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[Final Version]

Port Moresby, 1st June 2006

**DECISIONS, RESOLUTIONS AND DECLARATIONS
OF THE 83rd SESSION OF THE ACP COUNCIL OF MINISTERS
HELD IN PORT MORESBY (PAPUA NEW GUINEA),
FROM 28th TO 31st MAY 2006**

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**DECISION N°1/LXXXIII/06
OF THE 83rd SESSION OF THE ACP COUNCIL OF MINISTERS
HELD IN PORT MORESBY FROM 28th TO 31st MAY 2006**

**APPOINTMENT OF THE EXTERNAL AUDITOR
FOR FINANCIAL YEAR 2005**

The ACP Council of Ministers,

RECALLING the provisions of Articles 33 and 34 of the Financial Regulations of the Secretariat of the ACP Group (ACP/45/018/03 Rev.3);

HAVING REGARD TO Decision No. 4/LXXXII/05 of 9 December 2005 appointing the firm DELOITTE & TOUCHE as the external auditor of the Secretariat's accounts for Financial Year 2005;

CONSIDERING that by letter dated 18 January 2006, the firm DELOITTE & TOUCHE declined the Secretariat's offer to audit its accounts;

HAVING REGARD TO the recommendation of the Committee of Ambassadors to appoint the firm TOELEN, CATS, MORLIE & CO (TCLM) to replace DELOITTE & TOUCHE with regard to the audit of the Secretariat's accounts for Financial Year 2005;

HEREBY DECIDES:

to appoint the firm TOELEN, CATS, MORLIE & CO (TCLM) as the external auditor of the Secretariat's accounts for Financial Year 2005 instead of the firm DELOITTE & TOUCHE.

Done in Port Moresby, 31st May 2006

**Dr. Onofre ROJAS
Secretary of State,
National Authorizing Officer of the
European Development Fund (EDF)
of the Dominican Republic
President of the ACP Council of Ministers**

DECISION N°2/LXXXIII/06
OF THE 83rd SESSION OF THE ACP COUNCIL OF MINISTERS
HELD IN PORT MORESBY FROM 28th TO 31st MAY 2006

ON THE ECONOMIC PARTNERSHIP AGREEMENTS (EPAs)

The ACP Council of Ministers,

- A. **RECALLING** the objectives contained in the Georgetown Agreement and the Cotonou Partnership Agreement;
- B. **RECALLING** the Declaration of the 4th Summit of ACP Heads of State and Government held on 23 and 24 June 2004 in Maputo, Mozambique, with regard to economic development dimension; and Decision No. 5 of that Summit on the Economic Partnership Agreements (EPAs);
- C. **RECALLING** the Declaration of the 81st Session of the ACP Council of Ministers on EPAs;
- D. **HAVING REGARD** to the reports on EPA negotiations at the regional level, which have clearly pointed to the lack of attention to the development dimension by the EC negotiators;
- E. **HAVING REGARD** to the programming exercise for the 10th EDF which has commenced at country and regional levels;
- F. **HAVING REGARD** to the decisions of the EU General Affairs and Economic Relations Council of 24 May 2005 and 10 April 2006, in which EU Members States reiterate their political commitment to ensure EPAs will serve as development instruments for ACP States and regions;
- G. **BEARING IN MIND** in view the meetings of the ACP and the Joint ACP-EC Ministerial Trade Committee meetings scheduled to take place from 26 to 28 June 2006;

- H. **RECALLING** the provisions of Article 37.4 of the Cotonou Agreement on the comprehensive review of EPA negotiations;
- I. **RECALLING** also the provisions of Article 37.6 of the Cotonou Agreement whereby the European Commission undertakes to provide those non-LDC ACP States not in a position to conclude an EPA, an alternative framework that will guarantee them at least the current level of preferences;
- J. **RECOGNISING** the need to give momentum to the EPA negotiations and to focus increased attention to the development dimension;

Hereby decides to:

I Approach and progress on EPA negotiations

1. **reiterate** the elements, in particular those relating to the need for EPAs to deliver on development, contained in the Declaration issued at the end of the 81st Session of the ACP Council of Ministers on EPAs;
2. **take note** of the reports submitted by the regions on the state of progress on the negotiations and to urge the regions to provide these reports on a regular basis at the end of each negotiating session to the ACP Secretariat for general information and appreciation of all ACP States and negotiating configurations;
3. **note** the crucial stage which negotiations have reached and in this regard, expresses its disappointment and apprehension at the slow pace and lack of tangible progress in the negotiations, with many critical issues yet to be discussed or agreed upon;
4. **mandate** that a template on the rules of origin be developed at the all-ACP level which could provide guidance to regions in their negotiations;

