

## EPA negotiation issues between Central Africa and the EU

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### About this update

CTA's Executive brief on "EPA negotiation issues between Central Africa and the EU" was published in January 2009 and in CTA's Agritrade: ACP–EU Trade Issues (2009 Compendium). This update consists of:

- 1. Background and key issues:** briefly summarising the original executive brief, and where necessary, updating developments related to key issues;
- 2. Latest developments and implications for the ACP:** reviewing developments that have taken place since the publication of the original executive brief; examining the implications of recent developments for the ACP countries concerned.

The original executive brief (2009) is available on request from: [agritrade-mail@cta.int](mailto:agritrade-mail@cta.int).

## 1 Background and keys issues

In the framework of the Cotonou Agreement it was decided to replace the non-reciprocal preferential system, in place since the Lomé Accords (1975), and under which the ACP countries enjoyed access to the European Union market by way of free-trade agreements between the six ACP regions and the EU. However, this preferential system was not compatible with the rules of the World Trade Organisation (WTO) and two fundamental principles governing preferential agreements: non-discrimination towards third countries and reciprocity of preferences. It was therefore challenged by some WTO members. Since 2003 the Central African (CA) region and the EU have been negotiating an Economic Partnership Agreement (EPA). In this context, the ACP preferential system was terminated at the end of 2007 when the EPAs were due to enter into force. However, because of numerous points of disagreement (as in most ACP regions), the two regions were unable to reach an agreement before the deadline, and Cameroon decided to conclude a bilateral EPA with the EU.

In the specific context of the EPA negotiations, the CA region is composed of the six countries of the Monetary and Economic Community of Central Africa - CEMAC (Cameroon, the Central African Republic (CAR), Republic of Congo, Gabon, Equatorial Guinea and Chad) plus the Democratic Republic of the Congo (DRC) and São Tomé e Príncipe (STP). Despite the existence within the CEMAC of a customs union, a Common External Tariff (CET) and a common market, regional integration remains weak. The CA countries trade above all with the outside world and first of all with the EU, which is the region's leading supplier (45% of the region's total imports in 2007), and main export market (26% of total exports during the same period). At regional level, Cameroon, the leading supplier of the region's countries, is the main intra-community trading partner. One of the fundamental objectives of the EPA is to strengthen integration within the six ACP regions. For the time being, the negotiations do not as yet seem to have achieved this objective and they could even undermine it given the difficulties in concluding regional EPAs and given the conclusion of bilateral EPAs, such as the EPA concluded with Cameroon.

What makes it so difficult for the two regions to conclude an EPA is the fact that the region's eight countries do not have the same status, as some are Least Developed Countries (LDCs), while others are not, and therefore their interests are not the same when it comes to signing the EPA. The five LDCs of the sub-region, namely Chad, the CAR, the DRC, STP and Equatorial Guinea, which contributed only 10% of agricultural exports to the EU in 2007, enjoy free access to the European market thanks to the 'Everything but Arms' (EBA) initiative. These five countries therefore had no incentive to conclude an EPA at the end of 2007. The situation is different for the three non-LDCs, Cameroon, Gabon and the Congo, since the non-signing of the EPA means that they fall within the scope of the European General System of Preferences (GSP), which is less favourable not only than the system from which they benefited up to the end of 2007 but also than the EPA for a certain number of products, in particular for bananas and processed products (such as cocoa-based products for example). This influenced Cameroon's decision to initial, at the end of 2007, an interim EPA with the EU; bananas represent Cameroon's fourth biggest export to the EU (6.7%) by value for the period 2006-2008 and would have been taxed when entering the European market if no agreement had been signed.

