



The EU and the ACP Countries

The EU maintains preferential trade relations with many of its former colonies under the ACP [Africa Caribbean and Pacific] arrangement. This grants preferential trading rights to the members of the ACP, as well as a framework for development and political cooperation.

Trade

- The Cotonou Agreement gives preferential market access to the ACP countries
- Under the new Cotonou agreement, changes were made to bring it into line with WTO rules so that instead of just granting preferential access, the ACP now supports regional integration between ACP countries or regions and attempts by them to reduce trade barriers amongst themselves. As part of this, the EU will be negotiating Economic Partnership Agreements (EPAs) with sub-groups of the ACP countries. These are scheduled to be completed by 2008.

Development

- The European Development Fund is the main financial instrument used to support development in ACP countries
- It is agreed by the Council of the EU and then ratified by the Parliaments of the Member States. It does not come under the budget of the EU
- The Commission and other Institutions play a key role in its implementation
- The fund is normally agreed at the same time as the ACP trade agreements
- Consists of several instruments, including grants, risk capital and loans to the private sector.

Political Cooperation

- The Cotonou Agreement brings into existence political bodies which aim to increase political dialogue between the EU and ACP countries with regard to the substantive parts of the Agreement and issues such as human rights and democracy. Three political bodies have been set up: the Council of Ministers, The Committee of Ambassadors, and the Joint Parliamentary Assembly
- The Council of Ministers is made up of the members of the Council of the European Union [ie Heads of State of the Member States of the EU, members of the European Commission, and members of the government of each ACP state.

Members of the ACP Group

ANGOLA, ANTIGUA and BARBUDA, BAHAMAS, BARBADOS, BELIZE, BENIN, BOTSWANA, BURKINA FASO, BURUNDI, CABO VERDE, CAMEROUN, COMORES, CONGO, COOK ISLANDS, CÔTE D'IVOIRE, DJIBOUTI, DOMINICA, ERITREA, ETHIOPIA, FIJI, GABON, GAMBIA (The), GHANA, GRENADA, GUINEA, GUINEA ECUATORIAL, GUINÉE-BISSAU, GUYANA, HAITI, JAMAICA, KENYA, KIRIBATI, LESOTHO, LIBERIA, MADAGASCAR, MALAWI, MALI, MARSHALL ISLANDS, MAURITANIA, MAURITIUS, MICRONESIA (Federal States of), MOZAMBIQUE, NAMIBIA, NAURU, NIGER, NIGERIA, NIUE, PAPUA NEW GUINEA, PALAU, REPUBLICA DOMINICANA, RÉPUBLIQUE CENTRAFRICAINE, RÉPUBLIQUE DÉMOCRATIQUE DU CONGO (R.D.C.), RWANDA, ST KITTS and NEVIS, ST LUCIA, ST VINCENT and THE GRENADINES, SAMOA, SÃO TOMÉ E PRÍNCIPE, SÈNÉGAL, SEYCHELLES, SIERRA LEONE, SOLOMON Islands, SOMALIA, SOUTH AFRICA (subject to additional protocol)*, SUDAN, SURINAME, SWAZILAND, TANZANIA, TCHAD, TOGO, TONGA, TRINIDAD and TOBAGO, TUVALU, UGANDA, VANUATU, ZAMBIA, ZIMBABWE

* [South Africa's relationship with the EU is subject to its own bilateral arrangement, see EU and International Trade Briefing Paper 4]



PTAs and WTO rules,

The Cotonou Agreement between the EU and the ACP countries differed substantially from the previous agreements such as the Lomé Agreement, in its attempt to foster regional integration between regions of the ACP countries and its foreshadowing of the signing of Economic Partnership Agreements (EPAs). The EPAs are an attempt to bring the relationship more closely within the framework of the WTO rules on Preferential Trading Agreements (PTAs).

The WTO rules do not forbid PTAs provided that they are:

- 1) Agreements for the formation of Customs Unions provided they are not more restrictive than before to WTO members not party to the agreement.
- 2) Agreements that aim to facilitate frontier traffic to countries adjacent to the Member.
- 3) Agreements for the formation of Free Trade Areas provided that they are not more restrictive than before to members not party to the agreement.

Also the WTO membership can waive an objection to any PTA by a vote of a majority of two thirds of the members of the WTO.

In the past the ACP-EU relationship relied upon a waiver from the membership of the WTO. This was most recently obtained at the Doha Ministerial in 2001. Some trade experts argue that its introduction at this time, when it had not been expected, meant that the EU could use the possibility of the non-waiver of the ACP as a means of dividing the developing world in Doha and therefore furthering its interests there.

The regional integration envisaged by the Cotonou agreement will fall under the category of FTAs exception to the WTO rules, as will the EPAs to be negotiated with the EU. The changes therefore enabled the ACP - EU relationship to gain a more permanent footing within the WTO framework.