

Gender in Global and Regional Trade Policy: Contrasting Views and New Research.

CSGR University of Warwick, 5–7 April 2006

Title: Case study: Economic Partnership Agreements

**A pro-development benchmarking approach to monitoring:
Entry points for gender equity goals**

Author: Karin Ulmer, APRODEV
Contact: k.ulmer@aprodev.net

Session Number 5: **Economic Partnership Agreements – what are the gender issues?**

This paper is work in progress. Comments welcome

“And the quality of growth, not just its quantity, is crucial for human well-being. Growth can be jobless, rather than job creating; ruthless, rather than poverty reducing; voiceless, rather than participatory; rootless, rather than culturally enshrined; and futureless, rather than environmentally friendly. Growth that is jobless, ruthless, voiceless, rootless and futureless is not conducive to human development.” (Jahan,1995)

INTRODUCTION

This paper presents the development benchmark approach for monitoring progress in EPA negotiations, following the joint report by APRODEV and the International Centre for Trade and Sustainable Development (ICTSD)¹. In addition, this paper is work in progress as it attempts to outline a gender advocacy strategy in line with the pro-development benchmark approach. The purpose is thus to further discuss, refine or revise the suggested gender advocacy strategy, and hopefully to invite gender advocates to align or contribute to its success in one way or another.

The gender advocacy strategy developed in this paper tries to build on existing initiatives and the specificities of the negotiation dynamics on EU-ACP trade agreements. It is an attempt to 'marry' three components, each having 'a life of their own': a) a pro-development benchmark approach to independent monitoring of EU-ACP trade negotiations offering a mechanism and a tentative framework for comparing monitoring results, b) relevant gender indicators, disaggregated data, findings of gender impact evidence, or gender and trade linkages that should inform the negotiations, c) an African campaign on EU frozen chicken imports which are ruining African farmers, setting an example of a powerful citizens movement with the potential to influence the negotiations calling for 'pro-poor economic growth', which is referred to in the last section.

The paper starts with an introduction to EPAs, to the challenge or contradiction of EPAs as an instrument for development, and presents the development benchmark approach for pro-development monitoring of the EPA negotiations in some detail. It goes on to identify advocacy strategies around this year's EPA review 2006. It lists some of the explicit gender elements and gender and trade advocacy efforts since 2002 and their results. It finishes with a section on the chicken campaign in Cameroon, West Africa with an illustration as to how a benchmarking approach in the poultry section could be used to articulate and push for gender sensitive and sustainable development objectives.

EPAs - ECONOMIC PARTNERSHIP AGREEMENTS

What follows is a brief introduction to the complexities and challenges ACP countries face in the advanced EPA negotiations at the ACP sub-regional level with six EPA negotiation groups. The listed technical issues are much the same as in WTO negotiations, but ambitions are higher: whereas for the EC negotiators, ambitious means WTO plus agreements, ACP negotiators want to see increased flexibilities and binding commitments on a set of development instruments and financial support to increase supply capacity and the restructuring of their economies to more competitive and value added production. Regional market building is one of the proclaimed objectives and 'raison d'être' for the EPAs. But the push for regional integration has also become a major challenge, or even 'trouble maker'; with the EC being 'ambitious' that is putting pressure as an external party on integration options. Any pro-development and gender advocacy efforts are faced with an extremely tight calendar which puts ACP negotiators under severe negotiation capacity constraints – and which also limits the possibility to address any issue which is not yet an integral part of negotiation schedule or lack concise and strong lobby efforts.

¹ APRODEV and ICTSD report on 'Development Benchmarks for a pro-development monitoring of the EPA negotiations' Geneva and Brussels, May 2005. APRODEV is an association of 17 European development and humanitarian aid organisations, and works closely with the World Council of Churches.

The legal basis for EPA negotiations is the Cotonou Partnership Agreement signed in 2000 between the EU and 77 ACP countries. In comparison with its preceding Lome Convention, the Cotonou Agreement adds new features. These are: the introduction of reciprocity throughout the negotiations, the participation of non-state actors in policy formulation and aid programming, and an explicit objective on gender equality and women's access to resources. The overriding goals of the trade negotiations are sustainable development, contribution to poverty eradication and the smooth and gradual integration of the ACP countries into the world economy – aims that are open to interpretation and likely to be in conflict with each other.

EPA negotiations started in 2002 and are supposed to be finalised by end 2007. The all-ACP Phase I resulted in a joint report in October 2003, outlining convergences and divergences, and have not been formally concluded. The main challenges at all-ACP level are: the introduction of reciprocity, that is WTO compatibility according to article 24 of GATT, and concerns on product coverage and transition period; the introduction of negotiations on trade disciplines, such as investment, trade facilitation, public procurement and competition policies, which if negotiated, turn out to be WTO plus agreements; and negotiations on trade related issues such as the environment, TRIPS, labour standards, etc. The main divergence is on the amount of additional financial resources available and issues to do with the sequencing of support to build capacity for regional trade arrangements, a pre-condition to derive benefit from EPAs. For this purpose, ACP- EC Regional Preparatory Task Forces have been set up in four of the six regions promoting links between development support and trade policy.

