



**COUNCIL OF
THE EUROPEAN UNION**



ACP-EU Joint Resolution on the economic and financial crisis

Brussels, 28-29 May 2009

Meeting in Brussels on the occasion of the Joint ACP-EC Council of Ministers 28 and 29 May 2009

The Council is seriously concerned about the impact of the economic and financial crisis on ACP countries and the additional challenges it poses to the achievement of the Millennium Development Goals (*MDGs*).

The Council stresses the need for a global and concerted approach to tackle the crisis and for continued strong solidarity between the European Union and ACP countries. In this context, the Council positively notes the outcome of the London G20 Summit, including the plan of action.

The Council underscores the weaknesses of the current international financial system, and subscribes to its reform, which includes giving developing countries enhanced representation in international financial institutions. It believes that the concerns of developing countries should be properly represented in fora such as the G20.

The Council stresses the importance of an effective and flexible allocation of the additional resources decided by the G20, so as to ensure equitable access by all, in particular the worst affected countries.

The Council expresses its wish to work together and to seek alignment of EU and ACP positions in view of the UN High-level Conference on the World Economic and Financial Crisis (New York, 24-26 June 2009) in order to support a successful outcome.

The Council welcomes the EU Council Conclusions of 18/19 May 2009 on "Supporting developing countries in coping with the crisis", reflecting the solidarity between the EU and the developing world and the EU's determination to lead in helping developing countries to overcome the current crisis.

P R E S S

The Council acknowledges ACP countries' efforts in coping with the crisis and affirms that the following measures are of critical importance:

- achieve ODA targets by 2010 and 2015 and mobilise all possible sources of financing for development, as well as export credits, investment guarantees and technology transfers, as instruments to leverage assistance aimed at stimulating inclusive economic growth, investment, trade and job creation; further develop and implement innovative sources of financing;
- support ACP countries in their efforts to meet the MDGs and mobilise the domestic resources for development including through their tax and customs systems. In this context, the Council stresses the importance of the fight against illicit capital flight, including tax evasion and fraud;
- protect vulnerable ACP countries with the help of all available instruments including via the possible setting up - within the agreed EU financial framework - of a vulnerability FLEX for 2009 and 2010 for the most affected countries and through budget support to ensure delivery of key social services and safety nets;
- investment with quick impact on productive activities and job creation for all through, inter alia: i) support to regional infrastructure including the closing of infrastructure missing links, ii) revitalising agriculture, iii) supporting trade and investment, iv) promoting the development of the private sector, v) increase access to modern energy services and to renewable energy sources;
- support ACP countries in creating an enabling business environment, in order to stimulate equitable growth and attract and promote foreign investment.

The Council recalls the importance of ACP regional integration and calls on the ACP regions to reinforce cooperation in response to the crisis.

The Council notes the importance of elaborating national response plans in consultation with non-state actors in the context of national development strategies.

The Council recalls the importance of maintaining an open, equitable and transparent trading system, especially in times of economic crisis and calls for an early, ambitious, balanced and comprehensive agreement at the WTO Doha Development Round, which should contain real value for developing countries, particularly the poorest. In this context, the Council notes the special concerns of small and vulnerable economies. The Council stresses the importance of a flexible approach, which will facilitate progress towards comprehensive, regional, WTO compatible and development-oriented Economic Partnership Agreements (EPAs).

The Council recognises that the financial crisis could have negative consequences on the debt sustainability of ACP countries, and acknowledges the need for initiatives and mechanisms to address the issue of indebtedness of affected countries so as to avert an increase of the number of highly indebted poor countries.

The Council stresses the importance of better aid and agrees to fully exploit possibilities for greater aid effectiveness, policy coherence, donor coordination and predictability of aid, notably by accelerating the implementation of the Accra Agenda for Action.