




| Basic information | |
|--|---------------------|
| <p>2005/0071(AVC)</p> <p>AVC - Assent procedure (historic) Decision</p> | Procedure completed |
| <p>EC/ACP agreement: revision of the partnership agreement with the African, Caribbean and Pacific States</p> <p>Subject</p> <p>6.40.06 Relations with ACP countries, conventions and generalities</p> <p>Geographical area</p> <p>ACP countries Caribbean islands</p> | |

| Key players | | | | |
|-------------------------------|---------------------------------|------|---|------------------|
| European Parliament | Committee responsible | | Rapporteur | Appointed |
| | DEVE Development | | RIBEIRO E CASTRO José (PPE-DE) | 24/05/2005 |
| | Committee for opinion | | Rapporteur for opinion | Appointed |
| | AFET Foreign Affairs | | VAN HECKE Johan (ALDE) | 14/06/2005 |
| | INTA International Trade | | The committee decided not to give an opinion. | |
| | | | | |
| Council of the European Union | Council configuration | | Meetings | Date |
| | General Affairs | | 2800 | 2007-05-14 |
| | General Affairs | | 2722 | 2006-04-10 |
| | General Affairs | | 2864 | 2008-04-29 |
| | General Affairs | | 2743 | 2006-07-17 |
| | General Affairs | | 2799 | 2007-05-14 |
| | General Affairs | | 2831 | 2007-11-19 |
| | Agriculture and Fisheries | | 2669 | 2005-06-20 |
| | Agriculture and Fisheries | | 2793 | 2007-04-16 |
| Agriculture and Fisheries | | 2797 | 2007-05-07 | |
| European Commission | Commission DG | | Commissioner | |
| | | | | |

Key events

| Date | Event | Reference | Summary |
|------------|---|--|---------|
| 03/05/2005 | Initial legislative proposal published | COM(2005)0185  | Summary |
| 03/04/2006 | Legislative proposal published | 06987/2006 | Summary |
| 26/04/2006 | Committee referral announced in Parliament | | |
| 17/07/2006 | Resolution/conclusions adopted by Council | | Summary |
| 19/12/2006 | Vote in committee | | Summary |
| 21/12/2006 | Committee report tabled for plenary, 1st reading/single reading | A6-0469/2006 | |
| 17/01/2007 | Debate in Parliament |  | |
| 18/01/2007 | Decision by Parliament | T6-0002/2007 | Summary |
| 18/01/2007 | Results of vote in Parliament |  | |
| 16/04/2007 | Debate in Council | | |
| 07/05/2007 | Debate in Council | | |
| 14/05/2007 | Debate in Council | | |
| 19/11/2007 | Resolution/conclusions adopted by Council | | Summary |
| 29/04/2008 | Act adopted by Council after consultation of Parliament | | |
| 29/04/2008 | End of procedure in Parliament | | |
| 17/05/2008 | Final act published in Official Journal | | |

Technical information

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|----------------------------|---|
| Procedure reference | 2005/0071(AVC) |
| Procedure type | AVC - Assent procedure (historic) |
| Procedure subtype | International agreement |
| Legislative instrument | Decision |
| Legal basis | EC Treaty (after Amsterdam) EC 310 EC Treaty (after Amsterdam) EC 300-p3-a2 EC Treaty (after Amsterdam) EC 300-p2 |
| Stage reached in procedure | Procedure completed |
| Committee dossier | DEVE/6/27982 |

Documentation gateway

European Parliament


| Document type | Committee | Reference | Date | Summary |
|---------------|-----------|-----------|------|---------|
|---------------|-----------|-----------|------|---------|

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|---|----------------------|------------------------------|------------|-------------------------|
| Committee opinion | AFET | PE364.711 | 30/01/2006 | |
| Committee draft report | | PE362.631 | 17/10/2006 | |
| Committee report tabled for plenary, 1st reading/single reading | | A6-0469/2006 | 21/12/2006 | |
| Text adopted by Parliament, 1st reading/single reading | | T6-0002/2007 | 18/01/2007 | Summary |

Council of the EU

| Document type | Reference | Date | Summary |
|--|----------------------------|------------|-------------------------|
| Supplementary legislative basic document | 08851/2005 | 07/06/2005 | Summary |
| Legislative proposal | 06987/2006 | 03/04/2006 | Summary |

