

ACP-EC COTONOU AGREEMENT

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

**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 21 June 2010

ACP/21/003/10

ACP-CE 2107/10

OUTCOME OF PROCEEDINGS

Subject : 34th session of the ACP-EC Council of Ministers
28-29 May 2009, Brussels, Belgium

The ACP-EC Council of Ministers held its 34th meeting in Brussels, Belgium on 28-29 May 2009 under the chairmanship of H.E. Mr. William HAOMAE, Minister of Foreign Affairs and External Trade of Solomon Islands and Co-President of the ACP-EC Council of Ministers.

The meeting was co-chaired for the Community by H.E. Ms. Helena BAMBASOVÁ, Deputy Minister of Foreign Affairs of the Czech Republic and President-in-Office of the Council of the European Union.

The European Commission was represented by Ms. Catherine ASHTON, Commissioner for Trade and Mr. Olli REHN, Commissioner for Enlargement and responsible for Development and Humanitarian Aid.

The European Investment Bank was represented by Mr. Philippe MAYSTADT, President of the EIB.

"A" ITEMS

ITEM 1 ON THE AGENDA

ADOPTION OF THE PROVISIONAL AGENDA

[ACP/21/001/09 - ACP-CE 2114/09]

The Council adopted the agenda.

ITEM 2 ON THE AGENDA

APPROVAL OF

- Outcome of Proceedings of the 33rd session of the ACP-EC Council of Ministers held on 12-13 June 2008
[ACP/21/002/09 - ACP-CE 2102/09]

The Council approved the Outcome of Proceedings of the 33rd session of the ACP-EC Council of Ministers.

ITEM 3 ON THE AGENDA

INFORMATION ON

- ACP-EU Joint Parliamentary Assembly: activities in 2008

The Council noted and welcomed the report on the activities of the ACP-EC Joint Parliamentary Assembly at its 15th session in Ljubljana in March 2008 and at its 16th session in Port Moresby in November 2008.

"B" ITEMS

ITEM 4 ON THE AGENDA

ECONOMIC PARTNERSHIP AGREEMENTS AND REGIONAL INTEGRATION

- Exchange of views on the state of play and perspectives

The EU President recalled the important progress that had been achieved in the past 12 months and hailed the signature of a full EPA with CARIFORUM. She emphasised that the agreements initialled in 2007 must now be formally signed and ratified to provide legal certainty to the trade relations between the EU and the countries concerned.

The ACP President recalled the resolution on EPAs adopted by the ACP Council of Ministers. He reiterated the ACP commitment to concluding and implementing EPAs, if these agreements could help to deepen regional integration, contribute to broad-based development, provide market access, improve competitiveness and address supply side constraints. He recalled that only half of the ACP States had concluded negotiations for an EPA and as the agreements were negotiated under pressure of time, their provisions needed to be readjusted and become more favourable, in particular regarding the LDCs. These issues could be addressed when finalising negotiations for full EPAs; however, the ACP States would like to see a written commitment from the EU in that respect. The ACP President reiterated the call for development and trade-related support which would promote effective market access and subsequent presence in the markets. He underlined that health and technical standards should be based on scientific justification in accordance with the relevant WTO rules. He stressed that opening of trade should be accompanied by easy to use safeguard, anti-dumping and subsidy countervailing measures.

The ACP President recalled that the objective of EPAs was to support regional economic integration and consolidation of regional markets; therefore they should include binding provisions on building infrastructure and promoting interconnectivity. He stressed that the adjustment costs resulting from EPAs were likely to have a significant impact on the development of the ACP States. Therefore the EPAs should contain a legally binding commitment that adequate resources would be available on a long-term basis for supporting the adjustment process, building production capacities and infrastructure. He insisted that the EU should offer alternative trading arrangements to ACP States not in a position to conclude an EPA, so as to ensure no ACP country would be worse off at the end of the process. He called on the EU to present more flexibility in the negotiations both in substance and when it comes to the time frame of the process.

In the ensuing discussion the representatives of Sudan and Uganda recalled the contentious issues in the negotiations, notably the non-execution and most favoured nation clauses, as well as transparency and public procurement. They emphasised the need to overcome supply side constraints by further developing infrastructure.

