European Parliament
2019-2024

TEXTS ADOPTED

P9_TA(2024)0121

Implementation of the EU-Southern African Development Community (SADC) Economic Partnership Agreement (EPA)

European Parliament resolution of 29 February 2024 on the implementation of the EU-Southern African Development Community (SADC) Economic Partnership Agreement (EPA) (2023/2065(INI))

The European Parliament,

– having regard to the Economic Partnership Agreement between the European Union and its Member States, of the one part, and the SADC EPA States, of the other part[1],

– having regard to its resolution of 14 September 2016 on the draft Council decision on the conclusion, on behalf of the European Union, of the Economic Partnership Agreement between the European Union and its Member States, of the one part, and the SADC EPA States, of the other part[2],

– having regard to its resolution of 6 October 2022 on the outcome of the Commission's review of the 15-point action plan on trade and sustainable development[3],

– having regard to its resolution of 23 June 2022 on the future of EU-Africa trade relations[4],

– having regard to its resolution of 25 March 2021 on a new EU-Africa Strategy – a partnership for sustainable and inclusive development[5],

– having regard to the Commission communication of 18 February 2021 entitled 'Trade Policy Review – An Open,

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1 OJ L 250, 16.9.2016, p. 3.
2 OJ C 204, 13.6.2018, p. 222.
3 OJ C 132, 14.4.2023, p. 99.
4 OJ C 32, 27.1.2023, p. 74.
5 OJ C 494, 8.12.2021, p. 80.

Sustainable and Assertive Trade Policy' (COM(2021)0066),

– having regard to the Commission communication of 11 December 2019 entitled 'The European Green Deal' (COM(2019)0640),

– having regard to the Commission communication of 5 March 2020 entitled 'A Union of Equality: Gender Equality Strategy 2020-2025' (COM(2020)0152),

– having regard to the Commission staff working document of 11 October 2022 entitled 'Individual information sheets on implementation of EU Trade Agreements' (SWD(2022)0730),

– having regard to the Commission position paper on the Sustainability Impact Assessment in support of trade negotiations with Angola for EU-SADC EPA accession,

– having regard to the Sustainable Investment Facilitation Agreement between the European Union and the Republic of Angola (EU-Angola SIFA),

– having regard to the UN Framework Convention on Climate Change, including the Paris Agreement of 2015,

– having regard to the United Nations 2030 Agenda for Sustainable Development,

– having regard to the United Nations Conference on Trade and Development (UNCTAD) publication of 19 October 2021 entitled 'Transforming Southern Africa: Harnessing Regional Value Chains and Industrial Policy for Development',

– having regard to the Agreement Establishing the African Continental Free Trade Area,

– having regard to the Joint Statement of the 26th EU-South Africa Inter-Parliamentary Meeting, which took place on 31 October and 1 November 2018,

– having regard to the SADC Vision 2050,

– having regard to the SADC Industrialisation Strategy and Roadmap (2015-2063),

– having regard to the European Economic and Social Committee's own-initiative opinion entitled 'Next Generation Trade and Sustainable Development – Reviewing the 15-point action plan'[1],

– having regard to the Ex-post evaluation of the EU-SADC Economic

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1 OJ C 105, 4.3.2022, p. 40.

Partnership Agreement – Inception Report of 21 June 2023,

– having regard to the meetings of the EU-SADC EPA Trade and Development Committee, in particular its sixth to ninth meetings,

– having regard to the 2021 Global Report on Food Crises,

– having regard to the study of the European Parliament's Directorate-General for Parliamentary Research Services of 22 November 2023 entitled 'EU-Southern African Development Community Economic Partnership Agreement: AA geo-economic perspective'[1],

– having regard to Rule 54 of its Rules of Procedure, as well as Article 1(1)(e) of, and Annex 3 to, the decision of the Conference of Presidents of 12 December 2002 on the procedure for granting authorisation to draw up own-initiative reports,