Although the region's economies are based mainly on the mining and forestry sectors, agriculture is nevertheless an important sector, where a large part of the population is rural, between 39% and 74% depending on the country in 2007 (except for Gabon where the proportion is low, 15%). Accordingly, many of the issues at stake in the EPA concern the agricultural sector. The region's agricultural exports are concentrated on a small number of products; thus two products represent just under three-quarters of the region's total agricultural exports to the EU by value: cocoa and its derivatives account for 37% of these exports and fruit (mainly bananas) represents 32%. Two other products represent almost one-fifth of exports: cotton (6 %) and coffee (11%) (2005-2007). The signing of the EPA would enable Gabon and the Congo to export these products to the EU on a duty-free, quota-free basis, and

in particular it would enable the Congo, the only country in the region to have signed the sugar protocol, to continue to enjoy duty-free access for its sugar exports to the EU.

However, the EPA would also involve the opening of ACP markets, and the liberalisation of their imports would result in particularly heavy losses of tax revenues for wheat flour, powdered milk, and poultry meat, which were the main EU exports during the period 2005-2007 along with drinks. Furthermore, this liberalisation will make European products even more competitive than they already are, making them a potential threat for local producers. According to impact studies this will be the case for wheat flour, poultry meat, soybean oil, powdered milk and sugar, hence the importance of the question of the identification and treatment of sensitive products (products which would be subject to gradual liberalisation) and the products to be excluded from the agreement.

The question of the degree of liberalisation and the liberalisation schedule has been the main stumbling block in the discussions between the EU and CA negotiators, and in the light of the failure of the two parties to conclude an agreement, all the governments had requested, on 29 October 2007, an extension for two additional years of the dispensation concerning the Cotonou preferences. On the deadline of 31 December 2007, only Cameroon had initialled an interim agreement with the EU and this agreement was finally signed on 15 January 2009. The extension request having been rejected, Gabon and the Congo have been subject to the GSP since 2008, while the other countries of the sub-region, being LDCs, continue to benefit from the EBA initiative. The negotiations for a regional EPA are ongoing but they continue to be frustrated by the differences of opinions between the two parties mainly concerning the market-access offer and the provisions on the financing of support measures.

The agreement initialled in December 2007 by Cameroon did not provide for tariff liberalisation to start immediately, but at the beginning of 2010. The agreement requires the liberalisation of around 20% of imports from the EU over 15 years. The general liberalisation of customs duties 'has been deferred until the end of the transitional period, but this deferment is limited', 'Cameroon will therefore feel its effects very rapidly'. The products excluded from the tariff-elimination commitments 'represented 21% of the products imported from the EU in 2005-2006', although 'less than a third of them are agricultural products', covering some 354 tariff lines. The main agricultural and food products excluded are meat-derivative products, vegetables, cereal-based food products, coffee, cocoa, sugar and confectionary.

Although Cameroon has signed an agreement, the CA representatives are insisting that the said agreement should not be used as the basis of the regional EPA and that the negotiations should continue on the basis of those conducted in 2007 between the EU and the CA region as a whole. In July 2008, CA put forward a tariff-liberalisation proposal, whereby 71% of imports by value from the EU would have been liberalised over the next 20 years. This proposal followed the rejection by the EC of a proposal providing for the liberalisation of 60% of CA's imports over 25 years. According to the new market-access offer, 1,205 products would have been excluded, representing 24.5% of the tariff lines. Moreover, a preparatory period of five years was proposed in order to prepare the five LDCs for the challenges resulting from liberalisation, namely the impact on local production and lost tax revenues. However, the EU did not accept this proposal, arguing that it was incompatible with the notion of the 'substantially all trade' specified in article XXIV of the GATT. Thus, according to ICTSD, during the July 2008 meeting, 'the EU repeated that 80% of products should be liberalised over 15 years'. It is important to note that given the predominance of EU imports from CA in trade between the two regions, if CA were to liberalise 71% of current imports from the EU, whereas the EU would grant duty-free, quota-free access, on average, 88% of trade in 2007 would be subject to liberalisation under the agreement. As regards the schedule proposed by the CA negotiators, there do not seem to be any substantial differences in comparison with the schedule agreed with the countries of the East African Community. In November 2008, the CA negotiators maintained this offer despite it having been rejected by the EC.

