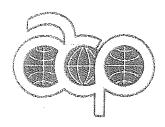
Groupe des Etats d'Afrique des Caraïbes et du Pacifique (Groupe ACP)



African, Caribbean and Pacific Group of States (ACP Group)

ACP/25/006/12/mgf [Final Version] &5 Port Vila, 13th June 2012

REFERENCE

# DECISIONS AND RESOLUTIONS OF THE 95TH SESSION OF THE ACP COUNCIL OF MINISTERS HELD IN PORT VILA (VANUATU) FROM 10 TO 15 JUNE 2012

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# DECISION No.1/XCV/12 REV.1 OF THE 95<sup>TH</sup> SESSION OF THE ACP COUNCIL OF MINISTERS HELD IN PORT VILA, VANUATU, FROM 10 TO 15 JUNE 2012

## ON UNITED NATIONS CONFERENCE ON SUSTAINABLE DEVELOPMENT (RIO+20)

- Meeting in Port Vila, Vanuatu, from 10 to 15 June 2012,
- **A. RECALLING** the United Nations Resolution 64/236 calling for the convening of the United Nations Conference on Sustainable Development, otherwise referred to as Rio+20, to be held in Rio de Janeiro, Brazil on 20 22 June 2012;
- B. ACKNOWLEDGING the relevance of the principles contained in the Río Declaration on Environment and Development; Agenda 21; the Johannesburg Declaration on Sustainable Development and the Plan of Implementation of the World Summit on Sustainable Development (WSSD); the Barbados Programme of Action (BPOA) for Sustainable Development of Small Island Developing States, and the Mauritius Strategy for further Implementation (MSI) of the Programme of Action for the Sustainable Development of Small Island Developing States;
- C. NOTING that many ACP countries have made progress in achieving sustainable development however, in spite of this progress, significant gaps still remain in implementation;
- D. RECOGNIZING the special environmental and developmental challenges facing all ACP States particularly, Small Island Developing States (SIDS), Least Developed Countries (LDCs) and Landlocked ACP States, in achieving sustainable development;
- **E. REAFFIRMING** our strong support to regional integration and inter-regional cooperation as a resilience building measure among ACP Member States;
- **F. EMPHASIZING** that achieving sustainable development requires the support of all relevant stakeholders;
- G. FURTHER ACKNOWLEDGING the Africa Consensus Statement to Rio+20 and the Barbados Declaration on Achieving Sustainable Energy for All in Small Island Developing States (SIDS);

- H. FURTHER RECALLING the ACP-EU Joint Parliamentary Assembly Resolution on Climate Change [ACP-EU/100.613/09/fin] calling for the upgrading of the United Nations Environment Programme (UNEP) into a fully-fledged World Environment Organization to be based in Nairobi (Kenya), enhanced with adequate capacity to address the severity of the environmental catastrophe and related challenges in the world;
- I. **FURTHER NOTING** the preparatory work undertaken by the Committee of Ambassadors to ensure that the main concerns of its Member States are taken fully into account in the outcomes of the Rio+20 Conference.

#### HEREBY DECIDES TO:

- Endorse the ACP position paper on the United Nations Conference on Sustainable Development (Rio + 20) which calls for the strengthening of the environment dimension of the institutional Framework, through the transformation of UNEP, into an international specialized institution for the environment, based in Nairobi (Kenya), to focus, inter alia, the implementation of the outcomes of the RIO+20 Conference as well as Agenda 21, the JPOI, the BPOA and the MSI;
- 2. Request the Secretary General to deliver a statement at the RIO+20 Conference on behalf of the ACP Group;
- 3. Support fully the principle of an ACP-EU Council of Ministers Joint Declaration on the United Nations Conference on Sustainable Development (Rio+20); and
- 4. Call on the ACP Secretariat to strengthen its collaboration with all relevant partners to ensure that the issues of sustainable development continue to be addressed in the ACP Member States. **KS**

Done in Port Vila on 13 June 2012

Hon. Minister Alva Baptiste

Minister for External Affairs, International Trade and Civil Aviation of Saint Lucia

and President of the ACP Council of Ministers

#### **DECISION No.2/XCV/12**

### OF THE 95<sup>TH</sup> SESSION OF THE ACP COUNCIL OF MINISTERS HELD IN PORT VILA, VANUATU, FROM 10 TO 15 JUNE 2012

THE REQUEST BY THE REPUBLIC OF SOUTH SUDAN TO ACCEDE TO THE PARTNERSHIP AGREEMENT BETWEEN THE MEMBERS OF THE AFRICAN, CARIBBEAN AND PACIFIC GROUP OF STATES AND THE EUROPEAN COMMUNITY AND ITS MEMBER STATES

#### The ACP Council of Ministers.

Meeting in Port Vila, Vanuatu, from 10 to 15 June 2012,

**HAVING REGARD** to Article 28 of the Georgetown Agreement as amended by Decision No. 1/LXXVIII/03 of the 78<sup>th</sup> Session of the Council of Ministers, Brussels, 27 and 28 November 2003 which empowers the Council of Ministers to take a decision to admit a State as a member of the ACP Group by virtue of its location within the geographical regions of the ACP Group and/or if it accedes to the ACP-EC Partnership Agreement currently in force;

**AND** to Article 29 of the said Agreement under which the Council of Ministers may grant Observer Status in the ACP Group on the recommendation of the Committee of the Ambassadors;

#### WHEREAS:

- 1. The Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States of the other part, signed in Cotonou on 23 June 2000, as first amended in Luxembourg on 25 June 2005 (hereinafter "the Cotonou Agreement") and entered into force on 1<sup>st</sup> July 2008 in accordance with Article 93 (3) thereof, the Cotonou Agreement was amended for the second time in Ouagadougou on 22 June 2010, the second amendment to the Cotonou Agreement is provisionally applied since 31 October 2010;
- 2. On 20 March 2012, the Republic of South Sudan formally requested the President of the ACP-EU Council for formal accession to the Cotonou Agreement in accordance with Article 94 of the Agreement and to be granted Observer Status in the interim enabling it to participate in the joint institutions set up by the Cotonou Agreement until the accession procedure is completed;
- 3. The Joint ACP-EU Committee of Ambassadors at its meeting in May 2012 in Brussels decided that approval of South Sudan's request be adopted at the ACP-EU Council of Ministers at its meeting in Vanuatu in June 2012;
- 4. Pending accession, the ACP Council of Ministers is requested to take a decision to grant South Sudan Observer Status; **\$\mathcal{K5}**

