

**ETUC/ ITUC PROPOSALS ON ECONOMIC PARTNERSHIP AGREEMENTS (EPAs)  
FOR THE EU GENERAL AFFAIRS AND EXTERNAL RELATIONS COUNCIL,  
19-20 NOVEMBER 2007**

1. There is need for an extension of the EPA negotiation period beyond the current deadline of 31 December 2007. Failure to meet that deadline should not lead to the precipitate end of current trade preference arrangements under the Cotonou Convention, which need to be maintained while negotiations continue just as they were on the last occasion that a WTO waiver for Cotonou arrangements expired in 2000-01. In the unlikely event of any challenge at the WTO, the EU and ACP countries could argue effectively that uncertainty around the outcome of the Doha Round, coupled with the specific difficulties faced by ACP countries (including many of the poorest in the world) merit the temporary extension of Cotonou preferences.
2. Consistent with the position advanced by the EU since the beginning of negotiations that the EPAs are proposed as a vehicle for economic development in the best interests of the ACP countries, the EU should state clearly that it is ready to offer alternatives to ACP countries or regions that may not wish to conclude EPAs, as follows:
  - **“GSP+”** - those countries that currently meet the criteria (including ratification and full implementation of the eight ILO core labour standards) or that undertake formally to meet those criteria within a specified time period and at latest within six months, if necessary accompanied by development assistance and cooperation with the ILO, should be offered GSP+ status in the Generalised System of Preferences (GSP);
  - **“EBA”** - the least developed countries (LDCs) in the ACP not eligible for GSP+ should be offered trade access under the EU’s “Everything But Arms” (EBA) initiative;
  - Other countries whose governments fail to respect core labour standards and the other criteria for GSP+ would receive standard GSP status for the time being.
3. Those ACP countries and regions wishing to pursue EPA negotiations should be enabled adequate time to develop their own sub-regional integration, as the EU has stated is a priority objective of EPAs, and to prepare for adjustment before the EPAs enter into effect and market access to the EU is provided. A time period of some 25 years could be appropriate. In this regard, it should be noted that Article XXIV of GATT specifies no stipulated time period, providing the EU and ACP countries with ample potential to refute any hypothetical challenge at the WTO.
4. Consistent with the EU’s stated position acknowledging the poverty and development challenges facing ACP countries, a greater degree of non-reciprocity needs to be offered to ACP countries negotiating EPAs. A level of coverage of 60% of imports of goods by ACP countries (at the end of any transition period as referred to above and implemented gradually while allowing for the use of adequate safeguards) would again be appropriate to the low development status of most ACP countries, and hence wholly legitimate under the non-specific language of Article XXIV of GATT.
5. Consistent, once more, with the EU’s position that trade liberalisation beyond goods alone is a development tool for ACP countries to determine as they wish, ACP countries should be free to decide, without pressure, whether they wish to enter into commitments in areas such as services, intellectual property, investment and other such “WTO+” issues.
6. The EU should confirm its commitment to providing increased development assistance to enable ACP countries to adjust to the reduced tariff revenues and other costs that would

result from entering EPAs, without reduction in other forms of assistance and accompanied by further aid to build supply side capacities and infrastructure.

7. In line with the EU's commitment to uphold social development, a strong social chapter to give effect to Article 50 of the Cotonou Convention is needed, as detailed in the annex to this document and including commitments to the ratification and full application of core labour standards; an undertaking not to lower labour standards to increase investment or trade; mechanisms to enable the social partners to raise complaints; a transparent procedure to deal with any complaints and derive recommendations; and linkage to the provisions for disputes settlement in the main part of the agreement
8. Consistent with the EU's commitments on openness in public affairs, all EPA negotiations should take place under conditions of greatly increased transparency, with a possibility for public consideration of draft proposals and on the basis of formal consultations with recognised social partners and other representative civil society organisations.

