



**“INTERNATIONAL WORKSHOP ON  
STRENGTHENING AND WIDENING MARKETS  
AND OVERCOMING SUPPLY SIDE  
CONSTRAINTS FOR AFRICAN AGRICULTURE”**

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**Statement by**

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**Secretary-General of the ACP Group of States**

**Mr. Chairman,**

**Honourable Ministers,**

**Secretary General of COMESA,**

**Excellency Ambassadors,**

**Distinguished participants,**

**Ladies and Gentlemen,**

At the outset, I would like to thank Madam Charlotte Hebebrand, (the IPC Chief Executive) for inviting me to participate at this international workshop on the crucial subject of food and agriculture and the trade policy options which African governments must adopt.

I would also like to express my gratitude to our gracious host, Mr. Erastus Mwencha, (Secretary-General of COMESA) and for the excellent facilities placed at our disposal. I have enjoyed the discussions so far and have benefited from presentations by personalities who are experts in their respective disciplines.

Therefore, I am delighted to be among you today to share with you information on the state of play on EPA negotiations. In my presentation, I will briefly discuss the importance of agriculture on the ACP economies, indicate to the workshop how agriculture was treated during the first phase of the EPA negotiations and finally update you on the finalization of the comprehensive review of the EPA negotiations.

**Mr. Chairman,**

The agricultural sector is the heart of the economies of most of the ACP States. Agriculture accounts for over 60 percent of most of their gross domestic product (GDP); it employs as much as 90 percent of labour force in most cases; it is a major source of foreign exchange contributing as much as 95% in about two thirds of the ACP States; it supplies the bulk of basic food and it provides subsistence and other income to the majority of the ACP's

population. Ironically, many ACP States continue to suffer from chronic food shortages and even famine.

Indeed, in order to achieve significant progress in promoting economic growth, reduce poverty, enhance food security, protect the environment, improve rural development and thus improve the livelihood of farmers and rural populations which in turn will scale down the migration to urban areas, - all these can not be achieved in most of the ACP States without fully developing the productive capacity of the agricultural sector. Therefore there is a dire need to address the demand and supply-side constraints if we are to enhance agriculture's contribution to overall economic and social development.

There is no doubt that the ACP States will increasingly continue to rely on trade in agricultural products for their socio-economic development and for their foreign exchange earnings. The incomes should be sustained and predictable so that they can lead to an increase in the procurement capacity of other inputs necessary for economic development.

Unfortunately, the full export potential of ACP's agricultural products has not been realized because of numerous obstacles, ranging from tariff and non-tariff barriers to constraints in human, institutional and supply-side capacity. The ACP States anticipate that under the EPAs, these obstacles will be removed and by so doing put the ACP States on a path to sustained economic growth and ultimately sustainable development.

**Mr. Chairman,**

During the first phase of the EPA negotiations, where the ACP Secretariat played a leading role, Agriculture was discussed with regard to market access issues as well as their wider developmental importance. The ACP and the EC had a convergence of views on the crucial importance of agriculture in pursuing the objectives laid down in the Cotonou Agreement. To recall these objectives include the fostering of the smooth and gradual integration of the ACP States into the world economy, in a manner that takes due regard for the ACP States political choices and development priorities, and thereby promoting their sustainable development and contributing to poverty eradication.

There was also a convergence of views on the need for the ACP countries and regions to diversify their export structure and to add more value to their exports. In this perspective, both sides agreed that addressing issues such as the PMDT approach namely processing, marketing, distribution and transport would be essential. It was agreed to place the proposal on the agenda for the negotiations at the regional level. I am informed that the ESA region is seriously pursuing this issue and rightly so.

It was further agreed to address the peculiarities and concerns of ACP States, in particular those of LDCs, small, island developing States (SIDS), land-locked countries, net food-importing and heavily indebted non-LDCs, small economies and single commodity producers.

An additional category has been added to this – the conflict and post conflict ACP States. It would seem to me that ACP states fall into one or another category of the classified list. Hence it would be difficult to differentiate these categories when dealing with the inherent problems in the area of agriculture. Nonetheless, this was agreed as was the need to consider non-

trade concerns such as rural development and the preservation of the environment.