**RECALLING** the objectives of ACP Group for unity and solidarity;

#### **DECIDES THAT:**

- 1. The position of the ACP Council of Ministers within the ACP-EU Council of Ministers on the requests by the Republic of South Sudan for accession to the Cotonou Agreement and for observer status in the joint institutions pending accession is:
  - i) To accept the requests;
  - ii) To approve the draft decision of the ACP-EU Council of Ministers contained in document ACP/21/.../12 - ACP-EU 2114/12.
- 2. The Republic of South Sudan be granted Observer Status in the ACP Group. 🚜 5

Done in Port Vila on 13 June 2012

Hon. Minister Alva Baptiste Minister for External Affairs, International Trade and Civil Aviation of Saint Lucia and President of the ACP Council of Ministers

## DECISION No.3/XCV/12 OF THE 95<sup>TH</sup> SESSION OF THE ACP COUNCIL OF MINISTERS HELD IN PORT VILA, VANUATU, FROM 10 TO 15 JUNE 2012

#### GENEVA OFFICE GENERAL SERVICE CATEGORY SALARY SCALES

#### The ACP Council of Ministers,

Meeting in Port Vila, Vanuatu, from 10 to 15 June 2012,

**HAVING REGARD** to Council's **Decision No. 4/XCIV/11** of the December 2011 Council of Ministers, which gave a mandate to the Committee of Ambassadors to develop a timetable, in collaboration with the ACP Secretariat, for the phasing in of the new job classification and salary scales over a period of three years, commencing no later than 2013;

#### **HEREBY DECIDES:**

1. That the salary scales of the general services category staff members in the Geneva Office should be denominated in Swiss Francs and be no more than 10% lower than their comparators in the United Nations system in Geneva, with effect from 1 July 2012.

Done in Port Vila on 13 June 2012

Hon. Minister Alva Baptiste

Minister for External Affairs, International Trade and Civil Aviation of Saint Lucia and President of the ACP Council of Ministers

#### DECISION No.4/XCV/12 OF THE 95<sup>TH</sup> SESSION OF THE ACP COUNCIL OF MINISTERS HELD IN PORT-VILA, VANUATU, FROM 10 TO 15 JUNE 2012

#### REVISION OF THE SCALE OF CONTRIBUTIONS

#### The ACP Council of Ministers,

- Meeting in Port-Vila, Vanuatu, from 10 to 15 June 2012,

**HAVING REGARD** to Council's Decision No. 3/XC/09 of the 90<sup>th</sup> session of the Council of Ministers;

#### **HEREBY DECIDES:**

- 1. That the scale of contributions of the ACP Group member states to the budget of the ACP Secretariat, should be revised every 5 years;
- 2. That the next scale of contributions shall be determined for the period 2015 to 2019.

Done in Port-Vila on 13 June 2012

Hon. Minister Alva Baptiste

Minister for External Affairs, International Trade and Civil Aviation of Saint Lucia and President of the ACP Council of Ministers

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# RESOLUTION OF THE 95<sup>TH</sup> SESSION OF THE ACP COUNCIL OF MINISTERS HELD IN PORT VILA (VANUATU) FROM 10 TO 15 JUNE 2012

#### **BANANAS**

- Meeting in Port Vila (Vanuatu), from 10 to 15 June 2012,
  - **A. HAVING REGARD** to the Resolution on Bananas adopted by the 94th Session of the ACP Council of Ministers held in Brussels (Belgium), from 7 to 9 December 2011;
  - **B. HAVING REGARD** to the Geneva Agreement on Trade in Bananas between the European Union (EU) and certain Latin American countries, as well as the United States of America, concluded in Geneva on 15 December 2009;
  - C. HAVING REGARD to the regulation of the European Parliament and Council establishing the Banana Accompanying Measures (BAM), adopted on 13 December 2011, confirming the allocation of €190 million to implement these measures;
  - **D. DEEPLY CONCERNED** that the BAM resource commitment, which was initially expected to be spread over four-year period (2010-2013), must now take place over a two-year period (2012-2013), and that this reduced timeframe will increase the risk of poor absorption by the countries concerned;
  - **E. RECALLING** that the financial capacity of the ACP actors in the sector has been significantly reduced due to critical investments that had to be made following the decline in the competitiveness of the banana sector in the ACP countries in the wake of EU trade commitments to banana-exporting third countries and the delays experienced in the provision of the BAM;
  - **F. CONCERNED** at the European Commission's remarks that imply that there will be no additional sectoral support when the BAM have ended;
  - G. RECALLING that the last paragraph of Article 1, line 2, of the Regulation (EU) No.1341/2011 of the European Parliament and Council which established the BAM provides that "the BAM programme and the progress made by the countries concerned shall be the subject of an assessment, which shall include recommendations on any measures to be taken and the nature thereof"; and that this rendez-vous clause echoes the idea contained in the European Commission's letter of 15 December 2009 to the Minister/ACP Spokesman for Bananas in the framework of the arrangements for the conclusion of the Geneva Agreement on Trade in Bananas of December 2009, and formalised in the revised Cotonou Agreement of 2010, for all aid programmes set up to address the problem of preferences erosion;

- H. UNDERSCORING the need to ensure that the resources allocated to the BAM are not forfeited, in the event that certain countries encounter delays in finalising their multiannual Support Programme;
- CONCERNED by the lack of information from the European Commission on the implementation process for the banana accompanying measures, particularly with regard to representatives in Brussels;
- J. ALSO CONCERNED at the continued multiplication of trade agreements proposed by the European Commission with rival countries or regions of the ACP countries in the export of bananas and particularly by the proposal to set exceedingly high import volume ceilings for Central American countries and Andean States, which would nullify the performance of the safeguard system envisaged in the trade agreements between these countries and the European Union.

