



ACP-EU JOINT PARLIAMENTARY ASSEMBLY
ASSEMBLÉE PARLEMENTAIRE PARITAIRE ACP-UE

Committee on Economic Development, Finance and Trade

4.3.2016

DRAFT REPORT

on a Continental Free Trade Area for Africa – Prospects for Fostering Intra-African Trade and Potential Benefits for the ACP

Committee on Economic Development, Finance and Trade

Co-rapporteurs: Jean-Marie Bulambo (Democratic Republic of the
Congo)
 Marielle de Sarnez (European Parliament)

PART A: DRAFT MOTION FOR A RESOLUTION

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PROCEDURAL PAGE

At its meeting of 14 June 2015 in Suva (Fiji), the Bureau of the ACP-EU Joint Parliamentary Assembly authorised its Committee on Economic Development, Finance and Trade to draw up a report, pursuant to Article 2(8) of its Rules of Procedure, on a Continental Free Trade Area for Africa: Prospects for Fostering Intra-African Trade and Potential Benefits for the ACP.

At its meeting of 24 and 25 September 2015, the Committee on Economic Development, Finance and Trade appointed Jean-Marie Bulambo (Democratic Republic of the Congo) and Marielle de Sarnez (European Parliament) co-rapporteurs.

The Committee on Economic Development, Finance and Trade considered the draft report at its meetings of ...

At the last meeting, it adopted the accompanying draft motion for a resolution.

The following were present for the vote: ...

The resolution was tabled for adoption on ...

MOTION FOR A RESOLUTION

on a Continental Free Trade Area for Africa – Prospects for Fostering Intra-African Trade and Potential Benefits for the ACP

The ACP-EU Joint Parliamentary Assembly,

- meeting in xxx (xxx) from ... to ... June 2016;
- having regard to Article 18(1) of its Rules of Procedure,
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 (the Cotonou Agreement)¹, in particular Article 21 thereof, and revisions of the Cotonou Agreement in 2005 and 2010²,
- having regard to its resolutions of 19 February 2004 on 'Economic Partnership Agreements (EPAs): Problems and Prospects',³ of 23 November 2006 on the 'Review of Negotiations on Economic Partnership Agreements'⁴, of 9 April 2009 on 'Economic Partnership Agreements and their Impact on ACP States'⁵, and of 19 June 2013 on 'Economic Partnership Agreements – Next Steps'⁶,
- having regard to its resolution of 19 March 2014 on 'Regional Integration and Modernisation of Customs for Sustainable Development in ACP countries, in Cooperation with the EU'⁷,
- having regard to the Commission communication of 27 January 2012 entitled 'Trade, Growth and Development: Tailoring Trade and Investment Policy for those Countries most in Need', COM(2012) 22 final,
- having regard to the Commission communication of 5 February 2015, entitled 'A Global Partnership for Poverty Eradication and Sustainable Development after 2015' (COM(2015)44 final),
- having regard to the final document of the Post-2015 Development Agenda entitled 'Transforming our world: the 2030 Agenda for Sustainable Development', adopted by the United Nations General Assembly in September 2015,
- having regard to the third UN International Conference on Financing for Development

¹ OJ L 317, 15.12.2000, p. 3.

² OJ L 287, 4.11.2010, p. 3.

³ OJ C 120, 30.4.2004, p. 16.

⁴ OJ C 330, 30.12.2006, p. 36.

⁵ OJ C 221, 14.9.2009, p. 24.

⁶ ACP-UE/101.293/fin.

⁷ OJ C 345, 2.10.2014, p. 28.

- held in Addis Ababa on 13-16 July,
- having regard to the OAU Charter adopted in Addis Ababa on 25 May 1963,
 - having regard to the Constitutive Act of the African Union adopted in Lomé, Togo, on 11 July 2000,
 - having regard to the decision of 22 October 2008 of the Tripartite summit of Kampala to establish a free trade area between the Common Market for Eastern and Southern Africa (MCAOA/COMESA), the Southern African Development Community (SADC) and the East African Community (EAC),
 - having regard to the Abuja Treaty of 3 June 1991 establishing the African Economic Community, in particular Articles 6 and 88 thereof,
 - having regard to the 18th Session of the Assembly of the African Union held in Addis Ababa from 23 to 30 January 2012,
 - having regard to the action plans for the economic development of Africa adopted in April 1980 and in 2012 in Lagos,
 - having regard to Agenda 2063 launched on the 50th anniversary of the African Union (AU) in May 2013 in Addis Ababa and adopted at the 24th ordinary session of the AU Assembly in Addis Ababa on 31 January 2015,
 - having regard to the 22nd summit of African Union heads of State on 30 and 31 January 2014,
 - having regard to the third tripartite summit held in Sharm el-Sheikh from 6 to 10 June 2015,
 - having regard to the 2013 UNCTAD report on 'Intra-African Trade: Unlocking Private Sector Dynamism',
 - having regard to the World Economic Forum's 2015 'Africa Competitiveness' Report,
- A. whereas the establishment of a continental free trade area (CFTA) for Africa is the expression of the political will of the heads of State of the African Union (AU) meeting in Addis Ababa in 2012;
 - B. whereas the CFTA will foster closer economic and cultural relations between African countries, between African, Caribbean and Pacific countries and with the European Union;
 - C. whereas the boost in intra-African trade will have to benefit all Africans and help Africa become an integral part of global trading systems;
 - D. whereas the structural mismatch between the domestic supply and demand of goods and services means all too frequently having recourse to costly imports;

