

The future of ACP-EU relations: A political economy analysis

FINAL REPORT

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This study is a collaborative effort and draws on the combined expertise of ECDPM, Programme Associates and external (ACP) experts.

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Acronyms and abbreviations

ACP	African Caribbean and Pacific
DG AIDCO	European Commission Directorate General EuropeAid (historical)
AOSIS	Alliance of Small Island States
APF	African Peace Facility
ASEAN	Association of Southeast Asian Nations
AU	African Union
BRICS	Brazil, Russia, India, China and South Africa
CAADP	Comprehensive Africa Agriculture Development Programme
CAP	Common Agricultural Policy
CBDR	Common but differentiated responsibilities
CDE	Centre for the Development of Enterprise
CELAC	Community of Latin American and Caribbean States
CFSP	Common foreign and security policy
CGIAR	Consultative Group for International Agricultural Research
DG CLIMA	European Commission Directorate General Climate Action
COLEACP	Europe-Africa-Caribbean-Pacific Liaison Committee
COP	Conference of the Parties
CPA	Cotonou Partnership Agreement
CTA	Technical Centre for Agricultural and Rural Cooperation
DCEI	Development and Economic Cooperation Instrument
DCI	Development Cooperation Instrument
DDA	Doha Development Agenda
DG DEVCO	European Commission Directorate General for International Cooperation and Development
DEVE	European Parliament Development Committee
DFID	Department for International Development
DG	Directorate General
DIE	German Development Institute
EC	European Commission
ECDPM	European Centre for Development Policy Management
ECOWAS	Economic Community Of West African States
EDF	European Development Fund
EEAS	European External Action Service
EEC	European Economic Community
EIB	European Investment Bank
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood and Partnership Instrument
EOM	Electoral Observation Mission
EP	European Parliament
EPA	Economic Partnership Agreements
EPG	Eminent Persons Group
EU	European Union
EUD	European Union Delegation
EUSR	EU Special Representatives
FTA	Free Trade Agreement

GGWSSI	Great Green Wall for the Sahara and the Sahel Initiative
GIT	Governance Incentive Tranche
GNI	Gross national income
GPG	Global public good
ICC	International Criminal Court
ICNL	International Centre for Not-for-profit Law
IF	Investment Facility
IFE	Impact Financing Envelope
IOM	International Office for Migration
IROCC	Inter-Regional Organisation Coordination Committee
JAES	Joint Africa-EU Strategy
JPA	Joint Parliamentary Assembly
LDC	Least Developed Countries
LGBTI	Lesbian, gay, bisexual, transgender and intersex
MDG	Millennium Development Goals
MEP	Member of European Parliament
MFF	Multi-annual financial framework
MIC	Middle Income Country
MoU	Memorandum of understanding
NAO	National Authorising Officers
NGO	Non-Governmental Organisation
NIEO	New International Economic Order
ODA	Official Development Assistance
OECS	Organisation of Eastern Caribbean States
OIF	Organisation internationale de la Francophonie
OLAF	European Anti-Fraud Office
OPEC	Organization of the Petroleum Exporting Countries
PCA	Partnership Cooperation Agreements
PCSD	Policy coherence for sustainable development
PEA	Political economy analysis
PIU	Project Implementation Units
PNG	Papua New Guinea
RAO	Regional Authorising Officer
REC	Regional Economic Communities
RELEX	European Commission Directorate-General for the External Relations (historical)
RIP	Regional Indicative Programmes
S&DT	Special & Differential Treatment
SDG	Sustainable development goals
SG	Secretary General
SIDS	Small Islands Developing States
TEU	Treaty on European Union
TFA	Trade Facilitation Agreement
DG TRADE	European Commission Directorate General for Trade
TRTA	Trade-Related Technical Assistance
UK	United Kingdom
UN	United Nations

UNCED	UN Conference on Environment and Development
UNCTAD	United Nations Conference on Trade and Development
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	UN Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
UNISDR	United Nations Office for Disaster Risk Reduction
WCO	World Customs Organization
WHO	World Health Organisation
WTO	World Trade Organisation

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EXECUTIVE SUMMARY

Rethinking the ACP-EU partnership: the need to go beyond 'business as usual' approaches

The discussion on the future of ACP-EU cooperation picked up pace in 2015, with both the EU and the ACP engaging in a soul-searching exercise and preparing their future positions. ***This complex policy process deserves a broad and evidence-based debate.*** The stakes involved in the review process are high:

- ✓ The Cotonou Partnership Agreement (CPA) links the EU and its 28 member states with a tri-continental group of 79 states. It is often hailed as a '*unique*' agreement, taking into account its legally binding nature, holistic approach to development, comprehensive scope (covering the three pillars of aid, trade and political cooperation) and joint management arrangements. It offers a single framework for the operations of the European Investment Bank in the ACP (including through the Investment Facility).
- ✓ It guides the (intergovernmental) European Development Fund (EDF) providing predictable resources and accounting for a larger share of EU development aid than any other external instrument.
- ✓ It co-exists with a growing number of alternative (competing) policy and institutional frameworks (such as the Joint Africa-Europe Strategy) posing major challenges of policy coordination and coherence for the various partners involved

In the review process the parties to the CPA – led by governments but including parliamentarians, civil society, private sector operators and local authorities – will need to ***address a set of existential questions*** that have arisen from the past fifteen years of CPA implementation and from important changes in the international context:

Five core questions to consider during the review process

- 1) Does it still make sense in today's globalised and increasingly regionalised world to maintain this partnership between an enlarged EU and three geographically distant regions, mainly connected by history? What rationale is there to continue to the split between ACP countries and non-ACP countries in EU external action beyond 2020?
- 2) How has the CPA delivered on its objectives? Did it provide tangible benefits through its three pillars and dedicated joint institutions?
- 3) Is the CPA still the '*right vehicle*' to deal adequately with the growing heterogeneity and interests of the EU and the ACP regions and states (with many countries likely to attain MIC status in next decade)?
- 4) To what extent is consolidating ACP-EU cooperation at the expense of deepening regional partnerships with Africa, the Caribbean and the Pacific? What is the future added value of the ACP Group compared to these regional frameworks?
- 5) How fit for purpose is the ACP-EU '*North-South*' partnership framework for dealing with the '*universal*' 2030 Agenda for Sustainable Development –which focuses on global governance and requires new modes of implementation?