#### 1. Calls on the European Union:

- To adopt a more inclusive approach in the sharing of information on the implementation of the BAM;
- ii. **Not to demand** any co-financing from the beneficiaries of the banana accompanying measures;
- iii. **To refrain from adopting** a definitive position on future support for the ACP banana sector, before the outcome of the implementation of the BAM is known.
- 2. **Encourages** the European Commission to demonstrate flexibility in the implementation of the BAM so as to facilitate the maximum disbursement of the allocated resources and to ensure that all the resources are used collectively and not forfeited:
- 3. **Calls on** the ACP States concerned to intensify their efforts for the timely completion of their National Adaptation Strategies and to quickly reach agreement with the European Union on a Multiannual Support Strategy to enable the swift disbursement of resources;
- 4. Reiterates to the European Union the need to ensure that the policy coherence to which it refers in the Cotonou Partnership Agreement and in the Treaty on the Functioning of the EU is respected, particularly in the negotiation of trade agreements with territories that are competing with the ACP countries in the export of bananas; K5

- 5. **Invites** the EU institutions, in that regard, to ensure that sufficiently long adjustment periods are granted to ACP countries, prior to the entry into force of any new agreement that could lead to further erosion of the benefits offered by the current trade regime under which ACP bananas are imported into the EU;
- 6. Reiterates the need for a review of the situation in the banana sector in the ACP countries, given the new risks to competitiveness as represented by the additional trade benefits proposed by the EC to rival Third States of ACP banana-producing countries.
- 7. **Instructs** the President of the Council of Ministers to forward the present resolution to the Council of the European Union, the European Parliament, EU Member States, the European Commission and the European Union Delegations in the banana-producing countries concerned and to the WTO Director-General. **\*\*S**

Port Vila, 13 June 2012

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# RESOLUTION OF THE 95th SESSION OF THE ACP COUNCIL OF MINISTERS HELD IN PORT-VILA (VANUATU) FROM 10th TO 15th JUNE 2012

#### **SUGAR**

- Meeting in Port-Vila, (Vanuatu), from 10<sup>th</sup> to 15<sup>th</sup> June 2012,
- A. HAVING REGARD to the Resolution on Sugar adopted by the 94th session of the ACP Council of Ministers held in Brussels (Belgium), from 7th to 9th December 2011;
- B. HAVING REGARD to the European Commission's (EC) Regulation No.828/2009, which regulates the import of sugar into the European Union (EU) from the ACP States and other Least Developed Country (LDC) suppliers, with effect from 01 October 2009;
- C. HAVING REGARD to the legislative proposals for the post-2013 Common Agricultural Policy (CAP) released by the European Commission on 12 October 2011;
- D. HAVING REGARD to Article 12 of the ACP-EC Partnership Agreement (the Cotonou Agreement), on the Coherence of Community policies and their impact on the implementation of the Agreement, which states the Parties' commitment to addressing policy coherence for development in a targeted, strategic and partnership-oriented way, including strengthening dialogue on issues of policy coherence for development, and by which the European Union acknowledges that Union policies other than development policy can support the development priorities of ACP States in line with the objectives of the Agreement;
- E. HAVING REGARD to Title V of the Treaty on European Union and, in particular, Article 21(2) thereof, establishing the principles and objectives of the EU in international relations, and to Article 208 of the Treaty on the Functioning of the European Union (Lisbon Treaty), which reaffirms that the EU shall take account of the objectives of development cooperation in the policies that it implements, which are likely to affect developing countries;
- F. HAVING REGARD to Article 7 of the Treaty on the Functioning of the European Union (Lisbon Treaty), which reaffirms that the EU shall ensure consistency between its policies and activities, taking all of its objectives into account; K5

- **G. NOTING** the European Parliament's current discussions on the reform of the Common Agricultural Policy, specifically in the Committee on Agriculture and Rural Development;
- **H. RECALLING** the approval by the European Parliament on 23 June 2011, of a resolution on *CAP towards 2020: meeting the food, natural resources and territorial challenges of the future,* in which it is recommended that "the 2006 sugar market regime be extended at least to 2020 in it existing form";
- I. WELCOMING the work in progress of the rapporteur of the European Parliament Committee on Agriculture and Rural Development on the Common market organisation which seeks to recommend the maintenance of the EU Sugar until 2020;
- J. UNDERLINING the contribution of the sugar sector to food and livelihood security and the fight against climate change,- objectives which are currently being canvassed in the context of a reformed CAP and also retained as areas of focus in the EU Council conclusions adopted on 14 May 2012, on the Commission Communication "Increasing the Impact of EU Development Policy: an Agenda for Change";
- K. DEEPLY CONCERNED by the adverse implications, as highlighted by various studies including the Commission's own impact study, that the European Commission's proposal to abolish EU sugar and isoglucose quotas in October 2015 would have for ACP sugar industries;
- L. RE-EMPHASISING that the Accompanying Measures Support Programme (AMSP) for Sugar Protocol countries had been established primarily to assist ACP Member States, in the context of the 36% price cut, to develop a sustainable and competitive sugar cane industry and to successfully adapt to the post-2006 reform period;
- M. STRESSING FURTHER the urgency to address the challenges faced by several former Sugar Protocol countries in the implementation of their Multi-Annual Adaptation Strategy for the transformation of their Sugar industries, as well as in accessing the funds under the AMSP;
- N. RECALLING that it remains essential to address constraints and difficulties encountered by countries in accessing the resources and that the funds earmarked under the AMSP should be fully utilized instead of being forfeited, given that the ACP States concerned have the collective capacity to fully utilise the available resources;
- O. RECOGNISING that some ACP countries which were not members of the Sugar Protocol now have access to the EU sugar market and also require assistance to formulate and implement an appropriate sugar-sector development strategy as part of their efforts to ensure sustainable development for the benefit of their population; **KS**