European Commission

| Document type | Reference | Date | Summary |
|------------------------------|--|------------|-------------------------|
| Initial legislative proposal | COM(2005)0185  | 03/05/2005 | Summary |

Additional information

| Source | Document | Date |
|---------------------|-------------------------|------|
| European Commission | EUR-Lex | |

Final act

| | |
|--|-------------------------|
| Decision 2008/0373 OJ L 129 17.05.2008, p. 0044 | Summary |
|--|-------------------------|

EC/ACP agreement: revision of the partnership agreement with the African, Caribbean and Pacific States

2005/0071(AVC) - 03/05/2005 - Initial legislative proposal

PURPOSE : to conclude the Agreement amending the Partnership Agreement signed in Cotonou on 23 June 2000 between the ACP States and the European Community and its Member States.

PROPOSED ACT : Council Decision.

CONTENT : by virtue of a decision of 27 April 2004, the Council authorised the Commission to open negotiations with the ACP States with a view to undertaking a revision of the Partnership Agreement between the ACP States and the European Community and its Member States. The negotiations took place between 6 May 2004 and 23 February 2005. The Commission considers that the revised Partnership Agreement conforms to the negotiating directives adopted by the Council on 27 April 2004.

The revised Agreement marks an improvement in the relationship between the ACP States and the Community and its Member States, while maintaining the acquis of the Cotonou Agreement.

The amendments relate to parts of the main body of the Agreement, Annexes I, II and IV and the new Annexes Ibis and VII.

Some components, such as the rules on the award of contracts and the modalities for implementation of the FLEX mechanism will be reviewed and adapted, if necessary, by the ACP-EC Council of Ministers.

The amendments cover a wide range of issues relating to the political dimension, development strategies, the Investment Facility and implementation and management procedures. Provisions have been inserted concerning the international fight against terrorism, prevention of mercenary activities, cooperation in countering the proliferation of Weapons of Mass Destruction (WMD), commitment to the International Criminal Court and modalities for a more structured and formal political dialogue.

With regard to development strategies, the Agreement has been revised to include a number of new elements relating to the Millennium Development Goals (MDGs), the social sector, ICTs, youth, traditional knowledge, island ACP states, Non State Actors (NSAs) and regional cooperation. A number of amendments were made to Annex II on the Investment Facility (IF). These include conditions relating to loans, interest rate subsidies, foreign exchange rate risks and Bank remuneration. The IF will be subject to a joint review of its performance at mid-term and at the end of the term of the

Financial Protocol. In order to improve efficiency and to promote harmonisation, a series of

proposals were incorporated into Annex IV regarding management procedures and implementation. The proposals aim, inter alia, to introduce greater flexibility in the allocation of resources and in financial management in crisis or conflict situations, promote further untying of aid, reformulate the

role of management and execution agents and, more generally, simplify the procedures in place.

Two changes were made to the Financial Protocol:

- 1) a provision on the financing of devolution was introduced into the existing Annex I;
- 2) a new Annex Ibis was added relating to the multiannual financial framework for cooperation under the revised Cotonou Agreement.

The revised Agreement negotiated by the Commission between the African, Caribbean and Pacific States, of the one part, and the European Community and its Member States, of the other part, should be signed on behalf of the European Community.

EC/ACP agreement: revision of the partnership agreement with the African, Caribbean and Pacific States

2005/0071(AVC) - 17/07/2006

The Council adopted a series of Conclusions with regard to its cooperation with the Pacific ACP countries in the framework of the ACP/EU Partnership Agreement. It recalls the existing EU agreements with the Pacific and draws attention to the close links with some Member States through the overseas territories of France (French Polynesia, New Caledonia, Wallis and Futuna) and of the United Kingdom (Pitcairn).

The Council reaffirms its commitment to working with the Pacific region to support the eradication of poverty and the achievement of the Millennium Development Goals (MDGs) by addressing issues such as governance, stability, regional and economic integration, and environmental vulnerability. In this context the Council also recognises the many other challenges the countries face, such as human resource development and unemployment, health care issues, in particular sexual reproductive health and rights as set out in the Cairo Agenda of the International Conference on Population and Development, the fight against HIV/Aids, as well as transportation.

