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Market access

1. Background and key issues

The basis for the ACP countries' access to the EU market is fragmenting.

"The basis for the ACP countries' access to the EU market is fragmenting"

Access criteria have included Economic Partnership Agreements (EPAs)/Interim EPAs, the Everything But Arms (EBA) Agreement and standard Generalised Systems of Preferences (GSP). Given the proposed revision of market access regulation (MAR) 1528/2007 and of the EU's GSP, some ACP countries may in future be trading on most favoured nation (MFN) terms or under the EU's GSP+, depending on the outcome of the EPA negotiations.

The process of erosion of the value of ACP trade preferences continues. While existing EU free-trade area (FTA) agreements are implemented, further FTA negotiations approach completion, and others are being launched or prepared with major trading partners. Determining the impact of these agreements on individual ACP countries requires detailed analysis. In addition, as highlighted in an Overseas Development Institute (ODI) study of the impact of EU FTAs with Latin American countries on the Caribbean rum sector, EU policy changes cannot be seen in isolation from wider developments. Any

analysis has to take into account wider trade, agricultural and even fiscal policy developments that impact on markets for ACP products across the globe.

New challenges will also arise as ACP governments move towards the implementation of EPA policy commitments. A range of EPA provisions have implications for the use of agricultural trade policy tools by ACP governments. As part of the national food security efforts, these tools are increasingly being used in response to rising prices, which heightens price volatility. In this context, the efforts of CARIFORUM governments to resolve the inconsistencies between the current use of agricultural trade policy tools and EPA policy commitments take on particular significance.

Equally close attention will need to be paid to ongoing European Commission (EC) efforts to strengthen its hand in enforcing third country compliance with internationally and bilaterally agreed trade policy commitments.

A further area of EU policy development requiring close attention relates to EC efforts to link production process requirements to market access. Although this initially emerged in the agricultural sector, referring to special tariff-rate quotas

(TRQs) for grass-fed beef production, the linking of production process requirements to market access in 2012 has been far more comprehensively carried out. Efforts are now being made in the fisheries sector to connect respect for sustainable fishing practices to EU fish product market access. Once the legal foundations for this have been established, scope exists for this policy approach to be extended to other sectors.

While it remains a distant area of policy development, the foundations of such an approach are currently being laid. More immediate is the issue of retailer standards. Evolving retailer standards do not impact on general market access but do impact on access to particular market components, many of which are now becoming mainstream.

It is against this background that we should analyse the evolution of ACP agro-food sector trade relations with non-EU countries. New market opportunities are emerging worldwide; however, the issue of how to exploit these opportunities in ways that structurally transform ACP agro-food sectors and the basis of ACP engagement with the global economy is critical.

2. Latest developments

Developments in EPA negotiations and implementation

Application of the EU's trade and development strategy

Over the course of 2013–14, the implementation of key aspects of the EU's evolving trade and development strategy will come to a head. This could encompass:

- the entry into force of the new EU GSP regulation from 1 January 2014;
- the entry into force of the new reduced financial framework for the 11th European Development Fund (EDF);
- the entry into force of a policy of 'differentiation', or graduation of some developing countries from EU grant-financed development assistance programmes;
- the lapsing of transitional duty-free, quota-free access for a range of ACP countries under MAR 1528/2007, from 1 October 2014.

The emergence of a range of differentiated market access arrangements is of particular concern to those non-least developed ACP countries that have not yet concluded an EPA. Differentiated aid treatment is of particular concern in the Caribbean, which fears being largely excluded from future EU grant-financed assistance programmes.

In addition, it is unclear what contribution the EU's Trade and Development strategy will make on a range of issues identified in the 10-agency report prepared as part of the 2011 G20 Ministerial initiatives. Particular concerns arise relating to proposals for tackling food insecurity problems, including measures to deal with "large country trade policies" that "increase world price volatility and create negative externalities for smaller countries" and getting to grips with the food price effects of biofuel policies (see *Agritrade* article '[G20 task force recommends wide-ranging action to reduce impact of world price volatility](#)', 5 July 2011).

