



# Ghana: commodification of water

The conquest of African resources and Europe's responsibility



# WATER: HUMAN RIGHT AND COMMON GOOD

by Rosario Lembo

*“Because of the public-private partnership model, the public sector has turned out in a hollow shell.”*

Basini, Trade and Development Expert at Third World Network

## Partnership agreements with Europe

The Republic of Ghana and European Union are bounded by some historical connections in addition to trade exchanges and relations. In 1957, the same year when Ghana obtained the independence (becoming the first State of Sub-Saharan Africa to free from the colonial yoke), Europe founded the European Economic Community. Beyond this historical coincidence, Ghana has a long history of trade relations with the European Union, which dates back to the signing of the first Lomé Convention in 1975. European Union is the most important commercial partner of Ghana. Ghana's exports sales into the European market reached the amount of 3 billion of dollars in 2012, representing 42,9% of the whole export volume. Moreover EU has allocated 323 millions € for the development cooperation over the period 2014-2020.

**In December 2007, Ghana has signed an interim EPA** with the European Union, which set the rules for the liberalization of the goods market. As a matter of fact, with the expiry of the preference regime in 2007, the Republic of Ghana and the Ivory Coast would have been the only countries of the Western Africa Countries Organization (ECOWAS) that would have undergone the introduction of duties on their own export goods if the agreement with EU had not been signed. In fact the other ECOWAS States, due to their classification as Less Advanced Countries, could benefit from the initiative “Everything But Arms” (EBA), a particular form of preference at the advantage of all the least developed Countries which allows all their export

products to be exempted from duties without quantity limits.

More motivated by the threat of the ending of the preferential tariff regime with the EU than by the socio-economical advantages ensured by the agreement, Ghana and Ivory Coast signed two interim EPAs (even if they have not been ratified). At the same time, the European Union and ECOWAS States initiated a regional interim EPA.

So in 2007, at the expiry of ACP agreements, there were three agreements undergoing the phase of negotiation with EU: two individual EPAs with Ghana and Ivory Coast and the regional one with the Western African States Organization (ECOWAS).

This situation of extreme fragmentation of the system, which determined a 7 years long impasse of the negotiations, was produced by the opposition of

ratification and entering into force of the free trade agreement seem increasingly near goals. The agreement establishes the opening of 75% of Ghanaian market to agricultural and industrial European products over an adjustment period that is going to last approximately 20 years. In other words, it means that all the duties and non-tariff barriers to almost all European export goods will be removed. In addition to that, the article 106 of the agreement (the so-called “rendez-vous” clause) establishes that the partners must engage in carrying on the negotiations in order to reach a complete regional agreement for the liberalization of all the following sectors: services, intellectual property rights, designation of geographical origin, movements of capital, personal data protection, direct foreign investments, competition, consumers

**\$ 3 BILLIONS**

the amount of Ghana's export to Europe

**\$ 323 BILLIONS**

the financial allocation by the EU in development cooperation initiatives

**75 %**

the opening share of Ghana's market to Europe following the EPA of 2014

### I numeri contano

Ghanaian civil society and of the other Countries' civil societies. The *impasse* was overcome thanks to the meeting of the regional EPA EU-ECOWAS, which took place on **10th July 2014** in Accra. Following this meeting and convergence of the different countries, the signing,

protection, sustainable development, public procurements. The “rendez-vous” clause binds the partners to agree upon an accurate road map and agenda of the negotiations in the six following months after the conclusion of the agreement. A clear and immediate message of

NATURAL PARK  
GHANA

Photo: Fabrizio Sbrana

dissent has come from the **Economic Justice Network of Ghana** (a network of civil society NGOs), that unambiguously condemned the decision of ECOWAS to approve the signing of the EPA during its 45th regular session of Heads of State and Government held in Accra on 10th July.

According to the analysis of Third World Network Africa (TWN), one of the organizations of the Economic Justice Network (EJN), this decision clashes not only with Ghanaian civil society's positions, but it goes against the interests of private citizens and small local farmers and entrepreneurs. In addition to not promoting and supporting the development of the African continent, according to the NGO TWN **EPAs have been conceived in order to favor the demands of the Western economies** and they would lead to the collapse of national production and of all manufacturing sectors, due to the competition exercised by the massive admission of European export goods – which are subsidized by the CAP – that would determine a derangement of the already vulnerable African markets. The "rendez-vous" clause in fact pushes forward the deregulation of sectors which were previously not included in the EPAs, so to induce a level of liberalization that goes consistently further the current commercial obligations with WTO.