The Council welcomes the Commission Communication on "EU Relations with the Pacific - a Strategy for a Strengthened Partnership" and agrees to focus its attention on the areas set out below:

- Strengthening the political relationship between the EU and the Pacific ACP countries, for example through an enhanced dialogue with the Pacific Islands Forum (PIF);
- Addressing the socio-economic and environmental challenges through more efficient, better coordinated and more focused development cooperation, giving priority to sustainable development and sustainable use of natural resources.

The Council confirms that all efforts should be in line with the European Consensus on Development, which defines the objectives and principles of Community development cooperation and highlights the importance of policy coherence for development, taking into account the countries' own needs, strategies, priorities and assets.

A strengthened political relationship: The Council emphasises its wish to enhance political dialogue on matters of common interest with the Pacific states and region, including democracy, good governance and human rights, peace and security and regional and economic integration. Recognising that democracy and good governance are based on credible, efficient institutions, the EU will lend particular support to good governance and the fight against corruption. The positive roles of parliaments and civil society, especially NGOs, are seen as important in this respect.

Promoting and protecting human rights, especially women's and children's rights, and fundamental freedoms, respecting the rule of law and encouraging the growth of pluralistic participatory democracy in the Pacific region are recognised goals and will be advanced as prerequisites for stability and growth.

Political cooperation will also include specific assistance for fragile states and for post-conflict reconstruction, in line with the United Nations, and encouragement for further initiatives, such as electoral monitoring and special missions to help resolve political issues.

Regional cooperation and integration: The Council underlines the unique identity and vulnerability of Small Island States and the importance of respecting the special needs of the smaller nations in the region, and highlights the outstanding cultural diversity of the Pacific region. Therefore, regional cooperation shall be further intensified by encouraging the existing regional organisations, in particular the Pacific Islands Forum (PIF), to implement the Pacific Plan, and key CROPs (Council of Regional Organisations in the Pacific), such as the Secretariat of the Pacific Community, and also by building on synergies and cooperation with the OCTs in the region.

The Council furthermore reiterates the potential of regional economic integration and trade, including cooperation with the OCTs, which is seen as beneficial for all parties. The Economic Partnership Agreement (EPA) as an instrument for development will be the privileged area of cooperation, fostering smooth and gradual integration of the region into the global economy and promoting sustainable economic development. In this regard, the Council reaffirms its commitment to the timely conclusion of the EPA negotiation to allow it to enter into force by 1 January 2008. It also underlines the importance of compatibility of the EPA with similar arrangements between the countries of the Pacific and like-minded partners in the region.

The Council notes the importance of trade links with and between the countries of the Pacific for prosperity and security in the region to enhance growth and employment. In this context, the Council acknowledges the important contribution to private sector development made by the European Investment Bank and the Asian Development Bank and encourages these organisations to increase their efforts in the region within the existing mandates. Furthermore, the Council also recognises the value of technical assistance aimed at enhancing trade.

More efficient and focused development cooperation: The Council highlights the need for the EU to enhance its profile in the region, including through strengthening EU representation and contacts between the EU and the Pacific. Given the limited presence of Member States in the Pacific, the Commission's proposal for joint EU action shall be elaborated further, for example the "Europe House" concept. The Council sees the necessity of supporting the Region to achieve the MDGs as an overall objective, especially the fight against poverty. In this respect special attention should be given to Papua New Guinea, the Solomon Islands and Timor Leste, being the three countries with the lowest GDP/capita in the Pacific, and the most disadvantaged and poorest groups of society of the countries in the region.

The Council notes the particular challenges of sound sustainable development in the Pacific and the vulnerability to natural disasters. Willing to support sustainable development in the Pacific, the EU will help countries protect their biodiversity, including dealing with climate change and rising sea levels and addressing diminishing fish-stock and coral bleaching. The Council furthermore emphasises its readiness to support Pacific countries in land use, land and natural resources management, the fight against land degradation, illegal logging and deforestation, and making ecological and sustainable use of renewable energy resources and the immense ocean and coastal resources, including enhanced pollution and waste management.

The Council recognises the importance of working closely with all other donors active in the region, as well as with multilateral institutions, such as UN organisations, the Asian Development Bank and the World Bank, in an effort to improve donor coordination and harmonisation and alignment to recipient country systems. In this context, the existing relations with Australia and New Zealand should be further strengthened.