– having regard to the opinion of the Committee on Development,

– having regard to the report of the Committee on International Trade (A9-0024/2024),

A. whereas geopolitical changes, including the coronavirus pandemic, Russia's war of aggression against Ukraine and the economic consequences thereof, have led to Africa's repositioning and the countries of the Global South having a more self-determined role on the world stage, advancing their own interests and contributions;

B. whereas the association of important countries of the Global South in the BRICS (Brazil, Russia, India, China and South Africa) alliance, which is to be expanded by six more countries from 2024 following the decision of the BRICS summit in August 2023, underscores the importance of maintaining cooperation with Global South nations on equal and equitable terms;

C. whereas South Africa plays a prominent role as a bridge-builder between the European Union and the African continent and as a partner in addressing global challenges;

D. whereas the post-Cotonou Agreement will become the new overarching framework for all EPAs, including the EPA with the SADC, as well as a key reference for future reviews of these agreements;

E. whereas the full participation of all stakeholders, namely civil society, business representatives and trade unions, in implementing

[1] Study – 'EU-Southern African Development Community Economic Partnership Agreement: A geo-economic perspective', European Parliament, Directorate-General for Parliamentary Research Services, 22 November 2023.

and monitoring the EU-SADC EPA is essential for the timely identification of challenges, opportunities and priorities and for monitoring the respective agreed actions;

F. whereas Angola is in the process of joining the EU-SADC EPA; whereas the EU and Angola have concluded negotiations on an EU-Angola SIFA;

G. whereas special and differentiated treatment is a founding principle of the World Trade Organization (WTO) and the Policy Coherence for Development principle should guide EU trade relations with developing countries;

H. whereas gender inequality costs sub-Saharan Africa on average 6 % of the region’s yearly GDP, jeopardising the continent’s efforts for inclusive human development and economic growth; whereas a one percent increase in gender inequality reduces a country’s human development index by 0,75 %;

I. whereas the SADC EPA States are facing challenges such as deep inequalities and a heavy dependence on exports of unprocessed raw materials and agricultural products;

J. whereas these inequalities have proven to be an obstacle to broad-based industrialisation efforts and sometimes lead to corruption, and require the development of differentiated policies to address economic inequalities within and between countries in the SADC region;

K. whereas the SADC Vision 2050 is based on three pillars: industrial development and market integration, infrastructure development in support of regional integration, and social and human capital development;

L. whereas the SADC Industrialisation Strategy and Roadmap 2015-2063 identifies three preferred growth paths for resource-based industrialisation in the region: agricultural commodity processing, mineral processing, and industrial and service-based value chains;

M. whereas developing countries face a gap of USD 2,5 trillion in annual financing to achieve the Sustainable Development Goals (SDGs) by 2030; whereas foreign direct investment (FDI) is an instrument for financing the 2030 Agenda for Sustainable Development and the corresponding SDGs; whereas such capital can support job creation and social and environmental improvements, as set out in the SDGs; whereas the aim of attracting investment should go hand in hand with the acknowledgement, in the context of international investment agreements (IIAs), that the parties to these agreements should seek to improve their levels of environmental or labour protection, and not weaken or reduce them;

N. whereas the objective of the SADC Industrialisation Strategy and Roadmap 2015–2063 is to develop and participate in regional and global value chains;

O. whereas transport and digital infrastructure is needed to develop regional value chains and increasingly integrate SADC States into global value chains;

P. whereas the crucial elements for successful participation in the value chain are financing, skills, technology, infrastructure and logistics;

Q. whereas the COVID-19 pandemic has significantly widened the investment gaps in the SADC EPA States and limited their fiscal space;

R. whereas the consequences of the measures taken to prevent the spread of COVID-19 have significantly affected the livelihoods of populations, particularly in the states of Eswatini and Lesotho, which depend on the South African Labour and Border Crossing;

