOWAS Commissioner for Trade and Mrs. Sandra Gallin, Head of the European Commission Directorate of Trade responsible for relations with the West African region, Senegalese President Macky Sall and representatives of the West African group of ambassadors.

^{vi} Brief summary of High Ranking Officials Meeting: “Negotiation of the Economic Partnership Agreement between West Africa and the European Union Meeting, Conclusions”, Dakar, 24 January 2014.

^{vii} DW.DE: “EU urges southern Africa to open up its markets”, 3 March 2013, <http://www.dw.de/eu-urges-southern-africa-to-open-up-its-markets/a-16789443>.

^{viii} EJN Press release: “Manufacturing in Ghana and ECOWAS Sacrificed for Europe’s promised Aid”, 4 February 2014.

^{ix} Refer to footnote VIII.

^x POSCAO: “West African Civil Society Declaration on forthcoming EPA signing”, 6 February 2014.

^{xi} Refer to footnote X.

^{xii} Refer to footnote X.

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