Follow-up: The Council invites all parties to ensure the effective follow-up of these conclusions. It will build on existing mechanisms to monitor and review progress on the implementation, in consultation with Pacific Partners. The Commission is asked to report on progress within the scope of Community competence. Contributions from EU Heads of Missions in the area are welcomed.

EC/ACP agreement: revision of the partnership agreement with the African, Caribbean and Pacific States

2005/0071(AVC) - 20/06/2005

The Council adopted a Decision approving the signing of the Agreement amending the Partnership Agreement with the African, Caribbean and Pacific States. The revised agreement will be open for signing in Luxembourg on 25 June 2005.

Among the principal amendments made to the Agreement are:

- the commitment by the Parties to the fight against terrorism;
- the insertion of a clause on cooperation in combating the spread of weapons of mass destruction;
- the inclusion of a reference to the Millennium Development Goals adopted by the General

Assembly of the United Nations;

- simplification of regional financing procedures;
- the possibility of allocating resources for promoting peace in conflict situations.

EC/ACP agreement: revision of the partnership agreement with the African, Caribbean and Pacific States

2005/0071(AVC) - 07/06/2005 - Supplementary legislative basic document

In a Council document dated 7 June 2005, Member States' delegations agreed on a revised version of the proposal for a decision to approve the agreement amending the Cotonou Agreement. In legal terms, the latter must be adopted according to the procedure laid down in Article 310 of the TEC, together with Article 300 (2)(1) (Council conclusion requiring unanimity for international agreements with third country partners or international organisations).

The main points of the amended agreement are as follows:

1) the Parties commitment to the fight against terrorism: several articles have been inserted making the fight against terrorism an integral part of the Agreement. To this end, the Parties agree to exchange information on terrorist groups and their support networks, and also exchange views on means and methods to counter terrorist acts, including in technical fields and training, and experiences in relation to the prevention of terrorism;

2) insertion of a clause on cooperation in countering the proliferation of weapons of mass destruction: the following provision is stated to constitute an essential element of the Agreement: that the Parties agree to cooperate and to contribute to countering the proliferation of weapons of mass destruction and their means of delivery through full compliance with their existing obligations under international disarmament and non-proliferation treaties and agreements and other relevant international obligations. Breach of such an essential element indicates that, in the final resort, the agreement may be unilaterally denounced, when all other methods of resolution regarding consultation and dialogue have been exhausted. The amended agreement also sees the establishment of an effective system of national export controls, controlling the export as well as transit of weapons of mass destruction related goods, including a weapon of mass destruction end-use control on dual use technologies and containing effective sanctions for breaches of export controls. Furthermore, it is provided that financial and technical assistance in the area of cooperation to counter the proliferation of weapons of mass destruction will be financed by specific instruments other than those intended for the financing of ACP-EC cooperation.

3) inclusion of a modified recital making reference to the Millennium Development Goals: in particular the eradication of extreme poverty and hunger;

4) simplification of procedures on financial support, including on a regional level: several clauses have been inserted regarding improvement of financing procedures. Non-State actors from ACP States and the Community which have a local character will also be eligible for financial support provided under the amended Agreement, according to the modalities agreed in the national and regional indicative programmes. A greater emphasis is given to the role of Head of Delegation, who will represent the Commission in all spheres of its competence and in all its activities, and be the main contact for ACP States and bodies or organisations eligible for financial support under the Agreement. Inter-regional cooperation is also emphasised (especially intra-ACP cooperation.) It should be noted that an amount of EUR 90 million will be transferred to the intra ACP envelope under the 9th EDF. This amount may be allocated to finance devolution for the period 2006-2007, and will be managed directly by the Commission.

5) resource allocation in order to promote peace in conflict situations: the least developed, landlocked and island, post-conflict and post natural disaster ACP States will receive more favourable treatment. The amended Agreement also reinforces several development strategies, such as traditional knowledge, the fight against AIDS through particular attention to the situation of women, the strengthening of local communities, particularly through the reintegration of children in a post-conflict situation.

6) strengthened political dialogue: the objective of this dialogue is to exchange information, to foster mutual understanding and to facilitate the establishment of agreed priorities and shared agendas. The objectives of the dialogue will also include preventing situations arising in which one Party might deem it necessary to have recourse to the consultation procedures envisaged in Articles 96 and 97. The political dialogue will apply to all the essential elements of the Agreement (respect for human rights, democratic principles and the rule of law, and fundamental elements regarding good governance. It also applies to weapons of mass destruction).