It is equally unclear whether the EU's new strategy will provide leadership on international concerns to the ACP, such as the elimination of cotton subsidies, with the current round of Common

Agricultural Policy (CAP) reforms likely to maintain coupled payments in sensitive sectors like cotton (see *Agritrade* article '[USDA review of EU cotton-sector developments](#)', 2 May 2011).

Overall at the ACP level, the evolution of the EU Trade and Development policy looks likely to create a new context for ACP–EU trade and development cooperation, involving a further fragmentation of the underlying basis for ACP solidarity and common action.

The evolving context of the ongoing EPA negotiations

At the general ACP level, analysis posted in the August 2012 edition of European Centre for Development Policy Management's (ECDPM's) GREAT Insights has highlighted the gap between EU aspirations and ACP expectations throughout the EPA negotiations. It maintains that ACP governments have consistently been looking for "a flexible fix for the WTO compatibility issue" and a focus on strengthening their productive capacities and regional integration efforts. For its part, the EC has been promoting an ambitious agenda for comprehensive FTAs, covering trade in goods, investment liberalisation and "disciplines for competition, government procurement, trade facilitation, intellectual property rights and data protection".

"For ACP governments, the EU's EPA concept required a huge economic reform programme"

While the EC's ambitious FTAs required no policy changes on the part of the EU, for ACP governments the EU's EPA concept required "huge reforms: administrative, legal and constitutional", amounting to "a huge economic reform programme" (see *Agritrade* article '[Gap highlighted between aspirations and](#)

[expectations in EPA negotiations](#)', 28 October 2012).

In terms of the implications in the food and agricultural sector of the gap between EU aspirations and ACP expectations, the granting of full duty-free, quota-free access for ACP exports to the EU market has been overshadowed by:

- the effects of CAP reforms (most notably through the price reductions in the sugar and rice sectors);
- global market developments (e.g. in the sugar sector, where, for 18 months, average world market prices were higher than EU market prices);
- stricter application of sanitary and phytosanitary standards (SPS) and food safety standards (most notably in the horticulture and beef sectors).

In early 2013, stricter application of SPS controls led to more than a fifth of Kenya's vegetable exports to the European market being rejected (see *Agritrade* article '[New EU maximum residue levels hit Kenyan vegetable exports](#)', 28 April 2013), and there are calls for import restrictions on imports of South African citrus fruit (see *Agritrade* article '[Tightening of Citrus Black Spot controls could pose challenges](#)', 28 April 2013). These developments highlight the critical importance of SPS and food safety issues to market access for ACP agro-food exporters.

In addition, ongoing ACP concerns over the external effects of the deployment of reformed CAP instruments (e.g. in the dairy sector see *Agritrade* article '[Nigerian and Ghanaian markets offer further growth potential for EU dairy exports](#)', 2 February 2013) and the process of preference erosion, arising from broader EU trade policy initiatives, has yet to be addressed within EPA

negotiation processes (see *Agritrade* article '[Central American and Andean Pact association agreements signed](#)', 12 August 2012).

On the part of the EU, the aspirations of food product exporters relating to the systematic elimination of non-tariff barriers to trade, through the implementation of interim EPA provisions on the removal of import licences and similar measures, have largely remained unfulfilled, as these provisions remain a major issue of contention in a number of EPA negotiation processes (see *Agritrade* article '[Challenges facing the EU flour milling sector](#)', 11 November 2012).

Such developments and debates need to be viewed against the background of the growing importance of the ACP as a market for EU agricultural exports. Between 2007 and 2010, total EU food and agricultural exports to the ACP group (excluding South Africa) grew by 35.3% compared to a 22.2% growth in extra-EU exports. Agricultural exports to South Africa meanwhile grew by 51%. This meant that the ACP's share of total EU agricultural exports increased from 6.9 to 7.7%. This can be attributed to the strong economic growth of African economies in recent years, urbanisation trends and the emergence of a growing middle class, with changing consumer tastes.