## 2 Latest developments and implications for the ACP

### 2.1 The Cameroon-EU EPA: the initial phase of dismantling tariff barriers

According to the liberalisation schedule, the first tariff barriers protecting the Cameroon market from European exports were due to be lifted with effect from 1 January 2010. Liberalisation is scheduled to be implemented over 15 years, in 3 phases:

- Group 1: gradual tariff liberalisation up to 2013;
- Group 2: gradual tariff liberalisation up to 2017;
- Group 3: gradual tariff liberalisation up to 2023;

The first phase covers products with high customs duties while ‘almost half of Cameroon’s imports from the EU during the 2005-2006 period will be fully liberalised within ten years’. Some agricultural and food products will be subject to tariff elimination during the first phase, including some varieties of potatoes and corms, although the value of these imports is insignificant. The first liberalisation phase also covers equipment used in agriculture and horticulture, which should help to reduce capital investment costs in the agricultural sector.

**Table 1: Cameroon: first-phase agricultural commitments**

NHM Code	Average imports in 2004-2006 in thousands of dollars	Description	Customs duty
010110	5	Pure-bred breeding horses and asses	30%
010611	0	Live primates	30%
010612	-	Whales, dolphins and porpoises (mammals of the order cetacea) and ...	30%
010619	-	Live mammals (excluding primates, whales, dolphins and porpoises (mammals of the order ...	30%
010620	-	Live reptiles (e.g. snakes, turtles, alligators, caymans, iguanas, gavials and ...	30%
051110	4	Bovine sperm	30%
071410	-	Fresh, chilled, frozen or dried roots of manioc, whether or not...	30%
071420	-	Sweet potatoes, fresh, chilled, frozen or dried, whether or not sliced ...	30%
071490	2	Roots of arrowroot, salep, jerusalem artichokes and similar roots to...	30%

Whereas the first tariff-dismantlement phase should have started at the beginning of this year, according to an article in the online newspaper *Africascoop* of 12 January 2010, ‘eleven days after the deadline fixed by the schedule, no indications have been given about the entry into force of the interim EPA concluded between Cameroon and the EU, the Cameroon government having requested a deferment. According to the article, this deferment may have been requested because of the failure to conclude an agreement between the two regions on rules of origin or because of delays in the negotiations between the CA region and the EU. According to the article, ‘if the deferment is agreed, one of the risks for Cameroon is that the EU may be obliged to re-introduce automatically the GSP’.



**Table 2: The Cameroon-EU interim EPA: summary of the main provisions**

<b>Rules of origin</b>	Cameroon benefits from the improved rules of origin granted to signatories of interim EPAs. New rules of origin will be annexed to the interim EPA when they are agreed with the region in the framework of the negotiations for a full EPA.
<b>Export taxes</b>	No new taxes may be introduced or existing taxes increased. Temporary new taxes/tax increases are authorised for reasons relating to the protection of the environment or to maintain monetary stability, after consultation with the EC.
<b>Status quo clause</b>	Yes
<b>MFN clause</b>	Yes
<b>Review of the tariff concessions in the event of serious difficulties</b>	Yes. In the event of serious difficulties, the tariff dismantlement may be reviewed, by mutual agreement, but not beyond the maximum transitional period. If no agreement can be reached, Cameroon may suspend the tariff reductions for a maximum period of one year.
<b>Safeguard instruments</b>	Suspension of tariff reductions, increases in customs duties to be applied to MFN rates and tariff quotas – quantitative restrictions not authorised.
<b>Food security safeguard</b>	In case of food insecurity, preventive safeguards may be applied.
<b>Measures to protect new industries</b>	No quantitative restrictions possible. Safeguards possible for a period of 8 years during the first 15 years. Extension possible for one additional year.
<b>Abolition of non- tariff barriers and quantitative measures</b>	Ban on all import and export restrictions other than duties and taxes except for antidumping/countervailing measures.

