

# ACP-EU COTONOU AGREEMENT

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**AFRICAN, CARIBBEAN AND  
PACIFIC GROUP OF STATES**

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**COUNCIL OF  
THE EUROPEAN UNION**

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**Brussels, 19 March 2015**

**ACP/61/005/15**

**ACP-UE 2105/15**

## **SUMMARY RECORD**

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of: 71st meeting of the ACP-EU Subcommittee on Trade Cooperation  
on: 7 May 2014  
at: ACP House, 451 Avenue Georges Henri, 1200 Brussels

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Subject: Summary record of the 71th meeting of the ACP-EU Subcommittee on Trade Cooperation

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The ACP-EU Subcommittee on Trade Cooperation held its 71st meeting at ACP House on 7 May 2014.

The meeting was co-chaired by H.E. Mr Koonjul, Ambassador of Mauritius, for the ACP side, and Mrs Sandra Gallina, acting Director for Sustainable Development; Economic Partnership Agreements - African, Caribbean and Pacific; Agri-food and Fisheries in DG Trade of the European Commission, for the EU side.

### **1. Adoption of the agenda**

The agenda as set out in [ACP/61/003/14 Rev2 - ACP-EU 2109/14] was adopted.

### **2. Approval of the summary record of the previous meeting**

The summary record of the previous meeting [ACP/61/045/13 - ACP-EU 2121/13] was approved.

Under matters arising, the representative of Jamaica enquired as to the state of play of the implementation of the EU trade and development strategy and asked how the debate on the legislation related to limiting cadmium levels in cocoa products was progressing. The EU co-chair replied that the implementation of the trade and development strategy was well underway. As regards the legislation related to cadmium levels in cocoa products, she explained that a proposal in this respect had been submitted to the European Parliament and the Council and that no major difficulties were expected. She underlined that the new maximum levels of cadmium would apply to cocoa and chocolate products as sold to final consumers and not to beans, and that the proposed transition period until 1 January 2019 would allow for a smooth transition.

Furthermore, under this agenda item, the EU co-chair also provided a short update on the Free Trade Agreements (FTAs) being negotiated and concluded by the EU with third countries. In reaction to the EU presentation, the ACP co-chair called on the EU to engage in consultations with the ACP side as regards the FTAs being negotiated, so that possible ACP concerns could be taken into account.

### **3. Negotiations on and the implementation of the Economic Partnership Agreements (EPAs): Update on the situation and future prospects**

The EU co-chair described recent developments with regard to the implementation of the existing EPAs. She recalled that three EPAs - one in the Caribbean, one in the Pacific and one in Africa - were being implemented and that good progress in all these regions was evident, with the challenges swiftly addressed by bilateral consultations.

Moving to the process of EPA negotiations, the Commission representative pointed out that more progress had been made in a number of EPA negotiations in the past months than had been made in previous years. In particular, the Commission expressed its confidence that the agreement reached in the negotiations with West Africa in February would be upheld at political level, once the West African technical committee will have examined certain technical issues. Similarly, the negotiations with the Southern African Development Community's (SADC) EPA group and East African Community (EAC) have both made significant progress. These negotiations could also soon be concluded.

However, the Commission also indicated that the negotiations with other regions were less advanced. Due to the circumstances in the region, not much progress has been possible as regards Central Africa. For the Eastern and Southern African (ESA) region the main focus was placed on the implementation of the interim EPA and thus the negotiations could resume when the ESA side is ready to submit new market access offers. Finally, in the Pacific no real progress had been noted since the suspension of negotiations by Papua New Guinea. Informal talks held at senior officials level and the recent exchange of letters constituted a basis for exploring the way forward.

The ACP co-chair took note of the developments which had taken place in the EPA negotiations and implementation. He voiced concern that some of the issues considered to be of particular importance to the ACP countries were still outstanding. In particular, he noted a request from the ACP side to provide more benefits in terms of product coverage and liberalisation schedule for regional EPAs, an issue particularly pertinent to Least Developed Countries (LDCs). He also stressed that the EPAs should contribute to regional integration and sustainable economic development. As regards EPA implementation, he noted that it was advancing very well even though a number of ACP countries experienced difficulties with regard to administrative customs cooperation agreements. In order to address this issue, the ACP Group was working on a draft joint undertaking to which all ACP States could subscribe.

The representative of Papua New Guinea informed the Committee that the implementation of the interim EPA with his country was well underway and that the Agreement had brought about substantial investments and employment in the fishing industry. He then informed the Committee that for the time being Papua New Guinea was not participating in the negotiations for a comprehensive EPA with the Pacific.

#### **4. Market Access and Commodity-related issues**

##### **i) Process of standard setting**

The ACP co-chair, while acknowledging the importance of setting appropriate standards, regretted that the conditions laid down by the EU side, in particular by the European Food Safety Authority (EFSA) or by private parties, appeared to be strict and posed a great challenge to the export of the ACP products. While praising the EU for setting up capacity-building programmes on standards, he called on the EU for more balanced standards. In this context he mentioned that the overhaul of the EU organic regulation could be a major challenge to a number of ACP countries.

The EU co-chair briefly recalled the way in which EU standards are established. Referring to the need for certain SPS measures to respond to public health concerns, she underlined the EU commitment to protect consumers. The Commission maintained that EU standards were transparent and proportional measures based on science and foresaw adequate transition periods. She referred to maximum residue limits (MRLs) for pesticides in food and feed, as set out in Regulation (EC) No 396/2005, to exemplify the EU consultation process with third countries on proposed modifications to the EU MRLs for pesticides in the framework of the WTO. As regards the organic regulation, she requested that the ACP side establish a note which would set out the ACP concerns, enabling future discussions to focus on this topic.

