

ACP-EU COTONOU AGREEMENT

**AFRICAN, CARIBBEAN AND
PACIFIC GROUP OF STATES**

**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 10 July 2018

ACP-UE 2116/18

COVER NOTE

From:	Secretary-General of the ACP Group of States
To:	EU Co-Secretary of the ACP-EU Council of Ministers
Subject:	Decisions and Resolutions of the 107th session of the ACP Council of Ministers held in Lomé, Togo, from 29 to 30 May 2018

Delegations will find attached the Decisions and Resolutions adopted by the 107th session of the ACP Council of Ministers held in Lomé, Togo, from 29 to 30 May 2018.

ACP/25/005/18/mgf
[Final version]

Lomé, 30 May 2018

**DECISIONS AND RESOLUTIONS
OF THE 107th SESSION OF THE ACP COUNCIL OF
MINISTERS HELD IN LOMÉ, TOGO
FROM 29th TO 30th MAY 2018**

DECISION No.2/CVII/18
OF THE 107th SESSION OF THE ACP COUNCIL OF MINISTERS
HELD IN LOMÉ, TOGO, FROM 29TH TO 30TH MAY 2018

**ACP NEGOTIATING MANDATE FOR THE POST-COTONOU
PARTNERSHIP AGREEMENT WITH THE EU**

The ACP Council of Ministers,

- Meeting in Lomé, Togo, from 29 to 30 May 2018,

RECALLING the objectives of the Georgetown Agreement, including consolidating and strengthening the solidarity of the ACP Group;

HAVING REGARD to the Cotonou Agreement signed in Cotonou on 23 June 2000, revised in Luxembourg on 25 June 2005, revised in Ouagadougou on 22 June 2010, in particular Article 95 (4);

HAVING REGARD to the Sipopo and Port Moresby Declarations and the Waigani Communiqué, which reiterate that the strength, unity and solidarity among African, Caribbean and Pacific States will sustain the future of the ACP Group in a changing world of challenges and opportunities;

HAVING REGARD to Decision No.2/CV/17 of the 105th Session of the ACP Council of Ministers held in Brussels, Belgium, from 3 to 4 May 2017;

HAVING REGARD to the ACP Policy framework “Towards the ACP We Want” in Document ACP/1/1/11/ (Vol.1)/17 Rev. 3;

COMMENDING the work of the Committee of Ambassadors on the development of the ACP Negotiating Mandate for the post-Cotonou Partnership Agreement with the EU in document ACP/00/011/18 Final;

TAKING FULLY INTO CONSIDERATION the conclusions of the Special Session of the Council of Ministers held on 27 May 2018;

HEREBY DECIDES TO:

1. **adopt** the ACP Negotiating Mandate for a Post-Cotonou Partnership Agreement;
2. **mandate** the Committee of Ambassadors to make preparations for the official launch of the commencement of negotiations with the European Union in accordance of Article 95 (4) of the ACP-EU Partnership Agreement; and
3. **widely disseminate** the Negotiating Mandate of the ACP Group of States on a Post-Cotonou Partnership Agreement with the European Union in all ACP official languages.

Done in Lomé, 30 May 2018

**Senator the Honourable Kamina Johnson Smith,
Minister of Foreign Affairs and Foreign Trade
of Jamaica
President-in-Office of the ACP Council of Ministers**

**DECISION No.4/CVII/18
OF THE 107th SESSION OF THE ACP COUNCIL OF MINISTERS
HELD IN LOMÉ, TOGO, FROM 29TH TO 30TH MAY 2018**

ACP-EU JOINT DECLARATION ON CLIMATE CHANGE

The ACP Council of Ministers,

- Meeting in Lomé, Togo, from 29 to 30 May 2018,

- A. RECOGNISING** the adverse impacts of climate change on our planet's natural ecosystems and the livelihoods of billions of people, as well as its potential threat on the very survival of ACP Member States;

- B. ACKNOWLEDGING** the collective efforts of developing countries in addressing climate change ;

- C. REAFFIRMING** our support to Negotiating Groups such as the Group of 77 and China, African Group of Negotiators, Alliance of Small Island States and the Least Developed Countries in the context of the United Nations Framework Convention on Climate Change;

- D. REAFFIRMING** our commitment to the implementation of the Paris Agreement ;

- E. TAKING INTO ACCOUNT** the report of the Committee of Ambassadors to the 107th Council Session;

- F. WELCOMING** the proposal for an ACP-EU Joint Declaration on climate change;

HEREBY DECIDES TO:

1. **Endorse** the Draft Joint ACP-EU Joint Declaration on climate change; and
2. **Mandate** the Committee of Ambassadors to continue its efforts to ensure the adequate preparation of ACP Member States for the Twenty-Fourth session of the Conference of the Parties (COP 24) of the UN Framework Convention on Climate Change to be held from 3 – 14 December in Katowice, Poland.