On the EU side, representatives of Denmark, Germany, the Netherlands and Ireland took the floor to present three main points. Trade flows stemming from the liberalisation of the EC-ACP trade flows could play an important role in bringing about recovery in times of financial crisis. EPAs should be adapted to the specific needs of each region, in order for them to play an important role in supporting the ACP economies and regional integration. Both ACP and EU negotiators should present all possible flexibility allowed within the WTO to arrive to an agreement acceptable to all the parties.

Ms Catherine ASHTON, Commissioner for Trades agreed with the statement of the ACP President that no country should be worse off at the end of the EPA process. She underlined the importance of the development aspects of EPAs especially in relation to addressing infrastructure needs. She declared that there were three trade regimes available to the ACP States: EPAs, GSP and GSP+ and there was no possibility of creating alternative trade arrangements. She insisted on the importance of flexibility of both parties in negotiations. She underlined that it was crucial to conclude the process of signature of the interim EPAs in order to be able to concentrate on building a strong long-term partnership with the European Union, which would support economic development of the ACP States.

Responding to the statements made by the Commissioner, the ACP representatives reiterated their appeal for flexibility in the negotiations, which would allow to accommodate the differences between the countries in a given region, as well as between different regions.

Further to these interventions, Commissioner Ashton declared that the issues of concern would be discussed with each individual region, and that any ACP region is invited to take on board arrangements agreed with another region.

In conclusion, the Council took note of the exchange of information and views on the state of negotiations and implementation of the Economic Partnership Agreements.

ITEM 5 ON THE AGENDA

TRADE COOPERATION

- Follow-up to the 59th meeting of the ACP-EC Committee of Ambassadors (24 April 2009)
- Report from the 8th Joint Ministerial Trade Committee
- ACP ministerial Declarations on specific products

As a follow-up to the ACP-EC Committee of Ambassadors, the ACP side recalled some issues of concern related to the ACP-EC trade relations, notably the process of Article 12 consultations, the Illegal Unreported and Unregulated Fishing (IUU) Regulation and the expiry of the Trade.com programme.

The EU side took note of the concerns expressed by the ACP side.

The Council took note of the conclusions of the ACP-EC Committee of Ambassadors meeting held on 24 April 2009 and the presentations made by both sides.

The Council took note of the oral report of the meeting of the 8th Joint Ministerial Trade Committee held on 7 May 2009.

The Council also took note of the ACP Declarations on bananas, cotton and sugar (see Annex I).

ITEM 6 ON THE AGENDA

POSSIBILITY OF CREATING AN ACP PEACE FACILITY

The ACP President informed the Council that the Caribbean and Pacific regions had expressed their interest in having a possibility to benefit from facilities similar to the African Peace Facility. Representatives of other ACP Regions supported this proposal.

The EU President recalled that the African Peace Facility had been created to respond to a specific political and institutional context of the African continent, and would not necessarily be adjusted to the needs of the Caribbean and Pacific regions.

Commissioner Olli REHN thanked the ACP for the proposal and suggested that the reflection on possible modalities of creating a peace facility which would cover the Caribbean and Pacific region continue within the appropriate ACP fora.

The Council took note of the interest of the ACP States in creating an ACP Peace Facility, taking into account the reaction from the EU side.

ITEM 7 ON THE AGENDA

SECOND REVISION OF THE COTONOU AGREEMENT

- Official opening of the negotiations and exchange of views

Both ACP and the EU sides declared that they were looking forward to the second revision of the Agreement and expressed conviction that the negotiations would take place in a constructive and open spirit with a view to concluding the process by the end of February 2010.

The Council declared open the negotiations for the second revision of the Cotonou Agreement.

ITEM 8 ON THE AGENDA

GLOBAL ECONOMIC AND FINANCIAL CRISIS

- Exchange of views and adoption of a possible joint resolution

At the end of a debate, the Council adopted an ACP-EC Joint Resolution on the economic and financial crisis (doc. ACP/81/037/09 - ACP-CE 2119/09).