- **P. FURTHER RECOGNISING** the contribution of the EDF Funded ACP Sugar Research and Innovation Programme towards fostering a sustainable and efficient ACP sugar sector;
  - 1. Calls on the European Commission to maintain the current market tools which allow ACP suppliers to derive a reasonably remunerative price from sugar exports, thereby guaranteeing predictability and stability on the Sugar market;
  - **2. Strongly proposes** therefore that EU country quotas should be maintained at least until 2020;
  - **3. Calls on the European Union** to engage in formal consultations with the ACP on the impact of the CAP reform as provided for by Article 12 of the Cotonou Agreement;
  - **4. Calls on the European Commission** to ensure flexibility in implementing the Accompanying Measures Support Programme (AMSP) to allow maximum disbursement of allocated resources so that all resources were collectively utilized and not forfeited:
  - 5. **Reiterates** the call to the EU and the EC to identify the appropriate process to ensure that the funds earmarked for Fiji under the AMSP are immediately released to assist the affected farmers and the sugar industry, as a whole, in the adjustment and adaptation process;
  - 6. Invites the European Commission and the ACP Secretariat to start discussions on ways and means by which an Integrated Commodity Development Programme could be designed and funded under the next multiannual financial framework. Such a programme should be endowed with sufficient resources from the appropriate financing instrument, and benefit the Sugar sector by addressing value-addition and supporting the formulation and implementation of diversification strategies;
  - 7. Calls on the European Commission and the EU Member States to prolong the support to the ACP Sugar Research sector beyond the end of the Current ACP Sugar Research and Innovation Programme in 2013;
  - 8. Instructs the President of the Council of Ministers to forward this resolution to the European Commission, the Council of the European Union, the European Parliament and the Director-General of the WTO.

Port Vila, 13 June 2012

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## RESOLUTION OF THE 95<sup>TH</sup> SESSION OF THE ACP COUNCIL OF MINISTERS HELD IN PORT VILA (VANUATU) FROM 10<sup>th</sup> TO 15<sup>th</sup> JUNE 2012

#### COTTON

- Meeting in Port Vila, (Vanuatu), from 10th to 15th June 2012,
- **A. HAVING REGARD** to the Resolution on Cotton adopted by the 94th session of the ACP Council of Ministers held in Brussels (Belgium)n from 7th to 9th December 2011;
- **B. HAVING REGARD TO** the legislative proposals for the post-2013 Common Agricultural Policy (CAP) released by the European Commission on 12 October 2011, which do not accommodate the ACP Group's request to move from 65% to 100% decoupling of domestic support for European Union cotton farmers;
- C. HAVING REGARD TO the Chairman's Conclusion of the 8th WTO Ministerial Conference, held in Geneva from 15 to 17 December 2011, particularly the "elements for political guidance" where Ministers "confirmed their commitment to on-going dialogue and engagement to progress the mandate in paragraph 11 of the Hong Kong Ministerial Declaration to address cotton "ambitiously, expeditiously and specifically", within the agriculture negotiations" and "highlight the value of on-going reporting on cotton, and invite the Director-General to continue furnishing periodic reports on the development assistance aspects of cotton to each Ministerial Conference";
- D. HAVING REGARD to Article 12 of the ACP-EC Partnership Agreement (Cotonou Agreement), on the Coherence of Community policies and their impact on the implementation of the Agreement, which states the Parties' commitment to addressing policy coherence for development in a targeted, strategic and partnership-oriented way, including strengthening dialogue on issues of policy coherence for development, and by which the European Union acknowledges that Union policies other than development policy can support the development priorities of ACP States in line with the objectives of the Agreement;
- E. HAVING REGARD to Title V of the Treaty on European Union and, in particular, Article 21(2) thereof, establishing the principles and objectives of the EU in international relations, and to Article 208 of the Treaty on the Functioning of the European Union (Lisbon Treaty), which reaffirms that the EU shall take account of the objectives of development cooperation in the policies that it implements, which are likely to affect developing countries;

- **F. HAVING REGARD** to Article 7 of the Treaty on the Functioning of the European Union (Lisbon Treaty), which reaffirms that the EU shall ensure consistency between its policies and activities, taking all of its objectives into account;
- **G. WISHING TO IMPLEMENT** the commitment made by all WTO Members to address the cotton dossier ambitiously, expeditiously and specifically;
- H. RECALLING the ambition expressed by the European Union and the African cotton-producing countries of the ACP Group when concluding the EU-Africa Partnership for the Development of the Cotton Sector in Paris, on 6 July 2004, this ambition having been reiterated in the Action Framework for the European Union-Africa Cotton Partnership agreed in 2009;
- I. COMMENDING the sustained efforts of the representatives of cotton-producing and ACP countries at the WTO to propose implementation modalities agreeable to all and consistent with the criteria of ambition, expeditiousness and specificity;
- J. RECALLING the continued efforts of the representatives of cotton-producing and ACP countries to get the European Union to apply a 100% decoupling to domestic subsidies for cotton production in the EU, using the opportunity offered by the current reform of the EU agricultural policy;
- **K. RECALLING** that the same efforts are being made in respect of the authorities of the United States of America in order for the occasion of the current reform of the Farm Bill to also be seized to bring their support for the cotton sector into complete conformity with the WTO rules and to remove distortive subsidies granted to their cotton farmers;
- L. **NOTING** the European Parliament's current discussions on the reform of the Common Agricultural Policy, specifically in the Committee on Agriculture and Rural Development;
- M. STRESSING that it is becoming increasingly evident that the European Commission's argument for maintaining the decoupling at 65%, based on the Greek accession protocol (subsequently used for Spain, Portugal and Bulgaria) is weakening since, according to that accession protocol, the coupled payments which facilitate support for production in the targeted countries were meant to maintain a manufacturing chain in these countries, while those same countries now export the vast majority of their unprocessed cotton;
- N. STRESSING FURTHER that if from a legal standpoint, the coupled payments for cotton are not export subsidies, the current situation indicates that they have a rather similar effect; #\$

