

Bridging the Gap

"Encouraging dialogue between North and South"

CUTS
International

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African Capacity Constraints in Trade Negotiations with the EU What is at Stake?

The 8th session of the bi-yearly African Caribbean Pacific (ACP)-EU Joint Parliamentary Assembly (JPA) took place in November, in an atmosphere of increasing uncertainty as to the future of ACP-EU trade relations. The EU is currently negotiating reciprocal trade agreements, called Economic Partnership Agreements (EPAs), with a number of ACP regions. These are due to replace the non-reciprocal Lome trade system when it expires at the end of 2007.

However, ACP NGO representatives, including Gideon Rabinowitz from CUTS London Resource Centre (LRC), made it clear to the participants at the JPA that their countries are struggling to play an active and equitable role in the negotiation process, which could result in EPAs threatening the development prospects of the ACP economies.

The negotiation for a system of reciprocal trade holds potential dangers for the ACP countries. This is because EPAs will require them to liberalise access to 60-80 percent of their imports from the EU, which will expose their economies to the exports of the EU, their most important trading partner, to a greater extent than ever before.

In negotiating these EPAs, the ACP countries, therefore, have a very difficult task ahead of them in deciding which sectors to expose to competition with EU exports and what period will they need to prepare for such a competitive environment.

The EU also needs to show flexibility in negotiating with the ACP countries in terms of the level of liberalisation demanded and the timetable for implementation. This is required in order to make sure that EPAs support the development and



poverty reduction of Cotonou, the successor to Lome, of which EPAs are a part.

It is, therefore, of concern that a number of ACP NGOs, who were present at the JPA, stated that their countries are currently unable to play an active and equitable part in the negotiation process due to lack of resources and capacity.

Angela Mulenga, from the Civil Society Trade Network of Zambia, told the delegates that her organisation is the only one in Zambia working to inform civil society of issues related to EPAs in order to encourage their active participation in the process in the spirit of Cotonou. Other NGOs expressed concerns that their negotiators are far outnumbered by those of the EU, making it hard for them to make their opinions heard.

A forthcoming CUTS Briefing Paper (see page 3 for its summary) also suggests that the EU has so far shown little willingness to compromise with

the demands of ACP negotiators, and has paid only limited attention to their concerns. These issues are especially of concern at present, as the negotiation process is about to enter perhaps its most vital phase, during which the substantive issues of market access are to be decided.

CUTS LRC is, therefore, currently working with UK NGOs to encourage the UK Government to use its influence at the EU level to make ACP concerns more apparent and to provide more resources to support ACP negotiators. CUTS LRC is also carrying out vital research into the potential impact of EPAs in order to support the capacity of ACP negotiators.

Contents

European Social Forum	2
Development News	2
Water: The Coming Crunch?	3
EPA Negotiations	3

European Social Forum Hits London

The European Social Forum (ESF), held between October 15-17, 2004, in locations around London, was the largest progressive event the UK has seen, since the anti-war march of 2003. Over one hundred thousand participants, thousands of organisations, eight venues across the city, dozens of security guards and countless bundles of flyers, posters, pamphlets, newspapers, petitions and complimentary *Guardians* – all combined to form a formidable event.

“This is a truly global forum..there are so many different groups here that it is hard to keep track,” said one Russian activist.

The issues that were covered ranged from the huge and obvious, like the implications of the War Against Terror, to the more subtle, like signs of progressive ecological breakdown. The size of the event was reflected by the range of organisations that took part, including Oxfam, Amnesty International, ActionAid, GreenPeace, Friends of the Earth, European Trade Unions, the UN Development Programme and the European Union. Notable individuals included World



Peaceful protests through London marked the end of the Forum and the start of work back home.

Social Forum veterans Samir Amin and George Monbiot, politicians, and regulars on the protest circuit, like the comedian Mark Thomas.

Following two and a half days of productive networking and debate, the ESF concluded with a demonstration through the streets of London that was co-organised by the Stop-the-War coalition. This event culminated with a rally in Trafalgar Square that was addressed by Tony Benn, George Galloway, MP, and families of soldiers who had been killed in Iraq. Certain events

attracted publicity for the wrong reasons, notably when protesters linked to the Respect Party stormed a seminar featuring a representative of the Iraqi Federation of Trade Unions. These incidents were exceptions to an otherwise friendly, more inclusive event.