With regard to financing, for the purposes set out in the amended Agreement and for a period beginning on 1 March 2005, a multi-annual financial framework of cooperation will cover commitments beginning on 1 January 2008 for a period of five or six years. For this new period, the European Union will maintain its aid effort to ACP States at least at the same level as that of the 9th EDF, not including balances.

EC/ACP agreement: revision of the partnership agreement with the African, Caribbean and Pacific States

2005/0071(AVC) - 03/04/2006 - Legislative proposal

On 3 April 2006, the Council proposal a new version of the draft decision to approve the agreement amending the Cotonou Agreement. The new version's objective is twofold:

1) to amend the legal basis for the adoption of the agreement, following the request for assent submitted by the Council pursuant to Article 300(3), second subparagraph, in conjunction with Article 310 and Article 300(2), first subparagraph of the EC Treaty;

2) to clarify the conditions of the consultation procedure under Article 96 and Article 97 of the Cotonou Agreement: where, at the initiative of the Commission or a Member State, after having exhausted all possible options for dialogue, the Council considers that an ACP State fails to fulfil an obligation concerning one of the essential elements referred to in the Partnership Agreement, or in serious cases of corruption, the ACP State concerned shall be invited, unless there is special urgency, to hold consultations in accordance with Articles 96 and 97 of the Partnership Agreement.

Where, at the initiative of the Commission or a Member State, informed in particular by reports by the IAEA, the OPCW and other relevant multilateral institutions, the Council considers that an ACP State has failed to fulfil an obligation of the Partnership Agreement on non-proliferation of weapons of mass destruction, the ACP State concerned shall be invited, unless there is special urgency, to hold consultations.

If, on expiry of the deadlines for consultations, and despite all efforts, no solution has been found, or immediately in a case of urgency or refusal to hold consultations, the Council may, pursuant to those Articles, decide, on a proposal from the Commission and acting by a qualified majority, to take appropriate measures including partial suspension.

The Council shall act unanimously in the case of a full suspension of application of the Partnership Agreement in relation to the ACP State concerned. These measures shall remain in force until such time as the Council has used the applicable procedure as set out in the first subparagraph to take a decision amending or revoking the measures adopted previously, or where applicable, for the period indicated in the Decision. For that purpose the Council shall proceed to review the above measures regularly and at least every 6 months.

The actual Agreement has not been amended (for more details about the Agreement, please refer to the supplementary initial document dated 07/06/2005).

EC/ACP agreement: revision of the partnership agreement with the African, Caribbean and Pacific States

2005/0071(AVC) - 14/05/2007

The Council took stock of ongoing negotiations on economic partnership agreements with the ACP (Africa, Caribbean and Pacific) group of states and regions.

The negotiations, which have reached a crucial stage, are aimed at replacing trade preferences for ACP states, set down in the Cotonou Agreement, by economic partnership agreements (EPAs) by the end of the year, given that these trade preferences are not compatible with the rules of the World Trade Organisation. In their partnership agreement signed at Cotonou in June 2000, the EU and the ACP states undertook to negotiate WTO-compatible EPAs before the expiry of a WTO derogation on 31 December 2007. The negotiations are conducted for the EU by the Commission under a mandate granted the Council.

The joint ACP-EC council of ministers, at a meeting in Brussels on 25 May, will review progress in the negotiations. With that in view, the Council adopted conclusions. The Council again confirmed its commitment to the ongoing negotiations with six ACP regions.

The EPAs, as development instruments, are aimed at supporting sustainable development and reducing poverty. The Council confirmed the importance of concluding the negotiations on time.

The Council emphasised that the EPAs should support regional integration in the six regions, including regional agricultural markets. It encouraged the ACP states to carry out the necessary reforms at regional level to strengthen the basis for the agreements. The EPAs will liberalise trade so that ACP states have duty- and quota-free access to the EU market after certain transitional periods with special treatment for a restricted number of highly sensitive products. Up to now this concession has been available, since 2001, to only 40 of the 78 ACP states that are recognised as least developed countries. The Council:

- recognised the need for improved rules of origin so that the ACP states can benefit fully from improved access to the EU market;
- recognised that access to ACP markets by the EU must be progressive and carefully managed, and that flexibility in favour of ACP states (exclusions of products, long transition periods and safeguard clauses) must be compatible with WTO rules;
- recognised the right of ACP states to decide the best policies for their own development, and considered that the EPAs should include provisions on trade in services, on investment and on other trade-related areas because these contribute to growth and competitiveness;
- emphasised that the EU should not pursue any particular market access interests. It also expressed support for the integration of social and environmental provisions in the EPAs as part of efforts to reduce poverty, improve living conditions and enable sustainable development.

