

Council of the EU General Secretariat
<u>ACP</u>
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**Conclusions of the Council and the Representatives of the Governments of the
Member States meeting within the Council on
Economic Partnership Agreements (EPAs)**

1. The Council reaffirms its commitment to the on-going process of negotiation, conclusion and implementation, as soon as possible, of the Economic Partnership Agreement (EPAs). The Council emphasises that EPAs are instruments for the development of the ACP countries. As WTO compatible agreements, EPAs aim at promoting sustainable development, supporting regional integration and the gradual integration into the global economy, thereby contributing to poverty eradication in the ACP countries. In this context, the Council recalls and fully reconfirms its conclusions on EPAs of April 2006, May 2007 and November 2007.

2. The Council welcomes the agreement on a full regional EPA reached with CARIFORUM. The result of the negotiations in this region shows that, when political and economic conditions are met, EPAs can act as a catalyst for regional integration processes. The Council strongly believes that the EPA agreed with CARIFORUM has the potential to fulfil the development objectives of economic and trade cooperation as set out in the Cotonou Agreement. In the other ACP regions, the initialling of interim agreements has averted the risk of trade disruption after the expiration of the Cotonou trade regime, even improving access to the EU market with full duty free quota free access and more favourable rules of origin.

3. The Council firmly believes that the key objective remains to achieve, in agreement with our ACP partners, full EPAs with comprehensive regional coverage and wide scope, as partial arrangements cannot release the entire development potential of full EPAs. It notes with satisfaction that, upon resumption of the discussions, the parties have underlined their common will to pursue negotiations aimed at such agreements. The Council welcomes and strongly supports this common effort. Acknowledging ACP concerns and the existence of issues still outstanding in the negotiation, the Council underlines the need for all WTO compatible flexibility and asymmetry in favour of ACP development needs. In this context, the Council calls for a pragmatic negotiation approach, supporting regional coherence and taking into account different capacities within the ACP regions.
4. The Council holds that supporting regional integration is a fundamental element to promote the smooth and gradual integration of the ACP countries into the world economy, which is one of the main objectives of the Cotonou Agreement. In this context, the Council looks forward to the forthcoming Communication by the Commission on Regional Integration for Development in ACP countries. The Council believes that EPAs have the potential to play a key positive role in accompanying and supporting regional integration initiatives being taken forward by the ACP countries and in promoting development. The Council therefore reaffirms that the process leading to full EPAs needs to build upon, foster and support existing regional integration processes while recognising the underlying political and economic realities.
5. The Council recognizes that regional integration as well as EPAs may entail adjustments and reforms in ACP economies and policies. In order to help ACP regions, countries and local communities, including small producers, reap their benefits, EU development assistance will accompany these processes. In this perspective, the Council recalls the adoption, in October 2007, of the EU Strategy on Aid for Trade (AfT), with the commitment that, in the context of the efforts to increase the collective EU trade related assistance to €2 billion annually by 2010 (€1 billion from the Community, €1 billion from the Member States), in the range of 50% of that increase will be available for the needs prioritised by the ACP countries, including those related to EPAs. The Council reconfirms these commitments and stresses the need of avoiding "AfT orphans" and ensuring that all ACP regions receive a fair share of the AfT resources. The Council recalls that AfT commitment is part of the broader ODA increase agenda and its delivery is not conditional upon signing an EPA.

6. The Council is committed to implementing the EU AfT strategy in accordance with the principles of aid effectiveness and complementarity. It especially emphasises the need for enhanced coordination in the definition of AfT contributions and increased predictability in their planning and delivery, which are preconditions to reach the agreed level of ACP share in Trade Related Assistance (TRA) and to further step up efforts on the wider AfT agenda. The Council strongly encourages common work by the Commission and the Member States to this purpose, and welcomes the Commission initiative for the joint establishment of specific EU Regional AfT packages for the ACP regions. The Council believes that these regional packages can be effective instruments to pool EU resources and channel them toward AfT objectives, in support to regional economic integration and to the implementation of EPAs, on the basis of needs and priorities expressed by the ACP countries and regions.
7. The Council considers that regionally owned funds, if transparent, effective, demand driven and pro poor, can be an instrument to support development strategies and to deliver speedily and flexibly EPA related assistance. Therefore, in cases when ACP regions are interested, appropriate ways to support their establishment should be carefully explored.
8. The Council underlines that an appropriate monitoring system, built through a broad participatory approach, including ACP and EU Parliaments and non-state actors, is a key aspect of the EPA implementation. The Council notes that inclusive EPA institutions will play a central role in this regard. Acknowledging the fact that needs and priorities can be different from one ACP region to the other, the Council is in favour of a flexible approach, whereby the concrete definition of the institutional architecture is decided on a cases by case basis through discussion with each ACP region. The institutional set-up of EPAs should ensure adequate synergies with the institutions foreseen in the Cotonou Agreement.
9. Recalling the Conclusions on EPA of May 2007, the Council underlines the importance of an on-going ACP-EU dialogue on EPAs so as to strengthen the partnership spirit of the Cotonou Agreement. As part of this, the Council looks forward to the forthcoming meeting of the ACP-EC Council of Ministers in Addis Ababa.
10. The Council will continue to oversee the process of negotiation and implementation of the EPAs, in order to ensure that they can effectively deliver on their development promises.

In adopting these Conclusions, the Council refers to the following Conclusions and Statements:

- June 2000, Partnership Agreement between the Members of the African, Caribbean, and Pacific Group of States on the one part, and the European Community and its Member States, on the other part (Cotonou-Agreement).
 - March 2005, Paris Declaration on Aid Effectiveness
 - December 2005, Council Conclusions on Aid for Trade (doc. 15791/05)
 - April 2006, Council Conclusions on Economic Partnership Agreements (doc. 8384/06)
 - October 2006, Council Conclusions on Aid for Trade (doc. 14018/06)
 - May 2007, Council Conclusions on Aid for Trade (doc. 8416/07)
 - May 2007, Council Conclusions on Economic Partnership Agreements (doc. 9560/07)
 - May 2007, Council Conclusions on the EU Code of Conduct on Complementarity and Division of Labour in Development Policy (doc. 9558/07)
 - October 2007, Council Conclusions on the EU Strategy on Aid for Trade (doc. 14470/07)
 - November 2007, Council Conclusions on Economic Partnership Agreements (doc. 15109/07)
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