CUTS LRC sent two delegates, Phil Baker and Gideon Rabinowitz, to attend the event. Phil covered events on the political relationship between the developed and developing worlds, while Gideon concentrated on events that dealt with trade equity. Both spoke at various meetings and made a concerted effort to introduce as many people as possible to the work of CUTS International.

NGOs: Full Spectrum Predominance

Writer and broadcaster George Monbiot attended the European Social Forum to discuss environmental and privatisation issues. During his rapturous reception, LRC managed to grab a few words.

You mentioned in your speeches across the forum that there is a need for greater direct action and radicalism in political protest - do you think NGOs should reconfigure themselves to suit these needs?

- Oh no, that's not what I meant, we still need the letter-writing, publicising and research. (The two different approaches) are different, but equally useful. They need to be done together, the international protest movement needs a full spectrum of activities.

Full Spectrum Dominance?

- (laughs) Yes that's it, like Bush's plan! Or how about the term Full Spectrum Predominance? It means we need to tackle these issues on all fronts. NGOs can act like spot-lights on certain issues – they can mobilise thousands of people – and they have achieved many great results. It is just that the challenge we face now, the terrible consequences for this planet if something is not done now to tackle climate change, means we cannot simply rely on the old methods. Someone told me recently that global activism needs to be like a table, with lobbying, demonstrating, organising, and publicising – all acting as legs for the table. Without all the legs you end up with a wonky table. I agree with this completely.

Notable

CUTS-LRC has been awarded Charitable Status. It is now a registered Charity (N1108379).

Development News

The Africa Commission

In the spring of 2004, Tony Blair, the UK Prime Minister, launched the Commission for Africa. He said that the Commission would take a fresh look at Africa's past and present, and the international community's role, in order to frame clear recommendations in the future. The intention was to provide new inspiration in promoting development on the continent just as the UK in 2005 is in a pivotal position to put new ideas into practice.

Comprised of 17 Commissioners – including nine from Africa, with different areas of expertise – the brief of the Commission is to generate new ideas and action for a strong and prosperous Africa, using the 2005 British Presidencies of the G-8 and the European Union as a platform.

LRC Research

The Implications of the EU-ACP Economic Partnership Agreement

This paper examines the fallout of the recent expiration of the Lome Convention and its implications for the international trade environment. It asks the critical question, “Is the agreement founded on the principle of equality of partnership?”

Water: The Coming Crunch?

Mostafa Tolba, President of the International Centre of Environment and Development (ICED), represents the views of many commentators when he states “water will be the critical issue of the next century.” Another experienced water activist, Sandra Postel, identifies three main issues connected to mankind’s current water use: pollution, scarcity and health problems.

There is a broad consensus on the main causes of these enduring difficulties: the rapid growth in population and industrialisation of the developing world, the continued wasteful practices of the developed world and the inequalities in water access between nation states as being the challenges facing water development.

The intensifying factors are disputed. Free marketers claim that water’s perceived lack of cost and the national ownership of water distribution has eliminated the financial motivation and accountability necessary for effective water usage. Progressives identify the corporate focus on short-term profit over social, environmental and sustainability factors as the major spur for water misuse.

Marq de Villers, journalist, identifies four problems that can be seen across the globe. The first is the persistent desire to remedy water distribution with huge prestige projects,

typically dams, instead of community-based projects that build on traditional practices, despite the bulk of research supporting the greater efficiency and sustainability of the latter.

The second is the massive and widespread subsidy on water used for intensive agriculture and industry. By paying far less than cost price for the water they use, industries and high yield farmers are unlikely to prioritise water conservation, or consider its impact on the environment. Connected to this artificial cheapening of water is the third point, the desire to cultivate ever larger stretches of arid land.

The creation of artificial river diversions, alterations to drainage basins and the intensive mining of aquifers might irrigate land in the short-term, but can create long-term unsustainability, including soil becoming toxic with salinity and the collapse of the local ecosystem. Finally, the necessity of water to life, its unequal distribution between nations, its scarcity and status as a shared resource, makes it the renewable resource states have most frequently fought for and continue to do so.