The trends in EU agricultural exports, however, might be considered in conflict with ACP aspirations to develop their own value-added food processing industries, an area which has been accorded a high policy priority in many ACP countries. This gives added significance to discussions concerning a number of the contentious issues in the ongoing EPA negotiations (see *Agritrade* article '[EU 2011 review shows growing importance of ACP markets](#)', 13 May 2012).

Developments concerning MAR 1528/2007

The tabling in September 2011 of an EC proposal for MAR 1528/2007 to lapse on 1 January 2014 provides the background to developments in ACP–EU EPA negotiations in 2012–13. During this period, ACP governments have been lobbying for the abandonment of any arbitrary deadline for completion of the EPA negotiations. In June 2012, the ACP Council of Ministers called on the EC "to lower its ambitions and consider seriously the level of economic development of its ACP negotiating partners with a view to concluding an inclusive EPA that will attract joining by all States within a given region" (see *Agritrade* article '[EP calls for more time in EPA negotiations](#)', 22 July 2012).

In December 2012, ACP heads of state and government convened a troika of ACP ministers to make representations to EU member states' governments to try to break the impasse on contentious issues holding back the conclusion of the EPA negotiations.

These lobbying efforts yielded some results in 2012, with the EU Council, the EC and the European Parliament, adopting different positions on the deadline for completion of the EPA negotiations. Therefore, a trilateral dialogue was launched between the three EU institutions to reconcile the divergent positions. On 6 March 2013, this 'trilogue' process agreed that 1 October 2014 should be the deadline for completion of EPA negotiations, after which the transitional market access arrangements under MAR 1528/2007 would lapse. The International Trade Committee and the plenary of the European Parliament endorsed the date, which now constitutes a firm deadline. This is likely to give added impetus to the ongoing EPA negotiations.

Progress at the regional level in interim EPA negotiations

While throughout 2012 EPA negotiations in West Africa stalled around the issue of the region's market access offer to the EU (70% liberalisation offered by West African governments and 80% sought by the EU), in March 2013 it was reported that a meeting of experts from the Economic Community of West African States (ECOWAS) proposed an offer which would result in a 75% liberalisation within an accelerated 15-year implementation period. Initial ECOWAS ministerial discussions on this revised offer in March 2013 proved inconclusive. A decision by West African ministers is nevertheless expected in June 2013.

"Throughout 2012 EPA negotiations in West Africa stalled around the issue of the region's market access offer"

According to the intergovernmental organisation South Centre, this revised offer followed a review of updated statistics on West African imports from the EU, which found "West Africa's overall level of liberalisation would be around 76%, based on EU export data for the years 2008–2010".

In West Africa, however, there remains the problem of finalising and effectively implementing the ECOWAS common external tariff (CET), which provides the basis for any regional process of tariff reductions. Agreement was reached at the technical level in December 2012, with ECOWAS ministers endorsing the CET on 20 March 2013.

The regional agricultural producers' organisation ROPPA has denounced the proposed CET for agro-food products because they give too low a level of tariff protection for strategic products, such as rice, dairy, poultry, fish and locally

processed products (see *Agritrade* article '[ECOWAS CET finally adopted while producer organisations raise concerns](#)', 22 April 2013). There is also the problem of the consistency of the proposed ECOWAS CET with the current evolution of Nigeria's agricultural trade policy, linked to the domestic agricultural transformation agenda (see *Agritrade* articles '[Nigeria intensifies efforts to promote a fully integrated sugar sector](#)', 28 April 2013 and '[Rice imports surge as higher tariffs imminent](#)', 15 April 2013).

It is against the background of these continued uncertainties that the Ghanaian government, while asserting its commitment to a regional approach to EPA negotiations, has reserved the right to fall back on its interim EPA, should no regional agreement be concluded by the deadline for completion of the EPA process. A similar position appears to be adopted in Côte d'Ivoire.