Between October 2003 and October 2004, Phase II was launched with negotiations starting at regional level with road maps for regional integration adopted by each of the six EPA negotiating groups². Yet, the challenges of regional integration are complex and the pressure to choose an EPA configuration has also increased existing tensions between ACP states, exacerbated by a very tight schedule. Scenarios for regional integration can range from an option (1) where the status quo is maintained and a larger integration project is envisaged. For example, Southern African Customs Union (SACU) and the Eastern African Union (EAC) would serve as fast-tracking groupings with their current members, while SADC and COMESA would remain FTAs with a view to forming one larger, integrated Eastern and Southern African trade zone at a later stage. Another option (2) would be qualified by a variable geometry or an enlarged SACU and EAC which would become fully fledged Custom Unions by 2010. Countries not participating in the Custom Unions would remain members of the SADC or COMESA FTAs for the time being but with a view to forming two separate Custom Unions as SADC and COMESA in the medium term. A third option (3) could be called a 'Leap Forward Option' where COMESA and SADC move to Custom Unions in the near future: COMESA and SADC would become Custom Unions by 2010/12 and merge with the current SACU and EAC respectively. Here, all countries would need to take a decision regarding their membership in either the SADC or the COMESA Customs Union.³ *(These options have been given in detail for the eastern and southern African regions, because they illustrate the complexities and the fact that the basic frameworks are still not decided.*

The launch of the third and last Phase III by end 2005 or beginning of 2006 leads to substantive negotiations on a broad range of issues and consists of a tight schedule of parallel regional negotiation meetings at technical, ambassadorial and ministerial levels. Issues are asymmetric liberalisation commitments (special and differential treatment) and effective market access (rules of origin, sanitary and phytosanitary standards, technical barriers to trade, EU safety policy, agricultural subsidies under CAP), ACP services exports (Mode IV) and tourism. Negotiations on trade rules address effective market protection (safeguards measures, sensitive or special products), and include trade disciplines

² The six ACP regions are Central Africa (CEMAC+ Sao Tome), West Africa (ECOWAS+ Mauritania), Eastern and Southern Africa (ESA: Burundi, Comoros, Djibouti, DR Congo, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Uganda, Zambia and Zimbabwe), the Caribbean (CARIFORUM: CARICOM + Dominican Republic), the Southern African Development Community (SADC – Angola, Botswana, Lesotho, Mozambique, Namibia, Swaziland and Tanzania. South Africa) and the Pacific (14 ACP countries also belonging to PICTA)

³ See DIE - Deutsches Institut für Entwicklung, Overlapping memberships, November 2005

such as trade facilitation, investment, competition laws, public procurement, and trade related issues such as TRIPS, labour standards and environmental standards. The development dimension needs to examine the quantity and quality of resources for adjustment costs as an important factor for addressing supply side constraints and transformation of economies. Draft EPA texts are expected by end of 2006 or beginning of 2007.

A comprehensive review of the progress of EPA negotiations is scheduled for 2006. The current WTO waiver for ACP countries will expire at the end of 2007, and EPAs are tabled to enter into force in January 2008, with implementation and transition periods depending on the outcomes of the negotiations. In 2009, the “Everything But Arms” (EBA)⁴ initiative will be fully implemented with duty and quota free access for all LDCs. Negotiations on the 10th European Development Fund have started and will go ahead yet without clarity on whether it will be integrated into the EU’s standard budgeting procedure. In 2020, the Cotonou Partnership Agreement, which holds clear provisions for sustainable development, poverty reduction and gender equality objectives, will come to an end. EPAs on the other hand will be contractual agreements without any envisaged time limits.

EPAS – ‘MUST BE AN INSTRUMENT FOR DEVELOPMENT’

Repeatedly, EC negotiators have declared that EPAs ‘must be instruments for development’. In an apparent attempt to implement these assurances, statements in January 2005 issued by EU Trade Commissioner Peter Mandelson refer to a new start for the EPAs. According to these new political guidelines, development considerations should be central to the EPAs, suggesting that they become trade and development tools explicitly, as opposed to the classical, hard-nosed, free trade agreements. Furthermore, the EPA process would be put under continuing review, ‘*to ensure that at every stage in the negotiations, we really do put development first*’.⁵

But in terms of development content and fulfilment of ACP development expectations, progress attained in the EPA negotiations has been so far mainly formal, expressed in declarations-type accords with very little practical value, and disagreement on most potentially useful matters. The negotiating approaches of the two parties on how to integrate the development dimension of EPAs in practice, have diverged widely. Notwithstanding official declarations by the EU on EPAs development objectives, and guidelines supposedly shared with the ACP Group (e.g. on sustainable development, competitiveness enhancement and poverty alleviation, as well as on asymmetrical liberalisation and EU assistance for structural transformation of ACP economies), in practice the negotiating position adopted by the EU has contradicted such objectives and guidelines. In negotiating terms the EU maintains that an EPA is essentially a free trade agreement that must abide by WTO rules on free trade areas. ACP states insist that if EPAs are to be development tools they cannot simply be free trade area agreements, but must include concrete measures to promote the structural transformation of ACP economies aimed at producing a higher proportion of value-added goods and services and reducing their extreme dependence on exports of basic commodities. Even though the EPAs framework appears to have been conceived with sustainable development goals in mind, progress in the negotiations has yet to reflect this ambition.

Development objectives have been elusive so far, but opportunities may exist for successfully influencing development-motivated EU actors so that a more development-oriented path in EPA negotiations is regained. Clear contradictions are present between guidelines issued by EU political bodies and EU negotiating positions, and it is possible that even within the executive these contradictions exist and need to be solved.

Recent concern over development issues, as expressed by political actors and civil society organisations in the ACP and Europe, has created a new opportunity to put the EPA process back on a

⁴ EBA – ‘Everything But Arm’ is an EU initiative from 2001 that grants least developed countries complete duty-and quota-free access for all or originating exports, with the exception of arms, sugar, rice and bananas. The EBA is a form of GSP scheme.