- E. whereas cross-border trade takes place between countries often inhabited by the same peoples, but these significant flows are not accounted for in trade between African States;
 - F. whereas this parallel economy evades State taxation and hinders efforts to support and develop the private sector;
 - G. whereas fraud, contraband, tax evasion and tax exemptions deprive States of financial resources, States which are already affected by a reduction in customs duties due to the liberalisation of trade;
 - H. having regard to the added value of major integration projects with multiplier effects, such as the schemes to combat the drying out of Lake Chad, to extract methane gas from Lake Kivu and to exploit the hydro-electric potential of the Congo river basin and of the Inga site in the DRC;
1. Notes that the CFTA will eventually include 54 African countries and constitute a market of more than one billion people by 2050;
 2. Considers that increased trade flows should help in the short and medium terms to increase Africa's GDP by some 4.5 to 5%;
 3. Considers that this growth through trade, due in particular to cooperation and the South-South technology transfer, should be used to reduce inequalities in development on the African continent;
 4. Considers that the CFTA should be implemented gradually, initially by federating the various free trade areas and economic communities already in existence and by concluding the tripartite agreement between the SADC, the COMESA and the EAC;
 5. Calls for a boosting of the economic development and innovation capacity of regional economic communities (RECs), whose integration and experience will undoubtedly be a source of inspiration for the realisation of the CFTA;
 6. Adds that the conclusion of the Economic Partnership Agreements (EPAs) will give a fresh boost to the realisation of the CFTA;
 7. Demands that the CFTA adjust as a matter of priority the structural deficit of African supply of goods and services in relation to demand in order to effectively impact trade;
 8. Calls for the CFTA to restore, consolidate and develop Africa's economic fabric so as to increase production, improve trade and boost consumption by bolstering purchasing power;
 9. Stresses the importance of innovation for stimulating production, particularly of the primary sector, and its distribution network;
 10. Believes that the CFTA should play a leading role in the implementation of major cross-border projects, such as transport and communications infrastructure, so to ensure better links between neighbouring States and major cities and promote new development

opportunities;

11. Hopes that the CFTA will enable Africa to engage in the sustainable exploitation of its natural resources, which, combined with favourable demographics, will contribute to economic growth and a reduction in the development gaps between African countries through the redistribution of wealth;
12. Urges that particular attention should be paid to SMEs and SMIs - the warp and woof of a dynamic and varied local economy - in particular through the creation of priority growth areas;
13. Wishes to see the implementation of a practical policy to assist local SMEs and SMIs by tax breaks and support from accounting and tax experts and approved management consultancies in order to develop their capacity to create wealth and jobs;
14. Takes the view that the CFTA must boost not only intra-African trade in goods and services but also freedom of movement for goods and persons;
15. Calls for measures to be taken to offset the fall in budget revenue as a result of the removal of customs barriers and to preserve local production markets;
16. Stresses that access to finance in Africa is still too limited and that in order to remedy this situation, new and innovative solutions must be devised within the framework of the CFTA;
17. Demands that funding be maintained for small farmers with a view to ensuring the continent's food security and building up stocks of production for the benefit of the local population;
18. Calls for the proposed CFTA to draw on the experience of 40 years of ACP-EU relations, take over the strong points of the Cotonou Agreement and be based on the ongoing negotiations on the new agreement for the post-2020 period;
19. Encourages the African ACP countries to be centrally coordinated so as to stand united in negotiations with their trade partners, including the European Union;
20. Calls on the European Union and Africa to form a partnership based on a policy of joint growth and co-development;
21. Recognises that the implementation of the CFTA will take a long time and will require the intense political involvement of all stakeholders;
22. Believes that the CFTA should have a real capacity to act, particularly by channelling aid, subsidies and other Community resources in order to achieve poverty eradication in Africa and to bring about a convergence in countries' levels of development;
23. Recognises that the CFTA will not be able, by itself, to address all the challenges currently facing Africa, but will offer the continent real prospects for sustainable, inclusive development by opening it up to other economic groupings, such as the EU and the Pacific and Caribbean zones.

24. Recalls that it is essential that Africa take charge of its own development and stand by its own model by acquiring all the necessary means to achieve a form of growth that will benefit all Africans;
25. Instructs its Co-Presidents to forward this resolution to the ACP-EU Council of Ministers, the European Parliament, the European Commission, the European Council, the African Union, the Pan-African Parliament, the regional and national parliaments, the regional organisations relating to ACP countries, and the European Investment Bank.



ACP-EU JOINT PARLIAMENTARY ASSEMBLY

ACP-EU JOINT PARLIAMENTARY ASSEMBLY

Committee on Economic Development, Finance and Trade

27.1.2016

DRAFT REPORT

on a continental free trade area for Africa – prospects for fostering intra-African trade and potential benefits for the ACP

Committee on Economic Development, Finance and Trade

Co-rapporteurs: Jean-Marie Bulambo (Democratic Republic of Congo)
 Marielle de Sarnez (European Parliament)

PART B: EXPLANATORY STATEMENT

Introduction

1. In 2012 the heads of state of the African Union (AU) countries meeting in Addis Ababa endorsed a plan to set up a continental free trade area (CFTA) for Africa by 2017.
2. That decision was endorsed by the ACP-EU Joint Parliamentary Assembly at its 29th session in Suva, Fiji, in June 2015. The assembly recommended that further discussions should be held on the issues and challenges involved in setting up such an FTA. The plan will be the subject of the 25th report of the assembly's Committee on Economic Development, Finance and Trade.
3. The African Union's intention in setting up an African FTA is to redress the major imbalance between the volume of intra-continental trade in Africa and that in other continents. This will be a long process and a strong political commitment will be required on the part of all AU countries.
4. This working document on a continental free trade agreement for Africa focuses on the four following issues:
 - the factors in favour of a continental free trade area for Africa;
 - the lack of coordination of cross-border markets and the porosity of customs and tax agencies;
 - the role played by small and medium-sized enterprises (SMEs) and small and medium-sized industries (SMIs) in the economic fabric of Africa;
 - an assessment of measures to promote economic convergence between African countries.