## ii) **Commodities related issues / Sugar, bananas**

The ACP co-chair recalled the ACP position on some of the issues of particular importance for the ACPs, which in their view had not yet been addressed in an adequate manner. In respect of the EU legislation on the maximum level of cadmium for chocolate and cocoa products he emphasised the ACP wish for accompanying measures to enable new varieties of cocoa trees to be obtained. Similarly, regarding tobacco, the co-chair called for EU assistance for the countries affected by the EU directive on tobacco products, so that they could diversify their production.

In respect of the EU sugar policy, the representative of Guyana, chair of the ACP Sugar Group, remarked that the ACP productive capacity had not been adequately addressed and that various Non-Tariff Barriers impeded exports to the EU. The ACP co-chair expressed concerns regarding the Commission proposal on the application of rules on the mandatory indication of country of origin (Country of Origin Labelling - COOL). He voiced specific concerns of the ACP countries over the possibility to extend the mandatory labelling of sugar as this could pose serious difficulties in the implementation with very high cost implications. He listed a number of technical and commercial considerations which presented an obstacle to the proposed measures.

The representative of the Commission reassured the ACP side that the new Regulation (EC) No 1169/2011 imposed mandatory origin labelling only for certain meats. For single ingredients like sugar and ingredients representing more than 50% of foodstuff, it merely required that by the end of 2014 the Commission produce reports on the feasibility of extending origin labelling to those products. As also mentioned by the ACP side, the Commission announced that it was waiting for the results of the case study undertaken to that effect.

In respect of bananas, the ACP Chair of the Working Group on Bananas, the representative of Cameroon, reiterated that since 2009, when the EU reached an agreement with the MFN banana producers, little improvement had been seen by the ACP producers, whereas in Latin America producers already benefited from lower tariffs. He regretted the delays in the implementation of the Banana Accompanying Measures (BAM) and the challenges created by international trade and market conditions. Moreover, he argued that the EU's signing of Free Trade Agreements with the main competitors of the ACP countries might further weaken the ACP position on the market and limit preferences granted to them. The ACP side recalled the Commission's commitment to make EUR 190 million available between 2010 and 2013 and to further examine the possibility of topping up this amount by EUR 10 million. Furthermore, he called on the EU to provide assistance in combatting the "Panama disease" which had already affected some plantations in Mozambique.

The EU co-chair outlined the current implementation of the BAMs. She noted that the BAM envelope had been fully committed, with contracts being implemented since the beginning of the second semester of 2013, and parallel technical assistance assured. In 2013 the Commission organised two regional seminars aimed at supporting the implementation of the BAM. Also, the monitoring service contract of the overall programme had started. The EU side acknowledged the sensitivity of bananas for the ACPs and recalled that the ACP countries enjoy substantial preferences and privileged treatment compared to other EU trade partners. The EU co-chair stressed the importance of diversification and the need to continue reflection on how to shape the future before the preferences end.

## 5. Consideration of the outcome of the 9th Ministerial Conference

The ACP co-chair welcomed the successful conclusion of the 9th WTO Ministerial Conference with the adoption of sixteen decisions addressing, among others, development, agriculture and trade facilitation issues (Bali package). He stressed the importance of these decisions for the ACP Group, since close to half of its members are LDCs. He also underlined the importance of continued discussions on development in the context of the Doha Development Round. The ACP side called on the EU to step up Aid for Trade and emphasised the need for support for small and vulnerable economies and the follow up of the work programme on Small Economies.

The EU co-chair agreed with the positive assessment of the 9th WTO Ministerial Conference and praised the central role played by the ACPs in achieving good results at the Conference. The EU side stressed its commitment to the swift implementation of the Bali package. In this context it informed that the work on the Trade Facilitation Agreement should be completed soon, and could be adopted during the summer of 2014. The EU co-chair argued for the need to ensure parallelism between the core issues of the Bali package: agriculture, industrial goods and services. With regard to the Trade Facilitation Agreement, the Commission representative stressed that the EU stood ready to support developing countries in their efforts to implement the Agreement and called for the prioritisation of trade facilitation projects even before its entry into force. The Commission also provided the ACP side with information regarding the pledge by the EU and its Member States to provide EUR 400 million in financial support over five years, to cover a significant share of the trade facilitation funding needs of developing countries. These funds would be provided from existing EU instruments, notably the Development Cooperation Instrument and the European Development Fund.

## **6. Trade Capacity Building Programmes**

The Commission representative gave an account of the state of play of the implementation of the trade-related capacity-building programmes. He informed the subcommittee that two programmes were underway: the Technical Barriers to Trade Programme and Hubs and Spokes II, while the ACP Multilateral Trading System Programme had been closed at the beginning of 2014. He also informed the Committee that a financing agreement had been signed for a TradeCom II programme and that the programme would commence at the beginning of 2015. Furthermore, he informed the Committee that funding would also be provided at the regional level, and its implementation would be closely coordinated with the implementation of the programmes at intra-ACP level. Following a request for information from the ACP side, the Commission representative also agreed to provide information in writing on the perspectives of the All-ACP Agricultural Commodities Programme.

## **7. Any other business**

The Committee was informed that consultations between the EU and the ACP side were underway in order to find a mutually agreeable date for the 13th session of the ACP-EU Joint Ministerial Trade Committee.

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