"In Central Africa, Cameroon has been the country most actively engaged with EPAs"

In Central Africa, according to the South Centre, "out of the 8 countries that make up the Central Africa EPA region, Cameroon has been the country most actively engaged with EPAs." However, Cameroon has yet to ratify its signed interim EPA. In 2012–13 no new round of regional negotiations took place; market access and development assistance continued to be the main points of contention.

"In the ESA region, four countries have signed their interim EPAs and commenced full implementation"

In the Eastern and Southern African region, four countries have signed their interim EPAs and commenced full implementation from 1 January

2013 (Mauritius, Seychelles, Zimbabwe and Madagascar). This was despite press reports that the government of Madagascar was seeking a 5-year deferment of its implementation schedule in light of the economic crisis and the need to "enable the country to prepare itself for the negative impacts of tariff reductions" (see *Agritrade* article '[Deferment of Algerian FTA implementation commitments](#)', 22 October 2012).

It was reported in October 2012 that the government of Malawi was reviewing its position and was now actively considering signing an interim EPA (See *Agritrade* article '[Malawian government looking to sign interim EPA](#)', 16 December 2012).

At the East African Cooperation (EAC) level, joint meetings took place in September and December 2012 and February 2013, which reportedly saw progress on the development cooperation and agriculture chapters. On the agricultural side the EAC reportedly "dropped its demand to address domestic subsidies in the negotiations", and "agreed to remove the term 'trade distorting' from the body of the text", while the EC agreed to "increase transparency of domestic agricultural support and to refrain from subsidizing goods liberalized in the agreement".

However, agreement could not be reached on modifying the existing text on export taxes, which currently limits the scope for introducing new export taxes; nor on the "question of full cumulation with South Africa and ACP countries". These issues have been deferred for resolution as part of a possible "ministerial package" that would also include other contentious issues such as the MFN clause.

In terms of an all-embracing Eastern and Southern African-wide comprehensive EPA, progress was described by the South Centre as “sluggish”, with many unresolved issues, including export taxes, rules of origin and special agricultural safeguards, the MFN clause and Mode 4 service provisions, as well as development assistance provisions.

At the Southern African Development Community (SADC) level, the long-standing impasse on agricultural market access continued into 2012–13.

“In the SADC region the long-standing impasse on agricultural market access continued into 2012–13”

The impasse particularly concerns improved access for South African agro-food exports including sugar, and a range of contentious issues that impinge on the use of agricultural trade policy tools linked to agro-food sector development in the context of the Southern African Customs Union. Some progress was, however, reported regarding rules of origin issues, with tentative agreement on some temporary cumulation arrangements in the canned fruit sector. There are ongoing negotiations for possible global sourcing rules of origin in the fisheries sector.

Meanwhile, the impact of a stricter application of EU SPS requirements in the beef sector has emerged as an issue for Namibian domestic concern, because communal cattle farmers are finding that the prices they are offered for non-EU compliant cattle are discounted by 25% (see [Agritrade article ‘Commercial implications of EU SPS requirements hinder development of smallholder beef supplies in Namibia’](#), 4 May 2013). This is a politically hot issue, and is leading to a questioning of the long-term value of an EPA agreement,

given the growing importance of non-tariff issues to trade flows.

“Fiji and PNG have signed interim EPAs to consolidate access for their sugar and fisheries exports”

Both Fiji and Papua New Guinea (PNG) in the Pacific have signed interim EPAs to consolidate access for their sugar and fisheries exports to the EU, but continue to negotiate a comprehensive EPA alongside other Pacific ACP governments. Fiji and PNG have secured favourable global sourcing rules for tuna, although Pacific negotiators have called “for the EU to give assurances that the benefits already gained by PNG and Fiji in the IEPA will be extended to all other Pacific countries”. This, however, has not yet been agreed.

Challenges in EPA implementation: The case of the Caribbean

CARIFORUM countries faced some serious challenges in implementing EPA commitments in 2012. According to the South Centre, while “14 Caribbean states were due to make initial tariff cuts in January 2011, only 8 states have done so”. Because of these delays, EC officials announced that the EU was “running out of patience” over the non-implementation of agreed tariff cuts, with the possibility being raised of taking non-implementation to arbitration.