Factors in favour of a continental free trade area for Africa

5. The establishment of a free trade area for Africa will mark a sea change in trade relations between African countries and between Africa and the European Union, as well as between the ACP's three component groupings of African, Caribbean and Pacific countries. It will foster closer economic and cultural relations both inside Africa and inside the ACP.
6. The CFTA will boost intra-African trade in goods and services and may ultimately lead to freedom of movement for goods and persons. It will cover 54 countries and a market of more than one billion people by 2050. It should help to increase Africa's GDP by some 4.5 to 5% between 2015 and 2016 on the back of increased trade flows. However, it will not cover all types of trade. It must make a distinction between good trade practices and bad and must be built up gradually, by first consolidating smaller regional blocs such as the SADC, COMESA and EAC, covering 26 of the 54 African countries and 568 million people.
7. There are a large number of factors in favour of a CFTA. They include:
 - the experience built up over 40 years of ACP-EU relations;

- the sub-regional economic communities already in place;
- the ability to take over the main points of the Cotonou Agreement;
- the negotiations on a post-2020 successor agreement to the Cotonou Agreement;
- the fact that the African ACP countries will be centrally coordinated and will stand united in their dealings with partners including the European Union, thus countering any psychological barriers and protectionism between economic blocs in Africa;
- mitigation of the negative effects of having a number of different sub-regional economic blocs;
- the impetus provided by the negotiations on EPAs and the progress made in the negotiations on the Central Africa EPA;
- amalgamation of the various FTAs and economic communities already in place and enhancement of their operational and technological capacities;
- measures to allay the fears of some countries that their budget revenue will fall off as a result of the removal of customs barriers or that they will become a market for other countries' goods, since they do not have goods of their own to offer.

If the CFTA is to become fully operational, however, it will need to be given robust powers to channel aid, subsidies and other community resources into efforts to, in particular, eradicate poverty throughout Africa.

Lack of coordination of cross-border markets

8. Cross-border trade takes place across the long borders between countries that, in the majority of cases, are inhabited by the same peoples. This thriving but unregulated trade is not sufficiently taken into account in the official statistics on trade between African countries.
9. It forms the basis for an informal economy and has a negative impact on efforts to regulate and develop the private sector, which forms the basis for a whole range of small, thriving underground economic sectors generating large sums of money beyond the reach of the tax authorities.
10. Governments are very short of funds and taxation systems, blighted as they are by fraud, smuggling, tax evasion, over-generous tax exemptions and tax avoidance, are not working. The shortcomings of the taxation systems themselves and the porosity of tax and customs agencies are problems that must be addressed, in particular in a context of trade liberalisation, as must the various types of trafficking that go on in all African countries. Even though this parallel economy has its benefits for ordinary people, those benefits are precarious and are insignificant in comparison with what a CFTA could bring. A CFTA would boost trade volumes to the benefit of all Africans and would help Africa to become an integral part of global trading systems.

The problem of domestic supply

11. The mismatch between Africa's domestic supply of goods and services, which continues to fall short of the continent's potential, and domestic demand for goods and services fuels imports and needs to be addressed by the CFTA so that effective action may be taken to

adjust supply and demand within the continent.

12. One of the priorities for the CFTA must be to rebuild and consolidate the continent's economic fabric and to take proper account of the need to foster innovation. Efforts to breathe new life into and develop the economic fabric must focus on boosting production, improving trade circuits, bolstering purchasing power and consumption and increasing domestic demand.
13. They must include both the provision of support to local SMEs and SMIs and support measures for local SMEs and SMIs, which should be given tax breaks and support from accounting and tax experts and approved management consultants in order to encourage them to make the best possible use of their production capacity and create wealth and jobs.
14. Another priority must be to provide funding for small farmers with a view to ensuring the continent's food security and preventing production surpluses from going to waste. It is currently difficult to gain access to funding in Africa. Appropriate forms of funding will therefore need to be devised.

Priority growth areas, integration projects and development corridors

15. The development disparities in Africa, which has few emerged economies (a factor that militates against South-South cooperation and technology transfer), and the fact that demand outstrips supply are problems that have not been solved by the formation of a number of economic zones around the continent. The inability of supply to keep up with ever-growing demand is a major problem that the CFTA must address. The CFTA must help to reshape the primary production sector and its distribution networks. This will require some innovative thinking. Africa has extensive surface and underground resources, unique hydrographic features and a young population. The CFTA will need to focus on sustainably exploiting those resources and lessening development disparities between countries by providing support for those that are lagging behind. It is essential to carry out major integration projects that will have the necessary spill-over effect. In this connection, the CFTA will need to support projects such as the efforts to combat the drying out of Lake Chad, the extraction of methane gas from Lake Kivu by Rwanda and the DRC and the Inga hydro-electric scheme in the DRC.
16. The CFTA must help to refocus what have hitherto been sub-regional development efforts so as to take account of the needs of the continent as a whole and to ensure that the infrastructure required in order to link up Africa's countries and towns is built. The building of these corridors will make it possible for economic activities which can have a real impact to grow up alongside them.
17. The priority growth areas scheme has had a less than satisfactory outcome for the simple reason that it has failed to focus specifically on African SMEs as clients, suppliers, subcontractors and specialists. These are the firms that the scheme should have supported. One of the priorities for the CFTA must therefore be to ensure that development action is taken everywhere in Africa at the same time.

18. The CFTA will not be able, of itself, to address all the challenges currently facing Africa, but it does offer real prospects for sustainable, inclusive development and will help the continent to open up to other economic groupings, starting with the EU and the Pacific/Caribbean zone.
19. Africans bear primary responsibility for what happens on their continent. It is therefore essential to devise a development model that works for Africa, to make the necessary legislative changes, to put an end to the extremely one-sided contracts that are causing havoc across the continent and to create the environment necessary to foster growth that will benefit, first and foremost, Africa and all its inhabitants.