5. **agree** that ACP regions should not be coerced to negotiate the so called trade-related issues such as competition policy, government procurement and investment in EPAs, unless the regions indicate readiness to do so, since most of them do not have uniform regional policies, which is a pre-requisite for guiding their negotiations;
6. **recall** that the provisions of Article 37.5 places the responsibility of determining the level and procedures for negotiations on the ACP Group. In this regard, overlapping membership and the incongruence between the EPA negotiating configurations and the regional integration groupings are challenges that the various regions concerned must address. The ACP negotiator is therefore requested to ensure that EPAs do not become obstacles to the coordination and harmonisation of regional programmes and activities for the progressive formation among themselves of free trade areas and customs unions on a priority basis and ahead of any similar agreements with the EC;
7. **recall** also that Article 34 of the Cotonou Agreement provides that economic and trade cooperation shall give due regard to the ACP State's political choices and development priorities;
8. **urge** the European Commission to respect the formal negotiation process and to desist from exerting pressure at the highest political level by taking advantage of the information gap that may exist between the negotiators and the political leadership. In this regard, Council calls on the regions that have not done so, to consider organizing at the appropriate forum, briefing sessions on EPAs for Heads of state and Government;
9. **in view** of the complete lack of delivery so far on the development component of the EPA negotiations, to request the EU Council and its EU Members States to urgently review the negotiating directives of June 2002 and the current negotiating structure.

II Preparation for and implementation of Article 37.4 Comprehensive review of EPAs

1. Mandate the ACP Ministerial Trade Committee to examine and determine the elements and modalities necessary for the conduct of the comprehensive review of EPA negotiations as foreseen in Article 37.4 of the Cotonou Agreement, taking into account the experience gained in the negotiations ;
2. Re-affirm that the review should be all inclusive and consultative with all stakeholders including non-state actors and parliamentarians and should be conducted at national and regional levels. The results will be consolidated and discussed at all-ACP level before the commencement of the joint ACP-EU review. The review should include, inter alia, the structure, process and substance of the negotiations, the trade and development dimensions, as well as the capacity and preparedness to conclude EPAs. Development benchmarks should be developed to assist the exercise and in the negotiations as a whole.
3. The review should as a minimum cover the following:
 - (i) Assessment of the State of Play of the Negotiations;
 - (ii) Development aspects, including implementation of Article 37.3 of the Cotonou Agreement which provides for the capacity building measures that should be addressed before the conclusion of the negotiations;
 - (iii) Assessment of the negotiation road-maps up to the end of 2007;
 - (iv) Assessment of capacity and preparedness to conclude the negotiations;
 - (v) Assessment of measures necessary to support the achievement of positive results;
 - (vi) Assessment of the measures necessary to ensure effective implementation of the Agreements; and
 - (vii) Assessment of whether further time is needed for preparation or negotiations.

4. Alternatives to EPAs should be fully explored in particular as they relate to Article 37.6 of the Cotonou Agreement.
5. To mandate the Committee of Ambassadors to agree with its European Union counterpart on the process and modalities for the implementation of Article 37.4 of the Cotonou Agreement at the joint ACP-EU level.

III 10th EDF Programming

1. To call on the European Union and its Member States to make a binding commitment for additional resources beyond the 10th EDF to cover EPA related costs. This commitment shall be factored into the legal text of each EPA;
2. To call for the establishment of an additional EPA Financing Facility as envisaged in Declaration XV of the revised Cotonou Agreement, at national and regional levels, to address the adjustment costs and support the EPA process and implementation over time and urge the Member States to contribute to such a facility in the context of the commitment made to scale up ODA following the Monterrey Consensus on International Financing for Development;
3. To call for enhanced coordination between Ministries and departments responsible for trade, finance and development, with a view to ensuring that financing of EPA related costs are integrated in the National and Regional Indicative Programmes, without impeding other development needs that are to be funded under the 10th EDF.
4. In addition to paragraph I (6) above, to urge the European Commission to respect the right of ACP States to choose their negotiating configurations as provided in Article 37.5 and take this fully into account in the programming for the 10th EDF.