- **O. UNDERLINING** that although the European Commission maintains that European production is residual and accounts for a rather small share of the international market, it appears that the European Union produces as much cotton as a country like Burkina Faso, at a cost which makes it the most highly-subsidised cotton in the world, per kilo produced, excluding the environmental cost involved;
- **P. COMMENDING** the continued efforts of cotton-producing countries to reform the cotton sector internally, including by adopting regional and national strategies to streamline the sustainable development of this sector and its contribution to the economic stability of States, as well as to rural development and food security:
  - 1. **Urges** the European Union to ensure ambitious treatment for cotton by applying 100% decoupling of support for European cotton producers, taking into account the fact that the average decoupling rate in EU agriculture is set at 90%;
  - 2. **Calls on** the European Union to identify alternative instruments, other than the coupled support, to assist the European cotton producers, including for diversification towards other viable productions or activities;
  - 3. **Urges** the Authorities of the United States of America, to seize the opportunity of the Farm Bill reform to bring the cotton support granted to their farmer into complete conformity with the WTO rules and to refrain from adopting any measures which could cause even further distortion on the international cotton market;
  - 4. Calls on the WTO members to ensure that cotton is treated as a priority and included in any intermediate WTO agreement on modalities, as well as at all stages of the negotiation process;
  - 5. **Calls on** the European Union to further support the implementation of the regional and national cotton strategies which have been designed as an effort by ACP cotton-producing countries to demonstrate their own commitment to finding a sustainable response for the competitiveness of their cotton sector;
  - Requests the European Union to provide the necessary support to all ACP countries in need of assistance for their commodity sector, including those which are temporarily excluded from the EDF resources;
- 7. **Instructs** the President of the ACP Council of Ministers to forward this resolution to the Council of the European Union, the European Parliament, the European Commission, the House of Representatives and the Senate of the United States of America, and the Director-General of the WTO.

Port Vila, 13 June 2012

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#### RESOLUTION

## OF THE 95th SESSION OF THE ACP COUNCIL OF MINISTERS HELD IN PORT VILA (VANUATU) FROM 10th TO 15th JUNE 2012

#### **TOBACCO**

- Meeting in Port Vila, (Vanuatu), from 10th to 15th June 2012,
- A. HAVING REGARD to The WHO Framework Convention on Tobacco Control (WHO-FCTC) negotiated under the auspices of the World Health Organisation as an evidence-based treaty that reaffirms the right of all people to the highest standard of health, and which entered into force on 27 February 2005;
- B. HAVING REGARD to the Resolution on Articles 9 and 10 of the World Health Organisation Framework Convention on Tobacco Control (WHO-FCTC) adopted by the 92<sup>nd</sup> session of the ACP Council of Ministers held in Brussels, Belgium, from 8 to 10 November 2010;
- C. HAVING REGARD to the Decisions adopted by the Fourth Conference of the Parties to the World Health Organisation Framework Convention on Tobacco Control (WHO-FCTC) (COP-4), meeting in Punta del Este, Uruguay, from 15 to 20 November, 2010;
- D. HAVING REGARD ALSO to ACP States' commitments, rights and obligations in the World Health Organisation Framework Convention on Tobacco Control (WHO-FCTC), the WTO and other Regional and International Treaties and Conventions;
- **E. RECALLING** that the vast majority of the ACP States (74 out of 79) are signatories to the Framework Convention on Tobacco Control and are supporters of its broad objectives, mainly the need to protect people's health against the consumption of tobacco products;
- **F. NOTING** that the WHO FCTC recognizes that the Conference of the Parties (COP) may adopt protocols and guidelines to assist with the implementation of the Convention and that, in this framework, the Conference of the Parties has established a participatory intergovernmental process for the development of guidelines for the implementation of different provisions of the Convention;
- G. NOTING FURTHER that guidelines for Articles 9 and 10 of the WHO-FCTC, which form part of the provisions (Arts. 6 to 14) of the WHO-FCTC targeting demand reduction, are now being developed according to the procedures presented above;

- H. INSISTING on the recognised link between the guidelines for Articles 9 and 10 and the on Articles 17 and 18 of the WHO-FCTC, which are expected to identify ways in which the impacted tobacco leaf producing countries can seek economically viable alternative livelihoods to tobacco-growing;
- I. NOTING WITH REGRET that the Fourth Conference of the Parties (COP-4) decided to adopt partial guidelines for the implementation of Articles 9 and 10 of the WHO-FCTC, while at the same time, simply deferring decision on guidelines for Articles 17 and 18 until the next COP 5, where a working report shall be submitted;
- J. RECALLING the ACP Statement on Tobacco made during the 10<sup>th</sup> ACP-EU Joint Ministerial Trade Meeting in December 2011, underscoring the risk that the partial adoption of the guidelines could pave the way for countries or entities like the EU to now prepare national regulation to enforce the recommendations included in said guidelines;
- **K. WELCOMING** the EU decision to refrain, for the time being, from taking any further action in implementing the guidelines for Articles 9 and 10, as adopted at the COP-4;
- L. **CONCERNED** nonetheless, that immediately after COP-4 in November 2010, Brazil proposed a piece of legislation modeled on the draft FCTC guidelines, which was passed on 15 March 2012 as resolution No.14;
- M. CAUTIONING AGAINST the potential implications for several ACP Member States of the finalization of guidelines on Articles 9 and 10 on principles other than those adopted in the FCTC, particularly for their farmers, rural livelihoods, employment, manufacturing sectors, duty-free segments of their tourism industry, government revenues, and overall trade and development;
- N. STRESSING that sound scientific and irrefutable evidence are still to be presented by the FCTC or by countries supporting the guidelines for Articles 9 and 10 in their current form, to prove that flavoured tobacco products are more appealing than unflavoured tobacco products, knowing that if it was so, it would be difficult to understand why unflavoured tobacco products are sold in evidently larger quantities than flavoured products;
- O. NOTING that there exist alternative types of legislation which address possible flavour appeal, where only strongly flavoured products with a specific taste are banned, or only a specific short list of flavours is banned;
- P. UNDERSCORING that if the guidelines are confirmed and implemented in their current form by the FCTC parties, all the production of Burley and Oriental Tobacco and at least 25% of the production of Virginia Tobacco will completely disappear because it will be impossible to produce flavoured American blends, and ACP countries will be the most negatively affected;

