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Subject : Conclusions of the Council and the Representatives of the Governments of the Member States meeting within the Council on Economic Partnership Agreements (EPAs)

At its meeting on 27 May 2008, the General Affairs and External Relations Council and the Representatives of the Governments of Member States meeting within the Council, adopted the Conclusions set out in the Annex to this note.

**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 ongoing process of negotiation, conclusion and implementation of the Economic Partnership Agreement (EPAs) as being development instruments. The Council emphasises that EPAs are WTO-compatible agreements aimed at supporting regional integration and promoting the gradual integration of the ACP economies into the world economy, thereby fostering their sustainable development and contributing to the overall effort to eradicate poverty 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 initialling of a full regional EPA with CARIFORUM, as it considers that EPAs can act as a catalyst for regional integration processes and have 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, 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 EPAs with comprehensive regional coverage and wide scope, in agreement with our ACP partners and with due regard for their political choices, development priorities and administrative capacities, in order to release their entire development potential. 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 concerns expressed by ACP partners and the existence of, in some cases, problematic issues still outstanding in the negotiation, the Council underlines the need for a flexible approach while ensuring adequate progress, and calls on the Commission to use all WTO-compatible flexibility and asymmetry, in order to take account of different needs and levels of development of the ACP countries and regions. The Council emphasises that ACP countries and regions who so wish could draw, if appropriate, on provisions agreed by others in their EPA negotiation.

4. The Council believes that EPAs have the potential to play a key positive role in accompanying and supporting regional integration and in promoting development, and therefore encourages an effective conclusion of the negotiations, within agreed timeframes. The Council reaffirms that EPAs need to build upon, foster and support existing regional integration processes. Recognizing that the level of existing regional integration varies across the ACP regions, it also acknowledges that the scope of an EPA may differ from one region to the other. The Council recognises the value of a flexible and pragmatic approach when moving from interim agreements towards regional EPAs, and, in this context, ACP requests for adjustments will be taken into account where appropriate, to the benefit of regional integration. The Council underlines the need for an early notification at WTO of the interim agreements, after signature.

5. The Council holds that supporting regional integration is a key objective of the EU-ACP partnership as set out in the Cotonou Agreement. Support to regional integration in the ACP is motivated by the search for stabilisation of peace and prevention of conflicts, economic development through building up larger markets and the management of challenges with a trans-national dimension. In this context, the Council looks forward to the forthcoming Communication by the Commission on Regional Integration for Development in ACP countries.
6. The Council underlines the contribution EPAs can make as part of overall efforts to improve global food security by stimulating regional markets as well as investment, transport links and policy co-ordination, which can help boost agricultural production and reduce food and agricultural input price volatility, particularly in Africa. In this context, the Council recalls the Conclusions on Advancing African Agriculture of November 2007.
7. 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 all 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 assistance¹ 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 gaps in the geographical coverage of AfT and ensuring that all ACP regions receive a fair share of the AfT resources. The Council recalls that AfT is part of the broader ODA increase agenda and its delivery is not conditional upon signing an EPA or an interim agreement.

¹ *Trade related assistance (TRA) includes support for "trade policy and regulations" and for "trade development" as defined by the WTO Task Force on AfT.*

8. The Council is committed to implementing the EU AfT strategy in accordance with the principles of aid effectiveness, complementarity, division of labour and local ownership. It especially emphasises the need for enhanced coordination and increased predictability in the planning and delivery of AfT contributions, as they are essential for reaching the agreed level of ACP share in the collective increase of Trade Related Assistance (TRA) and for further stepping up efforts on the wider AfT agenda (productive capacity building, trade-related infrastructure, trade adjustment).
9. The Council encourages the Commission and the Member States to continue working together to this purpose, and welcomes the Commission initiative for the joint design with our ACP partners of specific EU Regional AfT packages for the ACP, including accompanying measures of regional EPAs, building on the 10th EDF regional programming process. These packages would be based on the following aims and principles:
- Supporting ACP owned regional integration agendas, including addressing needs arising from EPAs as well as from interim agreements;
 - Providing an effective, coherent and concrete EU response to needs and priorities expressed by the ACP countries and regions, including in national and regional development plans;
 - Fostering coordination among all donors and recipients;
 - Covering, as appropriate, programmes falling under the six categories of AfT²;
 - Covering actions, ongoing and planned at national and regional level by the Commission, the Member States and, as far as possible, other donors; in this context, the Commission is invited to further involve Member States during the 10th EDF programming.

² *In addition to TRA, this includes "trade-related infrastructure", "building productive capacity", "trade-related adjustment" and "other trade-related needs" as defined by the WTO Task Force on AfT.*

When planning and designing these packages, due consideration will be given to the principles and best practices agreed in the Paris Declaration on Aid Effectiveness and in the Code of Conduct on Complementarity and Division of Labour in Development Policy. To this end, the Council reconfirms that the EU will support the technical capacity of regional and national ACP institutions for identifying, prioritising, designing, implementing and monitoring AfT programmes.

10. The Council underlines the importance of regional EPA's accompanying measures aiming at the enhancement of productive capacities and competitiveness of industry and agriculture in ACP countries. In this context, the Council also highlights the value of measures and programs contributing to a better access of local products to regional markets.
11. The Council considers that regionally-owned funds, if transparent, effective, demand driven and pro-poor, can be instruments to support development strategies and to deliver efficient and flexible EPA related assistance. Therefore, in cases when ACP regions are interested, appropriate ways to support their functioning should be carefully explored.
12. The Council recalls the Conclusions on EPA of November 2007 and reaffirms that an appropriate monitoring system assessing development and trade impacts as well as progress in implementation and allowing consultation of stakeholders, including ACP and EU Parliaments and non-state actors, is a key aspect of the EPA implementation. Inclusive EPA institutions will play a central role in this regard and should be sought through a flexible approach based on discussion with each ACP region, acknowledging regional differences. The institutional set-up of EPAs should ensure adequate synergies with the institutions foreseen in the Cotonou Agreement, which remains the framework for all relations between the ACP and the EU.

13. Recalling the Conclusions on EPA of May 2007, the Council underlines the importance of an ongoing dialogue on EPAs, at national, regional as well as at all-ACP level, 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.

14. 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 and contribute to regional integration.

In adopting these Conclusions, the Council refers to the 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), as amended in 2005, as well as to the following Conclusions and Statements:

- 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).
- November 2007, Council Conclusions on Advancing African Agriculture: Continental and Regional Level Cooperation on Agricultural Development in Africa (doc. 15110/07).