IV Injecting a political impetus into the negotiations

1. That in order to sensitize the political leadership in the European Union of the need to ensure the development dimension of EPAs is accorded the appropriate attention in the negotiations and in the final Agreement, six Heads of Government representing each ACP negotiating regions will be requested to meet the EU Presidency, the Commission President, the EU Parliament and its President as well as Heads of EU Governments, as appropriate;
2. To convene in a special session in 2007, to take stock of EPA negotiations and to adopt any decision necessary to ensure that no ACP State will be worse off as a result of EPAs and to determine the necessary way forward.

To instruct the President of Council to forward this decision to the European Union Council and its Member States, the European Parliament and the European Commission.

Done in Port Moresby, 31st May 2006

Dr. Onofre ROJAS
Secretary of State,
National Authorizing Officer of the
European Development Fund (EDF)
of the Dominican Republic
President of the ACP Council of Ministers

**RESOLUTION
OF THE 83RD SESSION OF THE ACP COUNCIL OF MINISTERS
HELD IN PORT MORESBY (PAPUA NEW GUINEA) FROM 28 TO 31ST MAY 2006**

LDC SUGAR

The ACP Council of Ministers,

- meeting in Port Moresby from 28 to 31st May 2006,

HAVING REGARD to the inaugural meeting of the LDC Ministers on EBA Sugar held at ACP House, Brussels, on 2nd and 3rd March 2004;

HAVING REGARD to the Agreement of the 79th Session of the ACP Council of Ministers, meeting in Gaborone, Botswana on the 4th and 5th May 2004, to establish Joint Ministerial Consultations on ACP and LDC Sugar and the adoption of an ACP resolution on "LDC EBA Sugar";

HAVING REGARD to the adoption by ACP Heads of State and Government, meeting at their Fourth Summit on 23rd and 24th June 2004 in Maputo, Mozambique, of a Resolution on Sugar recalling and endorsing the Botswana resolution on LDC EBA Sugar, and convening the ACP/EBA Consultative Group on Sugar in Brussels;

HAVING REGARD to the first EBA Framework Agreement on Sugar, agreed on 23rd October 2001 and signed by Bangladesh, Benin, Burkina Faso, Burundi, Congo DRC, Ethiopia, Guinea, Madagascar, Malawi, Mali, Mozambique, Nepal, Niger, Senegal, Sierra Leone, Sudan, Tanzania, Togo, Uganda and Zambia, and its renewal on 5th May 2006;

HAVING REGARD to the Second Framework Agreement on sugar adopted in Port Moresby on 29th May 2006 which reconfirms an orderly management system for the EBA Sugar Interim Quota for the period between 1 July 2006 and 30 June 2009;

Whereas:

- A. Under the Everything But Arms initiative ("EBA"), the European Union Council Regulation (EC) No 980/2005 of 27 June 2005 provides in its Article 12 paragraph 5 that, until Common Customs Tariff duties are entirely suspended on 1 July 2009, a global tariff quota at zero duty shall be opened for each delivery period for the product of tariff subheading 1701.11.10 ("raw cane sugar for refining") originating in the Least Developed Countries ("LDCs"), hereinafter referred to as the "EBA Sugar Interim Quota";
- B. Under Article 12 paragraph 5 of the GSP regulation (EC) No 980/2005, until Common Customs Tariff duties are entirely suspended, the LDC global tariff quota for sugar "shall be increased by 15% over the quotas of the previous marketing year";
- C. At a meeting on 14th June 2001 between representatives of LDC Countries and the European Commission (DG Trade) it was agreed that the Commission would proceed with the adoption of detailed implementing rules for the EBA Sugar Interim Quota – in particular to implement a minimum price for EBA sugar – on the assumption that the LDCs would agree a "reasonably satisfactory political agreement on the sharing formula which will ensure collective responsibility for filling it entirely and which gives a balanced chance to newcomers";
- D. The first Commission implementing regulation on EBA sugar was published in the Official Journal of the European Communities on 5th October 2001 as Commission Regulation (EC) No. 1978/2001. This implementing regulation was renewed for four years until 30th June 2006 with the adoption of Commission Regulation No. 1381/2002. It is envisaged that a new Commission Regulation will open the EBA Sugar Interim Quota for the remaining three EU sugar delivery periods of the EBA Sugar Interim Quota beginning 1st July 2006, under similar conditions to be specified in the new Commission regulation, notably the implementation a minimum price for EBA sugar equal to the guaranteed prices fixed for the ACP/Indian sugar as defined in Council Regulation (EC) No 318/2006 of 20 February 2006 on the common organisation of the markets in the sugar sector;

