

**JOINT DECLARATION BY THE ACP MINISTERIAL DELEGATION AND REPRESENTATIVES OF THE LEAST DEVELOPED COUNTRIES (LDCs) AND THE SPANISH MINISTRY OF AGRICULTURE, FISHERIES AND FOOD ON THE REFORM OF THE CMO FOR SUGAR**

*At a meeting in Madrid a Delegation of Ministers and other representatives from African, Caribbean and Pacific (ACP) and LDC countries supplying sugar to the European Union under the Sugar Protocol (SP) and the Everything but Arms Initiative (EBA) had today wide ranging discussions with the Spanish Ministry of Agriculture, Fisheries and Food, on the Commission proposals for the Reform of the Sugar Regime. They agreed on the following:*

- *Reform of the European Common Market Organisation for Sugar (Sugar Regime) must assure a level of prices which remunerates adequately both Community producers and suppliers from the ACP countries and LDCs.*
- *The overall approach of the Communication issued by the European Commission unsettles the current balance of the sector, harming both Community producers and suppliers in least developed countries and sugar producers of the ACP group. The level of price cut, the day of entry into force of the Reform and the time frame suggested by the Commission are totally unacceptable as they would destroy the sugar production of the weaker producing regions in the European Union and most of these ACP and LDC States .*
- *If reform is put into practice along the lines proposed, it would bring about highly deleterious social effects for ACP countries and some European sugar-beet areas and frustrating investments in both ACP and LDCs. The multifunctional role played by the sugar sector in those regions cannot be ignored. The Commission reform orientations would exacerbate unemployment through decreased use of labour and industrial closures, with the concomitant dereliction of rural areas This is the more so when the WTO Doha July 2004 package does not require any drastic price cuts.*
- *The framing of a preference quota policy which reinforces ACP countries present access to a suitably regulated market is the best way to enable orderly development of their sugar production. The application of the "everything but arms" initiative should include, as requested by least developed countries themselves, similar instruments for quantitative control of imports, allowing stable income on a predictable basis for suppliers, within an orderly managed EU market that maintains a sustainable sugar sector in all producing regions of the EU.*

- *Therefore, we propose that the approaches put forth for reform of the CMO Sugar should be amended in order to achieve the primary goals of maintaining sugar production in its traditional cultivation areas in the EU and current trade flows from ACP countries at adequate guaranteed prices. Shipments from least developed countries in the context of the "everything but arms" initiative should be structured in accordance with the interests expressed by the beneficiaries of the initiative themselves, in such a way as to maintain a balanced Community market.*

*We have agreed to continue our close collaboration to ensure our common interest on this vital issue.*

Madrid, 21 January 2005