⁵ Peter Mandelson, Speech and Memorandum “Economic Partnership Agreements: putting a rigorous priority on development” delivered in Brussels on 20th January, 2005. http://www.epawatch.net/documents/doc270_4.doc

development track. No practical moves or political decisions towards establishing an effective monitoring mechanism for the EPAs had taken place until very recently, when Trade Commissioner Mandelson announced the decision to set up a mechanism that would monitor the whole EPA process⁶.

GENDER ISSUES: CONSPICIOUS BY THEIR ABSENCE FROM THE ‘HARD’ AREAS IN REGIONAL TRADE POLICY

Whereas environmental impacts are increasingly taken into consideration in negotiations, for example by way of voluntary environmental reviews, nothing similar is in place for a systematic screening of the social and gender impact, or compliance with important international conventions. What might be a promising mechanism is progress on the issue of decent work in cooperation with the ILO.

While Sustainability Impact Assessments (SIAs) are likely to contribute to future EU trade policy making, they still have to demonstrate if and how they will impact on actual trade negotiations. The methodology includes a list of gender equality indicators under the social dimension and theme of equity, health and education with reference to the MDGs and Beijing. Yet, it should be kept in mind that the SIA are EU driven and financed and thus likely to be considered with suspicion by the trade negotiating partners. Also, SIAs are based on a rather limited or narrow list of liberalisation scenarios with policy recommendations focusing on mitigating and flanking measures to compensate negative social, economic or environmental impacts, which might result in a kind of public aid programming exercise rather than a sustainable trade policy making exercise.

From gender case studies to an all-ACP development benchmark approach to monitoring

What follows is a brief description of the itinerary of APRODEV’s work on a development benchmarking approach and on the opportunities to include explicit gender equity and equality objectives.

In 2002, the year the EPA negotiations started, APRODEV published the study “EPA - What’s in it for Women?”⁷ This focused on women in Zimbabwe and highlighted the gender impact and identified opportunities and risks for poor women and men in future trade negotiations with the EU. It provides a concrete example on how to address gender impacts in the EPA negotiations. It also promotes a participatory approach to advocacy campaigns at national and regional level on issues important to poor women and men in the trade negotiations.

In 2003, an attempt was made to replicate similar country or sector (product) studies focusing on stakeholders in West Africa where ECOWAS had taken the lead on the EPA negotiations. In October 2003, a regional EPA workshop was organised jointly by APRODEV and AID TRANSPARENCY in Dakar, inviting and identifying interested researchers and organisations from West Africa to engage in participative gender impact studies on EPAs. The workshop resulted in an analytical report⁸ which identified the likely gender impacts of EPAs in a systematic way. Yet, the workshop fell short of its objective to produce gender impact case studies in the expected time frame.⁹

Over the same time period, from 2002 to 2004, Aprovev was actively involved in the ACP-EU Sustainability Impact Assessments, highlighting the findings of the “EPA- What’s in it for Women” study and calling for economic sectors which are of particular importance to poor women and men, to be the subject of pilot studies or in-depth research (eg rural traditional agriculture, food processing

⁶ Speech and Memorandum “Economic Partnership Agreements: putting a rigorous priority on development” by EU Trade Commissioner Peter Mandelson, January 20, 2005 at: <http://www.europa.eu.int>

⁷ APRODEV (2002) “EPAs- What’s in it for Women? Women in Zimbabwe. Issues in future trade negotiations with the EU.

⁸ APRODDV & AID TRANSPARENCY (2004) “Gender Dimension of EPAs: an analytical report” Dakar 2003

⁹ Yet it should be noted that following the initiative of the Dakar EPA workshop, the FES (German political socialist foundation) was responding positively to the requests to commissions several gender case studies in West Africa countries.

industries, horticultural export sectors). The key advocacy message was the request to invest in supply capacities in those economic sectors of particular importance to poor women, by means of designing programmes that increase women's access to and control over productive resources in order to enable them to take advantage of future trade opportunities¹⁰.

In 2005, the EU-ACP SIAs process slowed down and become less transparent in its choice of priority sectors for in-depth studies. Some called the SIA cosmetic in view of limited number of sectors and countries/regions chosen for in-depth studies. Unfortunately, the SIA process slowed down at a time, when the EPA negotiations stepped up, addressing a broad range of substantive issues and build-in agendas with no comprehensive set of impact assessments in place to assess the likely positive and negative economic, social and environmental impacts.

While we would argue that gender impact studies and gender analytical reports are still relevant, we recognised that insufficient evidence was provided in country or sector specific gender impact studies, and that overall gender advocacy voices remained weak. References made to gender findings in the ACP-EU SIA studies in Phase I, and the inclusion of gender indicators in the SIA studies are important, but have and are not (yet) leading to actually influencing the negotiations.

Embarking on a development benchmark approach

As the EPA negotiations developed from 2002, it became clear that in order to influence the EPA negotiations on development and gender friendly outcomes, we needed to work in and with the mainstream, a) to strengthen the development dimension as this allows for an entry point on equity issues and trade policy making, b) to broaden the platform including researchers that are relevant and credible to the ACP negotiators - and who implicitly or explicitly would address gender concerns, and c) to mobilise broader stakeholders on sustainable development and gender advocacy within ACP countries, bringing actions from the national or regional to the all-ACP level. The benchmarking approach follows this logic.

Subsequently, in 2004, Aprovev engaged in a one year informal brainstorming process with ACP stakeholders on the concept and possible use, added value and timeliness, of development benchmarks. This resulted in a report which in fact 'marries two approaches' that of the concept of *policy space* developed by ICTSD in Geneva,¹¹ and the development benchmarking approach as proposed in the Cape Town Declaration by the EU-ACP Joint Parliamentary Assembly in 2002. In 2005, the report on development benchmarks for a pro-development monitoring of the EPA negotiations was launched, aiming at enlarging the platform of development friendly actors in Europe and ACP countries to engage in effective monitoring using development benchmarks or objectives against which to monitor and assess EPA negotiations at sub-regional level. In the meantime, the benchmarking approach has generated broad interest and welcome by different ACP and EU officials and NGOs, and has also been referred to in official declarations by the ACP Council, the EU Council and EP Development Committee.