- **Q. MINDFUL** of preserving the integrity of the WHO-FCTC and avoiding the risk of any decision taken by the Conference of Parties, especially on the Draft Guidelines for the Implementation of Articles 9 and 10 of the WHO-FCTC, to be met with suspicion, and opening the way for disputes while provoking serious and immediate adverse economic effects for many ACP countries;
- **R. RECALLING** that in the statement made at the 10<sup>th</sup> JMTC, ACP Ministers also requested assistance for Burley Tobacco-producing ACP countries and other countries involved in the product's value chain to help in diversification programmes:
  - 1. **Urges ACP Member States** which are Parties to the WHO-FCTC, to urgently write to the WHO-FCTC Secretariat, before the set deadline of 25 June 2012 for submission of preliminary comments on the new draft circulated on 11 May 2012, in preparation for WHO-FCTC COP-5 to be held in Seoul, from 12 to 17 November 2012:
    - to oppose the approval of draft guidelines for Article 6 of the WHO-FCTC and any attempt to impose uniform measures or fix values on taxes for all countries on the grounds that countries must maintain their sovereign right to establish and collect taxes in accordance with their national needs and interests, and that necessary policy space must therefore be given to every State;
    - ii. to oppose the approval of additional guidelines for Articles 9 and 10 of the WHO-FCTC, on the grounds that, among others things, these guidelines are incomplete and finalising them at this stage would therefore be premature; and
    - iii. to issue an urgent call for the identification of adequate policy options on alternative livelihoods to tobacco growing Articles 17 and 18 of the WHO-FCTC, since the economies of many countries are heavily dependent on the tobacco trade and the current proposals are based on assumptions which are flawed, and the mechanisms referred to therein do not provide support for diversification from tobacco.
  - 2. **Strongly advises** that ACP States of the WHO-FCTC advocate for the re-opening of the partial guidelines for Articles 9 and 10 the WHO-FCTC adopted at COP-4, with the objective of renegotiating final guidelines in a more balanced and harmonious manner for the different types of tobacco products;
  - 3. Requests that in their submissions, ACP States highlight:
    - i. the fact that the guidelines in their current form violate international trade agreements on technical barriers to trade as they address design and descriptive characteristics instead of addressing product performance;

- ii. the need for any future guidelines for the implementation of Articles 9 and 10 of the WHO-FCTC to be decided, with a view to avoiding the risk of raising any suspicions or leading to disputes or serious, immediate and negative economic implications for many ACP countries. To that end, the decision should be based on a complete set of guidelines, appropriate consultations and sound scientific evidence;
- iii. the need for the content of any previous and future guidelines to be clearly communicated to all WHO-FCTC parties as being of a non-binding nature, to be applied in line with local realities, in compliance with local laws and aligned with the market specificities of each country.
- 4. Invite the European Commission and the ACP Secretariat to open discussions with a view of identifying a support programme under the existing instruments, to assist the ACP countries concerned to formulate and implement, where applicable, an economically sustainable diversification strategy which offers an alternative to tobacco growing and other options for the use of this product;
- **Recommend** to ACP tobacco-producing countries, which are not yet Parties to the WHO-FCTC, to explore the possibilities of becoming Members in order to be able to create a critical mass to voice the ACP Group's concerns using the rules set by the Convention;
- **6. Invite** the Secretary-General of the ACP Group to explore the possibility for the ACP Group to become an observer to the WHO-FCTC;
- 7. **Instructs** the President of the Council of Ministers to forward this resolution to the Director-General of the WHO-FCTC. **KS**

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Port Vila, 13 June 2012

# RESOLUTION OF THE 95th SESSION OF THE ACP COUNCIL OF MINISTERS HELD IN PORT VILA (VANUATU) FROM 10th TO 15th JUNE 2012

#### **KAVA**

- Meeting in Port Vila, (Vanuatu), from 10th to 15th June 2012,
- **A. HAVING REGARD** to the conclusions of the High-level Conference on Kava, held in Port Vila, Vanuatu, from 12 to 15 March 2012, which led to the adoption of a roadmap for the sustainable development of the sector in the Pacific ACP countries concerned;
- **B. RECALLING** that since June 2002, countries in the European Union, led by Germany, have imposed bans on kava-products,
- C. RECALLING SPECIFICALLY the decision in 2002 of the German Federal Institute for Drugs and Medicinal Devices (BfArM) to withdraw product licenses for all products containing kava and/or kava's active ingredient kavain, on grounds of their hepatoxicity;
- D. NOTING that Following Germany's decision, several other European countries (including Austria, Switzerland, France, Netherlands and UK) followed suit, placing bans on kava imports and/or asking producers to voluntarily recall their products;
- E. STRESSING that the effects of the bans themselves, plus product recalls and consequent negative publicity, have greatly disadvantaged the kava industry in the South Pacific, as kava exports into the European and US markets virtually came to a halt in 2002;
- **F. COMMENDING** the Pacific countries affected by the Kava ban, which have been actively involved in finding a solution to this problem since the ban in 2002;
- G. NOTING that as part of these efforts, and besides bilateral, regional and multilateral consultations, there have been a number of studies commissioned, including at the Intra-ACP level, to address the problem from various angles, namely from the legal, scientific, and trade perspectives;
- H. UNDERLINING that although the ban 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, and therefore considers this ban as a trade issue to be addressed at the EU level rather than at the national level, as the EC has stated in the past; K5

