



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

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Subject : Draft Council Conclusions on the EU's approach to trade, growth and
development in the next decade
COMMON GUIDELINES
Consultation deadline: 14.3.2012

1. At its meeting on 7 March 2012, the Permanent Representatives Committee reached agreement on the text of the draft Council Conclusions annexed hereto.
2. The Council is invited to adopt them at its session on 16 March 2012.

Draft Council Conclusions**EU's approach to trade, growth and development in the next decade**

1. The Council **welcomes** the Commission's communication on "Trade, Growth and Development: Tailoring trade and investment policy for those countries most in need".

In this context the Council:

2. **Stresses** that openness to international trade accompanied by adequate domestic policies and institutional reforms is key to sustaining inclusive growth and poverty reduction in developing countries, just as keeping its markets open is key to Europe's economic growth and welfare;
3. **Recognizes** the EU's critical role as the world's largest trading power, a leading foreign direct investor, and the world's biggest provider of development assistance, in supporting development efforts of partner countries;
4. **Confirms** the importance of an ambitious and comprehensive EU trade, investment and development policy, which takes into account the profound changes in the world economic landscape;
5. **Acknowledges** that while many developing partners have furthered their integration into the world economy and become globally competitive, others, in particular LDCs, continue to lag behind and risk further marginalization;
6. **Recognizes** that the growing economic diversity of developing countries calls for greater differentiation in the design and implementation of EU trade, investment and development policies in order to sharpen the focus on LDCs and other developing countries most in need amongst others through reform of the GSP system;

7. **Reaffirms** that the EU will refine its relations with emerging economies, focusing less on development cooperation and more on new forms of partnership based on shared benefits and responsibilities;
8. **Reiterates** the EU's commitment to use and further improve all available policies and instruments to make trade work for poverty reduction, focusing efforts on LDCs and other developing countries most in need while taking into account the diversity of developing countries other than LDCs;
9. **Underscores** the importance of the multilateral approach as the most important avenue to fight protectionism and resolve outstanding issues on the international trade agenda, and stresses the importance of preserving and strengthening the WTO;
10. **Welcomes** that duty free and quota free access for LDCs under the Everything But Arms initiative has helped them increase their export to the EU considerably while acknowledging that more needs to be done to support diversification of their economies and facilitate their access to EU markets;
11. **Recognizes** that for trade to fully contribute to economic growth and poverty reduction it is necessary to go beyond tariff reduction and address new issues including services, procurement and investments, and constraints associated with the business environment, productive capacity, infrastructure and social services, as well as the ability to overcome technical barriers to trade;
12. **Stresses** that the role of women is fundamental to poverty reduction and development and underlines the importance of women as economic actors and their right to be fully involved in all aspects of the economy as producers, consumers and decision makers;

13. **Recalls** that Policy Coherence for Development is a central guiding principle of the EU's trade and development policy, and recognizes the importance of further enhancing coherence and complementarity within the EU's external policies as well as between internal and external policies;
14. **Emphasizes** that democratic ownership by developing countries of their own development processes is key to the successful outcome thereof, and that as one of the core principles of its development policy the EU will support developing countries' own policies, strategies and reforms, when providing assistance;
15. **Recalls** that one of the basic objectives of the EU is to ensure that economic growth and development go hand in hand with good governance, sustainable development, human rights, labour rights and social justice;
16. **Recognizes** the crucial role of the private sector – in particular small operators that constitute the backbone of the economies in many developing countries - in creating growth and development, and underlines the importance of promoting responsible business conduct, encouraging partnerships between the private and public sectors and engaging in dialogue with civil society;
17. **Highlights** the importance of responsible domestic and foreign investment, as a key element to creating decent jobs and achieving sustainable economic development, and underlines the need to assist developing countries in creating a sound investment climate; inter alia through good governance, macroeconomic stability and an effective and predictable legal system;
18. **Stresses** the need to continue supporting regional integration processes with a strong emphasis on the requirements of LDCs, and the poorest and most vulnerable populations, with the aim of overcoming the drawbacks of small and fragmented markets, to make countries more attractive to FDI and spur economic growth and sustainable development;

The Council is committed to:

Promoting a multilateral agenda for trade and development, by

19. **Preserving** and enhancing the multilateral trading system at the core of EU's trade, investment and development policy and continuing efforts to achieve a balanced outcome of the negotiations on the Doha Development Agenda (DDA), including delivering on its development dimension;

20. **Inviting** the Commission to continue its work for concrete results in the WTO context that particularly can benefit LDCs and other developing countries most in need, and to
 - work for early results in the DDA negotiations on trade facilitation, non-tariff barriers and dispute settlement;