- E. The first EBA Framework Agreement on Sugar of 23 October 2001 has remained open to all LDC states wishing to export sugar to the EU. The first EBA Framework Agreement constituted the LDC Brussels Sugar Group and laid down rules for the allocation and supply of LDC sugar under the transitional EBA quota, and was agreed by the LDC Brussels Sugar Group in fulfilment of the LDC understanding with the Commission of 14th June 2001;
- F. The first Framework Agreement on EBA Sugar expires on 30th June 2006. The reasons which in the past led the LDC countries to adopt a Framework Agreement on EBA Sugar still remain valid. Accordingly, a Framework Agreement remains a necessary pre-requisite to ensure an orderly management system for the EBA Sugar Interim Quota for the period between 1st July 2006 and 30th June 2009, and a Second Framework Agreement on EBA Sugar has been adopted for this period to ensure remunerative export earnings for the LDC Sugar Industries until EU Common Customs Tariff duties are entirely suspended for the LDCs on 1st July 2009;
- G. The LDC Sugar Supplying States with substantial or potentially substantial interest in supplying raw cane sugar for refining to the EU market ("LDC Sugar Supplying States") intend to use the EBA Sugar Quota to the full, in accordance with European Union Legislation in particular Council Regulation (EC) No 318/2006 on the common organization of the markets in the sugar sector, and they intend to ensure as far as possible that the full benefits of the EBA Sugar Interim Quota shall accrue to their sugar industries in both fields and factories :
- 1) **Call for** and support the abolition and suspension in full of all additional duties referred to in article 27 of regulation (EC) No.318/2006 as proposed by the European Commission so as to leave only the Common Customs Tariff duties on imports of products of tariff heading 1701 originating in a Least Developed Country reducing by 20% on 1 July 2006, by 50% on 1 July 2007 and by 80% on 1st July 2008; all customs duties being entirely suspended as from 1 July 2009.

- 2) **Insist** that the 2006/07 marketing year is a marketing year like any other, albeit covering a period of fifteen months, and therefore call on the European Commission to implement regulation (EC) No 980/2005 in full and increase the quota by 15% per annum as specified and not as proposed as this will result in a retrogressive tendency and negative consequences for the orderly management of LDC raw cane sugar suppliers in this period.
- 3) **Call on** the European Union to give consideration to all the instruments and means of directing resources from the European Development Fund and the European Budget towards providing national or sectoral support for the sugar sector of the LDCs including non-committed or uncommitted funds that might result from the end-of-term review of the 9th EDF.
- 4) **Instructs** the President of the Council of Ministers to forward this resolution to the European Commission, the Council of the European Union, the EU Member States and the European Parliament.

**RESOLUTION
OF THE 83rd SESSION OF THE ACP COUNCIL OF MINISTERS
HELD IN PORT MORESBY (PAPUA NEW GUINEA) FROM 28th TO 31st MAY 2006**

BANANAS

The ACP Council of Ministers,

- meeting in Port Moresby (Papua New Guinea), from 28th to 31st May 2006,
- A. **HAVING REGARD TO** the resolution on bananas adopted by the 82nd session of the ACP Council of Ministers held in Brussels (Belgium) from 6 to 9 December 2005;
- B. **HAVING REGARD TO** the resolution on agricultural and mining commodities adopted by the 10th session of the ACP-EC Joint Parliamentary Assembly held in Edinburgh from 18 to 24 November 2005;
- C. **RECALLING** the open debate held on bananas at the 6th Ministerial Conference of the World Trade Organisation (WTO) in Hong Kong in December 2005, and the arguments advanced by the ACP side to justify the need to maintain the preferences from which banana exports from ACP countries benefit at a significant level to ensure the viability of the ACP banana industry;
- D. **CONSIDERING** the decision of the Chairman of the 6th WTO Ministerial Conference to set up a facilitation process chaired by Norway's Foreign Affairs Minister in order to enable the various banana-exporting countries to thoroughly assess the effects of the Implementation of the European Union's new banana import regime that came into effect on 1 January 2006;
- E. **DEPLORING** the refusal by the MFN banana-exporting countries to include the ACP countries in the discussions facilitated by the Norwegian Minister, despite their insistence and repeated requests;
- F. **NOTING** the efforts of the European Commission to keep the ACP countries informed of the ongoing discussions in the context of the facilitation exercise;