ACP-EU JOINT PARLIAMENTARY ASSEMBLY
ASSEMBLÉE PARLEMENTAIRE PARITAIRE ACP-UE

Committee on Economic Development, Finance and Trade

AP102.008/AA1-61

20.5.2016

AMENDMENTS

1 - 61

Draft report

**Jean-Marie Bulambo (Democratic Republic of Congo), Marielle de Sarnez
(European Parliament)**
(AP102.008v01-00)

on a continental free trade area for Africa – prospects for fostering intra-African trade and potential benefits for the ACP

Amendment 1
Dariusz Rosati

Motion for a resolution
Citation

Motion for a resolution

– having regard to the **22nd summit** of African Union heads of State **on 30 and 31 January 2014**,

Amendment

– having regard to the **25th Ordinary Summit** of African Union heads of State **and Government on 15 June 2015 in Johannesburg**,

Or. en

Amendment 2
Dariusz Rosati

Motion for a resolution
Citation (new)

Motion for a resolution

– **having regard to the 2012 UNECA Action Plan for boosting intra-African trade**,

Amendment

Or. en

Amendment 3
Dariusz Rosati

Motion for a resolution
Recital A a (new)

Motion for a resolution

Aa. whereas the CFTA is recognised in the African Union’s Agenda 2063 as an important milestone on the way to the ultimate goal of creating an African

Amendment

Common Market and the realisation of an African Economic Community as envisaged in the Abuja Treaty and the Constitutive Act of the African Union;

Or. en

Amendment 4
Louis-Joseph Manscour

Motion for a resolution
Recital A a (new)

Motion for a resolution

Amendment

Aa. whereas Africa's share of global trade is very low – standing at around 3% – and Africa remains the continent that trades the least with itself, with intra-continental trade making up only approximately 12% of African trade, versus around 55% in Asia and 70% in Europe;

Or. fr

Amendment 5
Piernicola Pedicini, Laura Ferrara

Motion for a resolution
Recital A a (new)

Motion for a resolution

Amendment

Aa. whereas interventions by third countries too often result in a neocolonialistic approach aimed at ensuring resources for countries that are struggling with the impact of a long-lasting economic crisis;

Or. en

Amendment 6
Dariusz Rosati

Motion for a resolution
Recital A b (new)

Motion for a resolution

Amendment

Ab. whereas in June 2015 the African Union officially launched the negotiations for the establishment of the CFTA by 2017, which should be followed by the creation of an African Customs Union by 2019;

Or. en

Amendment 7
João Ferreira

Motion for a resolution
Recital B

Motion for a resolution

Amendment

whereas the CFTA ***will foster closer economic and cultural relations between African countries, between African, Caribbean and Pacific countries and with the European Union;***

B. whereas the CFTA, like other free trade areas around the world, could have disastrous consequences for the economic and social conditions of the world's peoples, on food security, land-grabbing and resources, to the advantage of multinational companies; stresses, furthermore, that this will only serve the interests of the major world powers and multinational companies;

Or. fr

Amendment 8
Piernicola Pedicini, Laura Ferrara

Motion for a resolution
Recital B

Motion for a resolution

B. whereas the CFTA will foster closer economic and cultural relations **between African countries**, between African, Caribbean and Pacific countries and with the European Union;

Amendment

B. whereas the CFTA will foster closer **intra-African** economic, **trade** and cultural relations **and increase supply capacity and competitiveness** between African, Caribbean and Pacific countries and with the European Union;

Or. en

Amendment 9

Piernicola Pedicini, Laura Ferrara

Motion for a resolution

Recital C

Motion for a resolution

C. whereas the boost in intra-African trade will have to benefit all Africans and help Africa **become an integral part of global trading systems**;

Amendment

C. whereas the boost in intra-African trade will have to benefit all Africans and help Africa **tackle development challenges that cannot be solved at the national level, addressing those challenges affecting poor people's lives in areas ranging from human security and mobility to rural livelihoods, trade, infrastructure, food security, environment and climate change**;

Or. en

Amendment 10

Petr Ježek, Pavel Telička

Motion for a resolution

Recital C

Motion for a resolution

C. whereas the boost in intra-African trade will have to benefit all Africans **and** help Africa become an integral part of global trading systems;

Amendment

C. whereas the boost in intra-African trade will have to benefit all Africans, help Africa become an integral part of global trading systems **and build resilience to**

external financial and economic crises;

Or. en

Amendment 11

Dariusz Rosati

Motion for a resolution

Recital C

Motion for a resolution

C. whereas the boost *in* intra-African trade will have to benefit all Africans and help Africa become an integral part of global trading systems;

Amendment

C. whereas the boost *to* intra-African trade will have to benefit all Africans and help Africa become an integral part of global trading systems *by gaining more economic independence;*

Or. en

Amendment 12

Petr Ježek, Pavel Telička

Motion for a resolution

Recital C a (new)

Motion for a resolution

Amendment

Ca. whereas development-oriented regionalism can have spillover benefits in terms of fostering peace, security and political stability on the continent;

Or. en

Amendment 13

Piernicola Pedicini, Laura Ferrara

Motion for a resolution

Recital C a (new)

Motion for a resolution

Amendment

Ca. whereas the conclusion of the CFTA requires a harmonisation of the many and various trade commitments undertaken by the majority of African countries at the multilateral, regional and bilateral levels;

Or. en

Amendment 14
Dariusz Rosati

Motion for a resolution
Recital G

Motion for a resolution

G. whereas fraud, contraband, tax evasion and tax exemptions deprive States of financial resources, States which ***are*** already affected by a reduction in customs duties due to the liberalisation of trade;

Amendment

G. whereas fraud, contraband, tax evasion and tax exemptions deprive States of financial resources, States which ***may*** already ***be*** affected by a reduction in customs duties due to the liberalisation of trade; ***whereas the colossal amount of illicit financial capital flowing out of the African continent is an obstacle to its growth and development;***

Or. en

Amendment 15
Petr Ježek, Pavel Telička

Motion for a resolution
Recital G

Motion for a resolution

G. whereas fraud, contraband, tax evasion and tax exemptions ***deprive*** States of financial resources, States which are already affected by a reduction in customs duties due to the liberalisation of trade;

Amendment

G. whereas fraud, contraband, tax evasion and tax exemptions ***are major obstacles to the mobilisation of domestic revenue for development in that they deprive*** States of ***vital*** financial resources, States which are already affected by a reduction in customs

duties due to the liberalisation of trade;

Or. en

Amendment 16

Bodil Valero, Maria Heubuch

on behalf of the Greens/European Free Alliance

Motion for a resolution

Recital G a (new)

Motion for a resolution

Amendment

Ga. whereas obligations contained in trade agreements can have implications for the ability of governments to respect, protect and fulfil a range of human rights;

Or. en

Amendment 17

João Ferreira

Motion for a resolution

Paragraph 1

Motion for a resolution

Amendment

1. Notes that the CFTA will eventually include 54 African countries and constitute a market of more than one billion people by 2050;

