

Seeing where the shoe pinches

ODI has tracked the negotiations on Economic Partnership Agreements (EPAs) for more than a decade. EPAs aim to create free trade areas between the European Union and the countries of Africa, the Caribbean and the Pacific (ACP), and have been the subject of heated debate.

Last year, ODI used its years of expertise to check hurriedly concluded 'interim' EPAs for flaws, working in close partnership with the European Centre for Development Policy Management and with funding from the Netherlands Ministry of Foreign Affairs and the Commonwealth Secretariat. As a result of ODI's findings, the European Union decided to give countries more time and flexibility to fine tune the agreements.

ODI is now helping ACP governments and stakeholders use this extra window to pinpoint any changes that are needed in the agreements they initialled at the end of 2007.

Until now the EPA debate has been, to some extent, shadow-boxing. ODI has had some influence on governments and has helped to raise awareness. But it is only now – with the detailed agreements in place – that we can see where the EPA shoe will really pinch. ODI is reviewing specific EPAs, working with governments on a confidential basis to identify where and how changes are needed.

One African country, for example, feared that an EPA would impose heavy costs but was not fully aware of the costs of not signing. It felt that not signing might be a cheaper option. A cost-benefit study by ODI showed that either option – signing or not signing – would carry a cost. However, while it might be possible to address the cost of an EPA, there is no way to address the cost of remaining outside an agreement. In other words, you have to be in it to win it. Since then, this particular country has been able to negotiate a more pragmatic EPA deal that reduces the costs of signing.

ODI has been poring over every word of many EPAs to highlight any grey areas, such as the possible impact on imports, exports and domestic markets between neighbouring ACP countries. One country, for example, already has legislation in place that requires all milk to be processed domestically. Will this policy be illegal under its EPA?

Cameroon has banned the imports of cheap chicken from the European Union that once flooded its markets. And the small countries in the Southern African Customs Union have some partial bans on imports from mighty South Africa to safeguard their markets for domestic producers. Are such bans permitted under their EPAs?

ODI is in the thick of it, working to ensure that governments are aware of the implications of the EPA 'small print'.

'The expertise of ODI has been invaluable in highlighting what these agreements will mean for individual countries'

**Ingrid Kersjes, Policy Adviser,
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**What do Economic Partnership
Agreements really mean for a child
in the Solomon Islands,
for example?**

