

HAVE AGREED THE FOLLOWING:

TITLE I

OBJECTIVES

Article 1

Framework Agreement

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

Article 2

Objectives

The objectives of this Agreement are the following:

- (a) Allowing Ghana to benefit from the enhanced market access granted by the EC Party within the framework of EPA negotiations and thereby avoiding trade disruption between Ghana and the European Community when the transitory trade regime of the Cotonou Agreement expires on 31 December 2007, while waiting for the conclusion of a full EPA;
- (b) Establishing the grounds for the negotiation of an EPA which contributes to poverty reduction, promotes regional integration, economic cooperation and good governance in West Africa and improves capacities of West Africa in the fields of trade policy and trade-related issues;
- (c) Promoting the harmonious and gradual integration of Ghana into the world economy in accordance with its political choices and its development priorities;
- (d) Strengthening existing links between the Parties on the basis of solidarity and mutual interest;
- (e) Creating an agreement compatible with Article XXIV of GATT 1994.

TITLE II

PARTNERSHIP FOR DEVELOPMENT

Article 3

Development cooperation in the framework of this Agreement

The Parties commit themselves to cooperating in order to implement this Agreement and to contribute accompanying the Ghanaian Party in the achievement of the EPA objectives. This cooperation takes financial and non-financial forms.

Article 4

Development finance cooperation in the framework of this Agreement

1. Development cooperation for regional economic cooperation and integration, as provided for in the Cotonou Agreement, shall be carried out so as to maximise the expected benefits of this Agreement.
2. The European Community financing pertaining to development cooperation between the Ghanaian Party and the European Community supporting the implementation of this Agreement shall be carried out within the framework of the rules and relevant procedures provided for by the Cotonou Agreement, in particular the programming procedures of the European Development Fund and in the framework of the relevant financial instruments financed by the General Budget of the European Union. In this context, supporting the implementation of the current EPA shall be among the priorities.

3. The Member States of the European Community collectively undertake to support, by means of their respective development policies and instruments, development cooperation activities for regional economic cooperation and integration and for the implementation of this Agreement, both at national and regional levels, in conformity with the complementarity and aid effectiveness principles.

4. The Parties shall cooperate to facilitate the participation of other donors willing to support the efforts of the Ghanaian Party in achieving the objectives of this Agreement.

5. The Parties recognise the usefulness of regional financing mechanisms such as a Regional EPA Fund established by and for the regions in order to channel the financing at regional and national levels and to implement efficiently accompanying measures to the present Agreement. The European Community commits to channel its support either through the own financing mechanisms of the region or through those agreed upon by the signatory parties of this Agreement in accordance with rules and procedures provided for by the Cotonou Agreement and in compliance with aid effectiveness principles established by the Paris Declaration, with a view to ensuring a simple, efficient and quick implementation.

6. When implementing paragraphs 1 to 5, the Parties commit to cooperate in financial and non-financial ways in the areas defined in Articles 5, 6, 7 and 8.

Article 5

Business climate

The Parties agree that the business climate is an essential vector of economic development and, consequently, that the provisions of this Agreement aim at contributing to this common objective.

The Parties commit, in accordance with the provisions of Article 4, to constantly foster the improvement of the business climate.

Article 6

Support to the implementation of rules

The Parties agree that the implementation of the trade-related rules, for which cooperation areas are detailed in the various chapters of this Agreement, constitute an essential element for achieving the objectives of this Agreement. Cooperation in this field will be implemented in accordance with the provisions provided for in Article 4.

Article 7

Reinforcing and upgrading of productive sectors

In the context of the implementation of this Agreement, the Parties underline their willingness to promote the upgrading of the competitiveness of productive sectors concerned by this Agreement in Ghana.

The Parties agree to cooperate through the cooperation instruments as defined under Article 4 and to support:

- the repositioning of the private sector vis-à-vis new economic opportunities created by this Agreement;
- the definition and the implementation of upgrading strategies;
- the improvement of the environment of the private sector and the business climate as defined in Articles 5 and 6;
- the promotion of a partnership between the private sectors of both Parties.

*Article 8***Cooperation with respect to financial adjustment**

1. The Parties recognise the challenge that the elimination or substantial reduction of custom duties provided for in this Agreement can pose to Ghana, and they agree to establish a dialogue and cooperation in this field.
2. In the light of the liberalisation schedule agreed by the Parties in this Agreement, the Parties agree to establish an in-depth dialogue on the fiscal adaptation measures to eventually ensure the budgetary balance of Ghana.
3. The Parties agree to cooperate, in the framework of the provisions of Article 4, notably through the facilitation of supporting measures in the following areas:
 - (a) contribution in significant proportions to the absorption of the net fiscal impact in full complementarity with fiscal reforms;
 - (b) support to fiscal reforms so as to accompany the dialogue in this area.

*Article 9***Cooperation in international fora**

The Parties shall endeavour to cooperate in all international fora where issues relevant to this partnership are discussed.

TITLE III

TRADE REGIME FOR GOODS

CHAPTER 1

Custom duties and non-tariff measures*Article 10***Customs duty**

1. A customs duty includes any duty or charge of any kind, including any form of surtax or surcharge, imposed on or in connection with the importation or exportation of goods, but does not include any:
 - (a) charges equivalent to internal taxes or other internal charges imposed consistently with Article 19;
 - (b) antidumping, countervailing or safeguards measure imposed consistently with Chapter 2;
 - (c) fees or other charges imposed consistently with Article 11.
2. For each product, the basic customs duty to which the successive reductions are to be applied shall be that specified in each Party's Tariff Schedule.

*Article 11***Fees and other charges**

1. The Parties reaffirm their commitment to respect the provisions of Article VIII of GATT 1994.
2. However, fees and other charges related to legal obligations existing at the signature of this Agreement, as referred to in Annex 3, shall continue to apply for a maximum period of ten years. This period may be extended by decision of the EPA Committee if this is necessary to respect these legal obligations.