“In the Caribbean, 14 states were due to make initial tariff cuts in January 2011 – but so far only 8 have done so”

In September 2012, the Prime Minister of St Kitts and Nevis spoke of the need for an extension of the time frame for implementation of certain EPA commitments in the face of concerns over possible revenue losses (see [Agritrade article ‘Madagascar and](#)

[St Kitts & Nevis seeking deferment of EPA implementation schedule’](#), 15 October 2012). Calls were subsequently made for the EC to “acknowledge the difficulties that the region is facing” and for the EU to “engage in a constructive dialogue that would waive the tariff reductions at this time”. The option of renegotiating EPA commitments as part of the scheduled 2013 review process was also raised (see [Agritrade article ‘Implementation of Caribbean tariff cuts in the spotlight’](#), 27 August 2012).

While fiscal concerns were at the forefront of debates concerning non-implementation of EPA commitments, the use of ‘para-tariff’ measures as part of policies to increase food production may prove increasingly controversial. For example, in June 2012 the Jamaican government increased stamp duties on a range of imported food products. This can be seen as sitting uneasily with CARIFORUM–EU EPA commitments on the elimination of para-tariffs, scheduled to come into effect between 2014 and 2017 (see [Agritrade article ‘Revised tax package to curb food imports announced in Jamaica’](#), 3 September 2012).

Against this background, on 18 December 2012, the EC tabled proposals for strengthening the EU’s ability to ensure that trading partners respect agreed trade rules. The proposal would “allow the EU to implement trade responses in a more streamlined, efficient manner in order to encourage the offending country to remove the illegal measures”. Trade responses could include the “suspension of tariff concessions... imposition of new or increased customs duties” or the use of quantitative restrictions. These proposals form part of wider EU efforts to “enforce its rights under bilateral and multilateral agreements to open markets that are illegally closed” (see [Agritrade article ‘EC to strengthen enforcement of third country compliance with trade commitments’](#), 21 January 2013).

The EU's GSP revision

The EC's new GSP regulation was tabled in October 2012, in line with the Commission's 2011 proposals (see *Agritrade* article '[Commission unveils proposal for new GSP](#)', 10 June 2011). From 1 January 2014 this will substantially alter the EU's GSP market access system, reducing the number of beneficiary countries, altering the details of "product graduation", and extending modestly the breadth and depth of the GSP preferences offered.

Countries will be excluded from the GSP system on three grounds:

- a tidying up exercise which excludes EU overseas countries or territories that have preferential access to the EU market under other policies;
- a tidying up exercise which excludes countries that have equivalent or superior access to the European market under an alternative trade agreement;
- the removal from the GSP of countries that have been classified as upper middle income by the World Bank for 3 years, which could affect ACP members such as Namibia and Gabon.

This means that from 2014, the EU's GSP scheme will cover only lower middle income, low income and least developed countries (LDCs).

"From 2014, the EU's GSP scheme will cover only lower middle income, low income and least developed countries"

The EC argues that these reforms will help poorer states compete better on the European market, since competitors would face higher tariffs. However, an ODI analysis suggests that few ACP

states export any of the agricultural or fisheries products that will be affected by the new graduation regime.

Significantly, EC proposals include safeguard provisions that allow the EC to withdraw benefits temporarily for a range of reasons. These provisions apply to all GSP beneficiaries, including LDCs covered by the EBA scheme (see *Agritrade* article '[EU introduces new Generalised System of Preferences](#)', 2 February 2013).

Developments around production process standards and market access

EC efforts to link production process requirements to access to the EU market have intensified in the fisheries sector during 2012, and it is now the subject of a trilateral dialogue between EU institutions to establish a new common market organisation regulation for fisheries products (see *Agritrade* fisheries articles '[EP votes for trade measures against countries allowing non-sustainable fishing](#)', 8 October 2012 and '[EU institutions prepare their trilogue on fish products market access conditions](#)', 7 April 2013).

