

# REPOA Brief



## The EU-EAC Economic Partnership Agreement (EPA) FISHERIES—Inland Fisheries, Coastal and Aquaculture Development

By REPOA

Key messages	
Parties	Low-Middle-Income States: Tanzania (since 2020) and Kenya
	Low-Income States: Uganda, Rwanda, Burundi
	Low-Income States: South Sudan and Democratic Republic of Congo—Joined the EAC in 2016/2022, did not take part in the negotiations, but can join the EU-EAC EPA once it comes into force
EAC-EU EPA	The European Union and its 27 Member States (Post Brexit) Negotiations for an EU-EAC EPA were finalised in October 2014. The consolidated draft agreement was published in October 2015, opening the way for the signature and ratification process.
Objectives	<ul style="list-style-type: none"> <li>➤ To foster the structural transformation of EAC economies, and their diversification and competitiveness by enhancing their production, supply and trading capacities.</li> <li>➤ To sustainably integrate the EAC economies into the global economy and the inherent regional value chains (RVCs) and global value chains (GVCs).</li> <li>➤ <b>The main objective is to optimise the benefits from fisheries—a key component of the Blue Economy—for the EAC Partner States through investment and investment finance, productivity enhancement and capacity building, technology transfer, improved market access, and environmental protection as well as legal and regulatory frameworks.</b></li> </ul>
Coverage	The consolidated text of the EU-EAC EPA provides: <ul style="list-style-type: none"> <li>✓ trade in goods facilitation,</li> <li>✓ sustainable development of agriculture and fisheries,</li> <li>✓ economic and development cooperation,</li> <li>✓ institutional provisions,</li> <li>✓ dispute avoidance and settlement.</li> </ul>
Prospects/ Going Forward	The draft EPA agreement (October 2014) contains a <i>rendezvous</i> clause, (a commitment) to conclude negotiations on trade in services; trade, environment and sustainable development; and other chapters within five years of the entry into force of the agreement. The additional trade-related chapters (deepening of the EPA) to be negotiated include: <ul style="list-style-type: none"> <li>➤ investment and private sector development,</li> <li>➤ competition policy,</li> <li>➤ transparency in public procurement,</li> <li>➤ intellectual property rights,</li> <li>➤ digitalization / e-commerce,</li> </ul>



The EU-27 and Kenya—which has already signed and ratified the regional EPA (October 2016)—on the modalities towards the implementation of the EU-EAC EPA

Strategic dialogue (June 2021+)	The launch of the Strategic Dialogue between the EU and the Republic of Kenya;
	The strengthening of the multilateral partnership between the EU and the EAC region;
	Agreed to engage towards implementing bilaterally the trade and the economic and development cooperation provisions of the EPA with the East African Community—the current consolidated text.
Deepening the EPA (February 2022)	Agreed on the future of the EU-Kenya i-EPA that will liberalise trade in goods on mutual basis;
	Agreed to negotiate binding provisions on <b>trade and sustainable development</b> in their i-EPA, which will be subject to an appropriate dispute settlement mechanism;
	The i-EPA will remain open for joining of other six East African Community Partner States.