These questions suggest that it is in the ***interest of all parties to ensure an open, well-informed and result-oriented debate*** on the future of the partnership. There is broad agreement that a *business as usual* approach – based on a status quo option– will not suffice. However, there is little common ground on what the best way forward might be, both in terms of process and content. Furthermore, ***several factors may hinder*** such as an open debate, including (i) the weakened status of the partnership in both EU and

ACP countries; (ii) the limited knowledge of and interest in the CPA beyond the *Brussels arena*; (iii) the scant evidence available on the performance of the ACP-EU partnership as well as (iv) strong vested interests in preserving the status quo on both sides.

In order to stimulate a more open debate ECDPM has conducted over the past year a political economy analysis (PEA) of the ACP-EU partnership, including a set of case studies on key aspects of the CPA.¹ As an independent, non-partisan broker, the ECDPM has a long-standing involvement in ACP-EU cooperation processes. Building on this tradition, it seeks to play a *broker's role* at this critical juncture. The **added value of a political economy analysis** is that it does not focus on *'what needs to be done'* but rather seeks to understand *'how things work out in practice and why'*. To this end, it looks at the underlying power relations, as well as the actors' political and economic interests and their respective incentives. Applying such a political economy lens to the review process of the ACP-EU partnership may help to (i) better understand why there is an implementation gap between policy and practice; (ii) ensure an evidence-based debate and (iii) identify realistic scenarios for the future.

MAIN FINDINGS OF THE POLITICAL ECONOMY ANALYSIS

The **key findings of the PEA are structured around the five above mentioned core questions** related to the review process of the ACP-EU partnership.

1) The gradual loss of status and political clout of the ACP-EU partnership

A first set of PEA findings relate to contextual realities that have affected the longstanding relationship between the EU and the ACP. Consider the following facts:

- ✓ At the time of negotiating the first Lomé Convention (1975-1980) the ACP countries were able to join forces and use their recently created ACP Group to obtain substantive concessions from the EEC. However, the objective conditions that made such a deal possible forty years ago (e.g. the geopolitical context, the existence of common interests, the bargaining power of the ACP) have waned. As a result, the ACP-EU construct rests on rather fragile political foundations (see chapter 1).
- ✓ The CPA (2000-2020) reflected in many ways a break with the past, with a set of innovations geared at reinvigorating the partnership (such as the strengthening of the political dimension, the opening-up to non-state actors or the phasing out of trade preferences). Yet evidence shows that this intended revitalisation did not take place. This is linked to major contextual changes since the signing of the CPA in 2000 (see Chapter 2). **Five main 'disruptors'** have shaken up the ACP-EU construct: (i) new geopolitical realities; (ii) globalisation and regionalisation dynamics; (iii) changes within the ACP; (iv) changes within the EU (e.g. enlargement to 28 Member States) and (v) the emergence of the universal 2030 Sustainable Development Agenda (which transcends the traditional North-South divide).

These contextual changes have had a profound impact on the nature of the ACP-EU partnership. *First*, they contributed to a **gradual marginalisation** of the privileged relationship between the ACP and the EU - as both parties seek to defend their interests through alternative continental, regional or thematic bodies. *Second*, they led to an **erosion of the three-pillar structure** of the CPA - as the trade and political dialogue components are now primarily taking place outside the ACP-EU framework. As a result, the CPA

¹ Ten short case studies were conducted to underpin the overall political economy analysis dealing respectively with (i) intra ACP-EU cooperation; (ii) the presence and influence of the ACP Group in international fora; (iii) the collective action of the ACP Group at the WTO; (iv) the impact of globalization and regionalization dynamics on EU external action; (v) the budgetisation of the EDF; (vi) the effectiveness and impact of political dialogue under the CPA; (vii) the application of the co-management principle in practice; (viii) the functioning of the joint institutions underpinning the ACP-EU partnership; (ix) the political economy of ACP-EU trade relations in agriculture and food commodities; (x) the relevance of the CPA to address global public goods

has de facto been largely reduced to a development cooperation tool. *Third, the **political value of the CPA has been substantially reduced***. In theory, 28 EU Member States and 79 ACP countries represent a substantial force in multilateral processes. In practice, there are very few examples in the last 15 years where both groups have pro-actively joined forces to be key drivers of change in international negotiation processes. All this suggests that the ***justification of the partnership, rooted in a colonial past, has been diluted over time***.

2) Limited track record of the CPA in delivering on core objectives (beyond aid)

During its long history, the ACP-EU partnership has delivered a wide range of development outcomes through its national and regional programmes. Recent evaluations by EU Member States indicate that the EDF resources have in the past been globally allocated to pertinent development priorities (e.g. focus on poverty reduction). It is more difficult to make aggregated statements about the impact achieved with the aid provided -as evidence is scattered and seldom linked to the functioning of the CPA framework itself.