1. Notes that the CFTA will eventually include 54 African countries and constitute a market of more than one billion people by 2050; ***highlights once again the economic, political and social failure of the neoliberal model, and stresses the need for regional organisations grounded in respect for people and their development and fulfilling the objectives of the UN in this area; considers it important to take other integration schemes such as ALBA and CELAC as examples in this context;***

Or. fr

Amendment 18
Dariusz Rosati

Motion for a resolution
Paragraph 1

Motion for a resolution

1. Notes that the CFTA will eventually include 54 African countries and constitute a market of more than one billion people by 2050;

Amendment

1. Notes that the CFTA will eventually include 54 African countries, ***representing a combined GDP of USD 1.2 trillion***, and constitute a market of more than one billion people by 2050;

Or. en

Amendment 19
Piernicola Pedicini, Laura Ferrara

Motion for a resolution
Paragraph 1

Motion for a resolution

1. Notes that the CFTA will eventually include 54 African countries and constitute a market of more than one billion people by 2050;

Amendment

1. Notes that the CFTA will eventually include 54 African countries, constitute a market of more than one billion people by 2050 ***and increase intra-African trade by as much as USD 35 billion per year***;

Or. en

Amendment 20
Dariusz Rosati

Motion for a resolution
Paragraph 2

Motion for a resolution

2. ***Considers*** that increased trade flows should help in the short and medium terms to increase Africa's GDP by ***some*** 4.5 to

Amendment

2. ***Regrets that currently only 12 % of African trade flows are internal, and insists on the necessary promotion of***

5%;

*intra-continental trade by taking down tariff and non-tariff barriers and tackling the current fragmentation of the African market; recalls that increased trade flows should help in the short and medium terms to increase Africa's GDP by **an estimated 4.5 to 5%**;*

Or. en

Amendment 21
Louis-Joseph Manscour

Motion for a resolution
Paragraph 2 a (new)

Motion for a resolution

Amendment

2a. Takes the view that, to be viable, the CFTA for Africa should reconcile, from the outset, trade liberalisation with full compliance with human rights enshrined in fundamental international conventions and agreements on economic, social and environmental rights;

Or. fr

Amendment 22
Bodil Valero, Maria Heubuch
on behalf of the Greens/European Free Alliance

Motion for a resolution
Paragraph 3

Motion for a resolution

Amendment

3. *Considers* that this growth through trade, due in particular to cooperation and the South-South technology transfer, should be used to reduce inequalities in development on the African continent;

3. *Stresses the need to support regional integration processes in Africa in order to build economic resilience and protect the continent's economies from external shocks; considers* that this growth through *regional* trade, due in particular to cooperation and the South-South technology transfer, should be used to

reduce inequalities in development on the African continent; ***to this effect, insists upon involving citizens and other stakeholders in frank and open discussions to reach consensus on the strategy to follow regarding the achievement of national public-policy interests;***

Or. en

Amendment 23
Dariusz Rosati

Motion for a resolution
Paragraph 3

Motion for a resolution

3. ***Considers*** that this growth through trade, due in particular to ***cooperation and the South-South technology transfer***, should ***be used to reduce*** inequalities ***in development*** on the African continent;

Amendment

3. ***Stresses that trade liberalisation is an essential vector of economic growth and sustainable development, and believes*** that this growth through trade, due in particular to ***regional and South-South cooperation***, should ***in the longer term contribute to reducing poverty and social*** inequalities on the African continent;

Or. en

Amendment 24
Piernicola Pedicini, Laura Ferrara

Motion for a resolution
Paragraph 3

Motion for a resolution

3. Considers that this growth through trade, due in particular to cooperation and the South-South technology transfer, should be used to reduce inequalities ***in*** development ***on the African continent;***

Amendment

3. Considers that this growth through trade, due in particular to cooperation and the South-South technology transfer, should be used to reduce inequalities ***and address commercial and development interests, especially of weaker African countries;***

Amendment 25
Petr Ježek, Pavel Telička

Motion for a resolution
Paragraph 3

Motion for a resolution

3. Considers that this growth through trade, due in particular to cooperation and the South-South technology transfer, should be used to reduce inequalities in development on the African continent;

Amendment

3. Considers that this growth through trade, due in particular to cooperation and the South-South technology transfer, should be used to ***better reallocate resources and*** reduce inequalities in development on the African continent;

Amendment 26
Louis-Joseph Manscour

Motion for a resolution
Paragraph 3 a (new)

Motion for a resolution

Amendment

3a. Points out that the link between trade liberalisation and poverty reduction is by no means automatic and that the CFTA will only make a sustainable contribution to improving the quality of life of Africans if it entails an ambitious development policy, otherwise the deep-rooted inequalities across the continent will remain unchecked;

Amendment 27
Dariusz Rosati

Motion for a resolution

Paragraph 4

Motion for a resolution

4. Considers that the CFTA should be implemented gradually, initially by federating the various free trade areas and economic communities already in existence **and by concluding** the tripartite agreement between the SADC, the COMESA and the EAC;

Amendment

4. Considers that the CFTA should be implemented gradually, initially by federating the various free trade areas and economic communities already in existence; **welcomes, in this regard, the signing in June 2015 of the tripartite agreement (TFTA) between the SADC, the COMESA and the EAC, and calls for its swift ratification by all parties; stresses that the TFTA will cover 26 countries representing more than half of the continent's GDP and is the first important step towards economic integration at the continental level;**

Or. en

Amendment 28

Bodil Valero, Maria Heubuch

on behalf of the Greens/European Free Alliance

Motion for a resolution

Paragraph 4 a (new)

Motion for a resolution

Amendment

4a. Deems that a favourable international environment is also needed to complement the intra-African regional economic integration process, including by granting Africa greater representation and participation in decision-making in international financial, trade and development institutions; calls on the EU to support African countries in these requests so as to enable them to participate equally in the global reform of existing international rules;

