

Ex-post evaluation of the EU-SADC Economic Partnership Agreement

Workshop to Present and Discuss Preliminary Findings: Mozambique

Place: Montebelo Indy Congress Hotel, Maputo

Date: 26 October 2023

Workshop report

Within the framework of the ex post evaluation of the Economic Partnership Agreement (EPA) between the European Union (EU) and six Parties from the Southern African Development Community (SADC), a half-day hybrid workshop was held on 26 October 2023. **The objective of this event was to discuss the preliminary findings of the ongoing evaluation of the implementation of the EU-SADC EPA since its entry into force in 2016 (Botswana, Lesotho, Namibia, Eswatini and South Africa) and 2018 (Mozambique).** The workshop was co-facilitated by BKP Economic Advisors' Team of Experts, led by Mr. Derk Bienen (Team Leader/TL) and, the Ministry of Industry and Trade (MIC). It was attended by key stakeholders namely from the private sector, government institutions and other non-state actors. In total, 45 persons from 33 organisations participated in the workshop. Annex A provides the list of organisations participating in the workshop.

1 WORKSHOP PROCEEDINGS

Introductory Session

In her introductory remarks, Veerle Smet, Team Leader of Infrastructure, Investment and Private Sector at the **Delegation of the European Union** in Mozambique, welcomed the participants and briefly presented the context and objectives of the workshop. She highlighted the importance of the review nearly six years after entry into force of the EPA, a requirement of articles 4 and 116 of the EU-SADC EPA.

In his opening remarks, Claire Zimba, the National Director of External Trade at the **MIC**, stressed the importance of assessing the effectiveness and socio-economic impacts of the commitments made by both Parties under the EU-SADC EPA.

The program was structured in three thematic sessions as described in Annex B (Agenda).

Session 1 Preliminary Evaluation Findings: Approach and EPA Impacts

The evaluation team leader, Derk Bienen, made presentations on the "Context, Approach and Stage of the Evaluation" and "Preliminary Findings of the Evaluation: economic, social, environmental and human rights".¹

¹ All presentations are available at <http://eu-sadc.fta-evaluation.eu/en/consultations/workshop-in-mozambique>



No specific questions were raised related to these two presentations.

Session 2 EPA Implementation

This session was structured conducted through a panel discussion with representatives from the MIC, Development Partners, Private Sector and Non-State Actors.

- Gustav Brink, a member of the evaluation team, started the discussions by presenting the key findings on EPA implementation by EPA Parties with a focus on Mozambique's experience.
- Esmeralda Patricio, Head of the **Department of Regional Integration and Specialised Organisations at the MIC** mentioned the following issues: Mozambique (i) was the third country with an approved EPA Implementation Plan in 2018 and implementation started since then; (ii) needs to increase the EPA dissemination to the private sector and (iii) needs to improve institutional coordination to implement the EPA through platforms such as the National Trade Facilitation Committee.
- Luis Siteo, the Executive Director of **Eurocam** (the Chamber of European firms operating in Mozambique) stressed the following issues: (i) the limited EPA impact on trade flows i.e., Mozambican exports to the EU in the short/long terms; (ii) the great potential for positive impacts of the EPA through its development cooperation component and investment facilitation; (iii) the presence of OTM, the country's labour union, to discuss EPA issues, which was a positive development; and (iv) the need for increased capacity building and sensitisation of the private sector on EPA issues.
- Gregorio Tradacete, Team Leader of **components 1 and 3 of Promove Comércio** (EPA implementation and Trade Facilitation Reforms within the context of the EU-SADC EPA and WTO Trade Facilitation Agreement), a trade facilitation programme funded by the EU in Mozambique, shared some of the key milestones achieved to date namely (i) update of the EPA Implementation Plan (IP), (ii) audit of EPA implementation, (iii) drafting of toolkits for government and private sector institutions. He also highlighted areas that need further attention: (i) approval of the EPAIP by the government to ensure increased ownership by key stakeholders, (ii) training of customs brokers and customs officials, (ii) establishment of a NTFC Subcommittee focusing on the EPA or ensuring that the existing Markets Subcommittee should has a mandate to monitor the EPA implementation; and (iv) improve donor coordination on the EPA implementation.
- Jaime Comiche, **UNIDO** Representative in Mozambique – UNIDO is implementing component 2 of *Promove Comércio* (quality infrastructure) – mentioned (i) the context in which implementation started i.e. the illegal debt scandal of USD2 billion, (ii) the low industrial base from which the country's economic growth takes place and (iii) the need for improvement alignment between government priorities and donor-funded interventions such as *Promove Comércio*. Additionally, Mr. Ramoul Khairedine, **UNCTAD** Trade Remedies Expert, also shared the ongoing technical assistance being provided by UNCTAD to MIC to establish the National Law and Regulation on Trade Safeguards, which is expected to assist Mozambique to implement the EPA-related provisions on safeguards. This UNCTAD technical assistance is complementary to the UNIDO-led intervention.
- Mr. Damião Simango, Representative of **Organização dos Trabalhadores de Moçambique (OTM)**, the country's trade union, stressed the expectations of OTM

during the EPA implementation particularly the need (i) for firms/traders to have good governance practices in labour issues, which are crucial in trade relations and (ii) increased and targeted sensitization of the OTM on EPA-related issues.

