will be unable to do so.

The EC's market access offer include duty free, quota free Market Access for all products originating from the EAC. This offer is nothing new as Uganda has been and would still be benefiting from this market access under the Every thing But Arms (EBA) privileges without succumbing to the unrealistic rules of the EPAS.. In any case the critical factors that have been impeding us from enjoying the trade opportunities there in such as Sanitary and Phyto-Sanitary measures, Rules of Origin, Technical Barriers to Trade, subsidies are not part of the negotiating agenda.
Regarding the development component, one of the major priorities of the EAC in the EPA negotiations is that the EPAs will serve as a development tool and that extra resources will be provided by the EC to address supply capacity constraints. Yet the request for additional funds to meet the challenges arising from the massive market opening such as reduction of government income from tariff cuts has not forthcoming. Under Article 36 of the Interim agreement EC has committed itself to contribute funds only under the 10th European Development Fund regional indicative programme, Aid for Trade and the EU budget. The EDF funds are already committed with only relatively small funds earmarked to support supply capacity constraints ,while Aid for Trade is still a vague concept, lacking clarity on how much is available; and where the funds are going to come from.

What Next?

The Interim Agreement provided for the continuation of the negotiations in a number of wide ranging and contentious areas which have the potential of limiting governments' policy space to put in place development strategies. Negotiations for a comprehensive EPA are still continuing, given the pending issues, it is unlikely that a comprehensive EPA will be concluded by July 2009 as envisaged. There is therefore still a chance for Small Scale farmers and NGOs working in the areas of agriculture and development to effectively participate in these negotiations to ensure that Uganda's agriculture in general and the SSF livelihoods are protected.

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FACTS ABOUT THE EAC – EU ECONOMIC PARTNERSHIP AGREEMENTS

" Can Uganda really compete with Europe under such circumstances???"

What are Economic Partnership Agreements (EPAs)? :What Next?

EPAs a give – and -take trade agreements being negotiated between Europe and its former colonies in Africa Caribbean and the Pacific (ACP) Countries. The negotiations started in September 2002 and were supposed to be concluded by December 2007 and the new trading arrangements to be in place starting January 2008. Due to their complexity, the negotiations are still going on.

Why the negotiations? The Lome Conventions

The EPAs represent a new trade relationship between EU and its former colonies. For the 25 years since 1975, the trading relationship and cooperation between Europe and the ACP countries were governed by the Lome conventions. The first Lome Convention (1975-80) was reviewed in three phases i.e. Lome II-1980-1985, Lome III-1985-1990, Lome IV-1990-1995 (with an extension of 5 years to 2000).
The major purpose of the Lome Conventions was to promote the economic, social and cultural development of ACP countries.

There were two main pillars of co-operation under the 4 Lome conventions phases (1975-2000); the economic and trade co-operation and aid. Under the economic and trade co-operation pillar, Europe granted a trade privileges to ACP countries such as specified commodity quantities with pre determined annual prices; and also provided other instruments of trade cooperation i.e. financial and technical aid.
Such commodity privileges included cane sugar, beef, veal, bananas and rum. Under the sugar privilege, a fixed quantity at guaranteed price each year was allocated to different countries. Uganda was given 5,000 metric tons; but did not utilise this privilege while countries like Mauritius were able to transform their economies by utilising it.
The conventions also dealt with the issue of the stabilisation of export earnings through the introduction of the STABEX (Stabilisation of Exports) scheme to help stabilise export earnings on a wide number of agricultural products such as cocoa, coffee, groundnuts and tea; and also to promote diversification. Lome II created a similar mechanism SYSMIN (Stabilisation of Mineral exports) for countries that were heavily dependent on mineral resources.

Under the aid component, Lome cooperation predicted aid flows for over a 5-year period under the European Development Fund (EDF).

Despite receiving all those privileges under the Lome Conventions, most ACP countries including Uganda did not achieve the objectives of the Lome Conventions as exports in particular and the economies in general have on the whole performed poorly.

In addition, the development impact of the Lome conventions is still questionable. The WTO rules oblige members not to discriminate among each other. Therefore by giving privileges to its former colonies, the Europe was discriminating against other WTO members. There were therefore calls to put this in order.

The Cotonou Agreement:

The reassessment of the ACP-EU cooperation concluded by signing of the EU-ACP Partnership Agreement on 23rd June 2000 in Cotonou , Benin; hence the “Cotonou Agreement”. While building on to the 25 years of Lome, the Cotonou agreement initiated important changes and ambitious objectives.

The Central objective of the Cotonou Agreement is to reduce and eventually eradicate poverty while contributing to sustainable development and to the gradual integration of ACP countries into the world economy.

The agreement is based on three complimentary pillars i.e. Development cooperation, economic and trade cooperation and the political dimension.

The EPA negotiations:

Under the economic and trade cooperation pillar, the Cotonou Agreement in Chapter 2 Article 37 provides for the negotiations of new trading arrangements between the ACP countries and the EU:
“Economic partnership agreements shall be negotiated during the preparatory period which shall end by 31st December 2007 at the latest. Formal negotiations of the new trading arrangements shall start in September 2002 and the new trading arrangements shall enter into force by 1st January 2008, unless earlier dates are agreed between the parties.”
The new trading arrangements were to be in line with the WTO rules through the introduction of a ‘Give – and - take trade arrangements between the ACP countries and the EU.

The EPAs are intended to achieve a wide range of objectives i.e. to strengthen integration between the ACP and EU, to promote the opening up of the ACP economies, to deepen their regional integration process and to increase access for European companies to ACP markets.
The first phase of the negotiations was launched in Brussels on 27th September 2002 at the all ACP level. At the regional level, Eastern and Southern Africa (ESA) Group to which Uganda belonged launched the 2nd phase of the EPA negotiations with the EU on 7th February 2003.
The ESA region opted to negotiate in (6) six clusters i.e. Development Issues, Market access, Agriculture, Fisheries, Trade in Services, and Trade –related Issues.
As a result of the complexity of the negotiations a comprehensive EPA was not concluded by December 2007 as envisaged, instead Uganda and the other four East Africa Countries (Kenya, Tanzania, Rwanda and Burundi) broke away from the ESA Group and initialed an Interim Framework EPA (FEPA) on 27th November 2007 with the EU.

The Interim Framework Economic partnership Agreement (FEPA):

The FEPA covers areas of market access, development, fisheries and commitment to negotiate a comprehensive EPA covering a wide range of trade-related issues by 31st July 2009.
Under the market access pillar, the EAC countries committed themselves to open its market to goods from the EU over a period of 25 years in three phases. In the first phase (2008-2010), the EAC will open up 64% of imports from the EU; while in the second phase (2015-2023), 16% of imports will be opened up. In the last phase, (2020-2033), the EAC will open up 2%; making a total of 82% of their markets opened up for imports from the EU.

This wide spread opening up of markets will expose Uganda’s agricultural and industrial producers to unfair and harsh competition from EU subsidized and more competitively produced goods. Without adequate protection, Uganda’s farmers and manufacturers will not survive; resulting into adverse impact on livelihoods, employment, and on efforts to industrialize.

Although 18% of EAC trade with the EU which covers sensitive products is supposed to be excluded from market liberalisation requirements, this provision is an offer given in the right hand and taken away from the left hand. The two parties contradicted the provision by constituting the “standstill” clause. In the clause, EAC has agreed not to increase the applied duties on all these products. This means that if Uganda needs to raise tariffs on sensitive agricultural sectors such as dairy sector, she