EU's aid for trade

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The Council held a policy debate on different issues raised under the EU's trade and development agenda.

It agreed that the EU should move ahead with pledges made in 2005 to make available **EUR 2 billion annually by 2010 for "aid for trade"**, in response to recommendations issued in a report by the World Trade Organisation a few days before the Council's meeting. It agreed that delivering this aid should not be linked to progress in negotiations under the WTO's Doha Development Agenda.

The “aid for trade” initiative is aimed at supporting developing countries' capacities for taking advantage of new trade opportunities that result from changes in trade rules and globalisation, given that making trade rules more favourable in theory is insufficient if developing countries are unable to increase trade in practice.

The EU Member States collectively and the European Community will each provide EUR 1 billion for trade-related assistance. These funds will be earmarked for projects aimed at strengthening the export capacity of developing countries through trade-related assistance. The Member States and the Commission agreed to coordinate their spending in order to have maximum impact. The funds granted by the Member States come on top of the EUR 22.7 billion that the Council agreed on in June 2005 for the European Development Fund for the 2008-2013 period.

An important aspect of the Council's agreement is a commitment to earmark a substantial share of the "aid for trade" effort to support economic partnership agreements currently being negotiated with the 79 African, Caribbean and Pacific (ACP) states with whom the EU has concluded the ACP-EU partnership agreement ("Cotonou agreement") until 2020.