EU would actually be negotiating with African countries agreements, which imply much more "free market" than it was initially established by the World Trade Organization. This kind of approach represents a double threat for most African Countries.

The first critical point, which is denounced by TWN and by the civil society organizations active in the fight against EPAs, is that this approach reflects the Western's will to weaken Western Africa's governments and policies by undermining development and regional growth of the markets. The entering into force of the trade agreements with EU would in fact strengthen the preferential relations with Europe, so making Western Africa

more and more dependent by the export of its raw materials and discouraging intra-regional commerce within States and regions of Africa.

African market is indeed extremely fragmented and offers EU a "ready and available playground" where to launch foreign products and services (TWN, July 2014). In fact intra-regional African commerce amounts only to 10% of the total continental commerce (whereas in EU 68% of the exports and 71% of the imports stay at intra-regional level). According to the analysis of TWN, that is not attributable to an inability of African States to seize and make the most of domestic trade initiatives, but to a sum of policies, international and bilateral agreements, which negatively affects the efforts of African regional integration of the markets and circulation of the products.

The challenges that an African country like the Ghana must face are connected to the high level of unemployment, to the inadequate level of productivity and competitiveness, to the vulnerability of raw materials' prices and local currency, to the insufficient investments both in the agricultural sector and infrastructures, but mostly to the raise of poverty. The overcoming of these challenges would require greater efforts by the governments, through public policies aimed at encouraging not only the local productive potentialities and domestic industrialization processes, but also intra-regional African

commerce, in order to ensure the allocation of products, especially the agricultural ones.

The entering into force of EPA agreements is not only unfavorable to the development of the African continent **but it is indeed a renewed attempt to maintain the status quo in the relationship between Europe and its ex-colonies**. This concern makes some experts of the TWN declare: "At the moment we are pessimist".

The second critical point, which is connected to the process of liberalization of goods production but also commercial services in the local markets, is that it is made within the horizon of the USA-EU negotiations, in their phase of conclusion, which are known under the acronym of TTIP (Transatlantic Trade and Investment Partnership).

The potential signing of this agreement and the obligations that have already been undersigned with the EPAs by most of the main African regions, risk to make the African continent the "meadow" of the major multinational corporations oriented to the buying up of lands and water resources. It is useful to remind that whereas Asian countries have greater cohesiveness and unity in contrasting or facing the threats of the liberalization agreements fostered by Europe, the African continent, as we have been underlining, is more fragmented and divided in the negotiations with the European Union, as it is well demonstrated by the EPA agreements.





Financial flows, transferred through projects and funds in support of partnership agreements, are often conditioned and are not aimed at the promotion of a sustainable development, at the safeguard of human rights and preservation of resources. Cooperation policies have in fact encouraged the exploitation of the available natural resources and the expansion of European markets and companies.

This lacking of coherence shows with greater evidence in the African countries, that are a traditional and privileged reference area for the European cooperation policy, as it is testified by the EPAs.

**The European policies in international cooperation towards the African continent, as it has been underlined in the historical reconstruction of the different phases**, have ranged from the classical approach of the emergency aid to the new orientation based on the nexus "commerce-development", which was inaugurated by the Cotonou agreements.

If African civil society is not able to become conscious of these critical points, it is impossible to think about reducing the migration flows from countryside to the towns or towards other Countries, as well as activating processes intended to prevent the regional conflicts connected to the access and control of resources, by ensuring the survival of family

agriculture. If this awareness would still be lacking, it would not be possible to implement actions contrasting the new commercial policies which indirectly promote the phenomena of land and water grabbing, in addition to the commercialization and financialization of Mother Earth's resources and common goods.

The second challenge which civil society has to face is to be able to overcome the fragmentation of the mobilizations, activisms and single sector demands. It is about being able **to develop "alternatives" to the economic growth and development models based on the exploitation of resources**, which is the Bible of what is nowadays proposed by Europe, United States and by fast industrializing Asian Countries or Brazil, India and China.

