



**COUNCIL OF
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NOTE

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Subject : Council Conclusions on the Economic Partnership Agreements

At its meeting on 10/11 April 2006, the General Affairs and External Relations Council, adopted the Council Conclusions on the Economic Partnership Agreement in Annex.

Council conclusions on the Economic Partnership Agreements

1. The Council reconfirms its commitment to the ongoing negotiations with all six ACP regions and its support to allow the timely conclusion and entry into force by 1 January 2008, in accordance with Art. 37 (1 and 2) of the Cotonou Agreement, of the Economic Partnership Agreements (EPA) as development instruments complementary to the overall development efforts in order to eradicate poverty and to achieve the Millennium Development Goals. In this respect, the Council confirms the need to ensure strong coherence with the Development Policy Statement adopted on 21 November 2005 and reconfirms its November 2005 conclusions on EPAs and Africa and extends these conclusions to all ACP regions.

2. The Council reaffirms the EPAs' aim of fostering smooth and gradual integration of the ACP States into the world economy and recalls the potential of regional integration and trade, including South-South-trade, to contribute to reducing poverty in the ACP countries. The Council recalls the EU's long-standing support to ACP regional integration and reaffirms its willingness to support and foster it. It considers that, in certain regions, overcoming the current overlapping integration agendas would constitute a major step forward towards building more effective and competitive regional economies. Therefore, the Council encourages the on-going initiatives to this end and calls upon all ACP states concerned to engage in this process with a view to further consolidating and strengthening their regional structures.

3. The Council is committed to an ambitious outcome of the EPA negotiations with a view to substantial improvements in regional integration and access for ACP products to EU markets. At the same time, the Council recalls its support for asymmetric and flexible EPA arrangements and the preferential market access for the ACP countries, in line with development needs and WTO requirements. The Council recalls that the outcome of the negotiations shall take due regard for all parties respective political choices.

4. The Council takes note of the Commission Staff Working Document on "The trade and development aspects of EPA negotiations" of November 2005 which provides a first factual overview of the ongoing trade negotiations and general information on the development assistance available under the 9th European Development Fund (EDF).

5. In this regard, the Council welcomes the regular written reports by the Commission and looks forward to them taking into account major challenges in a thematic approach on the trade and development aspects of the EPAs, including development assistance and progress in the trade negotiations. Member States are also invited to provide information on their bilateral EPA-related support. These reports and information would encourage informed discussions in the Council bodies and could facilitate timely complementary development support measures. The Council also recognizes the importance of enhanced discussions with national parliaments, civil society and the business community in each ACP country about the EPA negotiations and implementation.

6. The Council invites the Commission to carry out the EPA review in accordance with Art. 37 (4) of the Cotonou Agreement. The review should be formal and comprehensive with participation from the ACP side, covering:

- both trade and development aspects of the EPAs, including cross-cutting issues affecting the development prospects of all ACP countries (e.g. market access and rules of origin, regulatory and safeguard provisions etc);
- necessary measures to support the timely completion of the negotiations.

7. The review should be based on a regional approach, with the results consolidated and discussed at all-ACP level, and allowing for comparison between the regions on the major challenges of trade and development aspects. The Council would welcome timely briefings on the preparations and conduct of the review. The Council will address the major challenges identified by the review before the finalisation of the negotiations as foreseen. These challenges will also include aspects that will be relevant for the implementation of the EPAs.

8. In this context, the Council calls for a monitoring mechanism in consultation with all parties to allow effective monitoring of the development and trade challenges from the start of implementation of the EPA, to help to achieve development outcomes.

9. Furthermore, the Council agrees that Sustainability Impact Assessments are important tools to be conducted by the Commission at an appropriate time in order to address the impacts of the EPAs.

10. The Council confirms that to achieve the objectives of the EPAs, fostering regional integration of ACP countries as well as into the world economy, donor assistance should among others be directed to:

- assisting ACP countries to negotiate trade agreements tailored to their needs and capacities e.g. through impact assessment studies and other instruments;
- supporting ACP countries to become more active players in the framework of multilateral trade, and enhance South-South trade;
- helping the ACP countries to establish transparent and predictable rules to spur investment and growth and liberalise services that are key to their development interests;
- addressing agriculture and food security as key elements in the negotiations and supporting the development of regional agricultural markets based on an adequate market regulatory framework;
- providing financial support for building trade capacity and competitiveness and implementing supply side reforms linked to EPAs and WTO implementation;
- assisting ACP countries to comply with rules and standards and reduce non-tariff barriers to trade;
- supporting ACP countries facing adjustment needs arising from EPA implementation or regional and multilateral liberalisation efforts through adequately tailored instruments.

11. The Council therefore supports the Regional Preparatory Task Forces (RPTFs) as key structures to link the EPA negotiations with accompanying development assistance. Member States are invited, in coordination with the Commission and other donors, to supplement and support these EPA-related activities organised via the RPTFs with their own ongoing bilateral and multilateral development assistance. Information on such EPA-related support by Member States should help feed into the process. The Council welcomes the first experiences of participation of Member States in the RPTFs and appreciates facilitation by the Commission to enable Member States' continued involvement.

12. The Council additionally welcomes the priority given to the EPAs in the preparations for the programming of the 10th EDF and welcomes the involvement of EU Member States in the Country and Regional Strategy Papers where particular attention should be paid to the EPAs.