In the ensuing discussion two concerns were raised by Mr. Muzila Nhatsave, a representative of the **Mozambican Association of Industrial Fishers and Producers and Exporters of Shrimps (AMAPIC)**:

- There are still customs duties currently being applied on a range of fisheries raw materials imported from the EU, which should be duty-free; and
- The recent approval and start of implementation by government (Ministry of Industry and Trade) of the Conformity Assessment Program, threatens to increase the cost of importing intermediate and final goods into the country, and ultimately, increase the price of final goods to consumers.

Closing Session

In the closing remarks, the evaluation team leader some take-aways from the workshop. First, speakers and participants had noted the importance of development cooperation both to build productive capacity of businesses and administrative capacity of trade institutions, and there also was agreement that this support was being provided by the EU and Member States. Second, the involvement of non-state actors in the implementation of the EPA was limited. Third, there was consensus that more needed to be done in terms of awareness raising, so that the actual use of the EPA and the preferences that it provides would increase, notably on the import side. Fifth, some speakers had noted that Mozambique had lacked a clear strategic orientation both at the time of the EPA negotiation and during the implementation, as witnessed by the non-use of safeguards but also preferences for imports from machinery and inputs from the EU to build the competitiveness of the Mozambican economy. Finally, all contributors agreed that the EPA was only one instrument contributing to the objective of improving the wellbeing of people in Mozambique and elsewhere. The evaluation team leader concluded that the evaluation's ultimate purpose was to determine the extent to which the EPA actually delivered on this.

The evaluation team shared with the participants the next steps of the evaluation including the national validation workshops (Namibia, Botswana and South Africa) and the finalisation of the draft reports by end February 2024. No further issues were discussed.

On behalf of Director Claire Zimba, Esmeralda Patricio made the closing remarks, thanking all the participants for their support and attendance. The meeting was adjourned at 12:45 Central African Time (CAT).

ANNEX A: ORGANISATIONS PARTICIPATING IN THE WORKSHOP

Name of organisation	Type of organisation
Association for the Preservation of Environment (APMAM)	Civil society
Association of Customs Brokers (CDA)	Private Sector
Association of European Entrepreneurs in Mozambique (Eurocam)	Private Sector
Chale Avogados	Company
Chamber of Commerce of Mozambique (CCM)	Private Sector
DAI International	Company
Diario Economico	Media
Embassy of Ireland	Development partners
EU Delegation to Mozambique	Development partners
Gender and Development Observatory (COGED)	Civil society
GTV	Media
Gungu TV	Media
Institute for the Promotion of SMEs (IPEME)	Government
Microtic Lda	Company
Ministry of Industry and Trade	Government
Mozambican Association of Industrial Fishers (AMAPIC)	Private Sector
Mozambican Association of Sugar Producers (APAMO)	Private Sector
National Institute for Fishery Inspections (INIP)	Government
National Institute of Quality and Standards	Government
Noticias	Media
P. Radio	Media
Profile Moz	Media
Promove Comércio Programme	Development partners
SE Trade Advisors	Company
UNCTAD	Development partners
UNIDO	Development partners
Workers' Organization of Mozambique (OTM-CS)	Civil society
Independent consultant	Company
Freelance journalist	Media
Fruit Growers Association of Mozambique (FRUTISUL)	Private Sector
Jornal Positivo	Media
Moz Midia	Media
Politecnia Radio	Media

ANNEX B: WORKSHOP AGENDA

Time	Activity
08:00 – 08:30	<i>Registration</i>
08:30 – 08:45	<p>Opening Remarks</p> <ul style="list-style-type: none"> • Delegation of the European Union: Veerle Smet, Head of Section Infrastructure, Investment and Private Sector • Ministry of Industry and Trade: Claire Zimba, National Director of External Trade
08:45 – 10:00	<p>Preliminary Evaluation Findings: Impacts of the EPA</p> <ul style="list-style-type: none"> • Context, Approach and Status of the Evaluation: Presentation by study team • Preliminary key findings: Presentation by study team <ul style="list-style-type: none"> ○ Economic effects ○ Social effects ○ Environmental effects ○ Human rights effects • Question and answers, discussion
10:00 – 10:15	<i>Group photo & coffee break</i>
10:15 – 11:30	<p>Preliminary Evaluation Findings: Implementation of the EPA (Panel 1)</p> <ul style="list-style-type: none"> • Presentation by the study team • Presentations by discussants: <ul style="list-style-type: none"> ○ Ministry of Industry and Trade, National Directorate of External Trade: Esmeralda Patricio, Head of Department, Economic Integration and Specialised Organisations ○ Chamber of Commerce of Mozambique: Muzila Nhatsave, Vice President, Fisheries Department ○ Eurocam: Luis Siteo, Executive Director ○ Promove Comércio: Gregório Tradacete, DAI, Administrator of Components 1 and 3, and Jaime Comiche, UNIDO, Administrator of Component 2 • Question and answers, discussion
11:30 – 12:30	<p>Implementation and Impacts of the EPA: Views of society and academia (Panel 2)</p> <ul style="list-style-type: none"> • Presentations by discussants: <ul style="list-style-type: none"> ○ Labour representative: Damião Simango, Mozambique Workers' Organization (OTM-CS) ○ Academia: Gervásia Muchanga, Universidade Joaquim Chissano • Discussion
12:30 – 12:45	<p>Closing Remarks and Way Forward</p> <ul style="list-style-type: none"> • Study team • Ministry of Industry and Trade
12:45 – 14:00	<i>Lunch</i>

Moderation: Mateus Chale. **MC:** Ministry of Industry and Trade, National Directorate of External Trade