The EU has committed itself to provide EUR 2 billion annually in trade-related assistance to developing countries by 2010. In this connection, an EU strategy on "aid for trade" will be agreed before the end of this year. The strategy will ensure that a substantial share of these funds are granted to the ACP states in line with the policy decisions taken by the ACP states themselves. The strategy will also respond to broader aid for trade issues such as productive capacities and trade related infrastructure.

The Council conclusions on the EPAs are linked to conclusions adopted on "aid for trade". Finally, the Council recalled that the EPAs will be directed and managed through specific institutions. Each EPA region will have a joint EPA council within which ACP states and regions, EU member states and the European Commission will be represented. Each EPA council will have a joint implementation committee and will report to the joint ACP-EC council of ministers.

EC/ACP agreement: revision of the partnership agreement with the African, Caribbean and Pacific States

2005/0071(AVC) - 18/01/2007 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by José RIBEIRO e CASTRO (EPP-ED, PT) and gave its assent to the conclusion of the Agreement amending the Partnership Agreement between the ACP States and the EC, signed in Cotonou on 23 June 2000.

EC/ACP agreement: revision of the partnership agreement with the African, Caribbean and Pacific States

2005/0071(AVC) - 19/11/2007

The Council reviewed progress in the negotiation of economic partnership agreements with the African, Caribbean and Pacific group of states and regions, in the run-up to the 31 December deadline for completion of these agreements. It adopted the following conclusions:

- it confirms its commitment to the ongoing negotiations on the Economic Partnership Agreements (EPAs) and reiterates its position of EPAs as being development instruments. EPAs are going to be WTO compatible agreements, supporting regional integration and promoting the gradual integration of the ACP economies into the rules-based world trading system, thereby fostering their sustainable development and contributing to the overall effort to eradicate poverty and to enhance the living conditions in the ACP countries;

- it recalls the need to conclude negotiations in time for the entry into force of the EPAs by 1 January 2008, in accordance with the Cotonou Agreement and taking into account the expiration of the current preferential trade provisions applied under a WTO waiver.;

- it expresses its concern over the slow pace of the negotiations in some regions, while welcoming the significant progress made in those regions that are close to concluding an EPA. It underlines that the conclusion of mutually satisfactory EPAs can only be the result of a joint effort, which requires strong political commitment from all parties;

- it endorses the two-step approach proposed in the Communication to negotiate WTO compatible agreements including market access for goods as an interim solution for ACP regions or sub-regions. In this regard, recalling that EPAs aim at establishing WTO compatible agreements between the parties on the basis of the development objectives of the Cotonou Agreement, the Council will examine, in view to its adoption, the draft Regulation proposed by the Commission aiming at applying as of 1 January 2008 as a first step the arrangements for goods originating in certain states which are part of the Africa, Caribbean and Pacific Group of States (ACP) provided in agreements establishing, or leading to the establishment of, Economic Partnership Agreements;

- it maintains that, in order to maximise the development potential of the EPAs, all WTO compatible flexibility must be allowed for the ACP liberalisation processes. It emphasises that **any EPA should allow asymmetry between ACP and EU market access commitments**, including in the provision of appropriately long transition periods, and in very exceptional cases even longer periods, which take account of the development needs of the ACP countries. The Council further recognises the need for improved Rules of Origin in EPAs, making them simpler, more transparent, easier, improved and predictable in order to ensure that ACP States can fully benefit from preferential market access, whilst preventing circumvention;

- it respects the right of all ACP States and regions to determine the best policies for their development; it acknowledges that the ambition for the scope of an EPA may differ from one region to the other. At the same time the Council considers that the EPAs should include trade in services, investment and other trade related areas. It believes that such agreements fulfil the objectives of economic and trade cooperation as set out in the Cotonou Agreement and contribute to release the full development benefits of EPAs. The Council supports a flexible and phased approach in trade-related areas;

