



**COUNCIL OF
THE EUROPEAN UNION**



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Main results of the ACP-EC Joint Council of Ministers

The ACP-EC Council of Ministers, meeting in Papua New Guinea on 1-2 June 2006, concluded a major agreement on financing the Cotonou Partnership Agreement from 2008 to 2013 with a financial package of over EUR 24 billion. This package is known as the 10th European Development Fund (EDF). The amount agreed represents an increase of about 35% on the 9th EDF that draws to an end in December 2007.

The Partnership Agreement required that this decision be taken by common agreement between the ACP and EU sides. The EU side of the joint Council approached this agreement in the light of an up-dated view of development policy that was agreed between the Council, Commission and European Parliament at the end of 2005. This “European Consensus” underlines the role of peace and security as well as good governance, as preconditions for development.

P R E S S

The spending on the funds is based on development programmes agreed with the countries and regions concerned. The European Commission agrees a “Country Strategy Programme” with each of the beneficiary countries. Aid is allocated on the basis of objective criteria that chiefly take account of needs and past performance. An increased share of the budget will be devoted to regional programmes, underlining the importance of regional economic integration as the basic framework for national and local development.

An innovation in the 10th EDF will be the creation of “incentive amounts” for each country. Countries can earn these extra resources by improving governance, for which an agenda will be agreed between the European Commission and each individual country.

In reaching the financing agreement, the joint Council took note of the impact of the Economic Partnership Agreements (EPAs) on the ACP states. It was noted that these are important instruments for development and that they require preparation and adjustments at national and regional level. It was also noted that this is being taken into account in the final phase of the 9th EDF and in the programming for the 10th EDF. EUR 1,4 billion is already earmarked for regional integration in the 10th EDF and this could be topped up in 2010, by a decision of the Council, with unused funds from the 9th EDF.

(Note: The Cotonou Agreement (like its predecessor agreements) provides for non-reciprocal trade preferences for ACP exports to the EU. These arrangements are not compatible with WTO rules, so they must be changed before January 2008. The European Commission is negotiating EPAs with the different ACP regions in order to integrate the countries and regions concerned into the global economic and trading system.)

The joint Council also

- held a debate on migration and development, reflecting the importance of development policy in managing trends in migration for the benefit of both regions of origin and destination
- adopted statements on the recent earthquake in Indonesia and the unrest in Timor Leste.