The exchange of views focused on the impact of crisis in the ACP States. The ACP side expressed its concern about the financial and the economic crisis which is now affecting countries disproportionately. It underlined that the deteriorating economic and social infrastructure in the ACP States will render the recovery process much more difficult and slower, undermining thereby the progress made in the last few years to achieve the Millennium Development Goals.

The EU side reiterated its determination to continue to exercise global leadership in ensuring that measures designed at European and international level reflect the needs of developing countries and are directed towards the most vulnerable and the poorest. It also informed the Council about the Conclusions adopted by EU Development ministers on Supporting Developing countries in coping with the crisis, which outline the EU's policy response to the crisis and contain a number of concrete measures designed to deliver assistance fast.

ITEM 9 ON THE AGENDA

CLIMATE CHANGE

- Exchange of views and adoption of a possible joint declaration

At the end of a debate, the Council adopted a Joint ACP-EU Declaration on Climate Change and Development (doc. ACP/84/071/09 - ACP-CE 2118/09).

The ACP side highlighted the devastating effect of climate change in the form of drought, desertification, floods, and sea level rise particularly in the ACP Small Island Developing States.

The EU side recognized that the current and future responses to tackle climate change will have major financial implications. It reaffirmed its determination to take its fair share of the financial burden, in the framework of a global and comprehensive Copenhagen agreement in December 2009, and an appropriate burden sharing arrangement between the EU, other developed countries and the most advanced developing countries.

ITEM 10 ON THE AGENDA

DEVELOPMENT FINANCE COOPERATION

- Oral Report and follow-up to the meeting of the Development Finance Cooperation Committee (Ministers) (28 May 2009)

The Council took note of the oral report of the meeting of the Development Finance Cooperation Committee (DFCC) held at ministerial level on 28 May 2009 (co-chaired by H.E. Ms. Helena BAMBASOVÁ, Deputy Minister of Foreign Affairs of the Czech Republic, and by H.E. Mr. Fred OMOCH, State Minister of Finance of Uganda).

The DFCC agreed to recommend that the Council adopt the decision on the revision of Annex II of the Cotonou Agreement.

The DFCC discussed a number of issues related to Development Finance Cooperation and took note of some Reports from the Commission on National, Regional And Intra-ACP Programming under the 10th EDF, and from the EIB on the Bank's activities in ACP countries in 2008 and an outlook for 2009.

The DFCC also held an exchange of views on the financial crisis and on the Commission Communication to help developing countries.

In conclusion of its meeting the DFCC adopted its Work Programme for the period 2009-2010 as set out in document ACP/81/020/09 - ACP-CE 2110/09.

ITEM 11 ON THE AGENDA

DECISIONS

- Revision of Annex II of the Cotonou Agreement
- (poss.) Further decisions

- Revision of Annex II of the Cotonou Agreement

Following a recommendation from the Ministerial DFC Committee (in accordance with Article 100 of the Cotonou Agreement - see item 10), the Council adopted the decision for the revision of Annex II as proposed by the Commission and agreed at expert level by both Parties (doc. ACP/21/003/09 - ACP-CE 2112/09)¹.

The proposed modification of Annex II to the Cotonou Agreement aims at facilitating European Investment Bank own resources lending to ACP countries subject to the Heavily Indebted Poor Countries (HIPC) initiative and other internationally-agreed debt sustainability frameworks.

¹ The Decision has been published in OJ L 168 of 30.6.2009, p. 48.

The modification consists of the insertion of 3 new paragraphs in the current Article 1 of Annex II, the replacement of the current text of paragraph 7 in Article 2 and the replacement of the current text of paragraph 2 in Article 4.

The objective of the new text for Articles 1, 2 and 4 is to apply uniform conditions to both EIB own resources and the Investment Facilities and align EIB own resources and the Investment Facility provisions in the HIPC framework.

ITEM 12 ON THE AGENDA

UPDATE OF THE EXISTING GUIDELINES AND DOCUMENTS CONCERNING THE POLITICAL DIALOGUE, NOTABLY IN THE FRAMEWORK OF THE CONSULTATIONS UNDER ARTICLE 96

The ACP President proposed that the Council consider modifying guidelines for the ACP-EU political dialogue under Article 8 of the Cotonou Agreement to reflect the changes brought about under the first revision of the Agreement. He proposed as well to create guidelines for the consultations under Articles 96 and 97 of the Agreement, which would establish practical modalities for the consultations.