When looking beyond the development pillar, available evaluations and research point to a major implementation gap between the laudable ambitions and the actual practice of the partnership. Study findings show that the ***limited effectiveness of many CPA provisions is primarily linked to political factors*** -such as power relations, interests and incentives of the various actors. This explains the by and large sub-optimal performance and impact of core elements of the CPA such as:

- ✓ *Political dialogue*. The existence of a normative architecture in the CPA for political dialogue and conditionality (Articles 8 and 96-97) tends to be highly appreciated by EU policy makers as a (formal and legally enshrined) leverage tool. In practice, political dialogue under the CPA has either been regionalised (e.g. towards the AU) or takes place bilaterally (with limited influence from the ACP Group as a whole). ***Success stories are hard to find in the use of these provisions*** due to changed power relations, inconsistent application and disagreement about the shared values underpinning the CPA (e.g. current tensions on the space for civil society to act as governance actors or on the ICC and LGBT rights). ***This study therefore challenges the assumption that the existence of a legally binding framework offers solid guarantees for effective political action***. The conditions for an effective political engagement depend much more on the configuration of power, interests and incentives at stake and the EU leverage in a particular crisis situation -rather than on the format or legal background in which the dialogue takes place. Migration is a case in point. Theoretically, ***article 13 of the CPA*** should make it possible for the both parties to dialogue and obtain concessions with regard to core migration issues (e.g. readmission in the case of the EU or legal migration for the ACP). In practice, this provision has not been used as the political economy conditions do not exist for an effective application.
- ✓ *Trade*. Forty years ago, trade was the central pillar of the Lomé Conventions. The ACP countries were able to negotiate non-reciprocal trade preferences and other beneficial protocols favouring their integration in the world economy. Yet only a handful of ACP countries were able to make effective use of these provisions in terms of using these facilities for economic development. Through the EU's persistence, the ACP trade preferential system evolved into regionalised economic partnership agreements (EPAs) while the unilateral Everything But Arms (EBA) scheme was applied for Least Developed Countries (LDC). The way in which these EPAs were negotiated put heavy strains on ACP-EU relations and backfired on the quality of cooperation.
- ✓ *Participatory approaches under the CPA*. Despite generous provisions and laudable support programmes towards a wide range of actors (such as parliaments, civil society, the private sector and

local authorities) **ACP-EU cooperation has remained a rather closed** shop, managed in a highly centralised and bureaucratic manner. As a result, limited opportunities exist for real and effective participation in decision-making processes or accessing funding. In several ACP countries, governments are **closing the space for autonomous civil society** organisations - contrary to both the text and spirit of the CPA.

- ✓ *Joint institutions and co-management.* A host of joint institutions exist to perform various roles in relation to ACP-EU cooperation. Yet over the years, these bodies have gradually **lost their relevance**, as is reflected by low levels of attendance and influence (e.g. ACP-EU Council of Ministers). This is also true of the ACP-EU Joint Parliamentary Assembly. The principle of *'co-management'* through the system of National Authorising Officers (NAO) was set up to ensure ownership. In practice, programming remains a top-down, EU-driven process. In most ACP countries, particularly those facing governance challenges and/or weak administrative capacity, co-management has not worked. The NAO system has often favoured centralisation and political control over aid resources with governments blocking progressive programmes (e.g. civil society support programmes). In many cases it has led to setting up costly and unsustainable parallel structures.

- ✓ *Intra-ACP cooperation and ACP profile in international fora.* Intra-ACP cooperation has been a longstanding objective of the Group. Yet 40 years later ACP actors openly recognise things have not worked out as hoped. While interesting projects have been funded (including on global development issues), few initiatives have reinforced structured cooperation and networking among ACP regions and countries. Progress in ***intra-ACP cooperation remains largely dependent on EDF-facilitation and resources.*** The ACP maintains relations with a host of international organisations that also engage as implementing partners in intra-ACP programmes financed through the EDF. But beyond these funding relations ***the ACP Group has no real presence and impact beyond Brussels***, with the notable exception of effective ACP coalitions in the WTO. The multilateral trading system has proved a fertile ground for collective ACP action and is widely considered as a success story” (see Chapter 10, conclusion 3). The limited results on both fronts are linked to the growing heterogeneity of the ACP Group, weak political leadership from member states, highly centralised modes of operation and a chronic lack of ACP own resources (as many countries do not pay their contributions). This inevitably ***reduces the legitimacy and credibility of the ACP Group.***

3) The dominance of globalisation and regionalisation dynamics

Study findings indicate that ***globalisation and regionalisation dynamics are the primary force driving EU external action.*** As a result, ACP-EU relations have been gradually supplanted by alternative continental strategies such as the joint Africa-EU partnership, the European Neighbourhood Framework and a growing number of bilateral and regional strategic partnerships. EU enlargement has led to a situation in which the majority of the 28 member states have no, or limited, historical ties with the ACP countries. With Euro scepticism on the rise, and budgetary pressure all over Europe, incentives for the continuation of the CPA-based approach endowed with a separate EDF may be weakening. However, an *'actors analysis'* on the EU side shows a mixed picture –with a set of players likely to defend the CPA for specific reasons, others calling for major changes and still others adopting a *'wait-and-see'* attitude or preferring not to engage (see chapter 6, Table 3).