- G. **OBSERVING**, nonetheless, that the ACP countries have not received all the information that the EC has been providing to other partners, and that this situation makes it difficult for the ACP countries to prepare for various discussions held in different fora;
- H. **RECALLING** that the Community is linked by Article 36.3 of the Cotonou Agreement to the terms whereby the non-reciprocated trade preferences applied in the framework of the Fourth ACP-EC Convention will be maintained according to the conditions defined in Annex V;
- I. **STRESSING** the fact that the data collected on the banana export market since the entry into force of the new regime has shown that the tariff level of 176 euros per tonne has enabled the Latin American countries to increase their exports to the European market and that, as a result, their argument that this new tariff level would reduce their access to the EU market can no longer be maintained;
- J. **INSISTING** on the need to counter any attempt by the MFN banana-exporting countries to pursue purely legalistic procedures within the WTO in order to secure even further reductions in the EU-applied tariff, despite the evidence of the market data;
- K. **CONSIDERING** the need for the rapid and thorough evaluation of the consequences of including the ACP-EU banana trade in the regional EPAs;
- L. **RECALLING** its invitation to the EU to collaborate with the ACP in designating bananas as a sensitive product in the ongoing WTO negotiations in such a way as to protect the interests of ACP exporters;
- M. **NOTING** that despite repeated announcements by the European Commission, the adoption of the texts designed to enable full use of the SFA resources is still pending, and that, as a result, producers have not been able to carry out the investment programmes as planned;
1. Calls on the ACP countries to continue to compile information on the situation of the banana market, and to formulate a solid argument to prove their case that the new regime that came into force on 1 January 2006 at least maintains MFN access to the EU market;

2. Urges the European Union to ensure that all available information is communicated to the ACP countries so as to facilitate their participation in discussions in various fora;
3. Calls on the ACP countries and the European Union to hold consultations with the aim of ensuring meaningful and effective participation in any legal proceedings that might be initiated by the MFN countries at the WTO;
4. Invites the ACP countries and the European Union to:
 - open discussions, as soon as possible, on the basis of the observations on the implementation of the current regime so as to work towards setting up another regime to guarantee the viability of banana-exporting companies in ACP countries, ensure access of bananas from these countries to the European Community market, and safeguard the financial and socio-economic advantages that the ACP countries derive from these exports;
 - evaluate the consequences of including bananas in the Economic Partnership Agreements currently under discussion;
 - seek the best possible approach, including the possible designation of bananas as a sensitive product, to ensure that the preferences from which the ACP banana-producing countries benefit are safeguarded upon conclusion of the ongoing Doha Round;
5. **Calls on the European Union** to accelerate the adoption of the texts designed to facilitate the total and effective use of the Special Assistance Framework, as quickly as possible, so as to take account of the considerable delay experienced particularly because of the postponement of the deadline for the commitment of the resources available under the Assistance Programme;
6. Instructs the President of the Council of Ministers to forward this resolution to the European Commission, the Council of the European Union, the EU Member States and the European Parliament.

**RESOLUTION
OF THE 83rd SESSION OF THE ACP COUNCIL OF MINISTERS
HELD IN PORT MORESBY (PAPUA NEW GUINEA) FROM 28th TO 31st MAY 2006**