The focus of the development benchmark approach is to put trade policy making at the service of sustainable development objectives, that is the kind of trade rules and trade policies needed to ensure equitable and sustainable economic growth that contributes to the welfare of all citizens. By putting competitiveness policies and equity goals at the centre, the benchmarking approach allows for gender equity objectives. Gender advocates can then use those entry points or parameters to articulate explicit gender specific demands and to identify gender sensitive benchmarks to guide the negotiations.

¹⁰ APRODEV & WWF (April 2003), "EC SIA On WT negotiations - Commentary on MT Inception Report"

¹¹ The concept of policy space was developed by Werner Corrales Leal senior research fellow at ICTSD in Geneva, and previous trade and development minister for Venezuela. W. Corrales Leal is also the author of the joint APRODEV and ICTSD report on 'Development Benchmarks for a pro-development monitoring of the EPA negotiations' Geneva and Brussels, May 2005.

BENCHMARKS FOR A PRO-DEVELOPMENT MONITORING OF THE EPA NEGOTIATIONS ¹²

The proposed system of development benchmarks could be instrumental in the development-focused monitoring of the EPA negotiations¹³. The aim is to stimulate actors participating in the negotiations, as well as members of parliaments and development-concerned communities in the ACP and the EU, to use development points of reference for assessing the substantive progress of the EPA negotiations towards the development goals they should serve.

EPAs and sustainable development: substantive priorities and basis for a continued review

Since the EU's initial proposal in 1996 to negotiate EPAs with ACP regional groupings, all parties have stressed the necessity for EPAs not to be standard reciprocal free trade agreements (FTAs), but instead to constitute 'tools for development'¹⁴. The development aims and priorities as well as the continuing review of the EPA process, agreed for the EPAs, have been reaffirmed in various ACP and EU official texts and declarations. Two such priorities have been repeatedly identified as sustainable development, and competitiveness and equity goals, as specified in particular also in the Cape Town declaration of the joint EU ACP Parliamentary Assembly in 2002. These substantive priorities are necessary for a targeted definition of the benchmarks developed here.

Competitiveness and equity: relevant results to be ensured

Competitiveness and equity priorities politically agreed for the EPAs by the EU and the ACP constitute the main focus of the benchmarks outlined here, and should become a basis for any eventual effort on monitoring the progress of the negotiations in the following respect:

EPAs are to facilitate the structural transformation of ACP economies; therefore they should encompass coordinated programmes to address the major supply-side constraints, which inhibit competitive production of internationally tradable goods and services in ACP countries. This calls for a review of existing institutional arrangements for extending assistance to address supply-side constraints, including policies aimed at productive sector development and competitiveness. Equity issues in development – such as poverty alleviation and the elimination of gender discrimination in access to economic opportunities – must be simultaneously addressed in many public policy areas including in the conception and follow-up of competitiveness policies. This calls for the establishment of programmes designed to enhance small business (SME) networks that multiply job creation, as well addressing supply-side constraints that are gender-sensitive in a way that seeks to systematically improve women's access to economic resources.

Trade liberalisation should aim at strengthening the capacities of domestic manufacturing and service sectors, so as to avoid closing-off areas of potential growth, and at development-oriented structural change in the ACP.

A three dimensional perspective for monitoring EPAs

Benchmarks for monitoring the progress of the EPAs could be developed within the following three broad categories of issues: market access and fair trade, policy spaces for competitiveness and equity policies, and access to resources for development support. These categories correspond to the dimensions in which trade-supportive policies may be implemented by ACP countries as they address the main development challenges of competing in the global economy.

¹² See article by Aprovev and ICTSD, in TNI July-August 2005, www.ictsd.org.

¹³ "Assessing progress of the EPA Negotiations from a Sustainable Development Perspective." ICTSD and APRODEV. Brussels, January 2005 available at: <http://www.aprodev.org>.

¹⁴ See the Cape Town Declaration on future ACP-EU negotiations of new trading arrangements available at: <http://www.epawatch.net>.

Benchmarks must be derived from agreed EPA guidelines and should represent the priorities defined under the above three categories. They should be considered 'targets' that outcomes of the negotiations should move towards.

1. Priorities and ideas on benchmarks: related to market access and fair trade

In the market access and fair trade dimension, ACP countries would expect from the EPAs: effective conditions of asymmetry in the liberalisation process vis-à-vis the EU; improved entry to EU markets through traditional mechanisms (involving preferential tariff treatment and the resolution of problems associated with preference erosion) ; improved conditions for the insertion of their commodities exports in the global value chains; and finding solutions to deal with the negative impacts that European trade policies, such as food standards, may have on limiting ACP exports . Or the impact of the EU's Common Agricultural Policy (CAP) in generating agricultural trade imbalances.

Guiding principles for the negotiations

Issues affecting trade in general:

- Asymmetrical liberalisation vis-à-vis the EU allowing ACP regions to open their markets first of all among themselves. The phasing-out of ACP tariffs should be linked to the attainment of pre-defined development indicators and not to pre-determined timetables.
- Rules of origin should recognise the increasingly global nature of input procurement (non-originating raw materials) while still allowing substantive value addition to take place in ACP countries.