S. whereas commodity price volatility during the COVID-19 pandemic caused economic damage to SADC EPA States dependent on the tax revenues from extractive industries;

T. whereas the low level of local production of health products keeps the region dependent on international production for the procurement of vital health products, including essential vaccines against COVID-19;

EPA monitoring and review process

1. Welcomes the first review process launched in November 2021 after the EPA had been provisionally applied since 2016 and expects it to be able to demonstrate the link between the EPA and sustainable development; calls on the Commission to work with the SADC partners to advance fair, inclusive and sustainable trade so that the EPA, when implemented effectively, can ensure and contribute to sustainable development in the region; urges the Commission in the *ex post* evaluation of the EU-SADC EPA to analyse thoroughly the impact of the EPA on SDGs, informal and local economies, regional and pan-African integration, economic diversification, the fight against climate change, including the contribution of domestic industries to this effort, and the effective support of Global Gateway and the EU Aid for Trade programme in the context of the EU-SADC EPA; recalls that the present agreement primarily focuses on trade in goods and does not address trade in services, investment, or other issues such as intellectual property rights, competition, and public procurement; invites the parties to consider these issues in the future reviews, since a provision exists for negotiating on these matters in the future;

2. Reiterates its position on the importance of the involvement of civil society in the implementation and monitoring of the EPA; regrets the fact that limited civil society involvement during EPA implementation has been observed; emphasises, in this regard, the imperative of actively promoting civil society participation; notes that the active participation of civil society organisations and stakeholders, including women's groups and students' organisations, in the monitoring and evaluation process can provide valuable insights and feedback on the agreement's impact on women and young people;

3. Acknowledges that the preparation of the joint monitoring report on the EPA is advancing at a pace slower than anticipated; acknowledges the capacity constraints faced by SADC EPA States in this regard; recalls that, pursuant to the new trade and sustainable development (TSD) approach, all relevant stakeholders, including civil society organisations, business representatives and trade unions, should be involved in this stocktaking exercise and encouraged to make proposals to maximise the effectiveness of the EPA and that the EPA should be modernised to establish a Domestic Advisory Group, which has become a common practice in other EPAs; advocates more structured participation of stakeholders with regard to the concrete implementation of all sustainability aspects in the EU-SADC EPA; urges SADC EPA States countries to comply with the commitments agreed under the EPA to engage civil society actors;

4. Recognises that flexible transitional arrangements are needed for SADC EPA States to comply with the TSD requirements in the EPA and with other international commitments;

5. Expects that, depending on the outcome of the review, the EPA will be adapted or possibly expanded in complementary agreements in order to consolidate and deepen the partnership between the EU and Southern African countries in response to geopolitical changes and to the challenges of climate change;

6. Welcomes the decarbonisation aspirations of Angola, a country that has been heavily reliant on its extractive industries;

7. Welcomes the fact that within the framework of the EU-Angola SIFA, fiscal capacity building measures are being envisaged;

Trade balances

8. Welcomes the fact that trade relations between the EU and the SADC EPA States have expanded significantly, both at regional and bilateral levels, with the SADC EPA States being able to achieve a trade surplus; considers that this demonstrates the EPA's positive contribution to economic development, while the desired positive effects on employment, regional economic cooperation and the diversification and modernisation of the economy have not yet

reached their potential and should be pursued as a priority; notes that SADC EPA States mainly export precious stones, articles of wood, transports[1], mineral products and agricultural products, such as fruits and vegetables, to the EU; notes, however, that South Africa's exports to the EU are more diverse and include higher added-value goods;

9. Emphasises that with the exception of South Africa, SADC EPA States primarily trade within the region; notes that trade with South Africa continues to account for 80 % of the EU's trade with the SADC EPA States and that South Africa's trade in goods with other African countries accounts for only 17 % of its total foreign trade; notes that intra-SADC trade accounts for 23 % of SADC States' total trade; acknowledges that intra-SADC trade patterns differ from EU-SADC bilateral trade; points out that overall, there has been no improvement in diversification and the share of manufacturing in GDP remains weak; stresses that diversified economies would make the SADC EPA States more resilient to external shocks; stresses the importance of strengthening regional value chains;