Once the legal basis for the application of such production process-related trade instruments is in place, their application could be broadened. For example, they might include compliance with transport-related animal welfare requirements for all imports of meat products; or compliance with sustainable farming practices for all imports of palm oil; or even the application of child-labour-free certification requirements to cocoa imports. Careful attention will need to be paid to the possible evolution of EU policies in this direction.

Developments in EU third country trade agreements

In terms of EU trade negotiations with non-ACP countries the EU has:

- 28 trade agreements already in force;
- completed negotiation of a further eight agreements, which have not yet entered into force;
- 10 further processes of trade negotiations under way;
- four existing association agreements that it is looking to upgrade.

The impact of these agreements on areas of export interest to ACP countries needs to be assessed on a case-by-case basis.

For example, in 2013 the Central American and Andean FTAs will result in a 48% reduction in tariffs charged on banana imports compared to 2010. These tariff savings are likely to have market effects that could carry important consequences for individual ACP banana exporters. Given Peru's growing focus on organic banana exports, a TRQ, which will see a projected 56% expansion in exports combined with a 48% reduction in applied tariffs, is likely to intensify competition for Dominican Republic organic banana exporters. This will require the adoption of adaptation strategies by Dominican banana exporters to maintain their market position (see *Agritrade* article '[Central American and Andean Pact association agreements signed](#)', 12 August 2012).

Furthermore, in February 2013, the EC initiated preparatory work for the launch of negotiations with the USA on a Transatlantic Trade and Investment Partnership. It has been recognised that standards harmonisation will be critical in any EU-US FTA.

It has equally been recognised that any process of EU–US standards harmonisation would carry implications for the global system of rule-making on product standards.

“Any process of EU–US standards harmonisation would carry implications for the global system of rule-making on product standards”

This could impact on ACP trade with both the EU and the US, and can be seen as representing a new area of impact on the ACP of EU third country trade negotiations (see *Agritrade* article ‘[Discussions on standards in EU–USA trade negotiations carry global implications](#)’, 4 May 2013).

ACP third country trade relations

In October 2012 the International Centre for Trade and Sustainable Development (ICTSD) published a review of trade preference schemes for poor countries. The trade schemes of Canada and Japan in favour of LDCs were considered “quite comprehensive”; however, the US scheme was seen as “less extensive”.

“Across the ACP the EU is facing growing competition from advanced developing countries”

The preferential trade schemes of countries such as China, India and South Korea were thought to be coming increasingly comprehensive with, in some instances, increasingly favourable rules of origin – a critical issue in determining the actual benefit of market access arrangements (see *Agritrade* article ‘[The trade preferences of emerging markets are improving](#)’, 9 December 2012).

Of note from the ICTSD analysis is that the EU is facing growing competition from advanced developing countries that offer similar trade preferences to those traditionally extended by the EU to many ACP countries.

However, there are obstacles to ACP trade diversification. For example, the Trade Pasifika exhibition in June 2012 highlighted a wide variety of potential market opportunities open to Pacific producers across Australasia. But it also pointed out that, in the agricultural sector, the absence of agricultural export protocols (dealing with SPS and food safety concerns) covering access to major export markets such as China constituted a significant barrier to exploiting potential market opportunities. Addressing this issue requires close collaboration between ACP governments and private sectors to ensure such protocols are put in place.

Meanwhile the problems relating to the export of Jamaican Blue Mountain Coffee to China highlight the scale of the challenges faced in diversifying trade relations in the light of radically altered patterns of global economic growth. In December 2012, it was announced that Jamaica would be moving beyond exclusive marketing arrangements for exporting coffee to China, given the difficulties in protecting the Jamaica Blue Mountain and Jamaica High Mountain Supreme trademarks. While this in part reflects the cultural complexity and dynamic nature of evolving Chinese markets, it also reflects the problems encountered in sustaining quality-based product differentiation in a market where regulatory enforcement of standards and respect for quality labels is underdeveloped. This is likely to be a challenge not only for quality-differentiated Jamaican coffee exporters, but also other ACP producers, such as Namibian exporters of quality-differentiated beef products.

