



**COUNCIL OF
THE EUROPEAN UNION**

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**ACP 114
WTO 127
PTOM 16
DEVGEN 132
RELEX 345
COAFR 154**

“I/A” ITEM NOTE

from: ACP Working Party
on: 23 April 2010
to: Permanent Representatives Committee / Council

Subject: Draft Council Conclusions - EPA Development Programme (PAPED)
- Adoption

1. The West African Region developed the EPA Development Programme (PAPED) in the context of the EPA negotiations, as an attempt by the region to assess in detail the challenges and opportunities of an EPA, and to propose a donor support agenda for dealing with the challenges and maximising the opportunities of the EPA and the regional integration process.
2. The Presidency prepared draft Council Conclusions in order to provide an EU answer to the EPA Development Programme.
3. On 26 April 2010 and after discussions at a number of meetings, the ACP Working Party agreed on the attached text of draft Council Conclusions.
4. COREPER is invited to recommend that the Council approve the draft Council Conclusions as an "A" item on its agenda at its session on 10 May 2010.

Draft Council Conclusions
EPA Development Programme (PAPED)

1. In the framework of the Joint Africa-EU Strategy and of its partnership with the African Union, the European Union emphasises in particular regional integration as being instrumental in securing peace, stability and sustainable development. It thus welcomes the efforts which West African countries and regional institutions have made to further strengthen their regional integration.
2. The EU believes that stepping up the process of integration in West Africa should involve the integration of regional markets, going hand-in-hand with gradually opening up domestic markets to the rest of the region and the wider world. It welcomes the region's commitment to negotiating an Economic Partnership Agreement (EPA) with the EU, which was restated at the ECOWAS Heads of State and Government summit of February 2010. The EU strives for a timely conclusion of the EPA negotiations in 2010.
3. The EU strongly supports the EPA as an instrument for development, which is based, in particular, on promoting growth and boosting competitiveness in the context of an asymmetric liberalisation, the protection of West African countries' sensitive sectors, and mechanisms to help the region to address adaptation and adjustment needs in the economic, social and taxation fields.
4. The EU accordingly welcomes West African efforts to identify development aid needs in these areas and to organise them within the EPA Development Programme (PAPED). It believes the PAPED will provide a useful response to the challenges of regional integration and implementation of the EPA and help the region to derive full benefit from the opportunities provided by the EPA, notably in terms of supply response to the improved access to the European markets.

5. The EU emphasises that the private sector will play a crucial role in the creation of trade, growth and development in West Africa, including small and medium-sized enterprises and small scale farmers and noting the important role played by women. It notes the importance of improvements in the business and investment climate, which will contribute to providing incentives for the private sector to participate in the financing of the PAPED.
6. The PAPED is valuable as a broad aid for trade agenda for West Africa, identifying needs for reform and investment that go beyond immediate adjustment needs related to the signing of the EPA. The EU welcomes the fact that the PAPED has been drawn up through a participatory process involving regional and national stakeholders (governments, regional institutions, the private sector and civil society) and reflects a high degree of ownership by the region.
7. In parallel with the objective of successfully concluding the EPA negotiations, the EU recognises the need to mobilise finance in line with the PAPED. This should help West Africa to meet the particular challenges of its regional economic integration and assist with its smooth integration into the global trading economy. Recognising the particular ties which link the two regions, the EU intends to remain at the forefront of aid in this area and is ready to take its share of the financial burden through its cooperation instruments.
8. The EU emphasises that commitment to the PAPED must be mutual, i.e., the States and regional organisations of West Africa themselves will have to take the lead and grant the PAPED its proper place in their development strategies, budgets and priorities and give it tangible form in terms of financeable projects.
9. The EU reaffirms its political commitments on development aid, as set out in the European Consensus on Development, the Africa-EU Partnership on Trade, Regional Integration and Infrastructure and the EU Strategy on Aid for Trade. The EU is delivering on these commitments in line with the EU Code of Conduct on Complementarity and Division of Labour in Development Policy and with the Paris Declaration and Accra Agenda for Action on aid effectiveness.

10. The EU will strive to increase its total aid for trade in coherence with the gradual increase in overall development aid towards the established 2015 target and in response to needs prioritized by partner countries. The EU currently estimates that funds available for PAPED-related activities from all of its financing instruments over the next five years amount to at least 6.5 billion Euros. Total aid for trade to West Africa from all donors can be projected to exceed 12 billion US dollars in the same period. Thus the EU expects to be in a position to support the PAPED to a very substantial extent.
11. Support for the PAPED will be in line with the primary objective of EU development cooperation to eradicate poverty in a context of sustainable development, notably by seeking to achieve the Millennium Development Goals. It will be provided through the Cotonou Agreement instruments, in particular the EDF's regional and national envelopes, and through relevant instruments financed by the general budget of the EU. Pursuant to the EU Strategy on Aid for Trade, to the Code of Conduct and to the commitments and guiding principles referred to above, Member States stand ready to support the PAPED through their existing aid modalities while also assisting in increasing West Africa's absorption capacities.
12. The EU and its West African partners will co-operate to pave the way for intervention by other donors in support of the PAPED. In this connection, and in line with the principle of aid effectiveness, the EU will also seek to further support the PAPED through multilateral donor organisations and other specialized funds, to which it is a major contributor, helping the region ensure it is able to make use of them.
13. An efficient operational framework will be drawn up to allow monitoring and evaluation of the implementation of PAPED components, based on existing development budget frameworks and aid mechanisms in West Africa and in keeping with international commitments on aid effectiveness.