Sources: ECDPM/ODI, *The new EPAs: comparative analysis of their content and the challenges for 2008*, 31 March 2008

[http://www.acp-eu-trade.org/library/files/ECDPM-ODI\\_EN\\_310308\\_ECDPM-ODI\\_The-new-EPAs.pdf](http://www.acp-eu-trade.org/library/files/ECDPM-ODI_EN_310308_ECDPM-ODI_The-new-EPAs.pdf)

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After the signing of the agreement by the two parties at the beginning of 2009, the agreement was notified to the WTO on 28 September 2009. However the agreement may be reviewed if a full EPA is concluded with the region. Moreover, the agreement gives rise to certain fears, in particular as regards the consequences set out in the following sections.

The fiscal impact of the EPA

As in other regions, problems of tax adjustment are a major source of concern in CA. A study carried out in 2009 on the impact of signing an EPA on Cameroon's economy, projects that CFA francs 775 billion (€1.2 billion) will be lost at regional level over the next 12 years. According to the report these losses will include some CFA francs 295 billion (€450 million) for Cameroon. In a context in which customs duties represent almost 40% of the tax revenues of most CA countries, an EPA would have a significant fiscal impact. A study carried out by the Cameroon ministry of finance estimates that the EPA between the EU and Cameroon will cause lost customs revenues of up to €197 million between 2010 and 2023, and €356 million by 2030.

Difficulties in penetrating the EU market and the erosion of preferences despite the access obtained thanks to the EPA

Concerns have been expressed about the future value of duty-free, quota-free access to the EU market in the framework of the EPA, given the very strict hygiene and quality standards applied by the EU. Accordingly, the total opening of the EU market may not produce the expected results in terms of an increase in export volumes. One solution could be to increase aid to boost production capacities and compliance with food-safety standards on the European market.

In addition, following the agreement concluded on 15 December 2009 between the EU and Latin American countries on bananas, the preferential access to the European market which Cameroon still enjoys thanks to the signing of the EPA does not have the same value. The agreement will reduce customs duties for 'dollar' bananas from €176/tonne to €114/tonne by 2017, with an immediate reduction to €148/tonne as soon as the agreement is signed. In exchange, Latin American banana exporters will withdraw their complaint filed against the EU with the WTO and will not attempt to obtain additional reductions in the banana tariff in the framework of the Doha Round. The vast majority of the EU's banana imports come from Latin American countries (the market share of Colombia, Costa Rica, Ecuador and Panama amounted

to 77.5% during the period 2006-2008), whereas banana imports from Cameroon represent only 6.7%. This market share has varied over the last ten years: after having increased from 1999, it has fallen from 7.2% in 2003 to 5.6 % in 2008. This share is likely to fall further given the recently concluded agreement, which will make ‘dollar’ bananas even more competitive vis-à-vis ACP and Cameroon bananas. According to ICTSD, the agreement is likely to reduce ACP banana exports by 14%, whereas Latin American banana exports are expected to increase by around 17%. The future signing of free-trade agreements with Central American countries is likely to intensify even further the process of preference erosion.

In order to help ACP banana-exporting countries to adapt to this fall in the MFN rate, the EC has undertaken to pay aid of €200 million, in addition to the aid already committed. Local industry in Cameroon is facing an important challenge in this regard, namely its capacity to introduce efficient programmes that will enable the country’s bananas to become more competitive and stand out from ‘dollar’ bananas.

One solution for Cameroon’s banana producers would be to switch their production to fair-trade or organic-certified products in order to distinguish them from Latin American bananas. Although many Caribbean producers have already made this switch, African producers do not seem to have made sufficient use of this possibility.

