

# Keeping an eye on the EU-ACP negotiations

While public attention focuses on negotiations at the World Trade Organisation (WTO), other important trade negotiations remain largely unknown to the broader public. The European Union (EU) and 77 African, Caribbean and Pacific (ACP) states are negotiating Economic Partnership Agreements – without much public debate in most ACP countries. These agreements are to set the rules governing trade between the EU and ACP states. And, they will open up ACP markets to most European exports. They are likely to have important implications for producers in ACP countries.

## Where did it all start?

Since 1975, relations between the EU and ACP states have been governed by four successive Lome Conventions. The aim of these treaties was to promote development in ACP states. In a nutshell, the fourth Lome Convention provides for development aid and for “non-reciprocal” trade preferences. In other words, the EU grants duty-free access to the European market for most ACP products, but ACP states are not obliged to open up their markets to EU exports. When the Lome

Conventions were negotiated, this scheme seemed very promising. However, 30 years on, its outcomes have been disappointing. In fact, many ACP countries do not seem to have benefited much from the trade preferences – their level of exports to the EU has not boomed, and their share of EU markets remains very small.

In recent years, the legality of the Lome trade regime has been questioned. The basic tenets of the Convention are inconsistent with WTO rules (see box 1).

## From Lome to Cotonou

In 2000, the EU and ACP states signed a new agreement – the Cotonou Agreement – for a period of 20 years. Like the Lome conventions, the Agreement is primarily aimed at promoting development in ACP countries. It includes both financial aid and trade preferences. But the Cotonou Agreement radically changes the nature of these trade preferences, in order to make them compatible with WTO rules. Under the Agreement, the EU and ACP states are to negotiate WTO-consistent Economic Partnership Agreements (EPA). These are