Done in Lomé, 30 May 2018

**Senator the Honourable Kamina Johnson Smith,
Minister of Foreign Affairs and Foreign Trade
of Jamaica
President-in-Office of the ACP Council of Ministers**

**DECISION No.8/CVII/18
OF THE 107th SESSION OF THE ACP COUNCIL OF MINISTERS
HELD IN LOMÉ, TOGO, FROM 29TH TO 30TH MAY 2018**

EU LIST OF NON-COOPERATIVE JURISDICTIONS FOR TAX PURPOSES

The ACP Council of Ministers,

- Meeting in Lomé, Togo, from 29 to 30 May 2018,

RECALLING the objectives of the Georgetown Agreement including consolidating and strengthening the solidarity of the ACP Group;

HAVING REGARD to the Resolution of the 106th Session of the Council of Ministers on the common EU List of Non-Cooperative jurisdictions for tax purposes;

HAVING REGARD to the outcome of the 20th meeting of the ACP Ministerial Trade Committee specifically related to the discussion on the Non-Cooperative Tax Jurisdictions and further discussions with EU during the 5th Joint Ministerial Trade Committee;

HAVING REGARD to the report of the ACP Ministerial Committee on Development Finance Cooperation to the 107th Session of the Council of Ministers;

WELCOMING the creation of an ACP Contact Group to discuss tax matters with the European Union;

HAVING REGARD to the Report of the Committee of Ambassadors to the Council of Ministers which revealed the following concerns (i) Non-compliance with the Cotonou Partnership Agreement; (ii) the negative effects and implications of the EU's approach; (iii) the insufficient or lack of substantive joint assessment of tax systems list compilations process and (iv) the compliances challenges related to the tax good governance criteria;

HEREBY DECIDES TO:

1. **create** an ad-hoc ACP Ministerial Contact Group on tax matters, which may delegate any of its responsibility to a similarly constituted Contact Group at the Ambassadorial level;
2. **mandate** the Group to engage the EU on tax matters in light of the listing of ACP countries by the EU, with a view to securing better outcomes;

3. **agree that** the Contact Group will be composed of representatives from each of the ACP regions;
4. **request** the Contact Group to report to its next Council of Ministers Session.

Done in Lomé, 30 May 2018

**Senator the Honourable Kamina Johnson Smith,
Minister of Foreign Affairs and Foreign Trade
of Jamaica,
President-in-Office of the ACP Council of Ministers**

RESOLUTIONS

**RESOLUTION
OF THE 107th SESSION OF THE ACP COUNCIL OF MINISTERS
HELD IN LOMÉ, TOGO, FROM 29th TO 30th MAY 2018**

ACP AGRICULTURAL VALUE CHAINS DEVELOPMENT
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The ACP Council of Ministers,

- Meeting in Lomé, Togo, from 29 to 30 May 2018,
- A. HAVING REGARD** to the resolution on ACP Agricultural Commodity Trade and Sector Development adopted by the 106th Session of the ACP Council of Ministers held in Brussels, from 5th to 6th December 2017;
- B. RECALLING** the New Approach on Support for the Development of Agricultural Value Chains, which targets actors along the value chain including family farms, MSMEs, women and youth, and aims at empowering them to participate fully in the transformation and modernisation of the agricultural sector at the national and regional level;
- C. UNDERLINING** the fact that the New Approach is based on four (4) Pillars namely: Finance, Capacity-Building, Trade and Investment and Climate Change, and that the New Approach is to be implemented through the Framework Programme on Support for Agricultural Value Chain Development and **NOTING** that access to Finance is the main sector of concentration for intra-ACP intervention, as it is the main constraint that weighs heavily on ACP farmers and prevents the modernisation of the sector;
- D. NOTING** that the New Approach covers Agricultural Value Chains including Fisheries and Livestock;
- E. EMPHASISING** that industrialisation and Private Sector Development in general, present real long-term opportunities to expand economies and create more jobs especially for the youth;
- F. RECOGNISING** that ACP States continue to face stiff competition in the banana sector from Latin American countries whose size gives them a massive price advantage and enables them to export globally and to dominate the European market;