## 2.2 Negotiations for a regional EPA suspended since February 2009

No joint meetings have been held since February 2009, mainly because of the reorganisation of the CEMAC Secretariat, which is now complete. A joint technical negotiation meeting was due to be held in Brussels in April 2009 but was put back at the request of CA. At the beginning of October, the representatives of the two parties had agreed to resume the technical negotiations. A regional level meeting was scheduled for 9-13 November 2009 in Libreville to prepare the December round of negotiations, but was postponed, which also resulted in the joint technical negotiations with the EU being cancelled. On 11 December 2009, the CEMAC Council of Ministers met, with ministers calling for an impact study on the implementation of the Cameroon-EU EPA on the economies of the region as a whole. A fresh meeting was held on 15 February 2010, at which the CEMAC ministers apparently discussed a series of issues to be taken into account before the conclusion of a regional EPA. In continuation of the work undertaken by the regional committee on EPAs, they examined certain questions in abeyance, such as market access, services, rules of origin, the nature of the EPA regional fund (FORAPE); no agreement has yet been reached on these issues.

In its February 2009 communiqué, the regional platform of CA non-state stakeholders (PANEAC) suggested that after the February 2009 round of negotiations, the process was deadlocked for two main reasons. First of all, the European negotiators were unwilling to budge on their initial positions on all issues, whereas CA has made numerous concessions, in particular as regards its market-access offer. Next, because the EC ‘has back-tracked on several points relative to the development aspects of the EPA’, in particular as regards the implementation of a ‘Joint guidance document for capacity building and upgrading African economies’, agreed in 2007, and support for tax adjustment.

The degree of liberalisation and the liberalisation schedule remain the main stumbling block in the negotiations. Moreover, according to ECDPM, discussions on the EU’s legal commitments regarding EPA development support, rules of origin and the commitments of the non-execution clause (which deals with the non-performance of the agreement’s provisions) are still ongoing between the parties. Questions regarding dispute resolution and the EPA development component have not yet been discussed, whereas additional negotiations are still necessary on export taxes, the MFN clause, safeguard provisions and anti-dumping measures.

### 2.2.1 Disagreement on the extent of liberalisation and the schedule

CA’s market-access offer remains the main point of disagreement with the EU. As indicated previously, its market-access offer tabled in July 2008, which proposed the liberalisation of 71%

of its imports over 20 years, was rejected by the EC, which considers that in order to be compatible with article XXIV of the GATT, a market-access offer must liberalise at least 80% of trade over 15 years. According to the PANEAC communiqué, the EC's position is 'completely unfounded'; moreover, the European Parliament's resolution of 25 March 2009 on the EU-CA EPA 'Considers that to demand 80% liberalisation by value of trade is an interpretation of Article XXIV of the GATT that does not take sufficient account of the fact that the EU is negotiating with some of the poorest countries in the world, which have differences in their level of development and sensitive sectors.'

A recent study carried out by GRET at the request of the French Development Agency (AFD) has analysed 41 free-trade agreements in force and reveals that some agreements have liberalisation levels of below 80% and have not been contested at the WTO. This shows the region's market-access offer in a new light. In particular, in the EU-Mexico free-trade agreement, 54.1% and 98.1% of imports by value of Mexico from the EU and EU imports from Mexico respectively are liberalised, which represents only 66% of trade, compared to CA's offer which implies the liberalisation of 88% of trade in 2007 between the two regions.

This study supports the report of the French European Affairs Commission submitted to the French National Assembly in December 2009 which also calls on the EC to review its position, in particular as regards the liberalisation rate and schedule. According to this report, 'the EC's position is based on its own interpretation of the GATT rules and does not correspond to the practices of free-trade agreements' and it recommends the EC 'to restore a system of asymmetrical trade preferences'.

### 2.2.2 Rules-of-origin negotiations

According to ECDPM further negotiations on rules of origin are still necessary. The EC recognises the 'potentially very important dimension for the region's development, in particular its industrial development' and according to it, 'the initial exchanges have revealed an overall convergence of views between the EU and CA, on the basis of the EU's proposal to maintain the *acquis* of the Cotonou Agreement in this area while proposing improvements'. This seems to be in line with the position of the European Parliament which, in its March 2009 resolution 'Calls for the production and export of higher-value-added processed products to be supported, in particular by simplifying and making more flexible the rules of origin.' The new rules of origin negotiated at regional level are intended to be integrated into the Cameroon-EU interim agreement. Failing an agreement between the two regions, Cameroon will export under less favourable rules of origin, hence the importance for the negotiators to reach an agreement as quickly as possible.