Or. en

Amendment 29
Dariusz Rosati

Motion for a resolution
Paragraph 5

Motion for a resolution

5. Calls for a boosting of the economic development and innovation capacity of regional economic communities (RECs), whose integration and experience will undoubtedly be a source of inspiration for the realisation of the CFTA;

Amendment

5. Calls for a boosting of the economic development and innovation capacity of regional economic communities (RECs), whose integration and experience will undoubtedly be a source of inspiration for the realisation of the CFTA; **warns, however, of the risk of unequal distribution of its welfare gains among countries and insists on the need to keep on guaranteeing intra-continental competition;**

Or. en

Amendment 30
João Ferreira

Motion for a resolution
Paragraph 6

Motion for a resolution

6. Adds that the conclusion of the Economic Partnership Agreements (EPAs) **will give a fresh boost to the realisation of the CFTA;**

Amendment

6. Adds that the conclusion of the Economic Partnership Agreements (EPAs) **for all of the countries concerned would jeopardise their entire peasant farming and subsistence agriculture sectors, their food security and all their ongoing on-site processing and regional development projects, which would be hardest hit by unfair, job-destroying competition and by greater dependence on prices on the global markets; reiterates, therefore, its opposition to EPAs and supports the protests of the peoples in Africa against them as well as protests in Europe against the TTIP and CETA; welcomes Nigeria's refusal to sign and ratify EPAs with the**

EU on account of the dramatic consequences it could have for the economy and the Nigerian people; calls for a new form of international cooperation to be built, based on the mutual development of peoples instead of the current free trade agreements;

Or. fr

Amendment 31

Bodil Valero, Maria Heubuch

on behalf of the Greens/European Free Alliance

Motion for a resolution

Paragraph 6

Motion for a resolution

6. Adds that the conclusion of the Economic Partnership Agreements (EPAs) will give a fresh boost to the realisation of the CFTA;

Amendment

6. Points out that Africa's Regional Economic Communities (RECs) are expected to trade with the rest of the world under various international trade regimes, namely duty-free, quota-free (DFQF) access for LDCs, and General System of Preferences or reciprocal free trade agreements for non-LDCs; stresses the need for African countries to consolidate existing market access schemes into one that is consistent with a CFTA in order to foster regional integration and trade diversification; against this background, deems it essential to ensure that Economic Partnership Agreements (EPAs) help foster the realisation of the CFTA;

Or. en

Amendment 32

Piernicola Pedicini, Laura Ferrara

Motion for a resolution

Paragraph 6

Motion for a resolution

6. **Adds that the conclusion of the Economic Partnership Agreements (EPAs) will give a fresh boost to *the* realisation of the CFTA;**

Amendment

6. **States urgently the need for strategic consideration of the existing African trade pacts, such as the Economic Partnership Agreements (EPAs) with the EU, which risk impeding progress towards the CFTA instead of giving a fresh boost to its realisation;**

Or. en

Amendment 33

Louis-Joseph Manscour

Motion for a resolution

Paragraph 6 a (new)

Motion for a resolution

6a. Recalls that the negotiations on EPAs, and, particularly, the repeal of the Market Access Regulation (Regulation (EC) No 1528/2007), instead of supporting the transformation of African countries' fragmented markets into stronger regional economic areas, have slowed down the process of regional integration across the continent;

Or. fr

Amendment 34

Louis-Joseph Manscour

Motion for a resolution

Paragraph 6 b (new)

Motion for a resolution

6b. Stresses the importance of the democratic oversight of national parliaments and civil society, both in monitoring the implementation of EPAs

and in the process of establishing a CFTA for Africa; therefore calls for their systematic involvement in ongoing work, as part of a participatory approach and in the hope of ensuring maximum transparency;

Or. fr

Amendment 35
João Ferreira

Motion for a resolution
Paragraph 7

Motion for a resolution

7. Demands that the CFTA adjust as a matter of priority the structural deficit of African supply of goods and services in relation to demand in order to effectively impact trade;

Amendment

7. Considers the introduction and strengthening of universal and free public services – particularly in the sectors of health, education, transport and energy – to be essential for the development of ACP and European countries; believes, by the same token, it essential for peoples to be able to enjoy the fruits of the resources of their land, as an inalienable right; condemns the stranglehold of multinationals, particularly those from Europe, over resource exploitation and land-grabbing and stresses their responsibilities in destabilising the African continent and funding of conflicts there;

Or. fr

Amendment 36
Bodil Valero, Maria Heubuch
on behalf of the Greens/European Free Alliance

Motion for a resolution
Paragraph 7

Motion for a resolution

7. Demands that the CFTA adjust as a matter of priority the structural deficit of African supply of goods and services in relation to demand in order to effectively impact trade;

Amendment

7. Recalls that enhanced market access without the capacity to produce goods and services will fail to produce economic development; henceforth, demands that the CFTA adjust as a matter of priority the structural deficit of African supply of goods and services in relation to demand in order to effectively impact trade; in addition, calls on the EU to support existing regional integration initiatives, including CFTA, through the tool of Aid for Trade, which should help to facilitate the establishment or development of domestic productive capacity, reduce income inequality in Africa and assist with economic diversification and technology transfers;

Or. en

Amendment 37
Dariusz Rosati

Motion for a resolution
Paragraph 7 a (new)

Motion for a resolution

Amendment 38
Dariusz Rosati

Motion for a resolution

Amendment

7a. Calls on the African governments to further enhance intra-African trade by creating the proper regulatory framework for trade; underlines the importance of harmonisation of national laws, investment in trade-related infrastructure and efficient trade facilitation;

Or. en

Paragraph 8

Motion for a resolution

8. Calls for the CFTA to restore, consolidate and develop Africa's economic fabric so as to **increase** production, improve trade and boost consumption by bolstering purchasing power;

Amendment

8. Calls for the CFTA to **help to** restore, consolidate and develop Africa's economic fabric so as to **enhance market integration and industrial** production, improve trade, **invest in infrastructure**, and boost consumption by bolstering purchasing power;

Or. en

Amendment 39

Petr Ježek, Pavel Telička

Motion for a resolution

Paragraph 8

Motion for a resolution

8. Calls for the CFTA to restore, consolidate and develop Africa's economic fabric so as to increase production, improve trade and boost consumption by bolstering purchasing power;