While ***ACP regions and countries*** formally abide to the principles of unity and solidarity, there are clear indications that they ***increasingly 'go regional'*** in order to defend their core political, trade and other interests. The Caribbean region's adoption of an EPA with the EU in 2007 when other ACP regions

resisted such a move, is a case in point. In the past decades, there has been limited collective action of the ACP Group around common interests. This may partly be related to capacity constraints, but also reflects a more profound shift in the objective basis for unity and solidarity. An *'interest analysis'* shows that the A, the C and the P, taken separately, are very different regions, facing specific geopolitical, economic and development challenges and interests that cannot easily be accommodated and pursued within a tri-continental structure (see Chapter 5).

Both developments also affect the scope and capacity for ***collective action between the ACP and the EU***. The CPA is probably the most comprehensive framework for international cooperation with a holistic approach to development. Yet when it comes to addressing specific challenges such as peace and security, agricultural development and food security, trade, climate change or migration, both the EU and the regions/countries of the ACP increasingly choose 'vehicles' other than the CPA to articulate interests or broker political deals.

4) Applying the principles of subsidiarity and complementarity: unclear added value of the ACP

Study findings clearly indicate that the observed regionalisation dynamics will continue to thrive beyond 2020. This holds particularly true for Africa. Over the past decade, the African Union and the Regional Economic Communities have moved centre stage, displaying their own visions on the future and strengthening their profile and capacity. They have become the main interlocutor for the EU and other global players. Though the Joint Africa-Europe Strategy (JAES) faces implementation challenges, several European and African policy-makers consulted in the framework of this study, considered it an urgent priority to deepen the political partnership between Europe and Africa in the years to come. These evolutions, in turn, raise the ***question about the added value of the ACP Group and ACP-EU partnership as overarching structures***.

Several views exist on the relation between the ACP and its constituent regions, reflecting different configurations of power and interests. One position is that the CPA makes it perfectly possible to accommodate these regional dynamics. A future agreement could expand the space reserved for the AU and the RECs within an all-ACP framework. An alternative view, increasingly heard in African circles, argues that the time may have to come to reverse the logic and to put the regions first. In line with the principle of subsidiarity, African, Caribbean and Pacific actors would give precedence to their own priority agendas and interests and then seek to identify the most relevant partnerships that would be most effective and beneficial for the respective regions. This would shape future relations with the EU as well as with the ACP as a Group – whose continued relevance would depend on its ability to play a complementary role and provide a clear added value to its constituent regional parts. In this context, the ingredients that made ACP involvement in the WTO a success (i.e. leadership, technical content, dedicated agency) could be a source of inspiration.

These various options also challenge the ***EU to make clear choices regarding the most suitable architecture for the period beyond 2020 (primacy of an all-ACP framework or regionalisation dynamics first?)*** taking into account its core objectives and interests. Injecting important funds into a policy framework (like the EDF in the ACP-EU partnership) is not a neutral thing. It provides the recipient structure with legitimacy, power and a capacity to act. If the EU is concerned with enhancing the coherence of its external action and wants to improve the effectiveness, operational capacity and impact of the JAES, it may need to have a fresh look at *'where it puts its money'*.

A case in point is the crucial domain of peace and security. In Africa the primary institutions for this policy area are the African Union and the RECs. When Article 11 of the CPA was introduced in 2000 it could be

considered as a forward looking and creative provision. Yet the EU's other policy and financial instruments quickly caught up. Using the CPA as the vehicle to fund peace and security measures on the African continent has been problematic. The ACP does not have the specific security mandate of the African Union nor does it carry weight in this arena.

While the CPA allows funding of the APF the EDF procedures are not adapted to the reality of funding certain peace and security measures causing many issues over the years. On the European side having separate committees for the EDF, ACP, and Africa (COAFR) significantly complicates matters leading to higher transaction costs. For the African Union and RECs dealing with peace and security working through the ACP construct also contains additional transaction costs.

5) The ACP-EU framework is ill-adapted to accommodate the new global agenda

In September 2015, the international community adopted the universal 2030 Agenda for Sustainable Development Goals. How fit for purpose is the ACP-EU framework to accommodate this new global development agenda?

From a technical point of view, a possible future ACP-EU partnership could easily integrate the 2030 Agenda. The Sustainable Development Goals are highly relevant for the ACP countries and the current CPA already has provisions on global public goods that could be extended. Yet from a political economy perspective things are less clear. Based on a thorough analysis of the experience gained with food security, climate change and migration, the study concludes that **the CPA has so far not been able to generate effective collective action on global public goods** (beyond declarations and projects). This is linked to the heterogeneity of interests at stake and related difficulty for the parties involved to define common positions and broker political deals. The effective resolution of these global issues requires legitimacy, proximity, and subsidiarity. Other policy frameworks and multilateral arrangements can provide this more effectively than the ACP-EU partnership.

Furthermore, it could also be claimed that the **2030 Agenda is largely incompatible with the hardware of the CPA**. The new 'universal' agenda not only abandons the notion of North-South, it also broadens the remit of international cooperation far beyond poverty reduction and aid. It calls for negotiation of common interests, differentiation, multi-actor partnerships and shared responsibility (including for mobilising funding). In order to deliver on this agenda, future institutional frameworks (or "clubs" involved in international diplomacy) will need to **show legitimacy, relevance, effectiveness and efficiency**. For its part, the CPA remains an exclusive and essentially North-South partnership gravitating around aid with limited collective action capacity in global governance matters. Differentiation has been systematically resisted by the ACP Group and the CPA has not been successful in securing the participation of non-state actors. It is therefore highly improbable that a revised CPA could be made fit to drive the global development agenda.

