
Enhancing Southern Collaboration: Case of ECOWAS-EU Economic Partnership Agreement



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Overview

The focus of the paper is to leverage the strength of the Global South as it relates to the Global North. In the world today, the Global North holds the majority of the cards when it comes to economic power, while the Global South, on the other hand, has the majority of the world's population which presents enticing markets for the North. The North's ambition is to open the markets of the South thereby providing their corporations with new markets to exploit for profits. The perfect interest of the North is the liberalisation of the South's market for their goods, without opening their own domestic markets to competition from industries of the South. Most members of the South are developing countries that want to rapidly industrialise their economy in order to provide employment and economic empowerment for their rapidly growing populations. This industrialisation will require transfer of technology and expertise from the industrialised North which in turn requires infrastructure development in the South in order to take advantage of the knowledge transferred.

This study is centered on the discussions in ECOWAS (Economic Community of West African States) and among its member states during the preparation for negotiations with the European Union (EU). ECOWAS is a regional organisation of 15 West African countries established on 28 May 1975, with the main goal of promoting economic integration among its member states. They are Benin, Burkina Faso (then known as Upper Volta), Cote d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, and Togo. There is no doubt that without a united front of ECOWAS in European

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Union Economic Partnership Agreements (EPAs) no individual ECOWAS member state, with the exception of Nigeria, would have had the leverage to strike the deal that would finally be agreed upon. Although there were still disagreements between the member states after the agreement had been initiated, it is generally considered to be the best deal that could have been struck.

The main objective of the ECOWAS European Union Economic Partnership Agreement (EPA) was the establishment of a free trade area between Europe and West Africa (ECOWAS+Mauritania) in accordance with Article XXIV of GATT, through the gradual removal of trade restrictions between the two trading partners. The EPA was intended to foster smooth and gradual integration of the Africa, Caribbean, and Pacific Group of States (ACP) into the world economy, with due regard for their political choices and development priorities, thereby promoting their sustainable development and contribution to poverty eradication. EPA negotiations were officially launched at all ACP level on 27 September 2002. In the West African region, the negotiations between EU and ECOWAS began on 4 August 2004 following the launch of the Accra Road Map. The ECOWAS-EPA is a WTO compatible Economic Partnership Agreement (EPA) designed to succeed the Cotonou Partnership Agreement (CPA) of 2000, the non-reciprocal regime that had guided trade relations between the two regions.

Challenges

The Economic Partnership Agreement (EPA) between ECOWAS and EU has faced many challenges right from its inception. For instance, negotiations were suspended in 2012 following divergent views over market access offer and the

EPA Development Programme (EPADP), a dedicated funding programme to enable West Africa to cope with the cost of adjustment to the impending trade regime. Initially, ECOWAS had offered to open 60 per cent of its market over 25 years. It later revised this position to 70 per cent over the same period citing the protections of the region's fragile industrial base from cheaper goods from the EU. On the other hand, the EU maintained its original position of 80 per cent market opening over 15 years. West Africa, comprising the 15 ECOWAS member states and Mauritania, also requested for Euros 15 billion in new funds for the EPADP, while the EU insisted that the programme should be funded from existing bilateral and multilateral contributions.

The resumption of the negotiations on 20 January 2014 followed a directive of the ECOWAS Extraordinary Summit held in Dakar, Senegal in October 2013, calling for flexibility in the process. The summit also directed West Africa's chief negotiators to "expeditiously resume the negotiations with their European Partners with a view to conclude the regional agreement as soon as possible." The regional leaders further directed the West African negotiators to ensure that adequate financing was provided for EPADP and fiscal adjustment costs to ensure a balance with the market access offer with free movement of persons and services, also treated as priorities. On the market access offer, West African leaders noted that this should take into account the required coherence with the regional Common External Tariff (CET) which became operational in January 2015.

Endorsement of the EPA Negotiations

At their 44th ordinary summit in Yamoussoukro, Cote d'Ivoire, in March 2014, West African leaders endorsed

in principle the conclusion of the EPA negotiations with the European Union (EU) for a free trade area of the two economic blocs but urged the region's chief negotiators [President of the ECOWAS Commission and his counterpart of the eight-member West African Economic and Monetary Union (UEMOA)] to take appropriate measures to resolve outstanding technical issues within two months before the signing of the agreement in October 2014. The leaders eventually agreed to a compromise in phases for 75 per cent market access over 20 years, and 6.5 billion Euros EU contribution to the EPADP between 2015-2019.

The West African Heads of State also directed the regions chief negotiators, to establish a committee of representatives from Cote d'Ivoire, Ghana, Nigeria and Senegal to revisit the outstanding issues and make proposals for the consideration of their leaders. At the 44th Ordinary Session of the Authority of Heads of State and Government of ECOWAS convened in Accra on 10 July 2014, the West African leaders welcomed the work done by the Ad Hoc Committee that was set up to consider the technical concerns raised by some Member States. The recommendations of the Committee led to appropriate solutions on those issues. The Heads of States approved the EPA negotiations, on the basis of the consensual results reached by the Chief negotiators on all the issues (particularly on the market access offer, the EPADP and the texts of the agreement), taking due account of the technical concerns raised. The West African chief negotiators were instructed to take all necessary steps to quickly start the process of signing and implementing the Agreement. In this regard, the Chief negotiators were encouraged to sustain their efforts, particularly by informing

and raising awareness of the national and regional stakeholders.

Conclusion

This study provides examples of the potential and the challenges of SSC within the West African context. As explained above, the unity of the West African countries eventually garnered concessions from the EU that led to the drafting and initiating the agreement of ECOWAS-EU Economic

Partnership Agreement. The fact that up to date the agreement has not been signed and ratified by the parties due to certain challenges that still exist. During the discussions within ECOWAS two camps emerged consisting of Ghana and Cote d'Ivoire on one side and Nigeria on the other. Nigeria has been trading with the EU on the General System of Preferences and as a member of OPEC exports oil, which means that they have substantial foreign currency reserves. The Nigeria business community would have felt no difference in trade if the EPA was allowed to tumble. Furthermore, the entrenched local business interest saw no advantage to opening up their markets if the EU could still use phytosanitary standards to effectively block entry of Nigerian goods into their markets. Ghana and Cote d'Ivoire, on the other hand, have been trading with the EU at the most favoured nation level, so a lapse in the EPA would be detrimental to their local businesses. These divergent positions have led to a situation wherein thirteen of the fifteen ECOWAS member states have opened the current EPA agreement with Nigeria but Gambia is currently refusing to sign it. There is currently no indication that Nigeria will sign the agreement and EU has indicated that they will not sign the agreement without the inclusion of Nigeria.