Amendment

8. Calls for the CFTA to restore, consolidate and develop Africa's economic fabric so as to increase production **and competitiveness**, improve trade and boost consumption by bolstering purchasing power;

Or. en

Amendment 40

Louis-Joseph Manscour

Motion for a resolution

Paragraph 10

Motion for a resolution

10. Believes that the CFTA should **play a leading role in** the implementation of major cross-border projects, **such as** transport and communications infrastructure, **so to ensure** better links between **neighbouring** States and major

Amendment

10. Believes that the CFTA should **be a driving force for** the implementation of major cross-border projects – **on** transport and communications infrastructure **or the electrification of the continent, for example** – so to ensure better links

cities and promote new development opportunities;

between *cross-border* States and major cities and promote new development opportunities;

Or. fr

Amendment 41

Bodil Valero, Maria Heubuch

on behalf of the Greens/European Free Alliance

Motion for a resolution

Paragraph 11

Motion for a resolution

11. Hopes that the CFTA will enable Africa to engage in the sustainable exploitation of its natural resources, which, combined with favourable demographics, will contribute to economic growth and a reduction in the development gaps between African countries through the redistribution of wealth;

Amendment

11. Hopes that the CFTA will enable Africa to engage in the sustainable exploitation of its natural resources, which, combined with favourable demographics, will contribute to economic growth and a reduction in the development gaps between African countries through the redistribution of wealth; ***to this end, calls on African states to increase transparency and accountability in resource contracts, companies' financial reporting and auditing; calls likewise on the EU to upgrade its support to helping resource-rich countries to implement the EITI principles of greater transparency and accountability in the oil, gas and mining sectors;***

Or. en

Amendment 42

Dariusz Rosati

Motion for a resolution

Paragraph 11

Motion for a resolution

11. Hopes that the CFTA will enable Africa to engage in the sustainable

Amendment

11. Hopes that the CFTA will enable Africa to engage in the sustainable

exploitation of its natural resources, which, combined with favourable demographics, will contribute to economic growth and a reduction in the development gaps between African countries through the redistribution of wealth;

exploitation **and management** of its natural resources, which, combined with favourable demographics, will contribute to economic growth and a reduction in the development gaps between African countries through the redistribution of wealth;

Or. en

Amendment 43
Dariusz Rosati

Motion for a resolution
Paragraph 12

Motion for a resolution

12. Urges that particular attention should be paid to SMEs and SMIs - the warp and woof of a dynamic and varied local economy - in particular through the creation of priority growth areas;

Amendment

12. **Recalls that the private sector provides 90 % of jobs in developing countries, including in Africa; believes that the CFTA can create new opportunities for African businesses by creating the necessary conditions and environment for entrepreneurship, investment and job creation;** urges that particular attention should be paid to SMEs and SMIs - the warp and woof of a dynamic and varied local economy - in particular through the creation of priority growth areas;

Or. en

Amendment 44
Joyce Laboso (Kenya)

Motion for a resolution
Paragraph 13

Motion for a resolution

13. Wishes to see the implementation of a practical policy to assist local SMEs and SMIs by tax breaks and support from accounting and tax experts and approved

Amendment

13. Wishes to see the implementation of a practical policy to assist local SMEs, SMIs **and youth-owned projects and companies** by tax breaks and support from accounting

management consultancies in order to develop their capacity to create wealth and jobs;

and tax experts and approved management consultancies in order to develop their capacity to create wealth and jobs;

Or. en

Amendment 45
Dariusz Rosati

Motion for a resolution
Paragraph 14

Motion for a resolution

14. Takes the view that the CFTA must boost not only intra-African trade in goods and services but also freedom of movement for goods and persons;

Amendment

14. Takes the view that the CFTA must boost not only intra-African trade in goods and services, ***in order to make Africa less dependent on external demands***, but also freedom of movement for goods and persons;

Or. en

Amendment 46
Piernicola Pedicini, Laura Ferrara

Motion for a resolution
Paragraph 14 a (new)

Motion for a resolution

Amendment

14a. Believes that the CFTA could be sufficient to generate benefits if non-tariff barrier cuts are also addressed; considers it highly important to introduce trade facilitation measures in order to expand the intra-African exchange of industrial and agriculture products;

Or. en

Amendment 47
Louis-Joseph Manscour

Motion for a resolution
Paragraph 15

Motion for a resolution

15. Calls for measures to be taken to offset the fall in budget revenue as a result of the removal of customs barriers and to preserve local production markets;

Amendment

15. Calls for **swift, concrete** measures to be taken to offset the fall in budget revenue as a result of the removal of customs barriers and to preserve local production markets;

Or. fr

Amendment 48
Bodil Valero, Maria Heubuch
on behalf of the Greens/European Free Alliance

Motion for a resolution
Paragraph 15 a (new)

Motion for a resolution

Amendment

15a. Acknowledges that tax incentives usually granted by African countries to attract FDI in extractive industries deprive them of critical financial resources; accordingly, believes that taxation policies related to the extractive industries shall be revised in order to protect the socio-economic interests of the host countries; urges the EU to ensure a fair distribution of taxing rights while negotiating tax and investment treaties with developing countries; to this end, calls on the EU to negotiate Tax Treaties with developing countries based on the model treaty of the United Nations Tax Committee, which gives stronger rights to taxation at source; in addition, recalls the EU's responsibility for combating tax rules that facilitate tax dodging by transnational corporations and individuals and helping third countries to repatriate illicit funds and prosecute perpetrators;

Or. en

Amendment 49
Louis-Joseph Manscour

Motion for a resolution
Paragraph 16 a (new)

Motion for a resolution

Amendment

16a. Is convinced that the agricultural sector can be a powerful vector of support in establishing the CFTA for Africa, as long as liberalisation is accompanied by market rules able to protect small producers; calls, therefore, on African states to honour the commitment they made to allocate at least 10% of their national budgets to farming;