IMPLICATIONS FOR THE DEBATE ON POST-COTONOU (2020)

The overarching conclusion of this political economy analysis is clear. Fifteen years after signing the CPA, ACP-EU cooperation has not achieved several of its core objectives. The substance of two of the three pillars of the CPA (trade and political dialogue) has largely moved into regional frameworks. What remains is an **asymmetrical partnership largely restricted to governments and based on traditional aid flows**. The added value of such aid-dependent partnerships is likely to be limited beyond 2020 – with many ACP countries graduating out of aid and a universal 2030 Agenda focused on global development challenges, whose implementation requires different approaches and means than those on which the CPA is based.

Considering these political economy realities, a mere adaptation of the existing policy framework seems a perilous option. The political economy analysis casts severe doubts on the assumptions underlying such an approach to the review process (see Table 9 in the concluding chapter). The challenges confronting ACP-EU cooperation are not merely a question of improving implementation. ***The pertinence and effectiveness of the framework itself (with its institutional set-up and rules of the game) is the core issue.***

However, the analysis also shows that vested interests on both sides may privilege the ***option of a limited reformulation of the existing agreement.*** Also from a negotiation point of view, incentives exist to follow the 'path of least resistance'. Several motivations may underpin such a policy stance including:

- ✓ fears that it would be difficult to strike good alternative deals (particularly in terms of aid levels for Africa) in the current climate of political and financial crisis in the EU;
- ✓ reluctance to abandon the legally binding CPA out of fear that this may mean less leverage to conduct political dialogue or deal with migration (even if in practice such a normative framework hardly offers guarantees for effective political action);
- ✓ the current constellation of a CPA with a dedicated fund (EDF) located outside the regular EU budget, makes it easier to finance institutional cooperation costs and co-fund the ACP secretariat (which would be more difficult to ensure if this was done through the EU budget);
- ✓ the argument is also being used that time is short to elaborate solid and politically feasible alternatives among 28 EU and 79 ACP countries.

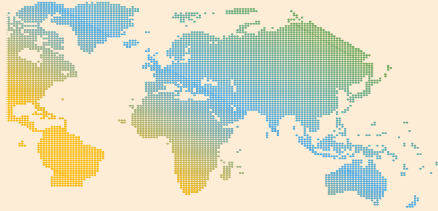
The other option available to policy-makers involved in the review process is to ***rethink the overall framework in a more fundamental way.*** The challenge here is to ***jointly design future alternative scenarios of international cooperation with the potential to deliver better outcomes*** to the regions and states and citizens of Africa, the Caribbean, the Pacific and Europe.

This option invites parties to an exercise of 'thinking out of the box' of the existing framework. ***Scenario-building along this line*** may entail: (i) putting globalisation and regionalisation dynamics first (instead of integrating them in the ACP-EU framework); (ii) applying the principles of subsidiarity and complementarity to define the added value of a possible ACP-EU umbrella agreement, if the parties agree on both its relevance and resourcing; (iii) reviewing the governance systems to allow for truly inclusive partnerships and as well as for a more effective and transparent management of the financial and non-financial inputs; and (iv) diversifying the partnerships along functional lines (e.g. direct cooperation with the LDC or SIDS as a group).

From a political economy perspective this will be a more difficult ballgame, requiring creativity, dialogue and political capital to be invested in the process. This scenario is highly dependent on the capacity of the EU for coherent policy-making and for ***presenting credible alternatives to the CPA*** (including in terms of financial resources). Yet this option holds the potential to redesign the partnership between Europe and the countries/regions of Africa, the Caribbean and the Pacific and give shape to a set of mutually beneficial policy frameworks that might be fit for purpose to address the global development agenda beyond 2020.

The Future of ACP-EU relations

Why is the ACP-EU partnership important?



Because...

- 1 ...it ties the EU to 79 countries from Africa, the Caribbean and the Pacific, most of them former colonies - making it one of the largest global partnerships

- 2 ...it builds on 40 years of partnership

- 3 ... it is underpinned by a legally binding contract, the Cotonou Partnership Agreement (CPA) covering three pillars: aid, trade & political cooperation. This expires in 2020

- 4 ...it mobilises a large budget dedicated to development budget (€30.5 billion for the 11th European Development Fund for 2014-2020)

Yet its relevance and effectiveness is questioned...



Because...

the trade and political cooperation pillars have moved to regional forums - largely reducing the CPA to a development cooperation tool

5 disruptors have eroded the ACP-EU partnership

- 1 New geopolitical realities

- 2 Globalisation & regionalisation

- 3 Growing heterogeneity within the ACP

- 4 Enlargement of the EU & diversification of EU partnerships

- 5 The new 2030 Agenda with its focus on global challenges

As a result of these disruptors:

1. The interest of both parties in the partnership (beyond aid) has dwindled

2. The political capacity of the CPA in international fora is limited

3. The CPA as a North-South partnership is not fit for purpose to deal with the 2030 Agenda

So people have to look in the mirror and ask themselves a number of 'existential questions'

- 1 Should we continue to treat EU development policy differently for the ACP and those outside the ACP?

- 2 Does the Cotonou Partnership deliver value for money?

- 3 Does it respond adequately to the growing heterogeneity and interests of the ACP and the EU?

- 4 Does the ACP Group have an added value compared to regional frameworks such as between Europe and Africa (African Union)?

- 5 Can the CPA be rewired to effectively deal with the UN Agenda 2030?

