

RESOLUTION
OF THE 81st SESSION OF THE ACP COUNCIL OF MINISTERS HELD IN BRUSSELS
(BELGIUM) FROM 21 TO 22 JUNE 2005

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The ACP Council of Ministers,

- Meeting in Brussels (Belgium) from 21 TO 22 June 2005

- A. **HAVING REGARD** to its Resolution adopted at its 80th Session held in Brussels from 29 November to 2nd December 2004;
- B. **RECALLING** the Resolution on Sugar of the 4th Summit of ACP Heads of State and Government held on 23 and 24 June 2004 in Maputo, Mozambique ;
- C. **RECALLING** the Resolution on ACP Sugar Protocol and LDC/EBA sugar adopted by the 79th Session of the ACP Council of Ministers held in Gaborone (Botswana) on the 4th and 5th May 2004;
- D. **RECALLING** also the resolution on Food Aid and Food Security adopted by the 8th Session of the Joint Parliamentary Assembly held in the Hague from 22 to 25 November 2004;
- E. **HAVING REGARD** to the political dialogue on the reform of the EC sugar regime and the proposed Action Plan that took place on 24 January, 2005 between the EU Council of Ministers of Agriculture and the ACP and LDC Ministers
- F. **RECOGNISING** the continued fundamental contribution of the ACP-EU Sugar Protocol to the sustained growth and sustainable socio-economic development of the ACP sugar supplying States through the provision of an adequate level of earnings on a stable and predictable basis underpinned by a remunerative guaranteed price;
- G. **NOTING** with concern the reluctance by the Commission to reach a decision on the ACP request for the funding of intra ACP research project, on sugar for increasing the competitiveness of the ACP sugar industry;
- H. **EMPHASISING** that the ACP-EU Sugar Protocol is a longstanding intergovernmental contractual agreement of indefinite duration implemented within the EC sugar regime and annexed to the Cotonou

Agreement for administrative purposes;

- I. **REAFFIRMING** the provisions of Article 36 (4) of the Cotonou Agreement, particularly the commitment to safeguard the benefits accruing to the ACP States concerned, which are LDCs, land-locked, small, weak, vulnerable island and single-commodity dependent States;
- J. **STRESSING** the ruling of the WTO Panel that the EC shall stand by its International Commitments with respect to imports, including its commitments to developing countries;
- K. **ACKNOWLEDGING** the importance of the Everything But Arms (EBA) initiative which provides an opportunity for the Least Developed Countries (LDCs) to export sugar to the EU under preferential terms, including a guaranteed remunerative price;
- L. **STRESSING** that tariff-rate quota as well as duty and quota-free access without a remunerative price will be economically meaningless and will make the sugar export of ACP States and LDCs suffer the same fate as coffee and cocoa;
- M. **HAVING REGARD** to the communication from the Commission to the EU Council and the European Parliament on July 14, 2004 on the EU Sugar Reform now overtaken by the ruling of WTO panel and the more drastic proposals announced on 22 June 2005;
- N. **DEEPLY CONCERNED** that the Commission has completely ignored the proposals made by the Sugar Protocol ACP Sugar Supplying States and LDCs regarding the future EU Sugar Regime;
- O. **REITERATING** the LDCs response of 13 September 2004 to the Communication from the Commission to EU Council and the European Parliament concerning the proposed reform of the EU Sugar Regime and their request for an adaptation of the EBA initiative through the introduction of a second quota until 2016;

- 1. **DECLARES** that the proposal on the Sugar Regime reforms presented

by the European Commission to the European Parliament on 22 June 2005 will cause serious injury to ACP sugar producers, if approved;

2. **ENDORSES and REITERATES** the ACP position on the EU Commission's communication of the 14 July 2004 concerning the reform of the EU Sugar Regime which was submitted on 6 October 2004 to the European Union, its Member States, the European Parliament and the Commission;
3. **CALLS ON** the EU to honour the legal and political commitment enshrined in the Sugar Protocol as well as the provisions of Article 36(4) of the Cotonou Agreement and the EBA Initiative respectively, through the maintenance of an adequate level of remunerative price for the ACP and LDCs supplying States, thereby safeguarding the benefits that these States currently derive from the export of sugar to the EU;
4. **CALLS ON** the EU Council and the Commission to introduce in the new EC Sugar regime a more reasonable duration of not less than 8 years starting in 2008 with a minimum price cut required to meet its present and future WTO obligations, to be phased in during the transitional period;
5. **CALLS ON** the EU Commission to declare sugar as a sensitive product within the context of the Doha Development Agenda at the World Trade Organisation to assist the development goals of ACP Sugar Supplying States, while recognising the multifunctional role it plays in the ACP States concerned;
6. **CALLS ON** the European Commission to work closely with the ACP States concerned on a special safeguard mechanism on agriculture in the context of the ongoing WTO Doha Development Round;
7. **CALLS ON** the EU, its Member States and the Commission to ensure coherence in the EU policies on trade, agriculture and development cooperation so as to ensure that the reform of the EU sugar regime does not undermine the capacity of the ACP States and the LDCs to achieve the MDGs;
8. **URGES** the EU and the European Commission to ensure that, the ACP and the LDC supplying States are guaranteed at least treatment comparable to that to be provided to the EU outermost regions whose specificities and development needs are similar to most ACP sugar supplying states, as any discrimination in the level of price and earnings will be contrary to the letter and spirit of ACP-EU co-

operation;

9. **CALLS ON** the EU to grant the ACP and LDC Sugar Producers accelerated and increased market access for sugar at remunerative prices in order to enable them to diversify within the sugar sector and build capacity -competitive trade;
10. **REQUESTS** that the Sugar Protocol and EBA beneficiary States are fully supported, in line with the EU farmers, through an appropriate dedicated budgetary line or the European Agricultural Development Guarantee Fund which is meant to finance long-term development of ACP States through quick disbursement mechanisms to guarantee a stable and predictable flow of resources, which would enable them to restructure and modernise their sugar industries so that they can operate competitively under a future reformed Sugar Regime;
11. **URGES** the EU and the Commission to set up in 2005 a Competitiveness Fund with adequate resources to support the ACP States concerned to restructure and modernise their sugar industries so that they can operate competitively under a future reformed Sugar Regime;
12. **CALLS ON** the Commission to urgently examine and approve the longstanding request for the funding of intra ACP research projects on sugar independently of the Programme for Science and Technology Innovation and Capacity Building for ACP States;
13. **REQUESTS** the President of Council to forward this Resolution to the European Commission, the European Council, EU Member States and the European Parliament.