The EU side recalled that both the ACP States and the EU had notified their wish to modify Article 8 in the framework of the second revision of the Agreement; hence the discussions for updating the guidelines for dialogue under this article should be started only after the negotiations would have been completed. The EU side questioned the need of creating guidelines for the consultations under Article 96 and 97 of the Agreement arguing that Annex VII to the Cotonou Agreement sufficiently specifies the procedures to be followed. The EU President added that the EU side still had not received the internal ACP modalities for consultations, which in accordance with Annex VII would constitute a basis for starting discussions on creating common guidelines.

The Council decided to revisit the issue during a next meeting, after the negotiations for the second revision of the Cotonou Agreement would have been completed.

ITEM 13 ON THE AGENDA

DATE AND PLACE OF THE NEXT SESSION OF THE ACP-EC COUNCIL OF MINISTERS

The Council decided to hold the 35th session of the ACP-EC Council of Ministers in Ouagadougou, at a date to be mutually agreed by the co-Secretariats.

ITEM 14 ON THE AGENDA

ANY OTHER BUSINESS

The ACP President reiterated the proposal of the ACP side to hold a high level-meeting on Economic Partnership Agreements.

The EU President took note of the proposal, recalling that the EPAs were subject to discussions at ministerial level within the ACP-EC Council of Ministers and the Joint Ministerial Trade Committee.

ACP DECLARATION ON BANANAS TO THE 34TH ACP-EC COUNCIL

BRUSSELS, 28 MAY 2008

Co-Presidents,

Honourable Ministers,

I would like to begin by thanking you for the opportunity afforded us to apprise all ACP and EU Members--parties to our Partnership--of the disaster in the making in our banana producing countries, with its foreseeable spill over effects beyond the borders of the concerned countries.

No one should be in a position to say that he had no advanced warning, and responsibilities should fully assumed if the situation is allowed to worsen in full knowledge of the consequences.

Honourable Ministers,

In July 2008, during the WTO mini ministerial conference in Geneva, as part of overall discussions and taking into account other commitments in other areas, both in Agricultural and NAMA negotiations, the ACP countries had shown their willingness to agree to a banana deal, which should also have included a compensation envelope to be determined. Since then, all other attempts to reconvene further WTO Ministerial meetings have failed.

While recalling our commitment to a successful outcome of the WTO Doha Development Agenda negotiations—considering that it includes a suitable treatment for products that are benefiting from long-standing preferences, we must admit that we have trouble understanding the European Commission's insistence on concluding a stand-alone agreement, and especially one without a peace clause, that is to say, with no guarantee whatsoever against any future challenges by third countries or the signatory parties.

Indeed, we noted that despite the deadlock in the WTO negotiations, the European Commission submitted a proposal on 12 March 2009 aimed at reducing the customs tariff on MFN imports from the current €176/tonne to €114/tonne by 2019. We understand that that deal would constitute a DDA "early harvest" for the MFN banana producers.

This proposal will have disastrous consequences for ACP banana-exporting countries, for which a longer period for the phasing-out of preferences is of vital importance.

We would first like to reiterate that it is **pointless** to enter into any agreement in anticipation of a Doha settlement. The applied tariff should be maintained until an agreement on the DDA modalities for agriculture is concluded, at which time the EC proposal for the MFN tariff on bananas will be implemented. Furthermore, the EC proposal submitted to the MFN countries contains commitments which are more far-reaching than is required by the WTO AB ruling, especially in the light of the increase in banana imports from MFN countries under the current tariff.

Secondly, we are of the view that whichever solution is proposed by the EC, it should first and foremost take into account the flexibilities offered by the long-standing preferences, as stated in the latest text on the WTO Draft Modalities for Agriculture, which provides inter alia for the following:

- i- implementation of tariff cuts in instalments spread over the longest period possible;
- ii - a moratorium subsequent to the first reduction;
 - the reductions should be back-loaded;
 - long-standing preference-granting members shall provide targeted technical assistance, including additional financial and capacity building assistance to help address supply-side constraints and to promote the diversification of existing production in the territories of Members benefiting from the preferences.