- G. **WELCOMING** the Letter from the EU Trade Commissioner dated 20th March 2018 which indicated that the EU is available to consider new means of support to the Banana Sector through existing cooperation facilities or those newly created in favour of the private sector;
- H. **UNDERLINING** the socio-economic importance of the cashew nut sector for the development of several ACP countries, and the sustainable development prospects that this sector provides for employment, especially for women and the youth;
- I. **DEEPLY** concerned with the abrupt declining cocoa prices by almost 40% within one year which has generated tremendous macroeconomic shocks in cocoa-dependent exporting countries and impacted negatively on the incomes of, among others, cocoa producers and smallholder cocoa farmers;
- J. **NOTING** the significant progress made in the context of the EU-Africa Partnership on Cotton, regarding implementation on the Support Programme for the Consolidation of the Action Framework which ended in November 2017;
- K. **ACKNOWLEDGING** that the Pan African Cotton Investment Programme has been finalised and is aligned with the ACP New Approach on Support for the Development of Agricultural Value Chains;
- L. **RECOGNISING THAT** the Accompanying Measures Programme for Sugar Protocol countries has contributed to the tremendous improvement in sugar production, particularly from the small and medium scale farmers, and has helped to improve the standard of living for the rural poor ;
- M. **DEEPLY** concerned that within a very short space of time since the abolition of EU production quotas on 30th September 2017, the 2017/18 sugar beet crop in the European Union has increased by over 4 million tonnes, from 16.5 million tonnes to 20.9 million tonnes and EU sugar prices have declined sharply, as indeed have world market prices, and there is strong evidence that the substantial increase in EU sugar production and exports has contributed, in part, to this decline;
- N. **RECALLING** that the ACP Group has raised concerns about the negative impact of Voluntary Coupled Support (VCS) which support millions of tonnes of otherwise unviable EU sugar production, thus reducing available markets for ACP producers and decreasing prices both in the EU and on the world market;
- O. **REITERATING** the need to proceed with Phase II of the ACP Sugar Research Programme building on the successful Phase I of the Programme as contained in the Framework Programme on Support for Agricultural Value Chains Development;

- P.** **EMPHASISING** that the UK is a major market for ACP sugar and bananas, therefore the need to ensure smooth continuation of preferential access to the UK market;
- Q.** **FURTHER NOTING** that within the UK sugar market, there is a real opportunity which BREXIT may afford to recreate a meaningful preferential market for ACP sugar which would be of lasting value and which would provide an avenue for sustainable development in ACP sugar industries and their wider rural communities and in our countries generally;
- R.** **STRESSING** the need for assurances from the UK government in regard to the future value of ACP banana sector preferences, with a commitment being needed to no precipitous change in banana sector trade policy;
- S.** **HAVING EXAMINED** the report of the Ministerial Consultations on Commodities held on 28th May 2018, in Lomé, Togo and paying particular attention to the recommendations thereof;
1. **Recognises** that the ACP Group is at a crossroad, having to define its post 2020 future globally, and to redefine its partnership with the EU, while simultaneously addressing a number of challenges including BREXIT, preference erosion and the sharp drop in commodity prices; hence the need to strategise and reposition itself through implementation of key strategic policies, such as the New Approach which places emphasis on adding value to commodities, thereby facilitating the process of transformation of ACP economies and enabling integration into the regional and ultimately global value chains;
 2. **Welcomes** the development and finalisation of the Framework Programme on Support for Agricultural Value Chain Development which is based on 4 key result areas namely finance, capacity building, trade and investment, and climate related risks;
 3. **Urges** the expeditious implementation of the Framework Programme which will articulate support to various sectors including banana, cotton, sugar, cashew, cocoa, kava, coffee, rum, fisheries, livestock and tobacco;
 4. **Agrees** that the future meetings of the Ministerial Consultation on Commodities should include a report on Fisheries since all commodities are now packaged under the Framework of the New Approach on support for the development of agricultural value chains ;
 5. **Notes** the extreme competition in the banana sector, which remains a high-volume-low-margin market and very price sensitive;

6. **Calls** on the EU to ensure that preferential access for bananas from ACP countries is maintained beyond 2020 and the Stabilisation Mechanism is diligently and dutifully enforced and extended beyond 2019;
7. **Reiterates** its concerns about the proliferation of FTAs that has affected the preferences given to the ACP States, and has negatively impacted on the competitiveness of several ACP exports including sugar and bananas;
8. **Invites** the EU to explore new means of support to the banana sector through existing cooperation facilities or those newly created in favour of the private sector, as a follow up to Letter from the EU Trade Commissioner dated 20th March 2018;
9. **Urges** the Secretariat to work closely with the International Cocoa Council in examining and addressing issues along the cocoa value chain including new EU regulation on cadmium;
10. **Emphasises** the importance of supporting the Cotton sector especially in view of the critical role it plays in wealth and job creation particularly for women and youth; and further stress on the need to promote regional integration which is critical in attaining the inclusive, sustainable, economic development and transformation of the Cotton and Agricultural sector at large;
11. **Requests** the EU to abolish the Voluntary Coupled Support in the sugar sector and refrain from instituting other trade-distorting measures;
12. **Calls** on the EU to continue treating sugar as a sensitive product and to safeguard the interests of the ACP suppliers of added value speciality sugars, in its FTA negotiations; and to earnestly put into effect the joint consultation mechanism as provided for under Article 12 of the Cotonou Partnership Agreement;
13. **Further Calls** on the EU to ensure that it informs and consults fully the ACP Group on the negotiations regarding the future trade relationship between the UK and the EU27, in line with the spirit of Article 12 and **Welcomes** paragraph 15 of the negotiating guidelines approved by the EU Council on 29 January 2018, which states that during the transition period “the UK should remain bound by the obligations stemming from the agreements concluded by the Union;”
14. **Invites** the President of the Council of Ministers to forward this resolution to ACP regional economic integration organisations, the Commission of the African Union, the Council of the European Union, the European Parliament, EU Member States, and the European Commission.