Or. fr

Amendment 50
João Ferreira

Motion for a resolution
Paragraph 17

Motion for a resolution

Amendment

17. Demands that funding be maintained for small famers with a view to ensuring the continent's food security and building up stocks of production for the benefit of the local population;

17. Demands that funding be maintained for small famers with a view to ensuring the continent's food security ***and food sovereignty*** and building up stocks of production for the benefit of the local population; ***stresses that from 2008, land-grabbing by the multinational food producers rose exponentially, affecting, according to the FAO, between 50 and 80 million hectares of agricultural land in developing countries, two-thirds of which was in sub-Saharan Africa; deplores the fact that the CFTA and EPAs may well aggravate this state of affairs;***

Or. fr

Amendment 51

Bodil Valero, Maria Heubuch

on behalf of the Greens/European Free Alliance

Motion for a resolution

Paragraph 17

Motion for a resolution

17. Demands that funding be *maintained* for small famers with a view to ensuring the continent's food security and building up stocks of production for the benefit of the local population;

Amendment

17. *Recalls that agriculture constitutes 37 % of Africa's GDP, with smallholders accounting for over 90 % of Africa's agricultural production, demands, in a context where family farmers and smallholders have demonstrated their ability to provide diversified products and to increase food production sustainably, through the use of agro-ecological practices, that funding be increased for small famers with a view to ensuring the continent's food security and building up stocks of production for the benefit of the local population;*

Or. en

Amendment 52

Louis-Joseph Manscour

Motion for a resolution

Paragraph 17 a (new)

Motion for a resolution

Amendment

17a. *Calls for the EU and African states to work together to develop a strategy to increase Africa's agricultural competitiveness addressing rural development issues, constraints linked to sanitary and phytosanitary measures and access to micro-financing with a view to boosting intra-continental trade in agricultural goods, protecting the livelihoods of small farmer holders and ensuring food security;*

Amendment 53
Piernicola Pedicini, Laura Ferrara

Motion for a resolution
Paragraph 17 a (new)

Motion for a resolution

Amendment

17a. Calls for a stronger focus on men's and women's education and on initiatives that devote sufficient resources to encouraging creativity and innovation, which are necessary for the promotion of competitiveness and export diversification;

Or. en

Amendment 54
Dariusz Rosati

Motion for a resolution
Paragraph 18

Motion for a resolution

Amendment

18. Calls for the proposed CFTA to draw on the experience of 40 years of ACP-EU relations, take over the strong points of the Cotonou Agreement and ***be based on*** the ongoing negotiations on the new agreement for the post-2020 period;

18. Calls for the proposed CFTA to draw on the experience of 40 years of ACP-EU relations, take over the strong points of the Cotonou Agreement and ***develop in the framework of*** the ongoing negotiations on the new agreement for the post-2020 period;

Or. en

Amendment 55
Joyce Laboso (Kenya)

Motion for a resolution
Paragraph 18

Motion for a resolution

18. Calls for the proposed CFTA to draw on the experience of 40 years of ACP-EU relations, take over the strong points of the Cotonou Agreement ***and be based on the ongoing negotiations on the new agreement for the post-2020 period;***

Amendment

18. Calls for the proposed CFTA to draw on the experience of 40 years of ACP-EU relations, take over the strong points of the Cotonou Agreement;

Or. en

Amendment 56

Bodil Valero, Maria Heubuch

on behalf of the Greens/European Free Alliance

Motion for a resolution

Paragraph 18 a (new)

Motion for a resolution

Amendment

18a. Recalls that trade agreements should act as leverage to promote values such as sustainable development, human rights, fair and ethical trade and the fight against corruption; accordingly, calls on African States to frame trade agreements under a human-rights-based approach so as to ensure a positive impact on the population, which entails monitoring trade processes and outcomes through human rights impact assessments; more broadly, encourages African States to fully operationalise the UN Protect, Respect and Remedy Framework and Guiding Principles put forward by UN Special Representative John Ruggie in 2008;

Or. en

Amendment 57

Dariusz Rosati

Motion for a resolution

Paragraph 20

Motion for a resolution

20. Calls on the European Union and Africa to form a partnership based on a policy of joint growth and co-development;

Amendment

20. Calls on the European Union and Africa to form a partnership based on a policy of joint ***sustainable and inclusive*** growth and co-development ***focusing on common challenges and interests; insists on the importance of exchanging good practices between the two continents, in particular on improving national infrastructure and institutional capacity in order to effectively support the CFTA;***

Or. en

Amendment 58

Petr Ježek, Pavel Telička

Motion for a resolution

Paragraph 21

Motion for a resolution

21. Recognises that the implementation of the CFTA will take a long time and will require the intense political involvement of all stakeholders;

Amendment

21. Recognises that the implementation of the CFTA will take a long time and will require the intense political involvement of all stakeholders; ***calls for the setting up of a strong monitoring system to assess progress towards the implementation of CFTA commitments;***

Or. en

Amendment 59

Piernicola Pedicini, Laura Ferrara

Motion for a resolution

Paragraph 21 a (new)

Motion for a resolution

Amendment

21a. Recognises that the CFTA will not be beneficial without a strong structural

change ensuring the necessary shift of African production and export structures from primary commodities to manufacturing;

Or. en

Amendment 60

Petr Ježek, Pavel Telička

Motion for a resolution

Paragraph 22

Motion for a resolution

22. Believes that the CFTA should have a real capacity to act, particularly by channelling aid, subsidies and other Community resources in order to achieve poverty eradication in Africa and to bring about a convergence in countries' levels of development;

Amendment

22. Believes that the CFTA should have a real capacity to act, particularly by channelling aid, subsidies and other Community resources in order to achieve poverty eradication in Africa and to bring about a convergence in countries' levels of development; ***calls on the parties to the agreement to develop a mechanism to balance the distribution of gains among African countries so that the economically weaker countries are integrated and benefit equitably from the CFTA;***

Or. en

Amendment 61

Joyce Laboso (Kenya)

Motion for a resolution

Paragraph 22 a (new)

Motion for a resolution

22a. Calls for the establishment of a framework for technical experts around the continent to share ideas, experiences and best practices in promotion of the CFTA;

Or. en

