

EC/1/4/2

1 August 2007

Louis Michel  
Commissioner for Development  
European Commission  
Brussels

Dear Louis Michel

I am writing to you in my capacity as Chair of the PACP Trade Ministers Meeting. It has been brought to the attention of the Pacific ACP Trade Ministers, and the Regional and National Authorising Officers at their meeting in Port Vila, Vanuatu on 31<sup>st</sup> July – 1<sup>st</sup> August, 2007, a communication from the European Commission that explicitly implied a conditionality for the development of the regional programming under the 10<sup>th</sup> EDF, which was not the position understood initially, being contingent on the finalization of the EPA negotiations. The communication further implied that the level of allocation for the 10<sup>th</sup> EDF – Regional Indicative Programme would depend on whether an EPA is successfully negotiated.

2. This communication was conveyed through recent discussions between the RAO and Valeriano Diaz, Head of the Pacific Unit, in Port Vila, Vanuatu on 24<sup>th</sup> July, 2007 and an e-mail communication dated 29<sup>th</sup> July 2007 (attached) from Francesco Affinito, Deputy Head of the Pacific Unit, from the European Commission to the Forum Secretariat with respect to the programming of the 10<sup>th</sup> EDF regional programme. The communication makes reference to the 10<sup>th</sup> EDF RIP being conditional to the outcome of the EPA negotiations and that the two are inseparable. Of particular concern is the proposed reprogramming of the resources of approximately 48% of the RIP in the event an EPA is not negotiated successfully and also a reprogramming of approximately 26% of the RIP resources should a “Goods only EPA” be negotiated.

3. Since we are still in the delicate negotiating process to finalise the EPA, if indeed this communication is tantamount to establishing a precondition on the development of the EDF regional indicative programmes, the Ministers register their grave concern and deep disappointment and will not accept the EC imposing this type of linkage on the RIP with respect to the EPA.

4. The Pacific ACP States remain fully committed to regional economic integration as a matter of high priority and as relayed to you in previous communications our position remains that the 10<sup>th</sup> EDF programming and EPA are separate processes. It is our understanding that regional economic integration is of high priority to the European Union as well, and the resources that the EC proposes to cut from the RIP will be required irrespective of the outcome of the EPA negotiations.

5. It is the unanimous decision of the PACP Trade Ministers to bring this to your urgent attention and request your immediate confirmation to the official position of the European Commission with respect to the above.

Yours sincerely

Hon. James Bule  
**Chair**  
**PACP Trade Ministers Meeting**  
**Minister for Trade, Commerce, Industry & Tourism**  
**Government of Vanuatu**

Encl.

CC:

Peter Mandelson  
Commissioner for Trade  
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