It is crucial to redefine and put into practice new models of cooperation and partnership among social movements, specially those who are committed in the defense of common goods, in the claim of universal human rights as the right to food, health, education, and in the fight to the trend brought about by the international speculative finance which is trying to grab the natural resources to be found in the subsoil of Ghana, Congo, Mali, Guinea and most African Countries. So the goal is to build a unified platform to counteract the natural resources grabbing policies, but above all to initiate a process of human rights demand and defense, starting with the basic rights

connected with human dignity. In this perspective, the first unitary goal must be obtaining the approval from the United Nations Assembly of an Agenda in which such basic rights as the right to water, to food, to health and education are consecrated as the priority goals which the States and the international community must ensure. Still to date, in the draft arranged by the States the concept of "right" has been deleted and replaced by more general statements about access promotion.

The second goal of the mobilization is to obtain, on one hand, the approval from the States of national legislative frameworks and, on the other hand, to get international law instruments and binding protocols accepted to be able to guarantee the enforcement of the actualization of basic human rights in formal terms by the States, but also the prosecution of the violations suffered by single persons and communities.

**The mobilization platform which baptized the alliance among the Movements engaged in fighting land and water grabbing**, signed in Dakar by over 40 associations, stands as a first significant message who is going to test the African civil society's ability and will to oppose to the economic partnerships proposed by the European Commission. Among them there are also Ghanaian movements and NGOs like ISODEC and therefore it is possible to verify which mobilization processes these actors will be able to raise to claim national policies of recognition in the Constitution and implementation of right to water, health services and the safeguard of water resources and ecosystems.

**Alliances that would be achieved on the international level, on sharing and building the Dakar platform together with other international civil society movements**, will have another occasion to be monitored and verified about the results that they have been reaching in September 2015, when the new Agenda of the post-2015 sustainable objectives is going to be approved.

If this mobilization will take place, it can be argued that this process represents the first real hope that African civil society will have been able to obtain. In order to make this dream come true mobilization is required by everybody.

BEYIN, GHANA

Photo: COSPE Archive





# AFRICA-UE: THE AGREEMENTS IN DETAIL

## What are the EPAs?

EPAs (Economic Partnership Agreements) were born as regional, "development-oriented" free-trade agreements that the 79 ACP Countries (48 Sub-Saharan African Countries, 16 Caribbean Countries, 15 Pacific Countries), gathered in 7 regions, engaged to finalize by the 31st December 2007 with EU. However, since at the time of the fixed deadline only the bloc of Caribbean Countries had managed to conclude a complete EPA, the European Commission started to negotiate the so-called IEPAs (interim EPAs): transitional agreements made with single countries or regional subgroups. EPAs aim at liberalizing not only goods trade (by removing duties and non-tariff barriers) but also the service sector. In addition EPAs include the protection of intellectual property rights, the standardization of sanitary and phytosanitary measures, the definition of competition rules and the protection of direct investments of foreign companies. The overall liberalization of the market must be realized by 2020.

## Why to negotiate the EPAs?

EPAs are commercial instruments intended to replace the "non-reciprocity" system that used to rule trade relations between EU and ACP Countries for over 30 years. The preferential treatment offered by Lomé to ACP Countries was in fact considered inconsistent with WTO rules as it limited itself to "protect" only one group of developing Countries by excluding others. One of the WTO basic pillars is in fact the Most Favorite Nation clause (MFN clause), which establishes that if a Country offers a commercially favorable treatment to another Country, the same treatment must be applied to all other countries according to the non-discrimination principle. An exception to this rule is the so-called Enabling clause, which allows a special treatment for Developing Countries. This dispensation can be applied only if it is extended to all

the Developing Countries without any discrimination. As a consequence, the preferential treatment that EU offered with Lomé Conventions was a trap of a legal fault, as it had been reserved to a restricted group of Developing Countries (ACP countries, indeed).

So the EPAs solution was conceived as a stratagem, as it "takes advantage of" GATT's XXIV article, which establishes the rules for the creation of customs unions and free-trade areas among Countries taking part in the WTO. The Cotonou Agreement fixed the deadline for the entering into force of the EPAs by no later than the 1st January 2008. Because of the length of the process that is made up by 4 steps (negotiation/ conclusion, signing up, ratification, entering into force), the facilitations envisaged by Cotonou have been replaced by European Regulation (No 1528/2007), which expired on the 1st October 2014.