Finally, if we have to consider an anticipatory agreement, it is clear that we will be working outside the balance of interests inherent in a "single undertaking". The ACP countries will therefore immediately suffer drastic losses, which would also have to be compensated for immediately.

An update on the ACP's support needs, combining the two elements of compensation and assistance for the phasing-out of preferences, indicates that an envelope of close to € 500 M would be required to avoid social turmoil and political instability in the ACP countries concerned, and foreseeable spill over effect to other countries, including overseas.

**Co-Presidents,
Honourable Ministers,**

This should not be considered simply as a ritual of our annual gatherings. The threat on our economies is clearly serious, but we have the means to act now to prevent its materialisation.

We have noted that the EC has indicated that discussions are almost at an end with the MFN suppliers and the US, with whom it intends to sign the final deal by the end of June 2009.

The ACP countries insist on the need to ensure that any deal should

(i) include a Credit clause, by seeking the endorsement of all WTO membership, (ii) safeguard the interest of ACP countries, and (ii) comply with the EU's contractual commitments, particularly those contained in the recently signed EC-CARIFORUM Economic Partnership Agreement, which provides for tariff reductions to be made only if "unavoidable" and that in any case they "should be phased in over as long a period as possible".

Thank you.

DECLARATION ACP SUR LE COTON AU 34^{EME} CONSEIL ACP-CE

BRUXELLES, LE 28 MAI 2009

Madame la Co-présidente,

Monsieur le Co-président,

Mesdames et Messieurs les Ministres,

Nous venons de conclure l'exercice de revue de notre partenariat sur le coton et nous nous félicitons que de l'avis de tous, il soit apparu qu'il garde toute sa pertinence. Le Groupe ACP

Nous pouvons valablement nous féliciter de l'engagement essentiel de l'Union européenne à l'appui au secteur du coton dans les pays ACP, puisque la Communauté et ses états membres apparaissent comme les premiers contributeurs au développement de ce secteur.

Ceci étant, au vu de la situation dans le secteur qui indique d'après les statistiques du comité consultatif international sur le coton que la production mondiale de coton a baissé de 10% durant la campagne 2008/2009, cette baisse prolongeant une tendance qui voyait déjà un déclin de 2% en 2007/2008, nous devons toutefois exprimer l'extrême préoccupation des pays ACP que la grande majorité des fonds annoncés ne soit toujours pas mise à disposition des Etats et des producteurs des pays qui les attendent.

Cette situation est d'autant plus alarmante que ce déclin est largement observé dans les pays africains dont le niveau de productivité se trouve encore plus affaiblit, malgré la mise en place du Partenariat dont un des objectifs était entre autres d'aider à relever le niveau de productivité des producteurs de coton africains.

Nous voulons donc inviter la Commission européenne et les Etats membres de l'Union européenne à hâter la mise à disposition des ressources annoncées pour l'appui au renforcement et au développement du secteur coton en Afrique.

Le niveau de production actuel est le plus bas observé depuis 2003/2004, période dont la situation a servi de base pour la conclusion du partenariat UE-Afrique sur le coton de juillet 2004. Ce déclin est largement observé dans les pays africains dont le niveau de productivité se trouve encore plus affaiblit, malgré la mise en place du Partenariat dont un des objectifs est entre autres d'aider à relever le niveau de productivité des producteurs de coton africains.

Si comme il est rapporté, les retards dans la mise en œuvre s'expliquent dans certains cas par la nécessité d'entreprendre des réformes institutionnelles préalables, le Groupe ACP invite la CE à travailler avec les pays concernés pour faire le point de la situation, et si nécessaire, mobiliser les moyens adéquats pour accompagner cette réforme afin de hâter la mise à disposition de l'ensemble des montants déjà alloués au financement du secteur.

