



**EURODAD**  
European Network on  
Dept and Development



**WIDE**  
*Network Women in Development Europe*



Brussels, February 25 2003

Mr Pascal Lamy  
Member of the Commission of the European Communities  
Fax: 02 299 14 62

Dear Mr Lamy,

RE: 4<sup>th</sup> meeting of the ACP-EU Ministerial Trade Committee, St. Lucia – Negotiations on new ACP-EU trade arrangements

On the eve of the 4<sup>th</sup> ACP-EU Ministerial Committee meeting, we the undersigned European civil society organisations, coordinating our work through the Cotonou Monitoring Group, write with suggestions that we believe are vital to the future trade arrangements' ability to effectively advance poverty eradication in the ACP.

The Cotonou Monitoring Group is the ACP-EU co-operation working group of the Confederation for all European NGOs working on development and relief – CONCORD. Through our partnership with a wide range of civil society organisations in the ACP countries we are aware of the growing lack of confidence within the ACP civil society community in the ability of the proposed Economic Partnership Agreements (EPAs) to contribute to the eradication of poverty and the realisation of the Millennium Development Goals. On the contrary there is a growing belief that EPAs will lead to greater inequalities and marginalisation of large sections of ACP society.

We are aware that the negotiating parties have not reached agreement on a number of substantial issues including financial resource and the organisation of negotiations along thematic groupings.

It is on the basis of all the abovementioned points that we would like to put forward the following suggestions:

## **1. Transparency and dialogue**

An effective, ongoing process of dialogue and consultation with civil society should be established. This is envisaged in the Cotonou Agreement in article 4, which states that

Non-State actors including civil society should be involved in cooperation policies and strategies.

Furthermore the recent European Commission Communication on Non-State Actors identifies effective Non-State Actor involvement in trade policies and economic cooperation as a standard of measuring an adequate level consultation with non-state actors.

It is also worth noting that the 2001 European Commission White Paper on European Governance, which aims to make EU decision-making more transparent, has among its main objectives, establishing and publishing minimum standards for consultation on EU policy; and improving the dialogue with governmental and non-governmental actors of third countries when developing policy proposals with an international dimension.

The ACP-EU trade negotiations provide a good opportunity to put the abovementioned principles into practise. However, this will require increased transparency from the negotiating parties and the development of appropriate and focused consultation mechanisms.

The Cape Town Declaration unanimously adopted by the ACP-EU Joint Parliamentary Assembly in March 2002 provides direction for such actions in calling for an open and transparent conduct of the negotiations. The establishment of the Assembly's Standing Committee on Economic Development, Finance and Trade is an important step towards the implementation of this aim. We therefore call on the Commission to fully support the work of the Standing Committee by providing appropriate information on the negotiations and granting observer status to Committee members.

The inclusion of meetings on the ACP-EU trade negotiations in the Commission's system of civil society meetings on trade is also a step in the right direction. However, they would need to be improved through the provision of timely information on the negotiations including reports of meetings, calendars of events etc., and the allowance for an informed exchange of views between the negotiators and civil society. Dialogue should not only be at the Brussels level but most importantly in the ACP countries. In this respect Commission delegations have an important role in facilitating and enhancing this process.

The ongoing European Commission sustainable impact assessments should be based on well-designed and participatory studies on the potential effects of any move towards freer trade with ACP regions on poor men and women.

It is our belief that, due to their proximity to many of the peoples affected by trade arrangements, civil society organisations both in the ACP and in Europe, could make a valuable contribution in the debate on how trade would need to contribute towards poverty eradication and sustainable development. We therefore urge the negotiating parties, and in particular the European Commission, to work with civil society to create a transparent process around the negotiations that involves real dialogue with all stakeholders in the negotiations in line with the Cotonou Agreement, the Cape Town Declaration, and the abovementioned Commission documents.

## **2. Resources**

Negotiations on new and comprehensive trade agreements between the EU and ACP countries will necessitate the Community's full support in addressing the adverse adjustment costs within ACP countries if moves are to be made towards further trade liberalisation. In terms of the estimated magnitude of the challenge faced by many ACP economies, levels of resources programmed under the National Indicative Programmes (NIPs) for trade issues so far will have to be substantially supplemented to support ACP countries and regions in the implementation of any new trade arrangements. The level of such investment should be comparable in relative terms to that made by the EU in the 'pre-

accession countries', in advance of these countries' participation in the EU common market. While more resources are required funds should not be diverted from other areas of co-operation as programmed in the NIPs, as these areas also require adequate funds.

We thus call upon the EC to fully support independent ACP needs assessments and, in the light of the outcome of such analysis, drop its categorical insistence on the non-availability of additional resources in the context of new trade arrangements. We do recognise that not all existing funds under previous EDFs have been depleted. However in our view this is more to do with slow and inefficient disbursement mechanisms than sufficiency of funds. To this end the European Commission should together with the ACP work on improving the efficiency and speed of disbursement to ensure that adequate resources can be transferred in time to meet any adjustment costs. This is essential to any transition towards new poverty-focused trade arrangements.

### **3. External effects of CAP**

The agricultural and fisheries sectors are of greatest importance to ACP countries, both from the point of view of food security and rural employment. While undoubtedly the ACP has declined in importance as a trading partner of the EU, this is largely the result of the pattern of ACP traditional exports (basic commodities with stagnant demand growth and declining price trends), rather than the failure of preferences. In some countries, agriculture still contributes up to 50% of national GDP and up to 75% of export earnings. In this light, we urge the negotiating parties to take full account of the importance of this sector to ACP countries and the fight against rural poverty in particular. Linking trade negotiations with the Common Agriculture Policy (CAP) reform process is in line with Article 12 of the Cotonou Agreement and an expression of the EC's commitment to coherence in Article 178 of the Nice treaty. To level the playing field, we call upon the Commission to fully take up and address the external effects of the ongoing CAP reform in the ACP-EU negotiations as a matter of urgency, with the view to maintaining and enhancing the real value of existing ACP agricultural preferences and ensuring the effective protection of ACP markets from dumping and unfair competition from EU agricultural and food product exports.

We believe the degree to which the abovementioned points are taken up will be a measure of success of the contribution that the 4<sup>th</sup> ACP-EU Trade Ministerial Committee will make to defining new ACP-EU trade arrangements that advance poverty eradication. We look forward to your response and exchanging views with you on this.

Yours sincerely,

Guggi Laryea (Coordinator of the Cotonou Monitoring Group) on behalf of

APRODEV, CIDSE, *Eurostep*, BOTH ENDS, WEED, WIDE,

CC: ACP-EU Trade Ministerial Committee, Co-Chairs of the ACP-EU Joint Parliamentary Assembly, the Greek Presidency in Office of the European Union