SUGAR

The ACP Council of Ministers,

- meeting in Port Moresby (Papua New Guinea), from 28th to 31st May 2006,
- A. **HAVING REGARD** to its resolution on sugar adopted by the 82nd session of the ACP Council of Ministers held in Brussels, Belgium, from 5 to 9th December 2005;
- B. **HAVING REGARD** also to the Declaration of the ACP Ministers of Trade of 29 November 2005 in the run up to 6th WTO Ministerial Conference, particularly the paragraph 59 relating to treatment of sugar within the WTO negotiations;
- C. **NOTING** the adoption by the EU Council of the new EU Sugar Regime reform regulation (EC No. 318/2006) which imposes a 36 % price cut over four years beginning in 2006/07 in total disregard of the interests of the ACP States concerned;
- D. **NOTING** also European Parliament resolution of January 2006 on the EU sugar regime reform agreement which, in particular, underscored the need for the EU to make available a minimum of €200 million annually to the ACP Sugar Protocol countries to adjust to the reform;
- E. **FURTHER NOTING** the EC Regulation 266/2006 adopted by the EU Council and the European Parliament on accompanying measures for the 18 ACP Sugar Protocol countries affected by the reform of the EU Sugar Regime in particular in respect of the objectives and needs of the ACP countries concerned to adjust to the EU sugar regime reform;

- F. **RECALLING** the resolution adopted by the ACP-EU Joint Parliamentary Assembly in Edinburgh, UK in November 2005 on commodities highlighting in particular the need to earmark adequate resources as adjustment support to the ACP Sugar Protocol countries;
- G. **UNDERLINING** that the EU sugar regime reform seriously undermines the sugar industries of the Sugar Protocol countries as well as their sustainable development and results in dire socio-economic consequences affecting the livelihoods of millions in these countries;
- H. **UNDERSCORING** the fact that the absence of adequate and timely support for the sugar sector will lead to impoverishment and thwart the multi-functional role of the sugar sector in ACP countries with serious economic, social and environmental consequences on the small and vulnerable ACP economies;
- I. **NOTING** with grave concern that, although the Sugar Protocol is an integral part of the EU Sugar Regime under which it is implemented, the adjustment needs of the ACP Sugar Protocol countries to adapt to the EU sugar regime reform have not yet been adequately addressed. Indeed, the burden of the reform has been disproportionately and unfairly passed on to the ACP namely the unjust burden of the refining aid to the ACP resulting in an unnecessary 5.1 percent reduction in their guaranteed price;
- J. **TAKING NOTE** that independent studies carried out by at least one Member State and on a conservative basis by independent consultants evaluate the ACP adjustment requirements per year at €500 million and €250 million respectively;
- K. **RECALLING** the intense lobbying carried out, at all levels, by the representatives of the ACP Sugar Protocol countries to sensitize the Member States, the Commission and the European Parliament on the serious adverse impacts including the permanent quantum revenue losses amounting to €1.77 billion by 2013/14 coupled with even more significant consequential negative knock-on effects on ACP economies;

- L. **WELCOMING** the support of organizations of civil society to the just cause and legitimate expectations of the ACP States on the dire economic, social and environmental consequences of the sugar regime reform on the sustainable development of the Sugar Protocol countries thereby compromising their ability to meet their Millennium Development Goal objectives;
- M. **RECORDING** their serious concern regarding the incompatibility of the new Sugar Regime with the guarantees and provisions, in particular, Articles 1, 3, 5 and 6 of the Sugar Protocol.

1. Calls on the European Union and the European Commission:

- i - **to ensure** that the same logic and principles, which led to the approval by the EU Agriculture Council in November 2005, of an adequate package of support and commensurate resources to enable the various EU stakeholders to adapt to the reform, be applied to the traditional ACP sugar suppliers through a timely and adequate support package to enable them to adapt to the reform successfully;
- ii - **to urgently honour** its commitments for adequate and timely support to Sugar Protocol countries by allocating for the period 2007-2013 at least €500 million annually on a predictable and ring-fenced basis under the EU 2007/2013 Financial Perspectives in order to enable the ACP countries concerned to successfully implement their multi-annual adaptation strategies and plans;
- iii - **to adopt** a fast track delivery mechanism of funds for the timely implementation of their respective multi-annual strategies framed in accordance with their needs and priorities which have already been submitted to the Commission;
- iv - **to urgently re-allocate** any unused funds from the €40 million earmarked for 2006 to the ACP Sugar Protocol countries that have submitted multi-annual adaptation strategies;

