



[CHECK AGAINST DELIVERY]

STATEMENT BY
HON. ALVA BAPTISTE, MINISTER OF MINISTER FOR FOREIGN AFFAIRS,
INTERNATIONAL TRADE AND CIVIL AVIATION (SAINT LUCIA)
PRESIDENT-IN-OFFICE OF THE ACP COUNCIL OF MINISTERS
At the
23RD SESSION OF THE ACP-EU JOINT PARLIAMENTARY ASSEMBLY
WEDNESDAY, 30 MAY 2012
FORUM HORSENS, DENMARK

STATEMENT BY HON. ALVA BAPTISTE, MINISTER OF EXTERNAL AFFAIRS, INTERNATIONAL TRADE AND CIVIL AVIATION (ST. LUCIA) PRESIDENT-IN-OFFICE OF THE ACP COUNCIL OF MINISTERS

Hon. Musikari Kombo, Co-President,

Hon. Louis Michel, Co-President,

Hon. Christian Friis Bach, President-in-Office of the EU Council,

Members of the JPA,

Distinguished Representatives of International Organisations present,

Ladies and Gentlemen,

I thank you for giving me this opportunity to make a statement at this Session of the JPA on behalf of the ACP Council of Ministers. I would also like to thank the Danish Government for their warm hospitality since my arrival here in Horsens. May I also take this opportunity to express my appreciation of the honour done to my country, St. Lucia, by being given the opportunity to take up this important office of President-in-Office of the ACP Council of Ministers.

I am privileged to join the long line of distinguished Ministers from various countries of the ACP Group who have gladly honoured the Treaty obligation of the Cotonou Agreement to appear before this Assembly.

I am particularly pleased that we are in Denmark, a country that has made tremendous was the 13th highest in 2009. Denmark has the world's lowest level of income and one of the highest standards of living in the world. But what is even more remarkable is that the Danes have demonstrated a high degree of international solidarity with the world's less developed countries. It is one of the few countries in the world, that has met and exceeded the 0.7 percent of GDP as contribution to development assistance, where its level, as we were told by the Prime Minister yesterday, is 0.86 % of GDP.

The country has therefore sought to share its experiences and financial resources with third world countries. We appreciate the pragmatism of the Danes on this approach and I would like to place on record the sincere appreciation of all the Governments and peoples of the developing countries gathered here to the Danish Government and its people.

Allow me at the outset to commend this Assembly's commitment to addressing development issues that expand social, political and economic opportunities and uphold the dignity of all our citizens. I have great respect and admiration for this important exercise that you undertake twice a year to discuss issues of mutual interest in a Parliamentary Assembly bringing together representatives from some of the richest as well poorest nations on earth.

I think that in this sense, the ACP-EU Partnership Agreement is unique in giving an opportunity to beneficiaries and donors of development aid to discuss priorities and programmes of intervention together as partners.

The world's major economies, including the U.S. and those in Europe are dealing with unprecedented debt problems, the financial markets are in a state of constant flux, painful austerity programs are under implementation everywhere, with so much resistance from the populace that it is causing political instability and uncertainty. We have also seen that prices of basic necessities such as food and energy are constantly rising.

Unfortunately, when crises happen, it is the poor, the jobless, women and children, particularly in developing countries, who feel most of the pain. These problems have demonstrated how interdependent our needs, fears and ambitions are and indeed how coordinated our solutions need to be.

Co-Presidents,

Hon. Members,

The ACP Group is therefore concerned at the deterioration of the food crisis and security situation in the Sahelo-Saharan region of Africa. The worsening insecurity and instability in the region, a direct consequence of the Libyan conflict, has dangerously undermined development efforts in the region.

These developments are taking place in what was already an extremely precarious food insecure region with some 10 million people, including one million children affected in the Sahel area. The member countries of the Permanent Inter-State Committee for Drought Control in the Sahelian Zone (ICDCS) has made an urgent appeal to the international community, and to the ACP Group and the EU, in particular, to enable it to invest in the search for a sustainable solution to this crisis which has now become a recurrent phenomenon.