10. Stresses that the EPA should support a new trade dynamic between the Parties by means of the progressive asymmetrical liberalisation of trade between them; stresses also that it can reinforce, broaden and deepen cooperation in all areas relevant to trade and therefore also enhance the partnership between the SADC countries and the EU; stresses the importance of the principle of asymmetric trade liberalisation as a tool to foster the economic growth and sustainable development of SADC EPA countries;

11. Underlines that while EPAs can provide significant advantages for African, Caribbean and Pacific (ACP) countries, they also come with their own set of challenges and drawbacks; insists, therefore, that policymakers carefully consider these factors and work to ensure that EPAs are implemented in a way that maximises benefits for all parties involved;

12. Recalls that all the Parties should always act on the basis of the principles of solidarity and mutual interest in order to enhance their fruitful collaboration, fulfil their commitments and obligations, and facilitate the capacity of the SADC EPA countries to continue to implement the agreement;

Technical barriers to trade

13. Recalls that the SADC EPA aims to promote regional integration and that the agreement should be a building block for the African Continental Free Trade Area launched in 2021; notes that regional

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[1] Cipollina, M., 'The Trade Growth under the EU–SADC Economic Partnership Agreement: An Empirical Assessment'. *Economies* Vol. 10, No12, 2022.

integration is challenged by long waiting times at border crossings, high border costs and inadequate cross-border connectivity; calls on the Commission and the SADC EPA States to increase cooperation in infrastructure, digital trade and certification, including under the Global Gateway Initiative; stresses the importance of prioritising regional transport and infrastructure projects in the region to deepen regional integration and increase intra-trade flows; recalls the need to promote efficient cross-border infrastructure development, harmonising regulations and strengthening cooperation between SADC EPA States in order to create an interconnected SADC region; calls on the SADC EPA States to harmonise the regulations and procedures related to customs and transportation in order to simplify cross-border processes, reduce delays and promote a conducive environment for trade and investment;

14. Stresses the necessity of formalising cross-border work arrangements to promote decent work, protect workers' rights and ensure social and economic development in the region; recognises the specific challenges faced by women, particularly in the context of cross-border work, including gender-based violence and corruption;

15. Urges the Commission and the SADC EPA States to extend their commitment to creating an enabling environment that supports legal and transparent labour mobility, while safeguarding the rights and dignity of workers;

Rules of origin

16. Welcomes the Commission's announcement on the activation of regional cumulation with Southern African Customs Union (SACU) countries; recalls that the introduction of flexible rules of origin is essential for achieving regional integration objectives; stresses that rules of origin must promote the objectives of the African Continental Free Trade Area (AfCFTA); recalls that the EPA should support the further development of the AfCFTA;

Trade disputes and market access issues

17. Notes that trade irritants have occurred in relation to sanitary and phytosanitary (SPS) measures, in particular for poultry and citrus fruits; calls on the Commission and the SADC EPA States to use the forums and cooperation mechanisms agreed under the EPA to address changes in SPS regulations at an early stage and in a cooperative atmosphere so that appropriate action can be taken in a timely manner; recalls that the European Parliament should be fully informed in the framework of the review ensuring that the SPS measures applied by South Africa are in line with Union requirements and the provisions of the EPA and do not harm the plant health of Union and SADC production; acknowledges that the

Commission has given technical and financial support to EU-SADC EPA States to comply with the requirements of the SPS measures and calls for a thorough monitoring of the work to reduce health risks; recommends that solutions to trade irritants caused by SPS requirements be sought through high-level political discussions;

Capacity building

18. Notes that governance and fiscal and institutional capacity remain the greatest challenges for the EPA's effective implementation;