Another area of agreement was with regard to addressing issues related to sanitary and phytosanitary measures (SPS). The European Commission concurred with the ACP's proposal of supporting the development of national and regional capacities, including the establishment and strengthening of national and regional testing and certification institutions.

In this regard, both sides recognized the utility of developing a co-ordination and consultation mechanism on SPS issues within EPAs. I understand that protocols on SPS have been developed during the regional negotiation process. This should be welcomed.

One of the crucial areas of agreement was the need to address the issue of Commodity Protocols as provided for under Article 36(4) of the Cotonou Agreement. This article provides, *inter alia*, that the two parties will review the commodity protocols under EPAs, with a view to safeguarding the benefits derived from them in a WTO compatible way.

The recent market access offer by the EC was silent on the joint review of the commodity protocols. It is for that reason that during the recently concluded ACP-EC Joint Council of Ministers, the ACP formally requested that this joint review be undertaken. However, the outcome of that process, if and when it is carried out, is not yet clear.

An area of divergence of view remained on the sequencing of trade liberalization of agriculture under EPAs vis-à-vis the provision of support for the development of agricultural sector to the ACP countries and regions. The ACP side was of the considered view that more assistance was needed for

the ACP countries and regions before liberalization could start in the area of agriculture.

On its part, the EC argued that these two processes were complementary and needed to go hand in hand so as to foster their mutual supportiveness. Since there was no meeting of minds on this point, both sides concurred that this issue would be considered in the context of the regional negotiations, taking account of the specific situation of the countries and regions concerned. I would expect that the ACP will be able to press their case on this importance issue of sequencing.

**Mr. Chairman,**

I have given a broad scenario of the importance of agriculture for the ACP States and also how negotiations under EPAs of the agriculture area were dealt with in the first phase of the EPA process. Let me now turn briefly to the formal and comprehensive review of the EPA negotiations which was recently finalized in accordance with Article 37.4 of the Cotonou Agreement.

The main purpose of the review was to ensure that no further time was needed for preparations or negotiations. The ACP Group was involved in the process at the regional level and at the all ACP level. Indeed most regions conducted independent and separate reviews in preparation for the joint review.

The results of the reviews have been available for public information. The independent reviews apparently differ quite substantially with what was agreed at the joint level. I think we have to acknowledge that the final text

of the joint review is a negotiated text and is therefore the result of a compromise involving give and take on both the ACP and the EU sides.

It emerged from the recent Council of Ministers meetings that the ACP States remain committed to the conclusion of the negotiations in the specified timeframe. However, this is of course on condition that outstanding issues of interest and concern to the ACP negotiating regions will be dealt with expeditiously and satisfactorily.

Some of these issues include the market access package, the scope and content of the agreement as well as development finance.

In particular, the ACP maintain that development issues, such as the provision of adequate resources, additional to EDF and made available on a predictable basis, allocated to finance EPA related adjustment costs must be addressed.

Concerning the EU market access offer in the context of EPAs, the ACP has welcomed this offer. However, it should be noted that the ACP will benefit from the offer only if other limitations such as Standards, SPS (Sanitary and Phytosanitary measures), TBT (Technical Barriers to Trade) and certainly rules of origin are addressed.

It is expected that these issues will be dealt with comprehensively and hopefully agreement reached in the context of the negotiations and also during the implementation of the EPAs.

Furthermore, at their recent meeting in Brussels two weeks ago, the ACP Ministers reiterated that the European Union and the European Commission must ensure that, irrespective of the outcome of the negotiations, no ACP State is left worse off. In this regard, the EC should adopt the necessary

transitional measures so as to avoid possible disruption in the exports of ACP products to the European Union beyond 2007.

In conclusion, I would say that, on the whole, it should be noted that the political commitment for the conclusion of the negotiations is there, it is up to the technical experts to thrash out the remaining issues to the satisfaction, in particular, of the ACP States. The work continues.

With these remarks I end my statement and sincerely thank you for your attention.

Thank you.

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