- v - **to supplement** EU funds proposed to meet the adjustment needs of the Sugar Protocol countries by any unallocated and de-committed resources arising from the end of term review of the 9th EDF;
- vi - **to increase** within the €1.5 billion being proposed for allocation to the EIB for the Investment Facility of the 10th EDF, the €400 million as interest subsidy to €500 million with the commitment that the additional €100 million be earmarked to finance interests on loans to the private sector and other stakeholders of ACP Sugar Protocol countries contracted with the EIB in the context of their respective multi-annual adjustment strategies and plans;
- vii - **to provide** a written confirmation that they will fully honour the guarantees and provisions of the Sugar Protocol, in particular Articles 1, 3, 5 and 6 in the context of the new EU Sugar Regime;
- viii - **to confirm** the principle that the totality of the raw sugar requirements of the full-time refiners will be supplied within the Complementary Quantity (CQ) by the ACP Sugar Protocol countries to the extent that they are able to supply;
- ix - **to adopt** a new approach towards the 2006/07 and subsequent ACP guaranteed price negotiations which is fully compliant with the negotiating framework established in the Sugar Protocol and which takes into account all relevant economic factors including freight and transport costs as well as the new EU sugar market environment;
- x - **to ensure** that in the context of the on-going Doha Development Round negotiations that:
 - 1. the erosion of preferences is limited to the minimum possible extent;
 - 2. Sugar is classified as a sensitive product;

3. The Special Safeguard Clause is maintained; and
 4. In line with the WTO undertakings contained in Para 44 of the July 2004 Framework Agreement, the Sugar Protocol is bound as a TRQ in accordance with Article XIII of GATT.
2. **INSTRUCTS** the President of the Council of Ministers to forward this resolution to the European Commission, the Council of the European Union, the EU Member States and the European Parliament.

DECLARATION BY THE ACP GROUP ON THE EARTHQUAKE IN INDONESIA

The ACP Council of Ministers,

- meeting in Port Moresby (Papua New Guinea), from 28th to 30th May 2006, adopts the following declaration:

The ACP Group is deeply saddened by the tremendous loss of human life and socio-economic infrastructures caused by the earthquake in Indonesia on 27 May 2006. The Group expresses its heartfelt condolences and deepest sympathy to the peoples and Government of Indonesia.

The efforts, assistance and humanitarian operations of United Nations Aid Agencies and international community, including the development partner of the ACP Group, the European Union, are acknowledged and appreciated.

The ACP Group would like to call on the United Nations and international community countries to effectively respond to humanitarian needs created by the disaster, and to mobilize the necessary support for relief efforts.

The ACP Group appeals to its Member States to express solidarity with the peoples and Government of Indonesia, and undertakes to pursue, within the international context, the setting up of effective, rapid response systems so that, in addition to humanitarian emergency aid, appropriate measures may be put in place that will minimize the effects of natural disasters and, in particular, to expedite the reconstruction of social infrastructures.

Done in Port Moresby, 31st May 2006

DECLARATION BY THE ACP GROUP ON THE SITUATION IN TIMOR LESTE

We, the members of the ACP Council of Ministers,

- meeting in Port Moresby (Papua New Guinea), from 28th to 31st May 2006,
- A. **Noting** the difficult and tragic situation of Timor Leste, which led to the senseless loss of life, injury and destruction of homes, commercial buildings and property;
- B. **Acknowledging** the challenge to secure the country's economic future, and the need to provide opportunities and hope for its citizens;
- C. **Noting** the difficulties of food shortages and the disruption of basic services brought about by the breakdown in law and order and economic dislocation;
- D. **Encouraging** Timor Leste's political leaders to address these challenges in the same manner as in the period prior to Independence;
- E. **Acknowledging also** the international assistance from Australia, New Zealand, Portugal, Malaysia and other partners to restore law and order, and maintain security;
- F. **Recognising** also that this young, democratic and free nation can secure its future with goodwill, harmony, and in a spirit of national well-being with the understanding and support of the international community;
- G. **Reaffirming** its solidarity and support for the elected President, the Government and people of Timor Leste;

Hereby adopts the following Declaration:

1. **We urge** the democratically elected President and Government of Timor-Leste to resolve the political problems;
2. **We call upon** the ACP Group to provide support and assistance, mainly within the framework of the ACP-EU Partnership Agreement, to its youngest Member State;
3. **We request** the international community, including the European Union, to continue to respond to the requests from the Government of Timor-Leste to provide every possible assistance;
4. **We commit ourselves** to closely monitor the situation and take further action as deemed necessary within the context of intra-ACP political dialogue.

Done in Port Moresby, 31st May 2006