1. Major changes since 2000 and how these have affected ACP-EU cooperation

The relationship between the African, Caribbean and Pacific (ACP) group of states and the European Union (EU) has a long history dating back to the early days of the European Community. Building on the Yaoundé association agreements, the *Lomé I Convention* of 1975 defined the basic shape, substance and architecture of Europe's partnership with its former colonies. This foundational agreement was reviewed several times in the past decades, ensuring both continuity and adaptation to changed conditions. The partnership evolved from an approach based on non-interference and recipient autonomy into a stronger focus on pursuing shared norms and values. The ACP-EU relationship has often been lauded as a '**unique model for North-South cooperation**' because of:

- (i) its contractual, legally binding nature;
- (ii) its comprehensive scope, covering the three pillars of trade, development cooperation and political dialogue;
- (iii) its institutional framework, consisting of joint institutions based on the principle of joint management, which seeks to promote ownership and equality between the partners.

The Cotonou Partnership Agreement (CPA), signed in 2000, currently governs relations between an expanded group of countries: 79 ACP states and 28 EU member states. In certain respects, the CPA reflected a continuation of the Lomé spirit, while in others it marked a clear aspiration to make a **break with the past**. The CPA considerably strengthened the political dimension of the partnership and opened up cooperation to non-state actors. It also introduced a new arrangement for phasing out unilateral trade preferences by the conclusion of Economic Partnership Agreements (EPAs). These would prove highly controversial and a source of tensions between both parties during the past decade.

However, the **overall purpose of the CPA** remained the same as that of the successive Lomé agreements, i.e. to contribute to the '*economic, social and cultural development of ACP States*' (Preamble of the CPA). According to article 1, the partnership centres on '*the objective of reducing and eventually eradicating poverty, consistent with the objectives of sustainable development and the gradual integration of the ACP countries in the world economy*'. Though the CPA sought to strengthen the political dimension and gradually included global issues as priority topics (e.g. migration and climate change), the wording of article 1 indicates that the CPA remains first and foremost a development cooperation tool. Some even argue that this perspective "*perpetuates an attitude [among EU policy-makers] towards the ACP as something we are doing for them, not for us*". This also helps explain why the ACP group "*does not have a strategic status*" within the EU's external action system.²

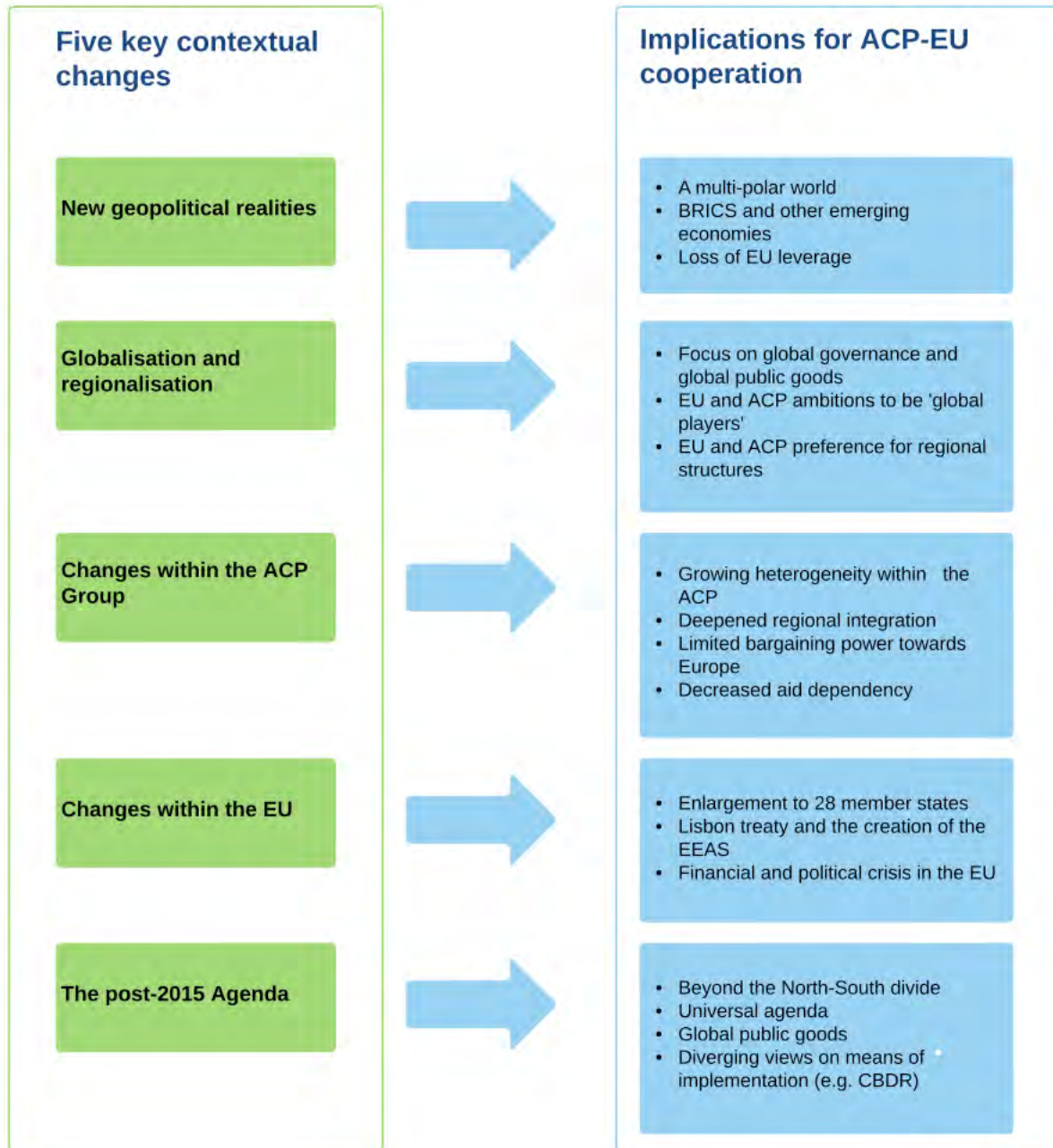
Since 2000, the **CPA has been revised twice**, in regular five-year review cycles. The 2005 review focused on further extending the political nature of the partnership to include security aspects. New clauses were added on the International Criminal Court, the fight against terrorism and cooperation on the non-proliferation of weapons of mass destruction. The review also gave local authorities the status of distinct actors with their own identity and an added value in ACP-EU cooperation. The 2010 review was concerned primarily with reinforcing the principles of differentiation and regionalisation, with a particular focus on recognising the leading role of the African Union (AU), *inter alia* through the Joint Africa-EU Strategy (JAES), and peace and security issues in particular.³