- I. RECALLING that due to the calming and relaxing properties of certain active ingredients of the plant, kava extracts have been used for the development of herbal medicinal products for the treatment of mostly situational anxiety, in particular in Europe, where kava was exported;
- J. NOTING that whereas the decision to revoke the marketing authorisations in June 2002 was based on the discussion of cases of liver disease ostensibly related to kava product use, the subsequent change from revocation to suspension of marketing authorisations in May 2005 referred to doubts regarding efficacy rather than safety (i.e., a factor negatively affecting the risk-benefit ratio even when the safety level turns out to be acceptable);
- K. UNDERLINING the striking inconsistency in the apparent change of paradigms from questioning the safety of kava to questioning its efficacy, and stressing that the alleged inefficacy could not serve as a basis for banning Kava product imports in a specific market,
- L. STRESSING the fact that despite repeated requests, the German Authority has constantly refused to provide appropriate room for consultations with the ACP countries concerned, to allow them the opportunity for comprehensive discussions;
  - Calls on the European Union to ensure that the ACP countries concerned are granted the opportunity to engage in an appropriate exchange of views with the authorities of the countries that have banned the import of kava and kava products on their territories;
  - **2. Urges** the European Commission to use its good office to facilitate the consultation process;
  - **3. Demands** that a specific timetable be rapidly agreed for conducting the consultations envisaged.
  - 4. Requests that if, at the end of these consultations, no sound and irrefutable scientific proof justifying the ban on the import of kava or kava products is found, all interdiction measures be immediately removed by the States that had introduced them;
  - **5. Stresses** that failing this, and with great hesitation, the ACP States concerned might reserve their right to raise the issue, with the support of the ACP Group, in the appropriate multilateral fora; **KS**

- **6. Invites** the European Commission and the ACP Secretariat to consider setting up an appropriate support progamme to assist with the formulation and implementation of an economically sustainable strategy for the ACP kava sector;
- 7. **Instructs** the President of the Council of Ministers to forward this resolution to the European Commission, the Council of the European Union, the European Parliament and the Director-General of the WTO.

Port Vila, 13 June 2012

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# RESOLUTION OF THE 95th SESSION OF THE ACP COUNCIL OF MINISTERS HELD IN PORT-VILA (VANUATU) FROM 10 TO 15 JUNE 2012

## ON ACCESS OF ACP SMALL AND MEDIUM ENTERPRISES (SMEs) TO THE INVESTMENT FACILITY

- Meeting in Port-Vila, Vanuatu from 10 to 15 June 2012,
- **A. HAVING REGARD TO** Chapter 1 of Annex II of the Cotonou Agreement which spells out the Terms and Conditions for Investment Financing;
- B. HAVING REGARD TO the Resolution on the Implementation of Cotonou Agreement's Investment Facility, adopted by the 80th session of the ACP Council of Ministers held in Brussels from 29 November to 2 December 2004 and in which Ministers inter alia called upon the EU to ensure that Investment Facility (IF) resources are made available to ACP Small and Medium Sized Enterprises (SMEs) at rates and conditions that will promote their sustained development;
- C. HAVING REGARD TO the Resolution on the Investment Facility, adopted by the 92<sup>nd</sup> session of the ACP Council of Ministers held in Brussels from 8 to 10 November 2010;
- **D. RECALLING** that the Investment Facility is a risk-bearing instrument, structured as a revolving fund and geared to fostering private and public sectors initiatives that promote economic growth and contribute to poverty reduction in ACP countries;
- **E. RECOGNISING** the positive role played by the European Investment Bank (EIB) in assisting investment projects in many ACP countries and yet **RECOGNISING** the constraints faced by ACP SMEs in having access to EIB funds;
- **F. NOTING** that amongst the ACP SMEs, the "Missing Middle", tend to be the most vulnerable ones, as they are un-impacted by the support measures made available by governments and financial institutions
- **G. UNDERSCORING** that SMEs are critical engines for the generation of jobs and growth of the private sector in ACP States and should accordingly benefit from targeted actions:
  - 1. **encourages** the EIB to:
    - (a) use one of its partners as an apex to provide loans / lines to other lenders in the SME sector. Alternately EIB should include a line of funding in its facilities to qualified development banks to on lend to other intermediaries that target SMEs;
    - (b) **subcontract** appropriate entities at local and sub-regional levels to achieve wider coverage and improve on the penetration of the SME sectors. When appropriate, EIB should provide relevant training and orientation to create capability on the ground. **K**\$

- (c) use forms of collateral other than Government guarantees such as guarantees from qualifying third parties and the use of other qualifying tools such as credit ratings and repayment track records as a basis for extending financing.
- (d) **use** its grant resources to leverage additional grants from other institutions to fund relevant and critical interventions.

#### **2.** Calls on the EIB to:

- (a) **utilise** the mechanism of "Blending" to reduce the cost of funds to targeted SMEs.
- (b) expand the range and/or extent of alternative financing mechanisms utilised in SME development including, but not limited to, factoring, leasing, loan guarantees, local currency financing and receivables financing.
- **3. Calls on** the EIB as a matter of priority, to review the existing location of the EIB office in the Pacific, taking *inter alia* into account the following factors: sustainability/viability; accessibility of office to Pacific ACP States; and costs.
- **4. Mandates** the Committee of Ambassadors to:
  - (i) **elaborate** a Framework of Action to support the SME sector in ACP countries, and which will *inter alia*:
    - a. spell out of priority areas for actions in the short/medium and long terms;
    - b. ensure coordination and synergies between existing initiatives in favour of SMEs, at national and regional levels;
    - take into consideration the pivotal role of the Centre for Development of Enterprises (CDE) in the development of the SME sector in ACP countries; and
    - d. ensure the securing of funds under the 11th EDF for its implementation  $\ \ \,$
  - (ii) **establish** an appropriate consultative mechanism to follow up, monitor and oversee the articulation and implementation of the Framework of Action in support of the SME Sector in ACP countries. **K5**