Nous voulons également souligner, comme nous n'avons cessé de le faire durant la programmation de l'enveloppe Intra ACP du 10^{ème} FED, et comme malheureusement le confirme les conclusions de la revue du partenariat que l'absence de ressources allouées au coton au niveau Intra-ACP risque d'avoir pour conséquence une brutale réduction des appuis à partir de 2010/2011.

Nous lançons donc un appel afin que lors de la revue à mi-parcours du 10^e FED, des ressources puissent être allouées à l'appui du secteur coton sur l'enveloppe Intra-ACP afin d'éviter de mettre en péril l'entreprise de restructuration actuellement en cours.

Nous faisons cette demande en étant bien entendus informés des allocations disponibles aux niveaux national et régional en faveur de l'appui au secteur coton, mais qui nécessitent d'être accompagnées par des appuis d'une couverture plus large que le niveau régional.

Madame la Co-présidente,

Monsieur le Co-président,

Il nous est difficile de nous résoudre à tout simplement observer le peu de progrès réalisé au niveau des discussions à l'OMC, étant donné que la résolution du dossier coton dans ces négociations reste assujettie à un accord global dans les négociations à l'OMC, notamment dans le cadre des négociations agricoles.

Nous savons que des propositions sont sur la table à l'OMC, soutenues par le Président des négociations sur l'agriculture et aussi par le Groupe ACP, qui peuvent permettre aux membres d'enfin honorer l'engagement pris en juillet 2004, il y a pratiquement cinq ans et réitéré à Hong Kong en décembre 2005 de il y a 3 ans déjà de traiter le coton de manière ambitieuse, rapide et spécifique.

Nous voudrions ici solennellement appeler l'UE à se joindre au Groupe ACP et appuyer ensemble la méthodologie présentée et soutenue par le Président des négociations sur l'agriculture.

Pour finir nous aimerions exprimer notre satisfaction que les conclusions de l'étude de faisabilité et d'identification de possibilités d'appuis entreprise par des consultants à la demande de la Commission européenne confirment l'utilité et la pertinence du projet de mise en place de l'université du coton.

Nous espérons maintenant pouvoir obtenir un appui conséquent de l'Union européenne pour appuyer cette initiative remarquable des producteurs de coton africains qui n'est d'ailleurs plus un projet mais est devenue une réalité, puisqu'elle a déjà démarré ses activités en organisation avec succès deux sessions de formation.

Je peux vous assurer encore une fois que c'est non seulement l'ensemble des pays producteurs de coton, mais tout le Groupe ACP qui reste mobilisé afin d'aboutir à une solution viable pour le secteur du coton

Je vous remercie.

STATEMENT ON SUGAR TO THE JOINT ACP-EC COUNCIL
HELD IN BRUSSELS ON 28 and 29 MAY 2009

Mr Co-President,

I thank you for giving me the opportunity to make this statement on sugar on behalf of the ACP Sugar Supplying States under the Sugar Protocol.

Mr Co-President,

Since we met in Addis Ababa last year, our countries have been severely hit by the global economic and financial crisis. This has aggravated some basic administrative difficulties in accessing investment funds and with the added problem of higher input costs, there was a high risk of ACP countries not being able to successfully implement their respective Multi Annual Adaptation Strategies (MAAS) designed to assist the ACP suppliers to reduce production costs and improve productivity to adjust to the 36% price cut.

An information note published recently by AIDCO demonstrated that some of our countries were experiencing long delays in accessing the required financial support. In several instances funding appears to have been delayed because of the introduction of undue administrative burdens and conditionalities, and in some cases by the absence of a resident EU delegation

Mr Co-President,

In the context of the current global financial crisis with its concomitant contagion effects, there is an urgent need to adapt the MAAS to changing circumstances. Performance indicators, which were developed prior to the crisis, must be reviewed by the EC with individual countries to ensure that the measures agreed remain both realistic and achievable. We are pleased to note that the Commission accepted the need for flexibility

Mr Co-President,

You are aware that resources under the Accompanying Measures were less than the loss of export earnings resulting from the cut in the price of sugar. We need to ensure timely disbursement of the second tranche and to explore all possibilities of securing additional resources. We welcome the Commission's proposal for additional funding for the existing FLEX and for the creation of an ad hoc vulnerability FLEX to cope with the global crisis.

