

Article 49

Scope

The provisions of this Chapter shall apply to trade in timber and forest products originating in Central Africa and to the sustainable management of the forests from which these products are extracted.

Article 50

Trade in timber, non-timber forest products and derivatives

1. The Parties shall work together to facilitate trade between the EC Party and the Central Africa Party in timber and forest products which come from objectively verifiable legal sources and help to achieve sustainable development. The Parties agree to:

- (a) implement measures to increase market confidence regarding the origin of forest products, particularly their legal and/or sustainable origin. These measures may include systems to improve the traceability of timber and forest products sold both within Central Africa and between the Central Africa Party and the EC Party;
- (b) put in place an audit and surveillance system that is independent of the control chain.

2. The Parties shall explore possible ways of improving commercial opportunities for timber and forest products with a legal or sustainable origin in Central Africa on the market of the EC Party. These measures may include, *inter alia*, stronger public procurement policies, measures to raise consumer awareness, measures to promote the processing of forest products in Central Africa, and activities and initiatives in association with private-sector operators.

3. The Parties undertake to develop non-discriminatory policies and/or legislation within the scope of this Chapter; they also undertake to ensure the effective and non-discriminatory implementation of these policies and/or legislation, in accordance with WTO provisions.

Article 51

Regional integration

1. The Central Africa Party undertakes to build and implement a regional framework to govern trade in timber and forest products originating in Central Africa, including the appropriate cooperation mechanisms and legislation to ensure that it is applied and implemented effectively.

2. The Central Africa Party shall develop protocols and/or guidelines for cooperation between the competent authorities in

Central Africa which are responsible for implementation, to ensure that intra-regional trade in timber and forest products from Central Africa come from objectively verifiable legal sources.

Article 52

Capacity-building and technical assistance

In accordance with the provisions of Article 7, the Parties agree to cooperate in the following areas *inter alia*:

- (a) facilitating assistance with a view to strengthening regional integration, for example the implementation of the Treaty on the Conservation and Sustainable Management of Forests in Central Africa (COMIFAC) and the Sub-regional Convergence Plan, and with a view to building capacity in order to fulfil the commitments set out in this Chapter;
- (b) supporting public and private commercial initiatives, particularly in terms of exports to the market of the EC Party, for local processing of timber and forest products originating in Central Africa which come from objectively verifiable legal sources and help to achieve sustainable development.

Article 53

Other agreements

Without prejudice to the provisions of this Chapter, trade in timber and forest products shall be governed in line with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and any voluntary partnership agreements to which signatory Central African States might adhere individually or collectively with the European Community under the European Union's action plan on forest law enforcement, governance and trade (FLEGT).

TITLE IV

ESTABLISHMENT, TRADE IN SERVICES AND E-COMMERCE

Article 54

Framework

1. The Parties reaffirm their respective commitments under the General Agreement on Trade in Services.

2. The Parties undertake to extend the scope of this Agreement, not later than 1 January 2009, by negotiating the necessary provisions for the gradual, asymmetrical and reciprocal liberalisation of establishment and trade in services.

Article 55

Cooperation

The Parties, recognising that strengthening trade capacity can support the development of economic activities, particularly in the services sectors, and strengthen their regulatory framework, reaffirm their respective obligations arising from the Cotonou Agreement, in particular Articles 34 to 39, 41 to 43, 45 and 74 to 78.

TITLE V

TRADE-RELATED RULES

CHAPTER 1

Current payments and capital movements

Article 56

Continuation of negotiations on current payments and movement of capital

1. The Parties recognise the need to guarantee that cross-border flows of the funds necessary for the liberalisation of trade in products and services, and for investments by one of the Parties in the region of the other Party, cannot be restricted or prevented by one of the Parties. Any obstacle to these flows would be contrary to the objectives of liberalisation, given that trade or investment, although itself permissible, could not give rise to payment or financing from abroad.

2. To achieve this objective, the Parties undertake to conclude negotiations by 1 January 2009 on a series of issues related to the following:

- (a) liberalisation of flows of funds relating to trade in products and services, known as 'current payments';
- (b) liberalisation of flows of funds relating to 'investments', known as 'movements of capital relating to investments', including repatriation of investments and profits;
- (c) a safeguard clause, granting a short-term derogation from freedom of capital movement, on grounds of serious difficulties as regards monetary situation or balance of payments;
- (d) a development clause, providing for the liberalisation of other types of capital movements not related to investment.

CHAPTER 2

Competition

Article 57

Continuation of negotiations on competition

1. The Parties recognise the importance of free and undistorted competition in their trade relations and the fact that certain anti-competitive practices may restrict trade between the Parties and thus hinder the achievement of the objectives of this Agreement.

2. The Parties therefore agree to take part in the negotiations on a chapter on competition in the EPA, which will include the following in particular:

- (a) anti-competitive practices which are considered incompatible with the proper functioning of this Agreement, insofar as they can affect trade between the Parties;
- (b) provisions on the effective implementation of competition rules and policies and of regional policies in Central Africa which govern the anti-competitive practices identified in accordance with paragraph 2(a);
- (c) provisions on technical assistance by independent experts to ensure that the Chapter's objectives are achieved and that Central Africa's competition policies are properly implemented at regional level.

3. The negotiations shall be based on a two-step approach, first applying the rules in the context of regional integration in Central Africa and, after a transition period to be determined jointly, applying the rules bilaterally.

4. The negotiations on the competition chapter shall be concluded by 1 January 2009.

CHAPTER 3

Intellectual property

Article 58

Continuation of negotiations on intellectual property

1. The Parties reaffirm their rights and obligations arising from the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), and recognise the need to ensure an adequate and effective level of protection of intellectual, industrial and commercial property rights, and other rights covered by the TRIPS Agreement, in line with international standards and with a view to reducing distortions and impediments to bilateral trade.