Port-Vila, 13 June 2012

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#### RESOLUTION

## OF THE 95th SESSION OF THE ACP COUNCIL OF MINISTERS HELD IN PORT-VILA (VANUATU) FROM 10 TO 15 JUNE 2012

#### CENTRE FOR DEVELOPMENT OF ENTERPRISE (CDE)

- Meeting in Port-Vila, Vanuatu, from 10 to 15 June 2012,
- **A. HAVING REGARD TO** Annex III of the revised Cotonou Agreement, in particular Articles 1 and 2, thereof which govern the Centre for the Development of Enterprise (CDE);
- **B. HAVING REGARD TO** the Decision No. 8/2005 of the ACP-EU Committee of Ambassadors of 20 July 2005, on the Statutes and Rules of procedure of the CDE;
- C. **HAVING REGARD TO** the recommendation of the CDE Executive Board of 28 September 2011, to terminate the services of the Director and Deputy Director of the CDE;
- D. HAVING REGARD TO the Decision No. 1-2012 of the ACP-EU Committee of Ambassadors of 26 April 2012, concerning the termination of the term of office of the Director of the CDE;
- **E. HAVING REGARD TO** the Decision No. 2-2012 of the ACP-EU Committee of Ambassadors of 26 April 2012, concerning the termination of the term of office of the Deputy Director of the CDE;
- **F. RECALLING** the EU's position to restrict the operational component of the CDE Budget for 2012, until the CDE Board's recommendation of 28 September 2011, was implemented;
- **G. NOTING WITH CONCERNS** that despite the Decisions No. 1 and 2 of the ACP-EU Committee of Ambassadors of 26 April 2012, the CDE Budget for 2012 was still not released;
- H. UNDERSCORING the vital importance of CDE for Private Sector Development in ACP Countries and its strengthened mandate in the context of the revised Cotonou Partnership Agreement, including its role in EPAs implementation;
- I **DEEPLY CONCERNED** that the restrictions on the CDE Budget has resulted in a complete paralysis of activities in the ACP regions, to the detriment of the ACP Private Sector:
  - Strongly urges the EU to expeditiously unlock the operational component of the CDE 2012 Budget to enable the CDE to resume its activities in the regions; KS

- **2. Mandates** the Committee of Ambassadors to review the management structure at the CDE and look into other aspects that will ensure that the Centre is placed on a sounder footing and becomes as efficient and effective organization.
- 3. Instructs the President of the Council and Secretary General to forward this Resolution to the European Council and European Commission.

Port-Vila 13 June 2012

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# RESOLUTION OF THE 95th SESSION OF THE ACP COUNCIL OF MINISTERS HELD IN PORT VILA (VANUATU) FROM 10th TO 15th JUNE 2012

#### **ECONOMIC PARTNERSHIP AGREEMENTS (EPAs)**

- Meeting in Port Vila, (Vanuatu), from 10th to 15th June 2012,
- **A.** Having received updates on the EPA process in the seven EPA regional configurations, and having deliberated on the issues raised therein;
- B. Recalling that the African Caribbean and Pacific Group of States (ACP) and European Union (EU) set out to negotiate Economic Partnership Agreements (EPAs), which were meant to be "instruments for development" contributing to poverty reduction, sustainable development, regional integration, spurring trade and integration into the world economy;
- C. Concerned that EPA negotiations, although making some progress, are still fraught with disagreements and difficulties and, except for the Caribbean, were not concluded at the foreseen end date of 31 December 2007, and are to this date yet to be finalized,
- D. Concerned that despite repeated requests by the Pacific ACP States (PACPS), the EC has neither held a formal negotiating meeting with the regionsince 2009 nor responded formally to the revised draft texts for a comprehensive EPA and market access offers submitted in July 2011;
- E. Concerned that contentious issues remain including the definition of substantially all trade (SAT) and time frames for liberalization, rules of origin, MFN clause, export taxes, trade distorting domestic and export subsidies, additionality of resources, quantitative restrictions, relations with countries that are in a customs union with the European Union (including Turkey, St Martin and Andorra), development of benchmarks, indicators and targets for monitoring the implementation of the agreements non-execution clause;
- F. Concerned that the EU is introducing new issues, such as trade, environment and sustainable development (TESD), Geographical Indications (GIs), government procurement and good governance in tax matters, that have contributed to the delay in the conclusion of the negotiations; **KS**

- G. Concerned that interim arrangements proposed by the EU on the liberalization of trade in goods were initialed and later signed with individual or small groups of ACP States and this continues to create rifts and hamper integration in the ACP regions concerned;
- **H.** Concerned that, in spite of numerous presentations by the ACP side, the EU is still pursuing the amendment to EC Regulation 1528/2007 that would result in the withdrawal of a group of eighteen countries from market access benefits with effect from 1 January 2014, if those countries are unable to ratify EPAs;
  - 1. Stress the need to urgently and satisfactorily resolve contentious clauses in the interim agreements and forge convergence in other areas of negotiations in order to facilitate finalization of mutually beneficial EPAs.
  - Reject the reasons put forward by the EC to justify the setting of a unilateral deadline through the proposed amendment to Market Access Regulation 1528/2007 and insist that negotiations should be allowed to continue until an agreement that is mutually beneficial is reached.
  - Reiterate the need for the market access to be extended to those ACP States that
    had not initialed or signed but have continued to negotiate in good faith with the
    expectation that regional agreements would ultimately be concluded.
  - 4. Affirm that no ACP State or region, including the CARIFORUM region, which had concluded a full EPA or WTO Member had complained about the granting of duty free and quota free market access to ACP States that were still negotiating with a view to concluding comprehensive mutually beneficial EPAs.
  - 5. Call on the EU to lower its ambitions and consider seriously the level of economic development of its ACP negotiating partners with a view to concluding an inclusive EPA that will attract joining by all States within a given region.
  - 6. Take note of the fact that the EC submission of the amendment to the Market Access Regulation 1528/2007 and the GSP reform proposal which are planned to come into effect at the same time on 1 January 2014 provided the direction of the partnership that the EC is offering in the area of trade. \*5

- 7. Urge the EC to desist from introducing new issues that are unrelated to trade most of which the ACP regions concerned have no mandate to negotiate.
- 8. Request the EC to urgently and positively respond to proposals made by the Pacific region with a view to moving forward the EPA process in line with PACPs leaders' decision to conclude a comprehensive EPA in 2012.
- 9. Instruct the President of Council to forward this resolution to the European Commission, Council of the European Union and the European Parliament. **KS**

Port Vila, 13 June 2012

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