



**COUNCIL OF
THE EUROPEAN UNION**



Council Conclusions on regional integration and the Economic Partnership Agreements for development in the ACP countries

*2902nd GENERAL AFFAIRS Council meeting
Brussels, 10 November 2008*

The Council adopted the following conclusions:

"Regional integration for development

1. The Council emphasises the crucial importance of regional integration for peace, stability and development, as a process intended to overcome by common accord the political, physical, economic and social barriers which separate countries from their neighbours, and to cooperate in managing shared resources and regional common commodities.
2. The Council congratulates the ACP countries on their efforts to strengthen regional integration and to extend the spheres covered by regional cooperation. With this in mind the EU respects and supports its partners' choices as to the aims, arrangements, rhythm and priorities for their own regional integration processes. The Council would point out that the EU, from its own experience, has long been a supporter of regional initiatives throughout the world, including in the ACP countries, in accordance with the underlying principles of the Cotonou Partnership: ownership, dialogue and sustainable development.

P R E S S

3. The Council welcomes the Commission Communication on regional integration for development in ACP countries and endorses the five priorities advocated to enhance regional integration in the ACP countries (*Strengthening regional institutions, building regional integrated markets, supporting business development, connecting regional infrastructure networks and developing regional policies for sustainable development*) and the proposals for European instruments in support of those processes: political dialogue, development cooperation and trade policy. The priorities for European support for regional integration will need to be tailored to the priorities identified with each region.
4. The Council would emphasise that, on the biggest and most harmonised markets, the free movement of goods, services, capital and people permits economies of scale, stimulates investment and boosts economic growth and South-South trade. But, in the light of past experience, policies of this kind yield the best results when combined, supported and generally backed up with the simultaneous implementation of sectoral policies agreed at national and regional level aimed at increasing productive capacity, improving the competitiveness of the ACP economies and promoting sustainable social and environmental development in partner countries and regions.
5. The Council would stress the importance of greater ownership of integration by the ACP and calls on the Commission and the Member States to intensify dialogue with the ACP countries on this topic. In this connection, the Council would point out that the success of the regional integration process also requires national public institutions to be strengthened and involved more in a climate of democratic governance. It also means that the private sector and civil society have to be involved. The Council notes that ownership also assumes there to be obligations on our ACP partners and in this connection it acknowledges the efforts made by our ACP partners with a view to rationalising the process of regional integration.

EPAs as instruments for strengthening regional integration

6. The Council reiterates its faith in economic partnership agreements (EPAs), which are intended to assist the development of ACP countries and are a key element, in the context of the ACP-EC partnership, in strengthening regional integration. In that connection the Council would emphasise that EPAs must be based on existing regional integration processes, which they must encourage and support. The Council reaffirms its desire to see the completion of the ongoing process for the negotiation of comprehensive regional APes. In this connection the Council welcomes the signing of the first EPA, on 15 October in Barbados, with the CARIFORUM countries and hopes the all the CARIFORUM countries will choose to become parties to that Agreement. The Council again stresses that EPAs must be seen as development instruments which, in accordance with WTO rules, are supposed to see the ACP countries better integrated into the world economy.

7. The Council would point out that the interim agreements initialled in 2007 made it possible to forestall the risk of disruption to trade after the expiry of the Cotonou trade arrangements by improving ACP access to the EU market through duty-free and quota-free access, and more favourable rules of origin. The Council emphasises that it is now necessary to sign these interim agreements as soon as possible. Furthermore, the Council is convinced that the main objective is still the conclusion of an EPA with comprehensive regional coverage and a broad scope, in agreement with our ACP partners and taking due account of their political choices, their development priorities and their administrative capacities, in order to fully liberate their development potential and strengthen regional integration and the integration of the ACP States into the world economy. The Council encourages the Commission to continue to negotiate rules of origin in the EPAs which reflect the development needs of the ACP States and regions, promote regional integration in and between ACP regions and ensure the overall consistency of the different preferential systems.
8. The negotiation of EPAs is taking place in a difficult international economic and financial environment. In the fraught context of food products, which affects a large number of ACP countries, the Council would reiterate and fully uphold its conclusions of 27 May 2008 as regards taking account of food security in the ACP countries, and wants particular attention to be paid to strengthening the productive capacity and competitiveness of the agriculture and agri-foodstuffs sectors of the ACP countries, and in particular the LDCs. The Council also points out that Article 35(3) of the ACP-EC Partnership Agreement, on economic and trade cooperation, makes provision for maintaining special treatment for LDCs. While keeping to the limits of WTO rules, particular attention should be paid to the question of specific treatment for food products from the ACP countries.
9. The Council welcomes the adoption by the EU-ACP Council of Ministers of conclusions concerning EPAs which emphasise that they should contribute to sustainable development, food security and the reduction of poverty. To that end, the Council reaffirms its conclusions of 27 May 2008 and recalls the opportunities offered by WTO law, including in terms of asymmetry, timetabling and the adjustments of safeguard measures. It calls for this flexibility to be fully exploited in the negotiations, if that were needed and deemed appropriate, while guaranteeing adequate progress, to take account of the different needs and levels of development of ACP countries and regions, including when it is a question of moving from interim agreements to regional EPAs in the interest of regional integration.
10. The Council underlines the importance of maintaining a close dialogue on all issues linked to the Economic Partnership Agreements by involving all the parties concerned.

"Aid for trade regional packages" focused on the needs of the ACP

11. The Council would point out the cross-cutting character of the regional integration objective and the importance of taking this into account in EU support measures at national level, including in the strategy documents and the national indicative programmes of the 10th European Development Fund (EDF).

12. The Council reaffirms its earlier conclusions and the EU Aid for Trade Strategy adopted on 15 October 2007. The Council underlines the importance of aid for trade, and in particular the aid for trade regional packages, for supporting ACP regional integration and providing a concerted and coherent response to the needs of those countries.
 13. Following on directly from the Paris Declaration on Aid Effectiveness, and respecting the principles of complementarity, division of labour and ownership, the Council hopes that the dialogue already begun between ACP regions, the European Commission and the Member States will be stepped up in the first half of 2009 in order to prepare the aid for trade regional packages including the needs resulting from the implementation of the EPAs.
 14. In this connection the Council welcomes the imminent adoption of the regional indicative programmes of the 10th EDF and the fact that they devote nearly 75 % of their allocations to support for regional economic integration. The Council points out that those programmes will form a central element of regional packages and of the accompaniment component of the EPAs, but that they should still be coordinated with aid for trade from the Member States and other donors, in particular in the partner countries, in order to better meet the needs expressed by the ACP countries.
 15. Therefore, in accordance with the European Code of Conduct on Complementarity and Division of Labour in Development Policy, the Council calls on the Commission and the Member States to present, if possible in the first quarter of 2009, the overall framework for their initiatives and to organise as soon as possible the concertation required for a collective and coherent response to the ACP countries' formal requests on the ground. With that in mind, the Council calls on the Commission and the Member States, in cooperation with the other donors, to adopt jointly with the ACP countries a precise agenda including exercises at both national and regional level, particularly within the Task Forces for Regional Preparation, on the basis of national and regional development plans and strategies."
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