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## ANNEX

**ETUC/ ITUC STATEMENT OF TRADE UNION DEMANDS RELATING TO KEY SOCIAL ELEMENTS OF “SUSTAINABLE DEVELOPMENT” CHAPTERS IN EUROPEAN UNION NEGOTIATIONS ON FREE TRADE AGREEMENTS (FTAs) / ECONOMIC PARTNERSHIP AGREEMENTS (EPAs)**

1. There must be strong and unambiguous references to the requirement that both parties commit themselves to the effective implementation of core labour standards and other basic decent work components.
2. There is need for a clear statement that parties to the agreement will ratify the ILO standards concerned.
3. It should be clarified that the Sustainable Development chapter falls under the same standard provisions as everything else in the agreement, hence making its stipulations subject to the same dispute settlement treatment as all other components in the body of the agreement.
4. Both parties should submit regular reports on general progress to implement all the commitments made under this agreement, including the Conventions protected by the ILO Declaration on Fundamental Principles and Rights at Work and any other instruments that may be mentioned.
5. Both parties must make an engagement to respect the OECD Guidelines on Multinational Enterprises and the ILO Tripartite Declaration on Multinational Enterprises and Social Policy, and not to lower labour standards in order to attract foreign investment. Such an engagement must specify that it extends to all parts of their territories, so as to prevent the agreement resulting in an expansion of production in export processing zones (EPZs).
6. Provision should be included for ongoing sustainability impact assessments (SIAs) and for action to be taken on the basis of their findings. The SIAs should consider all relevant aspects of the social and economic impact of the agreements, including access to quality public services and the use of different policies, including trade related policies, to achieve industrial development.
7. It is essential that governments be required to act on the basis of social partners' formal submissions of communications. This should be a binding mechanism whereby recognised workers' and employers' organisations on both sides of any agreement should be able to submit such requests for action. Such complaints should be treated within a specified time period and form part of an ongoing follow-up and review process to ensure that governments address such complaints effectively.
8. Complaints about social problems should be subject to consideration by genuinely independent and well-qualified experts. Their recommendations must be part of a defined process for adequately rapid treatment of the issues raised, such that their deliberations are not limited to the issue of reports and recommendations but result in ongoing follow-up and review provisions, particularly in order to maintain pressure on any governments that allow violations of workers' rights on their territories.
9. A Trade and Sustainable Development Forum providing for consultation with workers' organisations, employers' organisations and NGOs should be established, with a clearly defined, appropriate balance between those three groups of members. This should meet

at least twice a year, and should enable Forum members to raise social issues and problems for public discussion.

10. In addition to linkage to the general dispute settlement provisions of the agreement as mentioned above, the agreement should provide for fines. These must be high enough to be of a sufficiently disincentive nature. The proceeds from such fines should be directed towards improving social standards and working conditions in the sectors and areas giving rise to the problems concerned.
11. Technical and development assistance should be provided in the agreement, linked where relevant to cooperation with multilateral agencies and especially the ILO. Additional forms of incentives, including trade incentives should also be included.
12. In addition to co-operation regarding the core labour standards, there are other important ILO conventions relevant to decent work that should be encompassed in the agreement. These include those identified as "priority conventions" by the ILO Governing Body in its 1993 decision (Convention 122 on Employment Policy, Conventions 81 and 129 on Labour Inspection and Convention 144 on Tripartite Consultation), other Conventions enjoying widespread support at the ILO (including Convention 155 on Occupational Safety and Health, Convention 102 on Social Security, Convention 103 on Maternity Protection, and Convention 135 on Workers' Representatives), and certain other essential ILO instruments (namely the Promotion of Cooperatives Recommendation, 2002 (No. 193), the Human Resources Development Recommendation, 2004 (No. 195) and the Employment Relationship Recommendation, 2006 (No. 198)).<sup>1</sup>
13. Finally, given the overall context of this chapter on "sustainable development", we would stress that strong clauses concerning respect for multilateral environmental agreements, including the Kyoto Protocol, are required.
14. Respect for human rights conventions in general, including those on civil and political rights, is highly relevant to the social dimension of sustainable development and should equally be stipulated in the chapter.

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<sup>1</sup> Additional ILO Conventions dealing specifically with occupational health and safety issues that should be included are Convention 162 on Safety in the Use of Asbestos, as well as others concerning sectors which are recognized as hazardous by the ILO, and Convention 187 on the Promotional Framework for Occupational Safety and Health.