### 2.2.3 The inclusion of the MFN clause

As in all the other regions, the EU's proposal regarding the MFN clause, which requires the region to grant automatically to the EU all the concessions granted to its main trading partners, has given rise to heated discussions. According to ICTSD, 'Central Africa has systematically refused the inclusion of this clause in the future agreement. [...] But it intends to accept its inclusion provided that the development component is sufficiently taken into account in the agreement.'

### 2.2.4 Safeguard measures

According to ECDPM, negotiations are still necessary on the safeguard measures. As regards the measures included in the Cameroon-EC agreement, the European Parliament's resolution 'points out that the instruments provided for their adoption are complex, which could limit the chances of implementing them'; it therefore calls for these measures to be revised in the future regional agreement.

### 2.2.5 The use of trade-policy instruments

The use of trade-policy instruments other than customs duties, such as export taxes, quantitative trade-restriction measures or import licences, is a bone of contention in some EPA negotiations. The use of these measures, which can prove very effective when it comes to supporting domestic agricultural production and food security, or the development of higher added value processing activities could be called into question by the EPA.

In the framework of the Cameroon-EC agreement, measures involving quantitative restrictions (such as import bans, quotas and licences) are formally prohibited, even for the purpose of protecting new industries or for reasons of food security. This clause will therefore probably be integrated into the regional agreement. According to an article published in *Eclairage sur les négociations*, 'the bans in force in Cameroon on exporting certain wood essences, the use of export permits and restrictions which ensure that wood is processed locally, could [...] be called into question by the EPA'. According to the *Trade Policy Review* of the WTO, as CA countries apply measures involving quantitative restrictions on imports in the agricultural sector for reasons of food security or to protect new sectors or industries (see Table 1), any prohibition of such measures could cause a problem.

As regards export taxes, according to the EC, the negotiators still have to reach a compromise. In the framework of the Cameroon-EU EPA, the clause on export taxes does not prohibit their use if the taxes in question were in place before the agreement and authorises the introduction of new export taxes 'for environmental protection purposes or to maintain monetary stability, after consultation with the EC'.

If the CA countries want to be able to continue to use this type of instrument, it will be important to ensure that the regional agreement includes a certain degree of flexibility regarding their use, in particular for reasons of food security or to protect new industries.

**Table 3: Trade-policy instruments in force in CA**

	Cameroon (2007)	Congo (2006)	Gabon (2007)	Central African Republic (2007)
<b>Import licences</b>		Meat, poultry, sea fish, salted fish, wheat flour and meal, edible oils, salt, mineral water, sugar, rice, concentrated tomato paste		Sugar
<b>Import restrictions</b>	Poultry	Sugar (ban until national production has been sold) and wheat meal (quotas)	Sugar (prohibited except for CEMAC imports)	Coffee (prohibited until national production has been sold), sugar
<b>Export taxes</b>	Cocoa and coffee (duties in aid of the national office of the multi-industry council and international organisations)			

Source: OMC, Trade Policy Reviews

As regards instruments to support agricultural development, the European Parliament's resolution:

- 'considers that, in order to guarantee food security in Cameroon and in the region, a policy of long-term support for local agriculture needs to be put in place, including trade policy instruments which enable market regulation and the protection of sustainable family agriculture;
- considers that the potential for state intervention in this area should not be restricted;
- stresses that these topics must be placed at the centre of the negotiations in order to guarantee the coherence of trade policy and all the EU's policies with regard to food sovereignty and the right to food.'



### 2.2.6 EPA support measures

In February 2009, according to ICTSD, ‘the region has stressed capacity building, [...] the inadequacy of the budget amount allocated to the region as well as the percentage devoted to EPA support measures’. On 30 September 2009, the Regional Indicative Programme (RIP) of the 10<sup>th</sup> European Development Fund (EDF) was signed. It amounts to €165 million, while the regional strategy document adopted in May 2009 provides for €97 million (58%) to be devoted to economic and trade integration.