**79**

countries defined under the acronym ACP (Africa, Caribbean, Pacific)

**39**

belong to the group of the Least Developed Countries

## Which are ACP regions?

They are 7 regions: Western Africa - ECOWAS (Benin, Burkina Faso, Cape Verde, Ivory Coast, Gambia, Guinea, Guinea-Bissau, Ghana, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo, Mauritania); Central Africa - CEMAC (Cameroon, Central African Republic, Chad, Congo (Brazzaville), Democratic Republic of the Congo, Equatorial Guinea, Gabon, São Tomé and Príncipe); Eastern and Southern Africa - ESA (Comoros, Djibouti, Eritrea, Ethiopia, Madagascar, Malawi, Mauritius, Seychelles, Sudan, Zambia, Zimbabwe); Eastern Africa - EAC (Kenya, Uganda, Tanzania, Burundi and Rwanda); Southern Africa - SADC (Angola, Botswana, Lesotho, Mozambique, Namibia, South Africa, Swaziland); Caribbean - CARIFORUM (Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica,

**7 REGIONS**

involved: 5 of them are African

**49**

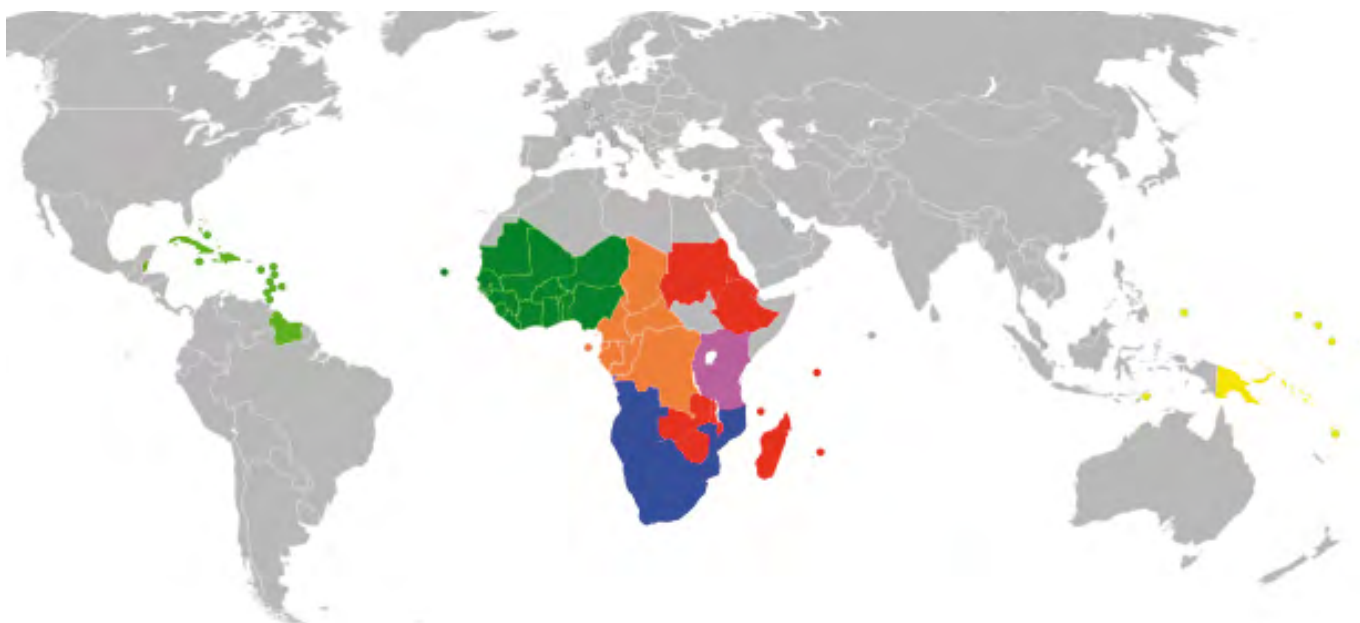
EPA agreements concluded by EU with the ACP States on 16th October 2014

### The numbers of the EPAs

## Which are the Countries identified by the ACP acronym?

They are 79 Countries of Africa, Caribbean and Pacific. 49 are African Countries, 16 are Caribbean islands, 15 are Pacific islands. 39 out of 49 Least Developed Countries are ACP Countries, most of which are in the African continent.

Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Saint Lucia, Saint Vincent and Grenadines, Saint Kitts and Nevis, Suriname, Trinidad and Tobago); Pacific (Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru Federate States, Niue, Palau, Papua New Guinea, American Samoa, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu).



## ACP REGIONS

*In the map: Western Africa (dark green); Central Africa (pink-orange); Eastern and Southern Africa (red); Eastern Africa (fuchsia); Southern Africa (blue); Caribbean (green); Pacific (yellow).*

### Which are the actors currently involved?

On 16th October 2014, 28-European Union concluded EPAs with 49 ACP countries, for a total amount of 900 millions of people involved over four continents.

Out of 7 regions, which European Union is currently negotiating with, only the CARIFORUM EPA - EU with the Caribbean bloc has been actually signed and ratified and it has entered into force since March 2009 (when the European Parliament registered the ratification instruments). In July 2014, EU concluded the negotiation process (which precedes the signature and ratification) with the ECOWAS (Western African States Organization) and the SADC group (Southern African States Organization). European Union concluded also an "interim EPA" with the Central Africa Community (CEMAC), Central and Southern Africa (ESA), and, more recently, with the Eastern Africa Community (EAC). The interim EPAs, partial agreements aiming at liberalizing

the goods market, incorporate the engagement to enlarge the "coverage" even to services, to intellectual property rights and to other sectors of the economy. The interim EPAs, however, have considerably destabilized the ACP Countries group, that cannot any longer be considered as a whole bloc since they have been adopting different rules. Such a diversity has had a negative influence on the process of regional and continental integration in Africa, since it contributed to create a "multi-speed" Africa.

### What is covered by EPAs and which effects are to be expected in terms of development?

Caribbean region is the only one that signed and ratified a complete EPA (CARIFORUM-EPA) in all its sections: goods, services, technical barriers to commerce, facilitation rules, agriculture and fishing,

capitals procurements, competition rules, intellectual property rights and innovation, public contracts, environment. All other EPAs, concluded or undergoing the stage of negotiation, are born as free trade agreements, but they present a clause (the so called rendez-vous clause), which compels the partners of the agreement to carry on with negotiations concerning the trade-related issues (services, direct foreign investments, etc.).

With reference to market shares, EU undertakes to ensure immediate access to its farming and manufacturing products (fact already envisaged by Lomé Conventions).

The liberalization of ACP goods, however, is going to take place gradually over a time span of 10 to 20 years, while all the agricultural and industrial products considered "critical" for the development of African domestic industries are kept out of the market. The degree of liberalization of the market varies from 75% of ECOWAS Countries (Western Africa) to 98% of Seychelles.



# COSPE

COSPE is a private, secular, nonprofit association. Since its birth, in 1983, it works in the South of the world, in Italy and in Europe **for the inter-cultural dialogue, fair and sustainable development, human rights**, peace and justice among peoples. Nowadays, COSPE is engaged in the carrying out of 150 projects in 30 different Countries.

**COSPE has been present in Ghana, particularly in the Nzema area of the Western Region, since 1999 with projects in different sectors, such as ecotourism and enhancement of cultural traditions, creation of job opportunities, support to micro-enterprise in crafts and agri-food services, co-management of waste and water resources.** Specially in the area of Axim a waste collection system was finally experimented with citizens and local authorities. Since 2012 these

actions have been extended to the whole Nzema area to strengthen the management of water resources and hygienic services provided to citizens, in order to improve water quality and monitoring but also to encourage the population to take an active part in local policies.

On a small scale, the project carries out participatory local development activities and water quality and hygienic services monitoring systems, aiming at actually working out a participatory planning and management of the service; moreover it has the purpose of raising awareness about the access to water and hygienic services as a Human right, as it is has been ratified by UN, by means of national and community forums, in collaboration with the local partner ISODEC and National Coalition against the privatization of the Water (NCAP).

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