² Pape, E. 2013. *An Old Partnership in a New Setting: ACP-EU relations from a European Perspective*. *Journal of International development*, 25, 727-741 (2013). p. 730.

³ Bartelt, S. 2012. *ACP-EU Cooperation at a Crossroads? One Year after the Second Revision of the Cotonou Partnership Agreement*. *European Foreign Affairs Review* 17, no 1 (2012), 1-25.

While ACP-EU cooperation has displayed an ability to be contextually responsive and resolve contrasting if not competing demands and interests through compromise,⁴ the question this time is whether it can respond to the fast and profound changes in its global context. Most recent studies and reports on the future of ACP-EU cooperation start from a contextual analysis illustrating how much the world has changed since the CPA was signed in 2000. **Figure 1** below visualises **five key contextual changes and their implications for ACP-EU relations**:

Figure 1: five key contextual changes and their implications for ACP-EU relations



⁴ Gomes, P.I. 2013. *Reshaping an Asymmetrical Partnership: ACP-EU Relations from an ACP Perspective*. *Journal of International Development*, 25, 714-726, p. 724.

These five contextual changes have a profound **impact on the nature of the ACP-EU partnership**. The combined effect of these contextual developments has contributed to the:

- ✓ **Gradual marginalisation of the partnership on both sides.** In the past decade, the whole notion of 'Cotonou' has lost momentum. It has largely disappeared from the EU's policy discourse and institutional set-up. Contrary to the Treaty of Maastricht, the Lisbon Treaty does not explicitly mention the EU's cooperation with the ACP countries. Three years after the CPA was signed, the European Commission (EC) put forward a comprehensive proposal for the budgetisation of the EDF. The CPA now has to co-exist with a range of other policy frameworks such as the JAES, the European Neighbourhood Policy (ENP), a variety of EU strategic partnerships that tend to take centre stage, and a specific Development Cooperation Instrument (DCI) within the EU budget.

The CPA has also lost ground among members of the ACP group in favour of continental and regional governance dynamics and bodies. The AU and the Regional Economic Communities have become the first entry point and interlocutor to deal with a whole range of policy areas also covered by the ACP-EU framework. This marginalisation is also reflected by the scant attention given to ACP-EU issues by academic circles, research institutes, think tanks, civil society campaigns or media, in both the EU and the ACP countries.

- ✓ **Erosion of the three-pillar structure of the CPA.** One of the often-cited 'unique' features of the CPA is its comprehensive agenda, i.e. it embraces political cooperation and trade, as well as development cooperation. Yet in practice, both the 'political dialogue' and the trade component have been largely 'regionalised' and thus increasingly take place *outside* the ACP-EU framework. This also explains why, for a growing number of ACP and EU actors, **the CPA has become a mere tool for managing donor-recipient relations and channelling aid.**
- ✓ **Lessening of the CPA's political value.** In theory, 28 member states and 79 ACP countries represent quite a force in multilateral processes. Yet such coalitions have rarely materialised. In a recent interview, the Director-General of the European Commission's Directorate-General for International Cooperation and Development (DG DEVCO) pointed out that this calls into question '*the political value*' of the partnership and that it is '*mainly up to the ACP to demonstrate that this Group has a value that goes beyond Brussels, that exists beyond the Secretariat and the ACP institutions.*'⁵

⁵ EEAS. 2015. *Conversation with Fernando Frutuoso de Melo, Director-General of DG DEVCO*. Africa YEEAS! Newsletter of EU-African Affairs, No 1, April 2015, p. 26.

2. The current state of the debate: trends and risks

Various studies and meetings in recent years have reflected on the future of the ACP group and its cooperation with the European Union after 2020, when the CPA expires. Some of these discussions took place in formal settings, informed by inputs from experts, while others were more informal in nature. Most of these discussions, however, focused on a slate of Brussels-based actors who are involved in day-to-day ACP-EU cooperation. The Joint Parliamentary Assembly (JPA) has also regularly tabled discussions on this topic in its plenary sessions. These reflection processes have tended to concentrate on the current set-up of the partnership, valuable elements deemed worthy of preservation, possible new themes to include in the CPA and institutional-managerial issues. Several studies have looked at various **possible future 'options' or 'scenarios'**.⁶

The ACP was the **first of the official parties** to start preparing itself for the review process. From the outset, the aim was to fundamentally rethink the group ACP group itself and the terms of its engagement with the EU. ACP heads of state set the tone during the 2012 Summit. The resulting Sipopo Declaration expressed the highest political commitment to **reinvent and transform the ACP**, while consolidating unity and solidarity among the member states. Various internal reflection processes have since taken place, resulting in a report by an Ambassadorial Working Group presented in December 2014⁷ and the preparation of a report (soon to be published) by the Eminent Group of Persons (EPG). There are **three recurring priorities** in these reflections about the future:

- (i) to turn the ACP into a more dynamic and cohesive group that can act as an effective global player;
- (ii) to become less dependent on Europe by diversifying partnerships and engaging in South-South cooperation;
- (iii) to concentrate on a limited set of policy issues in which the ACP can add value as a tri-continental structure – compared with competing institutional fora at continental and regional levels.