19. Highlights the importance of development cooperation and technical and financial assistance as essential factors for achieving the objectives under the EPA and for beneficial cooperation between the Parties;

20. Recalls that it can be challenging for smaller ACP countries lacking in resources and infrastructure to implement EPAs; calls for the EU and its Member States to assist their developing partner countries so that they can fully take advantage of the opportunities presented by EPAs;

21. Calls on the Commission and the Member States to step up their efforts in technical assistance; calls on the Commission to significantly expand its communication and cooperation with SADC EPA States and to provide them and, when appropriate, their companies and civil society organisations, with timely support in implementing upcoming EU projects and fulfilling other international commitments such as the Multilateral Environmental Agreements, the International Labour Organization (ILO) Conventions and the UN Guiding Principles on Business and Human Rights;

Economic, social and environmental development

22. Concludes that the EPA has not succeeded in deepening regional value chains and those in and between SADC EPA States to any significant extent, but should strengthen the diversification of exports and regional value-added chains, as well as create more resilient supply chains that can adapt to future disruptions of the socio-economic development of the SADC; underlines the importance of developing regional value chains for the economic resilience of the region; expects the EPA to better contribute to combating the lasting problems of food sovereignty and poverty reduction in the SADC EPA States; recalls that the objective of EPAs is to create positive effects on economic development and regional integration; stresses that the EPA still has a lot of potential to advance sustainable development and that this should be pursued as a priority;

23. Underlines the wish to leave sufficient policy space for SADC EPA States to create local added value; believes that the EU should actively support the SADC EPA States in their efforts to move up the

value chain; stresses that the effective management of regional specialisation is essential to maximise the potential of regional value chains and requires cooperative governance structures and policies; calls for the EU and SADC EPA States to work towards the development of high-quality digital infrastructure, including broadband networks and digital platforms, to enhance connectivity, promote e-commerce and facilitate the exchange of information and services across borders;

24. Underscores the critical importance of the service value chain in driving economic growth, fostering innovation and enhancing regional cooperation within the SADC region; highlights the potential in the service sectors in the SADC region, which include financial services, tourism and telecommunications;

25. Underlines the importance of the EU's commitment to multilateral cooperation and to securing Europe's own trade interests, while at the same time addressing some of the key interests of ACP countries, particularly with regard to regional integration;

26. Recalls the two-pillar solution for addressing the tax challenges arising from the digitalisation and globalisation of the economy, as agreed by the members of the Organisation for Economic Co-operation and Development/G20 Inclusive Framework on Base Erosion and Profit Shifting;

27. Calls for the EU and its Member States to ensure that the agreed global minimum corporate tax rate of 15 % for multinational enterprises is applied effectively; underlines that this minimum tax rate is estimated to generate around USD 150 billion in additional global tax revenues annually;

28. Calls on the Commission to ensure that developing countries can fully exercise their rights under the WTO special and differential treatment provisions, most notably in order to ensure their food security; calls on the Commission to update its 2009 communication on fair trade[1];

29. Stresses that there is an urgent need to undertake far-reaching joint efforts towards decarbonisation and to support this with substantial funding, as well as to carry out far-reaching technology transfers; emphasises the significance of joint collaboration in promoting sustainable development and combating climate change, while fostering economic growth; stresses that the establishment of energy partnerships with the countries of the SADC region must focus not only on the implementation of the Green Deal in Europe, but must at

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1 Commission communication of 5 May 2009 entitled 'Contributing to Sustainable Development: The role of Fair Trade and non-governmental trade-related sustainability assurance schemes (COM(2009)0215).

the same time aim to supply the region;

30. Reiterates that the green transition offers the potential to be a generator of quality and green jobs that can contribute significantly to poverty eradication and social inclusion, both in EU Member States and in the SADC EPA States;

31. Underscores the importance of investing in education and skills development tailored to decarbonisation efforts, while addressing the challenges of the just transition;