Plans of action to combat the problem are divided by de Villers into those advocating a technocratic solution, and those that focus on politics and management.



Economic Partnership Agreement Negotiations Cotonou Undermined

In February 2000, the Lome Convention, which had governed economic and political relations between the EU and the African, Caribbean and Pacific (ACP) countries for 25 years, expired. Future relations are to be governed by the Cotonou Agreement signed by the EU and 77 ACP countries in June 2000, which calls for a new era of cooperation, based on equality of partnership and the sovereignty of partners, with the aims of poverty reduction and development central to its purpose.

The trade arm of Cotonou includes a system of reciprocal trade preferences, which is to replace the non-reciprocal preferences provided to the ACP countries under Lome. This system of reciprocal trade preferences is currently being negotiated between various ACP regions and the EU and will operate through the signing of regional Economic Partnership Agreements (EPAs), once negotiations are completed by the end of 2007.

However, due to a combination of factors, EPA negotiations have so far paid limited attention to the values and objectives of Cotonou and threaten to undermine its vision. WTO law, with regard to Regional Trade Agreements

(RTAs), offers only limited provisions for Special and Differential Treatment and demands that “substantially all trade” be liberalised for an agreement to qualify as an RTA.

The EU has, therefore, demanded that EPAs require the liberalisation of 90 percent of EU-ACP trade, a demand which threatens the ability of ACP countries to protect a wide range of vulnerable sectors in their economies, whose further growth is vital to development efforts and poverty reduction.

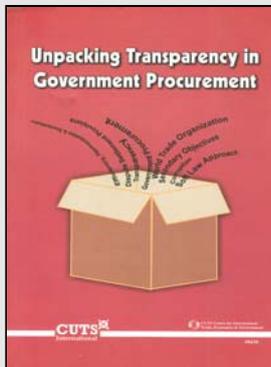
The EU has so far rejected a wide range of proposals by ACP negotiators without a suggestion of compromise, threatening the vision of Cotonou as an agreement based on equality of partnership. The EU has also pushed for the inclusion of the Singapore issues in EPAs, the inclusion of which the ACP countries oppose both in EPAs

and at the WTO, hence threatening the sovereignty of ACP decision-making bodies.

In order to safeguard the lofty values and objectives of Cotonou in EPA negotiations, the EU needs to be more open to the demands of ACP negotiators and work with ACP countries to find an agreement, which requires a lower level of liberalisation than that currently being demanded.



Unpacking Transparency in Government Procurement



The share of government procurement in national public finances is significant. During the 1996 Singapore Ministerial, member states established a Working Group on Transparency in Government Procurement (TGP).

For these reasons and given the need to promote understanding and awareness of TGP issues, CUTS-CITEE embarked upon a research project on two of the so-called Singapore issues, namely Transparency in Government Procurement and Trade Facilitation, called IWOGDA II (International Working Group on the Doha Agenda II).

The first part of this programme had dealt with Investment and Competition Policy and resulted in the publication of the report "Putting our Fears on the Table".

The second part of the project IWOGDA II set about to bring together experts on Transparency in Government Procurement and Trade Facilitation (TF), in order to inform about the issues and stimulate debate.

Although much has been written on the topic, awareness of these issues (TGP and TF) has been traditionally low in developing countries, not only among the civil society but also among policy-makers and trade negotiators.

The IWOGDA programme is a response to the need to promote understanding on a larger scale. The papers produced form the basis for this publication, which has been complemented by a synthesis report from Ron Watermeyer. This publication will be useful to civil society representatives seeking to understand the issue, as well as policy makers.

(Suggest contribution Rs.350/US\$50)

In the coming issue...

Tsunami: Advocacy versus Aid?
The Response to the Disaster



Research update: Will the EPAs Deliver?
The Role of Civil Society Organisations

Campaigns update: CUTS' UK Campaigning Activities on EPAs

A look at the major development events scheduled for 2005

The next issue of 'BRIDGING THE GAP' will be published in April 2005

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