## The Tanzania-EU Trade on Fisheries

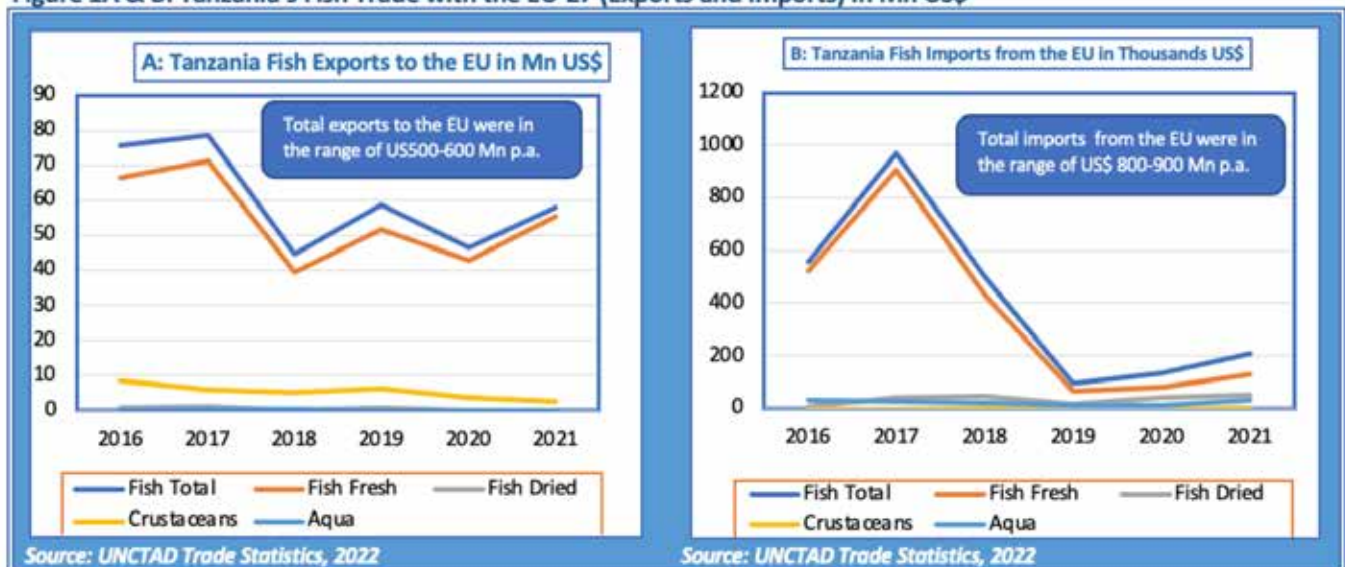
Tanzania—as well as Burundi, DRC, Rwanda, Uganda, South Sudan (the six members of the EAC)—maintains a trade relationship with the EU under the Everything-But-Arms (EBA) scheme. Nonetheless, as Tanzania sustains a per capita GDP above \$1045 it will graduate from the LDC status, joining Kenya’s status and, hence, maintain a trade relationship with the EU under the Market Access Regulation (MAR) component of the Generalised Scheme of Preferences (GSP).

*Under the MAR, countries benefit from*

- Duty-free and quota-free access to the EU market for products originating from eligible ACP countries;
- The MAR only covers goods not services.

For the past decade, Tanzania’s exports of goods to the EU-27 (through the EBA scheme) have been in the range of Euro 500 million per annum and imported goods of over an average of Euro 800 million per annum. Tanzania’s exports of fisheries products over the same period have been in the range of Euro 50-70 million per annum, while that of agro-exports in the range of 500 million per annum, and manufacturing has been in in the range of Euro 80 million per annum.

**Figure 1A & B: Tanzania’s Fish Trade with the EU-27 (Exports and Imports) in Mn US\$**



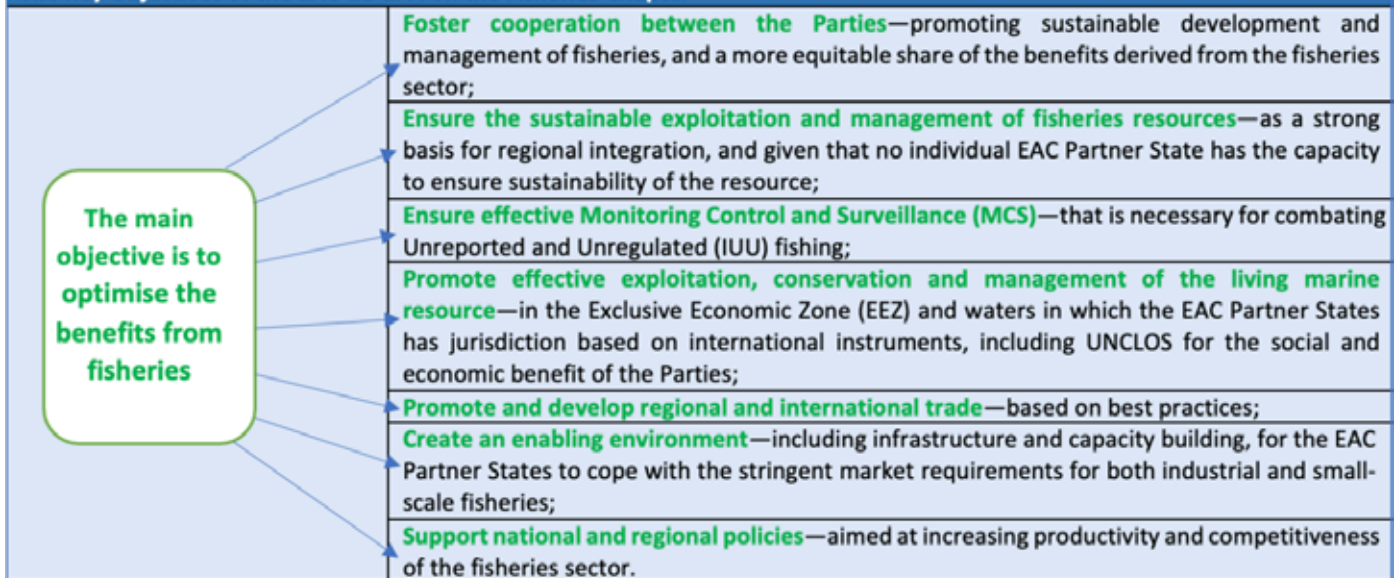
The Parties agreed that cooperation in fisheries trade and development—which is a key component of the Blue Economy—under the EU-EAC EPA shall cover marine, inland fisheries and aquaculture. To that end, they recognised that:

