

Written Ministerial Statement

16 February 2006

Ian Pearson, Minister for Trade and Investment

Economic Partnership Agreements between the European Union and African, Caribbean and Pacific countries

I would like to update the House on how the UK has sought to deliver its position on the Economic Partnership Agreements (EPAs) that are currently being negotiated between the EU and the African, Caribbean and Pacific (ACP) countries and also to highlight our objectives in 2006, which is a critical year for the EPA process. The Department of Trade and Industry (DTI) and Department for International Development (DFID) published a position paper in March 2005 called 'Making EPAs deliver for development', which was outlined in a Ministerial Statement made by Patricia Hewitt, then Secretary of State for Trade and Industry, on 22 March 2005. That statement set out the Government's view that EPAs should be designed to deliver long-term development, economic growth and poverty reduction, and that in its work on EPAs, the EU should take a non-mercantilist approach and not pursue any offensive interests. Since then, we have made progress in taking forward some of these goals, particularly in reinforcing the underpinning principle that these trade agreements should be tools for development in the ACP.

The UK position paper has helped to give EPAs a much higher profile among EU Member States. During 2005, we used our Presidency of the EU to ensure that there was more and better dialogue on EPAs both with other EU Member States and with the European Commission about the shape these agreements should take. At Ministerial and official levels where we aimed to ensure that the crucial role of EPAs in development was fully recognised, and that the trade and development aspects of EPAs are discussed coherently.

We established a technical 'EPA Expert Group', involving trade and development officials which is chaired by the Commission. We have also established an informal EPA network of EU development officials which facilitates informal dialogue on the critical issues and helps us work more closely with other EU Member States. EPAs were discussed at the first meeting of Director Generals of trade and development in the EU, and at the informal meeting of EU development ministers. We have been pleased to see a more pro-development approach reflected, for example in the European Commission staff paper, 'Trade and Development Aspects of the EPA Negotiations' published in November 2005, as well as in the EU-Africa Strategic Partnership agreed at the European Council in December 2005.

The UK Government has continued to work closely with the ACP countries in order to understand their views and help support their development interests in the EU policy debate. For example, my right honourable friend, the Secretary of State for International Development, met with the chief ACP

negotiators in October 2005, where he listened to their concerns on the slow disbursements of development assistance for EPAs. Since then, the Government has agreed with several other EU Member States and the European Commission that we will jointly work to coordinate our bilateral and multilateral development assistance for EPAs. DFID has been continually developing their EPA research programme to provide new evidence to inform the policy dialogue. This research is practical and policy-oriented and includes exploring how ACP countries can ensure that any liberalisation that they undergo is paced and designed in a way that works for them. DFID has also expanded its technical assistance programme to support the ACP and promote a more level playing field in the negotiations. For example, DFID is helping the Caribbean region to decide how to structure their offer to the EU on market access in goods. This support has been well-received by the ACP and we have received very positive feedback from the ACP negotiators.

During 2006, we will build on the progress achieved so far, and continually press for agreements that are in the interests of ACP countries' development, economic growth and poverty reduction. We will also push to ensure that the review of the negotiations provided for in the Cotonou Agreement is both comprehensive and fully involves the participation of the ACP. From a UK perspective, we believe that the review should firstly aim to take stock of progress across all the ACP regions on specific priority issues and confirm that each ACP regional group can make its own decisions on the timing, pace, sequencing, and product coverage of market opening. The review should also help steer the EPA process during 2007 towards the conclusion of the negotiations. We continue to develop our specific priorities based on the principles above, in response to discussions with the ACP.

We will also work to ensure there is more systematic assessment of whether development aspects are properly incorporated into EPAs, as well as to check that the impact of implementing the agreements does not cause harm to ACP countries in the longer term. To this end, we will support the establishment of an improved monitoring mechanism that will check progress against development objectives.

We will continue to work closely with the Commission, other EU Member States and the ACP as the negotiations continue. Obviously the Commission is charged with representing the balance of EU opinion, but we will prioritise our objectives and advance clearly on our pro-development approach, ensuring that the UK voice carries the maximum weight.