Issues affecting agriculture and commodities:

- On impacts originating from the CAP reform and SPS issues, positive progress on the negotiations could be linked to the opening of a dialogue which explores the options for: i) addressing the trade consequences of new forms of CAP distortions linked to its new instruments and export refunds; ii) establishing new arrangements in order to maintain the value of the *acquis*, potentially undermined by the CAP reform; and iii) meeting genuine EU health concerns without placing undue burdens on ACP exporters.
- On commodities, positive progress regarding the issue of declining prices of commodities imply making operational the EU Commodities Action Plan launched in February 2004, including ensuring sufficient deployment of resources.

Issues affecting trade in services

- On movement of natural persons (Mode IV), positive progress could be linked to: i) more liberal conditions in general (e.g. an ACP business travel card; facilitation of the recognition of professional credentials); ii) a relevant reduction of restrictions (e.g. economic needs test; diploma requirements; linking movements of short-term workers to commercial presence of ACP firms; and certification of profession and employment contracts with authorised enterprises in the case of recreational and cultural services).
- On expanding opportunities for service exports in other modes of supply, favouring the expansion of opportunities would imply: i) removing restrictions in health services in Mode III (economic - needs test) or including it as committed sectors (as many EU health sectors are unbound or uncommitted); and ii) providing additional funds with rapid and flexible disbursement procedures to support ACP service sector development.

2. Priorities on benchmarks on policy spaces: issues on policies related to competitiveness and supply side constraints

Policy space issues encompass flexibilities in trade rules and trade related disciplines that ACP countries might need in order to implement competitiveness policies for sustainable development. Some of these policies concern overcoming supply-side constraints and attaining competitiveness and productive sector development goals. Others are focused on social objectives and equity goals (e.g.

poverty alleviation and reduction of gender gaps) and a third group corresponds to trade policies aimed at selective import liberalisation and strategic trade integration (e.g. enhancing regional integration initiatives among developing countries).

Any monitoring process in this regard should be supported by benchmarks to help guarantee that ACP countries would be enabled to undertake reforms and implement policies targeted at competitiveness and equity.

Guiding principles for the negotiations

- On the right to implement policies for competitiveness and productive sector development, a clear recognition of the right of ACP countries to implement these kinds of policies under any framework of trade rules or trade-related disciplines should be a pre-condition for considering negotiations on disciplines potentially hindering such capacities.
- On coverage and scope of commitments in trade-related disciplines, these should be limited to those where ACP countries have the necessary expertise or can develop the capabilities needed by making use of additional development support from the EU. The scope of commitments should be subject in principle to those agreed in WTO.
-
- Food production and exports On impacts originating in the process of EU CAP reform, they should be addressed in an effective manner so as to guarantee the prospects of agriculture based industrial development in ACP countries (tariff levels, safeguards and exclusion of 'sensitive products' from the EPAs).
- On fisheries, a balanced outcome should entail sustainable fisheries management, obligatory landings and other measures ensuring that ACP countries maximise the long-term benefits of their resources.
- On manufacturing and service sectors: pro-development progress in the negotiations implies agreeing on i) home country measures in the EU to increase technology transfer to the ACP service sectors, and ii) flexibilities in rules for the application of supply-side instruments (e.g. conditioned incentives and performance requirements, public procurement preferences, IPR flexibilities, and domestic regulations in services) to support goals related to diversification; development of domestic capacities in service sectors; SME development and clustering; programmes focused on productivity in informal activities and poor farmers; technological upgrading of firms and strengthening of innovation systems.

3. Initial ideas on benchmarks on EU resources for development support

The effectiveness of adjustment programmes associated with the process of trade liberalisation with the EU, as well as the success of policies for improving competitiveness and overcoming supply side constraints, are linked to the availability of resources for development support. Two broad issues in this dimension deserve prioritisation in any review mechanism of the EPA process, given the problems that apparently occur in accessing existing resources, as well as the current deadlock, and the new paths that negotiations would probably take in this area. The first is related to monitoring the course of negotiations in the resources for development support dimension and the second is linked to real access and administration of the resources available, as illustrated below.

Guiding principles and general criteria

Comprehensiveness of development support and access to resources is necessary to accompany the adjustment processes associated with phasing in free trade with the EU. EPA negotiations should thus generate specific instruments and programmes with additional resources, to address the issues of fiscal and economic restructuring, and social programmes. At the same time, criteria and guidelines for rationalising the use of funds, both existing and additional, should be agreed so as to avoid diverting

financial resources away from pre-existing legitimate priorities and to ensure that funds can be spent swiftly and effectively.

Sequencing of liberalisation and restructuring programmes: restructuring assistance should be made available and programmes implemented before free trade is fully introduced, so that ACP economies are equipped to meet the challenges posed by freer trade with the EU.

Issues affecting specific sectors:

- On agriculture and commodities, over a short period of time, progress should be achieved in i) extending and deepening technical assistance programmes related to SPS issues, and ii) addressing commodities issues before the impact of free trade with the EU is realised in its entire dimension. This implies putting in place Processing, Marketing, Distribution and Transport (PMDT) programmes before the phasing in of free trade, and immediately starting a comprehensive implementation of the EU Commodities Action Plan.
- On services, the potential success of the strategy for ACP service sector development (see above) would depend on making available additional resources with rapid and flexible deployment procedures.

A STRATEGY FOR EPA BENCHMARKS

Adopting a benchmarking approach for the EPA negotiations, would enable an assessment of progress in EPA negotiations according to agreed development objectives, and this way could enhance convergence of EU and ACP positions. In its final Declaration, the ACP Council (21-22 June) repeated the Cape Town Resolution's call for the establishment of development benchmarks to ensure that trade liberalisation works in favour of sustainable human development. Reference is also made in the EU Council Conclusion on the EU Strategy for Africa (22 November 2005) proposing to establish and implement an improved monitoring mechanism against development objectives within the EPA process.