32. Considers that projects to improve local infrastructure in the SADC EPA countries in connection with city partnerships are useful in order to underpin climate partnerships between the EU and individual SADC EPA States in a decentralised manner, and to deepen exchanges between municipalities in Southern Africa and the EU; is convinced that municipal exchanges make it possible for African and European experts to develop problem-appropriate solutions for the development of local infrastructure; welcomes the fact that such partnership projects are supported by the programme ‘Local Authorities: Partnerships for sustainable cities 2020’; calls on the Commission to continue to assist the SADC EPA countries in meeting EU environmental policy requirements and maintain this funding programme; urges the Commission, the European External Action Service and the EU delegations to facilitate dialogue with the aim of promoting mutual understanding on the impact of EU climate initiatives, such as the introduction of the Carbon Border Adjustment Mechanism (CBAM) Regulation and the Deforestation Regulation, and upcoming Union due diligence legislation;

33. Stresses that the SADC EPA States are particularly affected by the impacts of climate change; recalls that agriculture in Southern Africa is affected by both floods and droughts; urges the Commission and the SADC EPA States to intensify their cooperation in developing appropriate early warning systems and coordination between the relevant ministries of the SADC EPA States in order to achieve the objectives of the Nationally Determined Contributions;

34. Welcomes the efforts of the SADC EPA States and the Commission to establish closer cooperation on resilient food systems and food sovereignty within the review process; considers that this cooperation is an opportunity to push forward the United Nations Declaration on the Rights of Peasants and Other People Working in Rural Areas and agriculture-oriented ILO Conventions such as No. 129 on labour inspection in agriculture, No. 10 on minimum age in agriculture and No. 11 on the right of association in agriculture; recalls the fact that agro-ecology’s capacity to reconcile the economic, environmental and social dimensions of sustainability has been recognised in landmark reports from the Intergovernmental Panel on Climate Change and the Intergovernmental Science-Policy

Platform on Biodiversity and Ecosystem Services, as well as the World Bank and FAO-led global agricultural assessment (IAASTD);

35. Stresses the need for efforts in building climate-resilient value chains within the agro-industry and the development of drought-resistant crop varieties and climate-adapted processing techniques;

36. Emphasises that access to clean water and sanitation facilities is fundamental to agricultural sustainability; stresses the need for comprehensive water management strategies; emphasises that the lack of access to clean water and sanitation in the SADC region is an obstacle to sustainable development;

37. Calls for regional agro-processing initiatives to be carried out and shared among SADC EPA States in order to promote knowledge exchange and the sharing of best practices; calls for the progress made in regional value chains in agricultural processing to be monitored;

Gender

38. Acknowledges the vital role of women in the economic development of the SADC region and the importance of creating an enabling environment that safeguards their rights; calls on the Commission to prioritise gender issues in the context of the implementation of the EPA, for example by organising workshops on gender equality between, inter alia, women’s rights organisations in the EU and in SADC countries, by raising the awareness of domestic authorities and companies as to the untapped economic potential stemming from discrimination against women and by helping them identify the political, economic and social drivers that hamper African women’s advancement and calls for policies and concrete actions to close the gender gap; stresses the importance of empowering women and young people in the SADC region by enhancing their access to finance, resources and economic participation; calls for the EU and the SADC EPA States to ensure equal and unhindered access to financial services and resources for women and young people, and the promotion of financial inclusion;

Investment

39. Points out that green finance and investments need to be significantly scaled up in order to achieve the goals of the 2030 Agenda for Sustainable Development and the Paris Agreement and to advance the transition to a low-carbon and climate-resilient economy in the SADC EPA States;