- it recalls that new trading arrangements should be established by 1 January 2008, in order to improve the situation for ACP countries and to avoid negative effects on the trade flows between them and the EU. It is for this reason that the Council urges them to focus their negotiating efforts especially on the segment of trade in goods. The Council considers that an interim agreement covering WTO compatible trade in goods agreements and other aspects that have already been agreed at this stage should be considered as a first step in a process that should lead to a full EPA. In this respect, it underlines its position that all parties should agree to pursue negotiations within agreed timeframes in outstanding areas if agreement on these issues cannot be reached before the end of 2007;

- the Council acknowledges that the level of existing regional integration varies within the six ACP regions and that in some regions not all countries are yet in a position to enter into an EPA in the agreed timeframe. At the same time, the Council firmly holds that EPAs, as development and regionally inclusive instruments, can serve the interest of all ACP States more than any other WTO compatible option currently accessible. In this context, in those cases where the only possible option to conclude an agreement within the mandatory deadline is to sign at sub-regional level in order to avoid negative impacts on any ACP country, the Council emphasises that such agreements should include accession clauses that ensure the full possibility to join in for all countries of the region willing to participate at a later stage;

- it is determined to ensure optimal interaction and coherence between EPAs and development cooperation. The Council notes that it has been agreed with all regions that development cooperation provisions should be included in the EPAs and that the programming of the 10th European Development Fund (EDF) offers a unique opportunity to synchronise trade policy decisions taken in the EPAs and programming of EDF resources. For those regions concluding interim agreements, the Council recognises that development finance will be needed already at this stage to accompany adjustment linked to liberalisation and as a complementary instrument amplifying the development dimension of the agreements. Moreover, the Council recalls the adoption of the EU strategy on Aid for Trade in which the EU made a commitment that, in the context of efforts to increase the collective EU trade related assistance to EUR 2 billion annually by 2010, in the range of 50% of the increase will be available for the needs prioritised by the ACP countries. The Council underlines that all ACP regions should receive a fair share of this overall amount.

Lastly, the Council urges all parties to redouble their efforts in order to reach agreement on these negotiations in December 2007. The signature of the EPAs will be the beginning of a process, with a view to reinforcing regional integration and promoting the advancement of the ACP economies.

EC/ACP agreement: revision of the partnership agreement with the African, Caribbean and Pacific States

2005/0071(AVC) - 28/04/2008 - Final act

PURPOSE: to amend the Cotonou Agreement between the European Community and its Member States, on the one hand, and the ACP countries, on the other.

LEGISLATIVE ACT: Council Decision 2008/373/EC concerning the conclusion of the Agreement amending the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, on the one hand, and the European Community and its Member States, on the other, signed in Cotonou on 23 June 2000.

CONTENT: the Cotonou Agreement, signed on 23 June 2000 for a period of twenty years, builds on the *acquis* of thirty years of experience. It is designed to promote and expedite the economic, social and cultural development of the ACP States, contribute to peace and security and promote a stable and democratic political environment.

The revision process has been handled in accordance with Article 95 of the Cotonou Agreement, which allows for the content of the agreement (except those provisions concerning economic and trade cooperation) to be adapted every five years. It is in this context that an amended agreement is approved on behalf of the European Community with the following objectives:

- 1) reinforcement of the political dimension of relations between ACP countries and the EU;
- 2) promotion of participatory approaches, involvement of civil society, the private sector and other non-State actors in the definition and implementation of actions;
- 3) strengthening of the framework for 'poverty reduction' and the establishment of a new framework for economic and trade cooperation;
- 4) reform of financial cooperation by proposing a new financial framework.

Strengthened political dialogue: the revised agreement puts greater emphasis on political dialogue between the European Union and the ACP States. Additional provisions have therefore been established in terms of:

- peace-building policies and conflict prevention and resolution;
- respect for human rights, democratic principles based on the rule of law and transparent and accountable governance (a new procedure has been developed for cases of violation of these elements, stressing the responsibility of the country in question, see below);
- good governance (a new procedure has also been drawn up, to be applied in serious cases of corruption, see below);
- expansion of political dialogue to include security issues, countering the proliferation of **weapons of mass destruction**, a provision on the International Criminal Court and the **Statute of Rome** and the **fight against terrorism**.