**Co-Presidents,
Hon. Members,**

Some of the food insecurity in ACP Regions is directly linked to conflicts and political instability. We are cognisant of how this played out for instance, in the famine in Somalia. We therefore need to find ways of not only reacting to conflicts when they happen, but also to build capacity in our Member States and Regions to prevent them. Although the international community has worked hard to create and strengthen multilateral mechanisms to intervene in conflict situations, it must be acknowledged that little attention has been given to the effective mobilisation and use of existing human resources at the national and regional levels in preventing and managing conflicts, as well as in post-conflict reconstruction and rehabilitation.

It was this observation that is behind the United Nations' Initiative to build civilian capacity to complement multilateral mechanisms, with the specific intention of intervening in post-conflict periods to assess the needs of the countries concerned in terms of the rehabilitation and restoration of infrastructure and national institutions. Meeting these needs would depend primarily on capacities that can be mobilised, firstly at the national level, and then at the regional level, before seeking international assistance. This is the reason that we support the capacities emerging from conflict.

This Initiative is of great significance to the ACP Group, which has a large number of Member States in situations of conflict, post-conflict or political transition or are fragile states, and for this reason we are looking to study possible areas of cooperation with the UN on this Initiative.

**Co-Presidents,
Hon. Members,**

The ACP Group of States like the rest of the world, is equally faced with difficult policy choices, and to this end, we are committed to utilizing the partnership enshrined in the Cotonou Agreement to address some of these problems that confront us and the World. Together with our European Counterparts, we shall have an opportunity to discuss a number of ACP-EU development cooperation issues at the ACP-EU Joint Council of Ministers scheduled to be held in Vanuatu next month.

Allow me therefore to take a few moments to give the ACP Group's perspectives on some of the current issues that impact on ACP-EU relations, beginning with the EU's communication on *Increasing the Impact of EU Development Policy, an Agenda for Change*.

Co-President,
Hon. Members,

The ACP Group of States also acknowledges that in these changed economic and political circumstances in the world, our principal development partner, the EU should want to rethink its approach to development policy. We have therefore been paying close attention to the European Union Communication on the Agenda for Change because we consider it to be an important new perspective on EU development policy. The key sectors emphasized – energy and infrastructure development, human rights and democracy, boosting wealth creation, combating climate change -- conform to the key development priorities of our member States.

The *Agenda for Change* is particularly important to the ACP Group at a time when in-depth reflection is underway regarding the post-10th EDF period and the future of our relations with Europe. However, there are a number of concerns about the communication which we shall be communicating to our counterparts during the Joint ACP-EU Council of Ministers Meeting in Vanuatu.

For instance, the principle of differentiation introduced in the *Agenda for Change* is of great concern to the ACP Group, especially in regard to the inclusion of the element of graduation, linked to a differentiated approach in respect of access to resources. It is particularly troubling that the EU should base its measurement of development on income per capita, a crude average which does not capture the vulnerabilities and deep seated intrinsic development challenges, which continue to constrain the sustainable development of some categories of developing countries such as the Small Island Developing Countries.

This principle will therefore place those developing countries in competition with countries that are still heavily dependent on development assistance to the detriment of both. The implication is that grant-aid will no longer be included in EU cooperation agreements with the more advanced developing countries.

For some countries, this approach could lead to the reduction, or even removal of grants, and this is premised on the expectation that they will instead be replaced by other support measures, including loans, the mobilisation of domestic resources and trilateral cooperation support.

Co-Presidents,

We are also concerned that the Agenda for Change does target interventions in the health and education sectors, which are key factors in poverty reduction efforts, and which are part of the MDGs. Another area of concern is the lack of mention of the contribution of culture to development.

The Joint UNCTAD and UNDP 2010 Report on the Creative Economy, which is the other term for the cultural industry, stated that trade in creative goods and services has remained robust despite a decline in global commerce as the result of the world financial crisis, reflecting the potential of the creative economy to boost economic growth particularly in the developing countries.