The challenge lies with the ACP negotiators to further conceptualise and translate the benchmarking approach into actual policies in the context of national and sub-regional realities, and to seek support from independent research institutes and academia.

In January 2005, Commissioner Mandelson proposed a 'review mechanism' for EPA negotiations, and the challenge lies with the Commission to put, at the centre of the review mechanism, questions of coherence of trade policy with development objectives including the achievement of the Millennium Development Goals (MDGs).

According to article 37.4 of the Cotonou Agreement¹⁵, a comprehensive and formal review of EPA negotiations is required in 2006. This review is the last opportunity for a reality check at the all-ACP level. Preparations have started under the Austrian EU Presidency and are due to be finalised under the Finish Presidency. Discussions on the modalities of the comprehensive review are an opportunity to examine indicators and benchmarks that outline how a trade policy regime supportive of poverty eradication should look, and how could evaluate its progress. Parliamentary bodies at national, regional or joint EU-ACP level (Joint Parliamentary Assembly) should receive regular reports too and should use benchmarks to monitor and press progress towards development objectives. Following the results of the comprehensive and formal review in 2006, the German Presidency Council will need to clarify if any modification of the the EC negotiating mandate is required to ensure that full account is taken of the review findings and of commitments to policy coherence.

¹⁵ Article 36.4 The parties will regularly review the progress of the preparations and negotiations and, will in 2006 carry out a formal and comprehensive review of the arrangements planned for all countries to ensure that no further time is needed for preparations or negotiations."

The existence of viable alternatives¹⁶ is highly important if ACP countries are to be enabled and permitted to *effectively* negotiate EPAs. Otherwise ACP will find themselves with their backs to the wall and without any real choice. Alternative EPAs could range from: ‘Everything But Arms’ for all ACP countries; 10 years moratorium on non-reciprocity; review clauses to allow revision of liberalisation commitments; EPA ‘light’ with minimal conditions to meet WTO compatibility (liberalisation on goods only without further commitments on services or other trade related issues); to enhanced GSP or GSP plus. EU support to regional market building and regional integration could be de-linked from trade liberalisation commitments. One suggested way forward would be to use development benchmarks to assess the development dimension of the range of alternative scenarios, to see which was best suited to meet national or regional sustainable development objectives.

GENDER EQUITY AND EQUALITY GOALS

AGDI – African Gender and Development Index

The newly developed **AGDI – African Gender and Development Index** – by the UN Economic Commission for Africa (UNECA) presents a considerable statistical effort to establish country profiles on gender equality and empowerment. Currently, 12 countries have participated in this exercise and 26 additional African countries will be assessed over the course of 2006 –2007¹⁷. The AGDI looks at quantitative and qualitative indicators and also allows comparing the social, economic and political empowerment index. Importantly, this exercise involves different governmental services in policy dialogue with women’s machineries, finance ministers, agricultural ministers etc. It *could* thus provide an important political platform pushing for gender impacts to be taken into account in trade policy making and trade negotiations. At the date of writing, there is no institutional link nor mechanism in place to ensure that evidence provided by the AGDI will inform the national or regional trade policy making. There is no reference either to the current EPA negotiations and the challenge this represents to use benchmarking to improve the framework for women’s economic empowerment.

The AGDI looks at quantitative data in categories such as *social power*, this relates to capacity and capability, and includes sub categories of education and health. The results show considerable progress in lowering the gender gap with a value often around 0.07 and a trend towards 1 (= equal participation).

The category of *economic power and opportunities* includes sub-categories of revenues (salaries in agricultural sector, for example), time budgets (reproductive and productive tasks), access and control over resources (credit, land) and results in an index often lower than 0.05 that is less than half.

The category of *political power* that is the power to act and achieve includes power in the public sector (parliaments, relevant ministries) and civil society (NGOs, community based organisations, trades unions etc). Results show highest inequality is in these spheres with an average index of less than 0.05 to 0.02. The preliminary results provide evidence of the strikingly low level of equality in the economic sphere and even lower levels in the political sphere¹⁸ - Thus there is a great need to ensure that trade policies and agreements address this gender gap, and identify gender specific economic and trade opportunities, potential losers and winners in the respective countries and sector.

The second qualitative part of the gender index looks at commitments to international conventions, with indicators on ratification to legislation, action plans, institutional mechanisms, resources, participation and evaluation. The categories also include women’s rights (CEDAW, AU Women’s

¹⁶ Cotonou Agreement Article 36.6: “In 2004, the Community will assess the situation of the non-LDC which, after consultations with the Community decide that they are not in a position to enter EPAs and will examine all alternative possibilities, in order to provide these countries with a new framework for trade which is equivalent to their existing situation and in conformity with WTO rules”

¹⁷ UN Economic Commission of Africa www.uneca.org

¹⁸ UN Economic Commission of Africa www.uneca.org

Protocol), social empowerment (Beijing Platform for Action, violence against women, reproductive rights, hiv/aids), economic empowerment (ILO, PRSP, access to technologies, training and resources) and political empowerment (UN SCR 1325, political participation, GAD indicator, etc.).

Again, the exercise and result of the indexing could provide a possible mechanism to ensure domestic policies are put in place and go hand in hand with trade policies, so that gender equity goals are part of any design of programmes to meet adjustment costs or engage in economic restructuring.