As for the **procedural part of political dialogue**, additional provisions have been established in order to place greater emphasis on the arrangements for consultation set out in articles 96 and 97 of the Cotonou Agreement as well as on the applicable procedure in such instances: it is therefore clearly established that if, after having conducted a strengthened political dialogue, one party considers that the other has failed to fulfil an obligation stemming from essential elements of the Agreement (respect for democratic principles and the rule of law but also good governance and respect for international treaties on the non-proliferation of weapons of mass destruction, including respect for control measures for the export of goods linked to weapons of mass destruction or dual-use items), that party may invite the other to hold consultations and take appropriate measures, including, where necessary, the **partial or full suspension of the Agreement**. Furthermore, for the first time it has been established that, in serious cases of corruption in an ACP State, the same procedure shall be applied, which may lead to the unilateral suspension of the Agreement. The mechanism established by the consultation procedure is to act gradually: the first stage involves promoting dialogue, then, where necessary, partially suspending the Agreement, following a Council Decision by qualified majority. In the event of total disagreement between the parties, the Agreement may be suspended in full following a unanimous decision by the Council. The European Parliament shall be immediately and fully informed of a decision for the partial or full suspension of the Agreement. The suspension decision may be reviewed every 6 months.

Civil society: in order to strengthen the 'civil society' section of the Cotonou Agreement, the revised Agreement provides for greater participation of non-State actors in the design and implementation of development strategies and programmes. These actors shall be increasingly involved in the definition of indicative programmes defined by the Commission in direct cooperation with the relevant ACP States. Local authorities shall also be invited to play a greater role in the implementation of programmes.

New forms of cooperation: the revised Cotonou Agreement includes new provisions on the Millennium Development Goals (MDGs) in the preamble of the Agreement. Additional provisions have also been provided for in terms of:

- the promotion of the fight against poverty-related diseases (fight against AIDS, malaria and tuberculosis) and the protection of sexual and reproductive health and rights of women;
- the strengthening of regional cooperation (in particular, the simplification of procedures to request intra-ACP financing and facilitation of cooperation between ACP States and other developing countries on the basis of reciprocity);
- the development and use of local content for ICTs;

- the emphasis on local communities;
- the protection of children, particularly in societies exposed to post-conflict situations;
- the promotion of the participation of young people in public life and encouragement of exchanges and interaction between ACP and EU youth organisations;
- the promotion of traditional knowledge as part of sectoral economic development;
- the strengthening of existing provisions on island ACP States, emphasising their increased vulnerability brought about by new economic, social and ecological challenges.

New framework and financial protocol: additional provisions are established in terms of funding. This concerns two sections of the Agreement:

- 1) **EDF balance:** an amount of **EUR 90 million** is transferred to the intra ACP envelope under the ninth European Development Fund (EDF). This amount can be allocated to finance devolution for the period 2006-2007, and is managed directly by the Commission;
- 2) commencing 1 March 2005, the **new multi-annual financial framework for cooperation** shall cover commitments starting from 1 January 2008 for a period of five or six years. For this new period, the European Union will maintain its aid effort to ACP States at least at the same level as that of the 9th EDF, not including balances. To this should be added, based on Community estimates, the effects of inflation, growth within the European Union and the 2004 enlargement. The new financial provision includes specific provisions on interest rate subsidies for infrastructure projects in the Least Developed Countries, in post-conflict countries and post-natural disaster countries (the interest rate of the loan shall be reduced by 3%). Other types of interest rate subsidies are established for projects with social or environmental benefits. Lastly, a specific facility is established to support investment in private and commercially run public sector entities, including revenue generating economic and technological infrastructure.

Note that, when an ACP State faces a crisis situation as the result of a war or other conflict, or exceptional circumstances, the Commission may itself manage the resources allocated to the State in question and use them for special support. Special support may concern peace-building policies, conflict management and resolution, post-conflict support, including institution-building, economic and social-development activities, taking particular account of the needs of the most vulnerable sections of the population.

Lastly, the annexes to the Agreement are revised so as to review the technical arrangements for intra-ACP cooperation, requests for financing and procedures for implementation of programmes and projects for cooperation (in particular, tender procedures, eligibility for participation in procedures for the awarding of public procurement contracts, review of the system of preferences, management and implementation of the EDF).