The South's exports of creative goods to the world reached \$176 billion in 2008, accounting for 43 per cent of total creative industries trade with an annual growth rate of 13.5 per cent during the 2002- 2008 period. The Report states that this is a confirmation that the creative industries hold great potential for developing countries that seek to diversify their economies and leapfrog into one of the most dynamic sectors of the world economy. In the part of the ACP region where I come from, the cultural industry is inextricably linked to tourism, an important part of our economies.

The right mix of public policies and strategic choices are therefore essential if the potential of the creative economy for economic development is to be achieved.

This is why we wish to submit that culture should be an integral part of any dynamic to development, such as that posited in the Agenda for Change.

Co-Presidents,

But over and above the principles and new direction being proposed, it will be important to maintain the momentum of the programmes and projects in our various countries on which we have already agreed. Further, we need to see a change in procedures and speed of aid delivery. The overarching objective in all this must be to ensure that there is local ownership of development assistance programmes and projects.

We would like to support policies and efforts that promote availability of development finance for development purposes as well as faster economic growth to deal with the big problem of widespread poverty. In our determination to increase access to reasonable quality and quantity of food to eradicate hunger, we are of the view that enhanced food security should always be part of the ACP-EU engagement. We would also like to see the development of value chains in the commodities sector as this is central in poverty eradication and access to technology.

All these processes must be geared towards promoting coherence among a multitude of donor actions as well as emphasizing local ownership. Climate change issues must be integrated in everything we do in order to ensure sustainable development, mitigation and prevention of environmental catastrophes. Above all, we are committed to ensuring that the EPA and Doha negotiations are in sync with our development aspirations and ultimately, they must contribute to the attainment of the Millennium Development Goals (MDGs).

Co-Presidents,

Hon. Members,

It is now widely acknowledged that we cannot separate poverty reduction from the concept of sustainable development. A recent WWF report stated that humans currently use 1.5 Earths, suggesting that the world would need 50 percent more ecological capacity for current consumption patterns to be sustainable. The United Nations Conference on Sustainable Development which will be held in Rio de Janeiro, Brazil from June 20 to 22 2012 will therefore be an opportunity for the international community to review the progress which has been made with the implementation of The Rio Declaration on Environment and Development adopted in the same city of Rio in 1992.

Many developing countries, and in particular ACP Member States, have mainstreamed environmental concerns into their national development plans and ratified a number of Multilateral Environmental Agreements (MEAs). However, there are significant gaps which still remain with respect to implementation. Gaps which have been exacerbated by the global economic and financial crises, volatile energy and food prices, new and emerging challenges, including climate change, loss of biodiversity, desertification and natural disasters.

Therefore the ACP Group has been actively preparing for Rio in order to ensure that the concerns of the ACP Member States are taken into consideration in the outcomes of the Conference.

**Co-Presidents,
Hon. Members,**

It is the position of the ACP Member States that the Environmental Institutional Framework can be improved through the transformation of the United Nations Environmental Programme (UNEP), into an international specialized institution for the environment and locating this Institution in a developing country can further enhance its effectiveness and efficiency.

Collaborating and working together is key towards achieving an ambitious outcome at Rio. The ACP Group is therefore willing to work on a joint Statement with the EU for the Conference, and we shall put this proposal to our partners at the Joint ACP-EU Council of Ministers in Vanuatu.

Additionally, the ACP Secretariat is collaborating with the *Organisation Internationale de la Francophonie* (OIF), to host a side event on the theme “South-South Cooperation: Innovative Solutions to achieve Sustainable Development Goals”. This will feature a number of high level officials and experts to speak on the theme, and the outcomes of this event will contribute to the comprehensive outcome we expect in Rio.

**Co-Presidents,
Hon. Members,**

The ACP Group has also been following up on a number of discussions on pertinent matters relating to development cooperation, trade and commodities in the framework of the Cotonou Agreement.

In terms of development cooperation, the European Commission recently presented its study on the 10th EDF performance review. It was noted that the EU has improved its performance in development cooperation, modernised its partnership and financial instruments, putting in place mechanisms to support policy coherence and advocating shared policy approaches with member states. By the end of 2010, approximately 50% of the 10th EDF had been committed.