 - continue to call on developed countries and developing countries in a position to do so, to follow the EU's lead in providing LDCs with duty-free and quota-free access for all products except arms;

 - encourage emerging economies to assume - in line with their increased international competitiveness - more responsibility by opening their market on a non-discriminatory basis towards the rest of the WTO membership;

 - taking into account the recent reform of the EU's rules of origin, push for greater coherence in preferential rules of origin for LDCs, including greater transparency and simplicity;

 - work towards a positive outcome on cotton in the WTO negotiations;

- enhance market transparency to mitigate excessive price volatility in commodity markets, which can in particular have adverse effects on developing countries heavily dependent on commodity exports;
- facilitate the accession of LDCs to the WTO by contributing to strengthening and operationalizing the 2002 accession guidelines and enhancing transparency in the accession negotiations;
- follow-up the discussions on improving market access in services for LDCs, taking into account the services waiver for LDCs, adopted at the Eighth WTO Ministerial Conference in December 2011;
- promote the use of intellectual property tools, including geographical indications, while giving favorable consideration to duly motivated requests for further extension of the TRIPS implementation deadline for LDCs;
- address emerging challenges such as food security, sustainable use of natural resources, access to energy supplies and climate change, and

Providing improved market access for developing countries by,

21. **Emphasizing** the importance of the early adoption of a new GSP regulation in order to allow all economic operators sufficient time to adapt to its entry into force no later than 1 January 2014;
22. **Calling** on the Commission to move forward in the bilateral and regional negotiations with developing countries with the aim of reaching ambitious and comprehensive agreements to improve market access for both sides, while taking into account the level of development of partner countries;

23. **Supporting** a rapid conclusion of the negotiations on development oriented, WTO-compatible Economic Partnership Agreements (EPAs) that promote regional integration and integration in the world economy, enhance predictability and secure legal certainty, based on a shared commitment to a trade and development partnership between the EU and the ACP countries and regions; Underlining, at the same time, the need for flexibility on both sides and pragmatism to find solutions to the outstanding issues in the negotiations including advancing through variable geometries or multiple speed agreements adapted to the specific needs and capacities of each ACP country and region;
24. **Stressing** the importance of strengthening the EU's relations with its immediate neighbors through the announced partnership for democracy and shared prosperity with countries in the Southern Mediterranean in response to the "Arab Spring", and through the Eastern Partnership; and

Working towards sustainable development through a green economy, by

25. **Supporting** the expeditious elimination of tariff and non-tariff barriers on goods and services that can deliver environmental benefits and support improved access to green technology, also for developing countries;
26. **Supporting** green and inclusive growth as part of sustainable development through measures such as GSP+, bilateral and regional trade agreements, innovative financing and public-private partnerships, and by streamlining Sustainability Impact Assessments as a means of strengthening the sustainability dimension in EU's trade policy;
27. **Supporting** producers and traders in developing countries to engage in trade schemes based on sustainable criteria such as fair, ethical and organic trade - giving particular attention to small operators - and engaging private companies in fostering inclusive and sustainable growth in developing countries; and

Developing more focused, targeted and coordinated Aid for Trade, by

28. **Confirming** that the EU and its Member States should continue to lead global efforts to respond to the Aid for Trade (AfT) demands, and calling on the Commission and Member states to continuously review the EU's Aid for Trade strategies and programmes, taking into account lessons learned and focusing on results;
29. **Recognizing** the need for better targeted, result-oriented and coordinated Aid for Trade as part of the aid and development effectiveness agenda, as agreed in Busan, by encouraging developing countries to integrate trade as a strong component in their development strategies, enhancing the complementarity and coherence between trade and development instruments, focusing on LDCs and developing countries most in need and increasing the engagement of the private sector;
30. **Calling** on the Commission and Member States to better coordinate their aid for trade, and to align it behind the development strategies of partner countries, supporting efforts to integrate the inclusive and sustainable growth dimension in these strategies, keeping in mind the importance of capacity building;
31. **Inviting** the Commission and Member States to work with new and traditional partners to increase the effectiveness of the Enhanced Integrated Framework (EIF) and other internationally recognized frameworks, and focus on impact and results;
32. **Encouraging** the Commission to move swiftly forward on the package of support aimed at helping small-scale operators to capture the benefits from trade, and address the obstacles that keep many of them in the informal sector;
33. **Underlining** the need to address the situation of vulnerable developing countries and strengthen their ability to cope with external shocks, such as fluctuations in the prices of food, as well as the role and impact of trade in raw materials, including in fueling conflict;

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34. The Council **invites** the Commission to provide a report to the Council on implementation of the communication and the follow up to these conclusions in 2015.