Advocacy on gender equity and equality goals in the development benchmark approach:

The challenge then is to ensure that gender sensitive benchmarks or gender specific benchmarks are part of the benchmarking exercise. This can only happen in a meaningful way if gender advocates build coalitions at national or sub-regional level pushing for those concerns to be taken up by their negotiators. Some issues that could/should be taken up are:

Market access and fair trade

- Favour effective market access for products and industries which employs a majority of women for current or future trade opportunities. Improved access to the EU markets for horticultural or food processed products of benefit to the huge female workforce in ACP countries, especially in agriculture. It is therefore essential that the progressive opening up of international markets take into consideration the impacts on women in particular in their business involving cross border (intra-, or interregional) trading activities.
- Ensure effective market protection for products and sectors important to women's economic activities. SMEs have proved to be an important area for the economic and social empowerment of women world-wide, but greater liberalisation under EPAs may reduce their capacity to compete with foreign goods and services. The implications of trade distortion resulting from EU agricultural subsidies need to be recognised, and sensitivity to existing local and regional markets important to women, who are the backbone of agricultural production, need to be reflected in the agreements.
- Ensure that income opportunities for women in rural areas are maximised, not lost, with effective market protection measures, for example by effective market protection for poultry (effective safeguard measures, exemption of sensitive products from liberalisation) or providing for sufficient policy space to apply domestic tax policies and preventive sanitary measures.

Defending policy space to enhance equity goals and increase competitiveness

ACP countries start from a low base: an unhealthy and poorly trained workforce, inadequate transport infrastructure, and weak institutional and policy frameworks. Benchmarks need to be formulated on the need for active policies at domestic/regional level or reforms which allow increasing supply side capacity, in the following areas:

- Economic goals of competitiveness policies: to develop comparative advantages of women entrepreneurs through innovation and knowledge increase, enterprise networks or linkages between SMEs and big companies - instead of investing in increasing sales and prices. For example, increase possibilities for domestic women farmers and the local food processing industry to supply hotel chains in the country and sub-region.
- Social effectiveness: competitiveness policies should have direct impact on urban informal sectors and rural low-productivity sectors, thus increasing the real income of women, social cohesion and gender equity.
- Environmental considerations: support competitiveness policies that train and support women to sustain and benefit from bio-diversity and eco-systems - and do not increase vulnerability to natural disasters

Development resources:

Any future trade agreements need to incorporate an understanding of the constraints faced by women that make it difficult for them to benefit from trade arrangements. To this end, support and adjustment programmes need to be designed in ways that enhance women's capacity and power to benefit from economic and trade opportunities.

ILLUSTRATION OF BENCHMARKS IN THE POULTRY SECTOR

In 2004, Aprodev responded to the campaign on EU frozen chicken imports, launched by ACDIC, a Cameroon citizen organisation.¹⁹ Thousands of small scale farmer, among them many women, were ruined when domestic markets were swamped by frozen chicken imports. The chicken campaign in Cameroon, on the one side illustrated the damage done by unrestricted imports and on the other side the need for a strong national based advocacy campaign or movement, calling its own governments to account on questions of uncontrolled imports and corruption. It also initiated a broad based, and sometimes controversial, dialogue with a diverse group of stakeholders in the poultry sector, ranging from different government ministries, the private sector and investors, to small scale or big scale feed and poultry farmers, and urban consumers. The demands and the success of the chicken campaign were highlighted in African and European media, and were and are addressed to policy-makers at national and international level, including WTO and EU trade negotiation forums. The pressure built up by ACDIC, a citizen organisation with by now 20 000 members, is very encouraging and very courageous in an African context. Their struggle for African small scale farming to produce and maintain the right or capacity to serve their markets of proximity, against hard cut competition with European, Brazilian and other producers, continues.

In response, the chicken campaign in Europe attempts to try to understand the complex dynamics of the European and international meat industry and their (cut throat) price making. It calls for increased responsibility of the European meat industry, exporters and European consumers.

What follow is an indication of some of the gender aspects of small scale or family poultry farming and the importance it has for rural women in developing countries. It includes a brief description of the chicken campaign. The objective is to provide an illustration of tentative benchmarks for the poultry sector – an attempt to translate the chicken campaign messages and demands into development benchmarks. Importantly, these proposed benchmarks would need to be discussed in regional policy dialogue sessions with diverse stakeholders from civil society, the private sector and government (representatives or negotiators) to define a set of benchmarks that could guide the ongoing negotiations.

Poultry farming – key to small scale women farmer’s income and food security

It has been estimated that 80% of the poultry population in Africa is found in traditional scavenging systems with women and children generally in charge of poultry husbandry. The birds scavenge in the vicinity of the homestead during daytime where they may be given sorghum, millet, maize bran, broken grains, or other waste products as supplementary food. With low levels of input, poultry farming is an appropriate system for supplying the fast-growing human population with high-quality protein, while providing additional income to the generally resource poor small farmers, especially women. Poultry farming is also a source of employment for underprivileged groups and in less-favoured areas in developing countries.²⁰

Family poultry makes best use of available natural resources and constitutes an important component of the agricultural and household economy in developing countries, a contribution that goes beyond direct food production providing employment and income. In particular, women benefited from the opportunity of jobs in feed produce, poultry farming and marketing, additional cash income, improved nutritional value, the ability to disburse and control assets and the increased social status - which tends to go along with a decrease of domestic violence. It also serves as capital accumulation and is closely linked to religious and socio-cultural lives of small scale farmers. Poultry ownership ensures varying degrees of sustainable farming and economic stability for these farmers by minimising risk and

¹⁹ Association Citoyenne de Défense des Intérêts Collectifs, www.acdic.net

²⁰ NSDP, World’s Poultry Science Association (2005), Strategies for developing family poultry production at village level – experiences from West Africa and Asia, *World’s Poultry Science Journal*, Vol. 61, March 2005

strengthening the cohesion within local communities.²¹ In general, the level of productivity is very low compared to high-input schemes.