- fisheries constitute a key economic resource of the EAC Partner States,
- contribute significantly to the economies of the EAC Partner States,
- have great potential for future regional economic development and poverty reduction,
- it is an important source of food and foreign exchange.

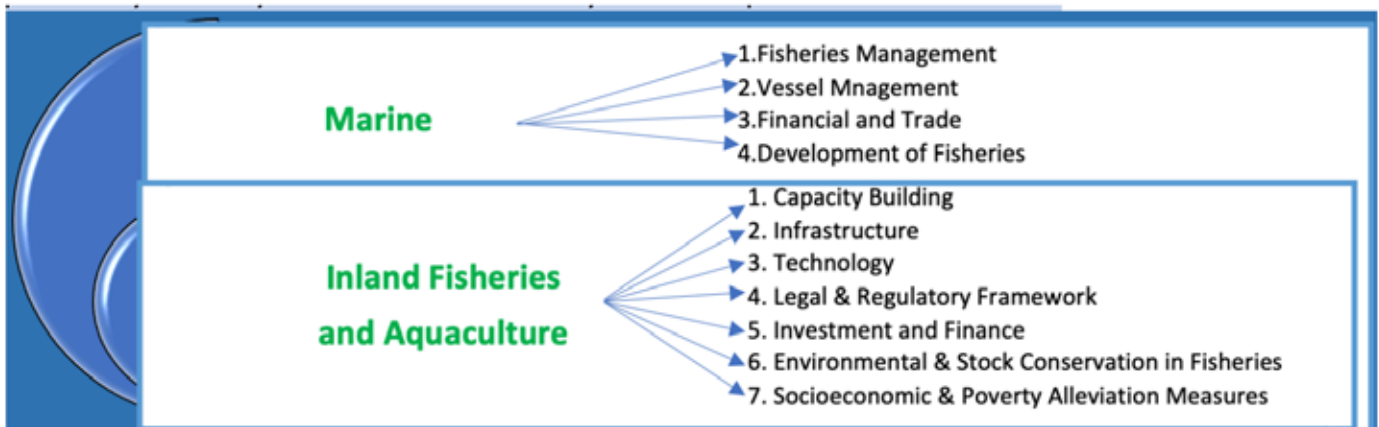
The Parties further recognised that fisheries resources are of considerable interest to both the EU and the EAC Partner States, and, in that regard, agreed to cooperate for the sustainable development and management of the fisheries sector in their mutual interests—taking into account economic, environmental and social impacts.

The Parties agreed that the appropriate strategy to promote the economic growth of the fisheries sector and to enhance its contribution to the economy of the EAC Partner States, while taking into consideration its long-term sustainability, is through increasing value-adding activities within the sector. To that end, the Parties further agreed to cooperate to ensure that financial and other support will be provided to improve the competitiveness and production capacity of the processing factories, the diversification of the fishing industry and development and improvement of port facilities in the EAC Partner States.

