

CONSIDERING that the ESA States and the EC and its Member States have agreed that their trade and economic cooperation shall aim at fostering the smooth and gradual integration of the ESA States into the world economy with due regard to their political choices, levels of development and development priorities, thereby promoting their sustainable development and contributing to poverty eradication in the ESA States;

REAFFIRMING their commitment to promote and expedite the economic, cultural and social development of the ESA States with a view to contributing to peace and security and to promoting a stable and democratic political environment conducive for sustainable national and regional development;

REAFFIRMING also that the EPA shall be consistent with the objectives and principles of the Cotonou Agreement and, in particular, with the provisions of Part III, Title II thereof;

REAFFIRMING that the EPA shall serve as an instrument for development and shall promote sustained growth, increase the production and supply-side capacity of ESA States, foster structural transformation of ESA economies and their diversification and competitiveness and lead to the development of trade, the attraction of investment and technology and the creation of employment in ESA States;

RECALLING the commitments of the international community on the achievements of the Millennium Development Goals as contained in the UN Declaration of September 2000;

REAFFIRMING that advancing the development agenda requires genuine international cooperation and the full implementation of agreed commitments made at the Conferences of Rio, Beijing, Copenhagen, Cairo and Monterrey, as well as in the Programmes of Action in favour of Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs) and Small Island Developing States (SIDS) respectively;

BEARING in mind the rights and obligations of the Members of the World Trade Organisation (WTO), the importance they attach to the principles and rules governing international trade and the need for a transparent, predictable, open and fair multilateral trading system;

REITERATING the need to ensure that particular emphasis be placed on regional integration and the provision of special and differential treatment to all ESA States, maintain special treatment for ESA LDCs, and take due account of the vulnerability of small economies, landlocked, island, coastal, drought prone and ESA States emerging from conflict;

COGNISANT that substantial investments are required to uplift the standards of living of ESA States;

RECALLING the commitments of the Parties within the framework of the WTO,

HAVE AGREED AS FOLLOWS:

CHAPTER I

GENERAL PROVISIONS

Article 1

Scope of the Interim Agreement

This Interim Agreement establishes a framework for an Economic Partnership Agreement (EPA).

Article 2

General EPA objectives

The objectives of the Economic Partnership Agreement are:

- (a) contributing to the reduction and eventual eradication of poverty through the establishment of a strengthened and strategic trade and development partnership consistent with the objective of sustainable development, the Millennium Development Goals and the Cotonou Agreement;
- (b) promoting regional integration, economic cooperation and good governance in the ESA region;
- (c) promoting the gradual integration of the ESA region into the world economy, in conformity with its political choices and development priorities;
- (d) fostering the structural adjustment of the ESA economies and diversification including value addition;
- (e) improving the ESA region's capacity in trade policy and trade related issues;

(f) establishing and implementing an effective, predictable and transparent regional regulatory framework for trade and investment in the ESA region, thus supporting the conditions for increasing investment and private sector initiative and enhancing supply capacity, competitiveness and economic growth; and

(g) strengthening the existing relations between the Parties on the basis of solidarity and mutual interest. To this end, consistent with WTO obligations, the Agreement shall enhance commercial and economic relations, support a new trading dynamic between the Parties by means of the progressive, asymmetrical liberalisation of trade between them and reinforce, broaden and deepen cooperation in all areas relevant to trade and investment.

Article 3

Specific objectives of this Agreement

1. Consistent with Articles 34 and 35 of the Cotonou Agreement, the objectives of this Agreement are:

- (a) to establish an agreement consistent with Article XXIV of General Agreement on Tariffs and Trade 1994 (GATT 1994);
- (b) to establish the framework, scope and principles for further negotiations on trade in goods including rules of origin, trade defence instruments, customs cooperation and trade facilitation, sanitary and phytosanitary measures, technical barriers to trade, and agriculture, on the basis of the proposals already submitted; and
- (c) to establish a framework for and scope of potential negotiation in relation to other issues including trade in services, trade related issues as identified in the Cotonou Agreement and any other areas of interest to both Parties.

2. The Parties undertake to complete negotiations with a view to concluding a comprehensive EPA, no later than 31 December 2008, including on subject matters listed in points (b) and (c) of paragraph 1 according to the Agreed Joint Road Map adopted by the Parties on 7 February 2004.

Article 4

Principles

The principles of this Agreement on the basis of which further negotiations between the Parties shall be held with a view to reaching a comprehensive EPA are the following:

- (a) building on the *acquis* of the Cotonou Agreement;
- (b) strengthening regional integration in the ESA region;
- (c) asymmetry in the liberalisation of trade and in the application of trade related measures and trade defence instruments;
- (d) special and differential treatment for the ESA LDCs and taking into account the vulnerability of small landlocked and island countries, including in the level and pace of trade liberalisation;
- (e) variable geometry to allow an ESA State in a position to do so to undertake liberalisation within an earlier timeframe and schedule;
- (f) inclusiveness of application of development cooperation provisions such that ESA LDCs not in a position to conclude a tariff offer should be able to benefit from all aspects of this Agreement in particular economic and development cooperation in this Interim Agreement;
- (g) allowing ESA LDCs that have not yet submitted tariff reduction offers to do so after signature of this Interim Agreement on the same or flexible conditions and to benefit fully from its provisions;
- (h) allowing ESA States to maintain regional preferences among themselves and with other African countries and regions without the obligation to extend them to the EC.

CHAPTER II

TRADE REGIME FOR GOODS

TITLE I

General provisions

Article 5

Objectives

The objectives of cooperation in the area of trade are:

- (a) the provision of full duty free and quota free market access conditions for goods originating in the ESA States into the market of the EC Party on a secure, long term and predictable basis;

- (b) the promotion of trade between the Parties and the acceleration of export led growth to enable the integration of ESA countries into the global economy;

- (c) the progressive and gradual liberalisation of the goods market in ESA in accordance with the modalities established in this Agreement; and