40. Calls for the EU and SADC EPA States to actively explore innovative mechanisms for green finance, including green bonds, climate-focused investment funds and public-private partnerships, leveraging international platforms to attract investments in sustainable and

climate-resilient projects; calls for the EU to leverage its influence in obtaining improved financing practices from institutions such as the World Bank and enhancing the International Monetary Fund's role in reducing the debt of heavily indebted countries and therefore calls for the EU and its Member States to use their influence to explore new approaches that unlock finance for climate adaptation; emphasises the need for proactive measures to continue to attract increased investments, notably in strategic and innovative sectors, which can lead to higher-quality outcomes and foster more sustainable development, which could result in long-term benefits both for the SADC EPA States and the EU; further urges the EU and SADC EPA States to jointly explore innovative financing possibilities such as securing loans and subsequently allocating them under appropriate conditions to finance public infrastructure in crucial areas such as energy, water supply, waste disposal and recycling;

41. Calls for the EU and its Member States to intensify their efforts at international forums, including the WTO, to advocate increased international climate financing;

42. Notes that the investment stock of EU Member States in the SADC EPA States remains significantly higher than that of the United States or China;

43. Further considers that there is an urgent need to increase sustainable investment in the SADC region and expects investment areas to be identified that appear particularly suitable for investment partnerships between the EU and the SADC EPA States; calls for a better coordinated Team Europe approach in identifying and implementing suitable measures to increase investment; stresses that the achievement of the SDGs requires massive investments in supporting infrastructure and diversification away from dependence on primary commodities towards high-value industrial products; stresses that the EU's investment policy should help developing countries, notably African countries, to attract FDI and to reduce the funding gap to achieve the SDGs; emphasises that creating decent jobs must be a key factor for supporting investment in the SADC region, enabling robust domestic frameworks for human rights and environmental due diligence; underlines the importance of involving local companies wherever possible in the implementation process to keep invested funds in the region, boost employment and facilitate the transfer of skills; believes that Global Gateway funds should be increased and that the share of grants for equally necessary public investments must be increased;

44. Calls on the Commission and the Member States to ensure that when selecting and supporting Global Gateway projects, social dialogue needs to be an integral part of the institutional framework for policy-making and implementation at all levels;

45. Calls on the Commission to better coordinate the individual national export credit agencies of EU Member States in order to align with the priorities of the European Green Deal;

46. Underlines the significance of small and medium-sized enterprises (SMEs) in the economic development of SADC States, recognising their potential and role; reiterates the need to raise awareness on the benefits and opportunities of the agreement, in particular for SMEs;

47. Emphasises the importance of proactive involvement by private sector enterprises in the implementation and monitoring of the EU-SADC EPA;

48. Calls on the Commission to actively promote and encourage participation in capacity-building programmes and regional initiatives aimed at strengthening investment and export capacity, while fostering a more SME-friendly market environment;

49. Welcomes the introduction of EU programmes such as the Support to Improving the Investment and the Business Environment Programme aimed at improving the business and investment climate in SADC States; calls, in this context, for more funding to be envisaged in the next financial period in order to give a greater boost to the growth and development of private sector, as well as to create job opportunities for the local population, thereby reducing poverty;

50. Stresses that a transparent and predictable legal and fiscal framework will help promote regional integration and attract foreign direct investment;

Angola’s accession

51. Recognises the importance of the EU-Angola SIFA to this Agreement as a new approach to build the necessary transparent and predictable legal and fiscal framework fostering the due diligence of investors to attract sustainable and responsible investment, and highlights the agreed provisions on commitments on gender, climate change and sustainable development; encourages other countries in the region to consider similar SIFAs with the EU, which include nationally determined contributions in their design; underlines that the EU-Angola SIFA should contribute to the attraction and expansion of sustainable investment in Angola, as well as to the promotion of economic diversification, while at the same time integrating environmental and labour rights commitments, and should not have the opposite effect; highlights sustainable investment opportunities in the climate-sensitive agricultural sector, investments in renewable energy and climate-resilient infrastructure, as well as skills development; calls on the Commission to prioritise cooperation projects that promote the sustainability commitments set out in the EU-Angola SIFA within the Multiannual Indicative