## The Key Objectives of the EAC-EU EPA on the Fisheries Chapter

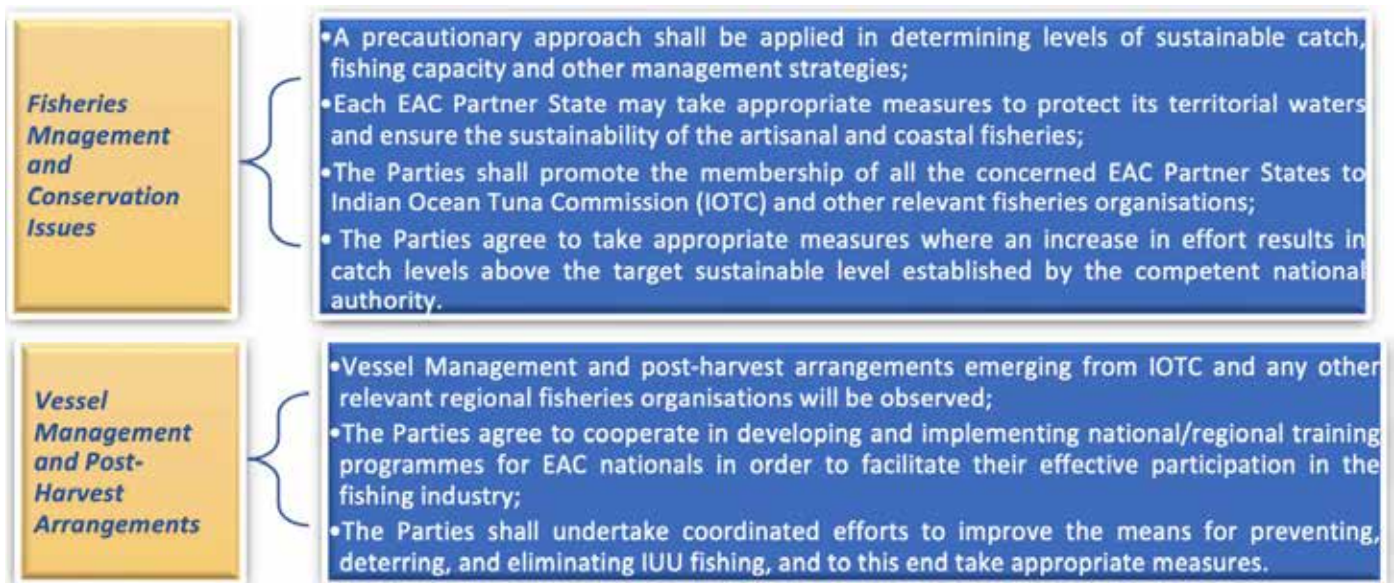


As for the two main sub-components of the fisheries sector—the marine, and inland fisheries and aquaculture, the agreed productivity of healthy freshwater and ocean ecosystems of cooperation were as follows:



The EU made a commitment to contribute to the mobilisation of the resources for the implementation of the identified areas of cooperation at national and regional levels, which will also include support for regional capacity building.

## MARINE FISHERIES



## INLAND FISHERIES AND AQUACULTURE DEVELOPMENT



It is evident thus far that the EU-EAC EPA intends to make use of the oceans, inland waters in lakes, rivers, wetlands and other reservoirs to contribute to socioeconomic development, environmental sustainability, and equitable benefit sharing through, inter alia, fisheries and aquaculture development in the EAC States.

### Bibliography:

1. EU-EAC EPA Consolidated text, October 2014;
2. REPOA Research Study on the Implications of the EU-EAC EPA on the EAC and Tanzania Economies; October 2021;
3. EU DG Trade—Statistics, 2022;
4. UNCTAD Trade Statistics, 2022;
5. UNECA—Africa's Blue Economy: A Policy Handbook, 2016.

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This is the fourth of a five-part series of policy briefs presenting findings of a research study on the "Implications of EU-EAC EPA on Tanzania". The study is part of the broader research and capacity building project 'Targeted support to strengthen capacity of policy makers, exporters, and trade associations to assess and review trade and related economic policies to promote trade competitiveness and diversification for widening trading opportunities with the EU', implemented by REPOA and ISS-Erasmus—funded by the European Union (EU) through the EU-ACP TradeCom II Programme. Its contents are sole responsibility of REPOA.