Lomé, 30 May 2018

RESOLUTION
OF THE 107th SESSION OF THE ACP COUNCIL OF MINISTERS
HELD IN LOMÉ, TOGO, FROM 29th TO 30th MAY 2018

INDUSTRIALISATION AND PRIVATE SECTOR DEVELOPMENT

The ACP Council of Ministers,

- Meeting in Lomé, Togo, from 29 to 30 May 2018,
- A. **HAVING REGARD** to the ACP Framework of Action for the Development of the Mineral Resources sector of ACP countries adopted by the 93rd Session of the ACP Council of Ministers;
- B. **RECALLING** that the Framework aims at fostering the development of the mineral resources industry in support of the sustainable development of ACP countries and contributing to poverty alleviation and social development in the mining sector;
- C. **UNDERLINING** the fact that to attain the set objective, actions need to be taken to strengthen the management capacity of ACP countries in the mineral sector; integrate sustainable development measures into the ACP mining sector and enhance the ability of states to derive maximum economic and social benefits from the sector, while mitigating the negative impacts of the mining industry;
- D. **NOTING** that actions are being taken to implement the Framework Programme on Support for Agricultural Value Chain Development which will articulate support to various sectors including banana, cotton, sugar, cashew, cocoa, kava, coffee, rum, fisheries, livestock and tobacco;
- E. **EMPHASISING** that industrialisation and Private Sector Development in general, present real long term opportunities to expand economies and create more jobs especially for the youth;
- F. **NOTING** that many ACP Governments have therefore embarked on comprehensive industrial transformation and private sector development agenda based on a value chain and market-based strategies;
- G. **RECOGNISING** that adding value on targeted Industries will allow ACP Countries to produce finished product's and result into a more meaningful Intra-ACP and ACP-EU trading relationship;

H. STRESSING the need to address the major challenges facing ACP States in transitioning from commodity dependent economies to value-adding, knowledge intensive and industrial economies;

TAKING INTO ACCOUNT the discussions on the High Level Panel on “supporting the Economic and Social transformation of ACP States at Regional, Continental and Global levels” and **HAVING EXAMINED** the report of the Ministerial Consultations on Commodities held on 28th May 2018, in Lomé, Togo and paying particular attention to the recommendations thereof;

1. **Reiterates** the importance of beneficiation in attaining ACP integrated and sustainable economic development and growth;
2. **Emphasises** the need to address barriers impacting on beneficiation such as Transfer Pricing and import parity;
3. **Stresses** the importance of regional integration, and inter-regional cooperation in facilitating trade among ACP countries;
4. **Emphasizes** the role of the public and private sector in the social and economic transformation of ACP Member States especially by improving the business climate for private sector development; developing and strengthening entrepreneurship and micro, small and medium enterprises (MSMEs); increasing access to financing to MSMEs; and strengthening competitiveness and access for MSMEs to national, regional and global markets;
5. **Supports** the development of productive capacities, improved productivity and competitiveness thereby facilitating the diversification of products and export markets reach;
6. **Calls** on the ACP Group to ensure that in the post-2020 framework, the ACP Group increases its focus on scaling up industrial opportunities, notably through the creation of linkages and value-added activities in various sectors, including agriculture and extractive industries, and through support to manufacturing activities;
7. **Supports** policies for the development of entrepreneurship among the youth and women in the context of their economic empowerment and promotion of inclusive development;
8. **Underlines** the need to facilitate industrial development by removing barriers to trade in goods and services especially in cross-border trade, trade logistics and financial markets.
9. **Encourages** the effective utilization of the digital economy as a tool to facilitate industrialisation; and
10. **Invites** the President of the Council of Ministers to forward this resolution to ACP regional economic integration organisations, the Commission of the African Union, the Council of the European Union, the European Parliament, EU Member States, and the European Commission.

Lomé, 30 May 2018