



EUROPEAN UNION

DELEGATION OF THE EUROPEAN COMMISSION FOR THE PACIFIC

Head of Delegation

0938

03 AUG 2007

Mr Greg Urwin
Secretary General
Pacific Islands Forum Secretariat
Ratu Sukuna Road
Suva

Dear Greg,

Subject: 10th EDF Regional Programming in the Pacific

I regret to have to say that after two Ministerial level meetings between the Pacific's EPA Spokesmen and Commissioners Mandelson and Michel, we are extremely disappointed that individual words are being taken out of context to score Pacific EPA negotiating points.

There is in fact dismay in Brussels not only in respect of the contents in Minister Bule's letter to Commissioner Michel of 1st August but also of the Press Statement issued by PACP Trade Ministers in Vanuatu on the same date.

Reference is made in these documents - now of course being widely reported in the region - to an alleged suggestion that the European Commission was seeking to make the 10th EDF Regional Indicative Programme *conditional* on the outcome of EPA negotiations, and that the level of allocation of the 10th EDF would be *contingent* on an EPA being successfully negotiated.

This has *never* been said to be the case. The e-mail to which Ministers refer makes no mention whatsoever of conditionality. It refers, correctly, to the fact that 10th EDF regional programming should run parallel with the EPA negotiation (as endorsed by the Pacific ACP Trade Ministers at their last meeting) and that the 10th EDF Regional Indicative Programme (RIP) cannot therefore be tied up until we know what there is or isn't in the Pacific-EPA.

Current programming of RIP funds matches the themes discussed so far in Pacific EPA negotiations. In view of the progress made at Ministerial level in Brussels, the Commission is confident that a Pacific EPA will be concluded and that RIP funds can indeed be used in this way. If, however, a Pacific EPA were not to materialise (or materialise only in part), it is clear that the funds earmarked for EPA-specific expenditure in the Indicative Programme draft could be re-programmed (ie re-assigned) to other jointly agreed sustainable development objectives, in the Pacific ACP's own interest.

Having been asked for clarification of phrases in the e-mail, which were apparently causing confusion, our position - i.e. that there was no such conditionality, and that the RIP allocation would remain the same with or without an EPA - was made perfectly clear both by telephone and in writing to the Secretariat *before* the PACP Trade Ministers meeting. We are therefore extremely disappointed that this was

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both inaccurately conveyed to Ministers in Vanuatu and also subsequently misrepresented to the media.



Commissioner Michel will of course be replying to Minister Bule separately, but you will understand that, further to the reports in the media, we have to put it on record that the PACPTMM's statement is unfounded with regard to the allegations of conditionality between the amount of the Pacific RFP and the outcome of EPA negotiations. I would be grateful if this message could be passed to the Pacific ACP Trade Ministers while they are still in Vanuatu for the Forum Trade Ministers Meeting - and to the media.

Pacific ACP Ministers could also be informed that the European Commission has helped the Pacific Island States to build their trade capacity (notably through the Forum Secretariat) with more than 16 million euros in Trade related assistance since 2002. It has also more than doubled the 10th EDF Regional financial envelope when compared to the 9th EDF.

You will therefore understand that we regard this as a particularly unfortunate and unnecessary incident which could jeopardise a process which we would rather see as an opportunity to expand and deepen a long-standing EU-Pacific relationship.

Please rest assured that the European Commission will remain committed to assisting the Pacific ACP in their efforts at Regional Integration as set out in the Pacific Plan, whether in trade or any other area.

Yours sincerely,



ROBERTO RIDOLFI
Head of Delegation

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