Considerable development assistance was invested into smallholder poultry farming to help them to improve their livelihoods. Farmers were counselled to diversify their income sources through small-scale poultry farming, including maize and soya beans cultivation and storage in cribs, rudimentary production of feed and stock breeding.

The case of Cameroon

Over the last six years, frozen chicken imports into Cameroon have increased by 2100 %. Frozen chicken imports increased from 978 tonnes in 1996 to 22 254 tonnes in 2003, thus presenting a 300% annual average increase. The main exporting EU countries were Belgium, the Netherlands and France.

The massive and uncontrolled import of frozen chicken into Cameroon represented a disaster to the national economy, resulting in losses of 10.5 billion CFA in 2003. 110 000 rural jobs have been lost, affecting the standard of living of over one million habitants, and dealing a crippling blow to national poultry farming. It also constituted a serious health hazard with 85% of frozen chicken unfit for human consumption, being carriers of salmonella or campylobacter, due to the lack of a maintained frozen chain in the country. This way, the cheapest becomes the most costly.

ACDIC ran a major campaign using all national media (audio-visual and print) to raise awareness on the devastating effects of frozen chicken imports on the national economy, the health situation and rural employment. In the campaign, they called for the total suspension of all frozen chicken imports by the government, for a change of consumption patterns with consumers creating a demand for local chicken, for government to raise taxes on frozen chicken, and for the private sector to reinvest in domestic poultry production.

Campaign results 2004 have brought a drop in frozen chicken demand and an increase in the demand for local chicken. The poultry sector was revived as testified by increased demand for inputs (e.g. one day-old chickens). The administrative decision was taken to improve health measures, for example, by recruiting 900 new sanitary inspectors. Meetings with importers resulted in the setting up of a union, and importers' request to MINDIC and MINEPIA to improve the marketing channels. ACDIC's increased membership demonstrates the popularity of their ideals.

Campaign results 2005 have led to restricting imports by means of applying and increasing a fixed duty (1450 CFA), to maintain an ad valorem tax (20%), to add 17.5% of VAT, decrease quotas and get a temporary stop of import concessions by government. With regard to nurturing local markets, the campaign was successful as it increased domestic production from 135 000 in 2004 to 325 000 in 2005. It also led to a decrease in consumer demand for imported chicken, released private investment in the domestic poultry sector, provided ongoing monitoring and public pressure on those measures and concessions achieved, and got the support of about 100 national members of parliamentarians signing up to a petition to support domestic production.

Tentative benchmark or options for dealing with sensitive products in the EPA negotiations

Options for dealing with sensitive products under EPA negotiations can range from (1) front load and back load - that is applying liberalisation commitments at the beginning or at the end of an agreed transition period, (2) exclusion altogether of specific or sensitive products, to (3) special arrangements in particular to accommodate different national interest in a regional EPA negotiation group (eg Tariff Rate Quota) and (4) special safeguards measures protecting the domestic and regional markets.

Tentative Benchmark on Market Access and Fair Trade

²¹ E.F. Guèye (2003), Gender aspects in family poultry management systems in developing countries.

Exclusion of poultry sector from liberalisation commitments:

- Maintain tariff protection by exclusion of poultry meat from any tariff reduction commitments.
- If necessary establish a Trade Related Quota (TRQ) to manage and reconcile competing national interests.
- Establish pre-emptive safeguard provisions based on Cotonou Agreement provisions, involving monitoring and surveillance of trade in sensitive products.
- Make full use of food safety regulations to control third country access.

Details on a scenario on asymmetric reciprocity in EPA negotiations

In line with WTO compatibility and the request to liberalise ‘substantially all trade’, it could be argued that special and differential treatment should allow for trade agreements between developed and developing countries that s/could allow for flexibilities of for example 80% of total trade balance between the EU and the CEMAC. In this scenario, the EU would liberalise 100% whereas CEMAC would only have to liberalise 55% of total imports from the EU. This way, CEMAC countries could in fact *exempt all agricultural imports* from tariff liberalisation, since only 9.7% of total EU exports to CEMAC are agricultural products. With an average of 80% of asymmetry in an EU-CEMAC EPA, CEMAC would have a margin of 45% products it could exempt.

Figures for the year 2003

EU imports from CEMAC:	3.666.676 Mio Euro
CEMAC imports from the EU:	2.977.486 Mio Euro
Total trade volume:	<u>6.664.162 Mio Euro</u>
80% of total trade volume*:	5.331.320 Mio Euro

EU liberalises 100%	3.666.676 Mio Euro
CEMAC liberalise 55%:	<u>1.664.654 Mio. Euro</u>
80% of total trade volume:	5.331.320 Mio Euro

* Any total trade volume would have to be based on an average of 2-3 years

Tentative Benchmark on Competitiveness and Equity

Design active policies at domestic and regional level to increase supply side capacity of poultry farming, for example reserve 10% of GDP to increase agricultural productivity. Promote women entrepreneurs, facilitate linkages between smallholder poultry farmers and slaughterhouses or the establishment of a domestic frozen chain. Support infrastructure in rural low-productivity sectors or urban-informal sector in poultry sectors.

Tentative Benchmark on development resources

More gender research is needed to identify the gender specific constraints which should be taken into account when designing development programmes, such as training, extension, and information dissemination, to improve the marketing of poultry and productivity.

The experience of ACDIC, identifies a need for financial services specifically for women poultry farmers, faced with the ‘quadrille losses” of bankruptcy, indebtedness, lack of access to financial services (micro credits), and the difficulty to regain their market share since medium and big poultry producers are better equipped to re-launch production and survive hardship while responding to new demands.