Programme for Angola; believes that agreements such as the EU-Angola SIFA can provide a legal and organisational framework for sustainable investment that reduces Angola's dependency on oil and gas; welcomes the fact that the EU-Angola SIFA includes important aspects of the practical implementation of investments such as the transparency and predictability of investments, the streamlining of approval procedures, the establishment of focal points of interested investors, procedures for dispute avoidance and resolution and for the due diligence of investors; calls for the EU and the SADC EPA States to consider whether a Sustainable Investment Facilitation Agreement should complement the EPA; calls on the SADC EPA States to enter into negotiations on this issue, if necessary;

52. Welcomes the request of Angola to join the EU-SADC EPA; hopes, in this context, that the negotiation process will commence without further delay; considers that if Angola joins the EU-SADC EPA or any other separate binding and enforceable international instrument between the EU and SADC States, the EU-Angola SIFA should be adapted accordingly;

53. Recalls that according to the Commission's impact assessment, Angola faces capacity issues in implementing the EPA effectively; calls on the Commission to assist Angola in capacity building;

Raw materials

54. Calls on the Commission and the SADC EPA States to strengthen cooperation through formal forums, as well as critical raw materials strategic partnerships and implementation roadmaps, in order to ensure a diversified and sustainable supply of key raw materials for the green, digital and just transitions, improve recycling of natural resources and waste management, support domestic industries to move up the value chain from the extraction to the processing of raw materials and promote responsible mining practices, notably by recognising and applying the free prior and informed consent of the local population affected by mining projects and by bringing benefits along the entire supply and production chain; is convinced that raw materials extraction needs to occur with respect for environmental standards, labour and human rights, including the rights of indigenous peoples; calls for the continuous and broad participation of all relevant stakeholders, including local and indigenous communities; advocates policy reforms addressing land and mine ownership, labour rights and social justice in order to mitigate conflicts and encourage sustainable investment; is concerned about cases of violations of human rights and the high level of environmental damage caused by some mining companies;

55. Welcomes the Strategic Partnership with Namibia, which aims to build renewable hydrogen development and critical raw material value chains; recalls the need for developing necessary

infrastructure, such as renewable energy facilities, transportation networks and research centres, to facilitate the production and distribution of renewable hydrogen;

56. Calls, in this context, for the establishment of knowledge-sharing platforms and research networks in order to facilitate the exchange of best practices, experience and innovative solutions between Member States; considers it useful to extend technological cooperation to other fields;

57. Stresses that the EU’s request to ban export taxes on raw materials has been a long-standing stumbling block in the negotiation process on EPAs, given that export taxes and duties are not prohibited under the WTO regime; recalls the right of African countries to regulate raw materials in their public interest; calls, accordingly, for the EU to refrain from adopting a trade policy that prohibits, as a general rule, developing countries from levying export taxes on raw materials, insofar as this is WTO-compatible;

TRIPS waiver

58. Notes that the original proposal of, inter alia, India and South Africa for a Trade-Related Aspects of Intellectual Property Rights (TRIPS) waiver for COVID vaccines was met with different reactions in the beginning and was later supported by the EU; stresses that in the future, equal partnership should involve more dialogue; calls for the EU and its Member States and on the WTO Members to take forward the long overdue discussions in the WTO on the extension of the 12th Ministerial Conference TRIPS decision to extend the agreed flexibilities at WTO level to therapeutics and diagnostics; in this context, invites the Commission to put in place a clear policy framework to ensure that the future EU compulsory licencing system is in line with the agreed TRIPS flexibilities; calls for stronger equal cooperation with the SADC EPA States in this context;

59. Welcomes the efforts made within the EU-South Africa Strategic Partnership to build a vaccine production infrastructure; stresses that this infrastructure must include the production of COVID-19 vaccines;

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60. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Southern African Development Community Economic Partnership Agreement States.