3. Implications for the ACP

The implications of non-implementation of market access commitments

How the EC responds to non-implementation of tariff commitments and the wider issue of the use of ‘para-tariffs’ in the Caribbean is of considerable interest across the ACP.

The questions arise:

- Will the EC seek arbitration on every national decision that appears to violate EPA commitments on para-tariffs, or only when some minimum level of trade is affected?
- Will the EC seek to impose equivalent sanctions in response, and if so, at what geographical level (nationally or regionally)?

Other ACP governments will need to carefully monitor the EC’s response to non-implementation of EPA commitments in the Caribbean.

Assessing the impact of particular agreements on particular market components

If ACP producers are to effectively adjust to the increased competition resulting from the EU’s growing network of FTAs, sector-specific assessments of the impact of individual EU third country FTA agreements on particular market components served by individual ACP countries will be required. Such assessments might include, for example, the specific effects of new tariff concessions for Peru on competition in EU organic banana markets currently served by

banana exporters from the Dominican Republic, and the possible impact of similar provisions under the pending EU–India FTA.

Getting to grips with SPS, food safety and standards-related market access requirements and developments

SPS and food safety standards compliance is increasingly a prerequisite for market access in both traditional markets (e.g. the EU and the US) and non-traditional markets (e.g. China, India and Brazil). However, the issues involved are different.

For the EU and US, the issue relate to:

- establishing intensified dialogue structures;
- providing advanced notice of regulatory changes;

- providing a forum for dialogue on implementation modalities consistent with the ACP production realities that underlie EU SPS and food safety requirements.

For non-traditional markets, the issue is to negotiate SPS and food safety protocols, which is an area where a pan-ACP assistance programme could meet common needs, in terms of both the negotiation of such protocols and establishing the operational modalities for their implementation. This is potentially in line for ‘aid for trade’ support, which reaches beyond the ACP’s traditional relationship with the EU to non-traditional cooperating partners (e.g. the governments of China, India and Brazil).

EU policy developments in linking production process requirements to market access arrangements (i.e. requiring products to meet specific production process requirements – such as

respect for animal welfare standards – as a prerequisite for market access) will need to be closely monitored by ACP governments, to ensure that these do not become new barriers to trade.

It would appear important for concerned ACP exporters’ associations to monitor the process of EU–US standards harmonisation, to ensure that any changes that could potentially benefit ACP exporters are automatically extended to ACP suppliers, and any changes that potentially harm ACP exporters are averted.

Finding your way around non-traditional markets

The phenomenal growth of Chinese demand is one of the major features of global economic development in the past 10 years. However ACP exporters face serious challenges in exploiting this huge market potential in ways that structurally transform the basis of their engagement with the global economy.

While these challenges in part reflect the cultural specificity of China and the underdeveloped nature of the regulatory regime, they also reflect the more general difficulties faced by ACP food and agricultural exporters to diversify beyond traditional markets. Bearing in mind the relatively small size of ACP companies, mobilising the necessary human resources to search out and develop new markets is often a challenge.

Given the commonality of this challenge across the ACP countries, there would appear to be scope for a joint ACP programme to assist key agro-food sectors in finding their way around non-traditional markets. Here again, this could reach beyond the ACP countries’ traditional ‘aid for trade’ relationship with the EU to embrace relations with non-traditional partners.

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About this update

This brief was updated in September 2013 to reflect developments since July 2012. Other publications in this series and additional resources on ACP–EU agriculture and fisheries trade issues can be found online at <http://agritrade.cta.int/>



The Technical Centre for Agricultural and Rural Cooperation (CTA) is a joint ACP–EU institution active in agricultural and rural development in African, Caribbean and Pacific (ACP) countries. Its mission is to advance food and nutritional security, increase prosperity and encourage sound natural resource management.

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