The target of committing the entire 10th EDF by the end of 2013 remains within reach. The level of payments also shows an upward trend approaching that of commitments. However, it was also acknowledged that better results are attainable if more emphasis is placed on developing human, institutional, local and regional resources and utilising international cooperation in research and development to accomplish the MDGs.

With regard to the commodities sector, one of the concerns we have had for some time now relates to the Banana Accompanying Measures. Let me state from the outset that I am appreciative of the responses of Commissioner De Gucht on Monday to questions on these Measures. The ACP Group remains concerned by the delays and short time frame for implementation and we have contacted the European Commission and requested greater involvement in the work undertaken in the interest of further facilitating the process.

Apart from the Banana Accompanying Measures, the ACP countries are also concerned at developments in the international banana market, strongly influenced by access to the market within the framework of the free trade agreements that the EU has offered to third parties. The ACP Working Group on Bananas will submit a report to the ministerial consultations scheduled in the margins of the upcoming Council Session.

With regard to Sanitary and Phytosanitary Measures, ACP countries have had to react to new threats posed by decisions envisaged by the European Commission, to establish a new, extremely low limit for cadmium residue in certain cocoa and chocolate products.

The ACP Group has requested the European Commission to engage in more extensive consultations before taking a decision and above all, that such a decision be founded on more reliable data and a more sound scientific approach. ACP countries fear that such a decision

would create a new, unjustified barrier to the trade of cocoa products and affect production in the countries concerned.

On the Kava issue, ACP countries again voiced their concerns about the *de facto* ban imposed on the import of certain kava products into the European Union. Although this action was initiated by certain European Union Member States, the ACP Group believes that the European Commission possesses the authority to address the issue, given the repercussions on trade. The Group drew particular attention to the fact that the import ban was no longer based on the alleged toxicity of kava products but on a supposed lack of effectiveness.

In their discussions with the European Commission, ACP countries reiterated the important decisions adopted by the high-level meeting held in Port Vila from 11 to 15 March 2012, which led to the adoption of a roadmap for the sustainable development sector of the Pacific ACP countries concerned.

**Co-Presidents,
Hon. Members,**

Allow me to take the next few moments to briefly address the issue of EPA negotiations. The ACP position on the EPA process was eloquently articulated by ACP Ministers at the Joint Ministerial Trade Committee (JMTC) meeting of 12 December last year. At that meeting, the ACP requested the Commission to kindly withdraw the proposed amendment to Market Access Regulation 1528/2007. That position has not changed.

The ACP Group is and will continue to pursue this matter with the various EU Institutions and the Member States. On behalf of the ACP Group, I would like to thank the EU Missions that responded to our correspondence, and in this regard, I would like to single out the Permanent representations of Austria, Cyprus, Denmark, Germany and France for their courteous response.

Co-Presidents,

As you are well aware, there are other global developments that are influencing how to move forward on the EPA process at WTO level. The Doha Round, which the ACP had hoped would modify the provisions of the regional trade agreements, and inject special and differential treatment to enable developing regions to conclude FTAs with developed regions has, for all practical purposes, failed.

The ACP would have concluded EPAs as regions and thereby contributed to enhancing regional integration particularly in Africa. The situation today is that most LDCs have serious reservations about the EPA process and have resorted to signing interim EPAs.

Co-Presidents,

Except for the Caribbean, those interim EPAs have turned out to be bilateral arrangements with individual ACP States. In the Eastern and Southern Africa region, for example, the schedules of trade liberalizations commitments differ among the four ACP States that have signed and therefore EPAs are having an impact on the progress on regional integration.

Linked to this is the fact that ACP regions, particularly in Africa, are in the process of building their Free Trade Agreements (FTA) and Customs Unions, which are necessary before concluding the same with third parties.

The Tripartite FTA bringing together COMESA, SADC and EAC is expected to act as a building block for the continental FTA that has been proposed by the Africa Union Summit.

Hon. Co-Presidents,

Hon. President-in-Office of the EU Council,

Members of the JPA,

Ladies and Gentlemen

These are just some of the issues on which I wanted to bring to your attention, among others. I thank you for your kind attention and wish your success in your deliberations.