In this regard, the European Parliament’s resolution stresses that ‘additional financing [in addition to that of the EDF] was anticipated’ and ‘points out that the amounts allocated under the NIP for Cameroon and the RIP are insufficient to bring the Cameroonian economy up to standard, which the signing of an EPA would entail’. It also stresses that the support programme must cover bringing the economies up to standard and offsetting the losses in customs revenues.

## 2.3 Towards a regional EPA

A new calendar for meetings in the negotiations was expected to be agreed for the first quarter, according to ECDPM in early 2010. The conclusion of an agreement in 2010 will depend above all on the progress made by the CA region internally, since it was above all the institutional problems of CEMAC and the organisation of elections in several countries in the region which delayed the negotiations in 2009.

The two parties will have to reach an agreement on all the disputed clauses, and first of all on CA’s market-access offer. In the light of the appeals made by France and the European Parliament, in particular for the EC to adopt a more flexible approach in the negotiations, the EC could be induced to review its position.

The transition from the Cameroon-EU interim EPA to the regional EPA also raises some questions. Fears have been expressed regarding the impact of the signing of an EPA by Cameroon with the EU on the negotiations for a full regional EPA. The regional EPA must be the result of negotiations between all the region’s member states and not based on the interim EPA signed by Cameroon. The title given to the official legal document of the interim EPA has provoked fears, since it refers to the ‘European Community and its member states’ of the one part and ‘Central Africa’ of the other part, whereas only Cameroon has initialled this agreement. According to an article published in *Trade Negotiation Insights*, ‘some observers think that the wording suggests that the EU has treated Cameroon as being equivalent to the region in a legal agreement and will neither accept the demands of the other countries in the regional negotiations nor will it move regional integration forward; on the contrary it will impose the interim EPA signed with Cameroon on the other countries’.

The Cameroon-EU agreement stipulates that Cameroon’s market-access offer may be revised when the region’s countries join the EPA, within three years after the implementation of the first tariff-dismantling phase in Cameroon, that is to say by 1 January 2013. The two parties have agreed to base the future regional agreement on the results of the last negotiations between the two regions, and not on the Cameroon-EU interim agreement. However, ‘this raises the question of how far the commitments entered into by Cameroon will influence the regional agreement [...]’, as the ODI/ECDPM analysis of the EPA stresses.

Furthermore, according to the ODI/ECDPM analysis, given that the CET of CEMAC is not yet fully applied, and that the tariff dismantling should normally have started at the beginning of the year, it will be necessary in this case to realign customs duties within the region when a full EPA is put in place. Once the agreement has been signed, either ‘Cameroon will have to increase its customs duties up to regional level, or the region’s other countries will have to accept rapid tariff cuts to bring their rates into line with those of Cameroon, or the regional EPA will have to specify a transitional period during which Cameroon will apply different rates of duties from the region’s other countries, until the latter have reached the same level of liberalisation as Cameroon.

Cameroon's request to postpone the first phase of tariff dismantling, which was due to start in January 2010, has somewhat changed the situation in this regard. Cameroon would thus appear to be waiting for the signing of the regional agreement in order to implement the first phase. However there is a risk that this might cause serious problems for certain sectors in Cameroon, in particular for banana producers, since banana exports would be taxed under the GSP system.

If the Central African and EU negotiators fail to break the deadlock, Gabon and Congo Brazzaville will be able to apply again to benefit from the EU's GSP+ system during 2010.

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CTA was created in 1983 in the framework of the Lomé Convention between ACP (Africa, Caribbean, Pacific) and EU (European Union) countries. Since 2000, the Centre has been operating under the ACP-EU Cotonou Agreement. CTA's tasks are to develop and provide services that improve access to ever-changing information for agricultural and rural development, and to strengthen the capacity of ACP countries to produce, acquire, exchange and use information in this area.

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