We should also ascertain that there is an extension of the Accompanying Measures Support Programme in the context of the post 2013 EC Financial Perspectives.

Mr Co-President,

We are concerned that because of the provisions of Article 96 of Cotonou funding for 2008 and 2009 under the Accompanying Measures Support Programme for Fiji was being withheld. This constituted a serious setback in the implementation of the MAAS which could be detrimental for the sustainability of the sugar industry in Fiji with widespread socio-economic implications. We therefore urge you to address this issue expeditiously with a view to finding ways and means for an early reinstatement of Fiji's sugar funds and allow it to proceed with the implementation of its MAAS.

We are all aware that ACP countries who were not Members of the Sugar Protocol would now have access to the EU sugar market (as the case may apply under the EPA or under the EBA) but that the EU sugar prices had been reduced significantly. These countries, as other ACP countries, were bearing the full brunt of the global crisis. There is need therefore for the EU to secure funding for the modernisation of their respective sugar industries.

Mr Co-Chairman,

Our meeting today comes at a time when the Commission is finalising the implementation measures which will apply during the new Sugar Regime. It was indeed not an easy decision to terminate the Sugar Protocol, a model North-South trade arrangement with a strong development dimension. We need to ascertain that the fundamental principle that, under the new EPA sugar arrangements, no single ACP country should be worse off, is fully taken into account in the implementation measures. We have taken good note that the Commission has taken a commitment in the various joint technical meetings that it would take corrective action, if necessary, to ensure that this underlying principle is fully taken into account till 2015.

Our overall aim should also be to ensure that the transition period is managed in such a way as to avoid market disturbance and pressure on prices in the EU sugar market against the benchmark of the reference prices, which would be counter-productive and would adversely affect the value of our access on the EU market. We need to ascertain with the Commission that this will be the case and that the market will be managed in such manner as to ensure an adequate level of price which safeguards the interests of the ACP sugar suppliers.

Mr Co-President,

Major investments in all sugar industries are amortized over much longer periods than the six years remaining to the end of the current regime in 2015. The EU Member States, the Commission and the European Parliament on arrangements should therefore endeavour that there is a continuance of preferential sugar access after 2015.

Mr Co-President,

The recent and anticipated trends in weather variation, arising from increased carbon dioxide emissions, rising sea levels, increasing global atmospheric temperatures and melting ice caps are having serious negative consequences on overall agricultural production and productivity and on the world at large.

The forthcoming Copenhagen Summit offers us the opportunity, together likeminded countries, to trigger better awareness of the role and place of sugar cane in agriculture and of its highly rated carbon sequestering properties.

Mr Co-President,

As regards the WTO, we wish to reiterate that we are fully committed to a successful conclusion of the WTO Doha Round of negotiations that delivers on development. We are ready to work with the EU towards the achievement of this objective. We strongly reject any re-opening of the July 2008 convergence package are opposed to the concept of “reverse engineering”.

Our main objective in Geneva remains for sugar and sugar products that of securing; (a) the implementation of tariff cuts in equal installments spread over ten years following a two year moratorium as detailed in the July 2008 convergence package; (b) should the EC declare sugar as sensitive, the lowest TRQ expansion introduced through ten equal installments; (c) the binding of tariffs in specific (i.e. non-Ad Valorem Equivalent) rates; and (d) the maintenance of the Special Safeguard Clause

Lastly, Mr Co-President, as regards FTA NEGOTIATIONS, we had noted with satisfaction a commitment by the Commission when it was said, that the ACP would continue to have preferential access over all others. This political commitment of the EU was valid both for the bilateral and multilateral negotiations. We note with great concern reports in the press that the EC may be proposing further TRQs in some ongoing FTA negotiations.

We wish to recall that Article 39 of the Cotonou Agreement concerning cooperation in the international fora and relevant provisions in respective EPAs require the EC to engage in prior consultations with the ACP on any issues which could impact negatively on ACP interests. We here formally request the Commission to consult with us prior to any consideration of opening any new market access for sugar to other third countries

I thank you Mr Co-President.