On the EU side, the reflection process has long been of a rather informal, low-profile nature. Though Commissioner Piebalgs delivered a frank analysis of the challenges facing the CPA during the ACP Summit and clearly signalled the need to adapt it to the 21st century,⁸ the internal reflection process was not formally launched until the new Commission took office. President Juncker mandated Commissioner Mimica to prepare post-Cotonou negotiations. In a speech given to the JPA in Strasbourg on 2 December 2014, Commissioner Mimica confirmed the priority status of the review process and declared that “*we should not be asking whether our cooperation and partnership is still important. Because it is – more so than ever. Instead, we should be asking how we can best equip our cooperation for the future, so that it delivers maximum benefits.*” He added: “*in a world of partnership and ownership, development cooperation should be about more than donors and recipients. It should be about mutual benefits. All of which opens up development cooperation to a range of other policy areas.*”⁹

The process intensified in 2015, with the organisation of a set of Commission-sponsored Round Tables that gathered views and insights from a wide range of stakeholders on a variety of themes related to the

⁶ One example is a Policy Briefing prepared by the secretariat of the European Parliament (*ACP-EU Relations after 2020: review of options*. Directorate-General for External Policies. February 2013). It identifies three options for the future: (i) a dissolution of the joint partnership and its replacement with regional arrangements; (ii) the development of an overarching ACP-EU partnership underpinned by strengthened regional arrangements; (iii) a revamped ACP group beyond an EU partnership. A more detailed analysis of publications looking at options may also be found in ECDPM. 2014. *The Future of ACP-EU Relations post-2020*, Maastricht, ECDPM, December 2014.

⁷ ACP Ambassadorial Working Group on the Future Perspectives of the African, Caribbean and Pacific Group. 2014. *Transforming the ACP group into a Global Player*, Brussels: ACP Secretariat.

⁸ Piebalgs, A. 2012. *Challenges and opportunities ahead for the African, Caribbean and Pacific Group of States*. Speech delivered at the ACP Summit in Malabo, 13 December 2012.

⁹ Mimica, N. 2014. Speech delivered at the EU-ACP Joint Parliamentary Assembly, Strasbourg, 2 December 2014.

future of ACP-EU relations.¹⁰ In late-2015, the EU also launched a **public consultation process** and commissioned a thorough impact assessment of the partnership. **Annex 1** contains an overview of the next steps in the process. In addition, EU member states invited the Commission to produce evaluative evidence on key aspects of the CPA, to complement the Commission's series of round-table meetings with empirical findings on the implementation of the CPA to date. In a recent speech at the EP, Commissioner Mimica indicated that the Commission's and EEAS's formal position at this stage is not to favour any one option. Yet in response to Parliamentary questions, he announced a clear political direction in favour of a revised agreement rather than a discontinuation.¹¹ He also made clear that the Commission was officially committed to the budgetisation of the EDF for the next financial framework and is currently assessing the benefits and costs of this.

Over the past few months, several **member states** have begun to organise themselves with a view to participating in the debate on Post-Cotonou, *inter alia* by consulting Embassy staff and other stakeholders. Initial insights suggest that some are pushing for a more thorough rethinking of relations rather than simply a review of the agreement itself. Sweden was the first country to make a concrete public contribution, in the form of a report produced by an ambassador¹² which is rather critical about the ACP-EU construct. A Belgian non-paper on the future of ACP-EU relations post-2020 is an example of how one of the founding EU member states wishes to broaden the debate on ACP-EU relations and connect it to other EU policy processes, including the development of a European Global Strategy in 2016. The paper also highlights the desire for a clearer focus on Africa and for streamlining the EU's existing policy frameworks for the African continent and the relationship with the African Union. Germany is currently preparing a report on the review of Article 8, which will feed into their post-Cotonou reflections. France has also issued a non-paper based on a more positive analysis and containing a clear call to retain the framework in a modernised form. It is important to note that a variety of actors are involved in these national decision-making processes, including powerful '*outsiders*' such as ministries of finance, the interior or defence – which may have specific political agendas that are not necessarily compatible with development concerns.¹³ As is highlighted by the case study on the EDF instrument (see section 6.4 below), the current political climate in Europe may influence the way in which member states perceive the benefits of, and their willingness to contribute to, partnerships and instruments financed by the EU.

How suitable are the conditions for an open, well-informed and result-oriented debate on the future of the ACP-EU partnership? While all parties agree on the need for truly forward-looking and inclusive discussion, particularly with the respective constituencies in the field, certain factors may complicate the process. These include:

- (i) The *weakened status of the partnership* in the (foreign policy) ministries in ACP countries, in ACP regions and EU member states, as well as in large sections of EU institutions including the European External Action Service
- (ii) *Limited knowledge of and interest in the CPA* among actors 'beyond Brussels'. This may hamper the effectiveness of the planned consultation round, as stakeholders may have views on future thematic priorities but no experience with the actual operation of the ACP-EU cooperation system.¹⁴

¹⁰ White, V. et al. 2015. *ACP-EU relations after 2020: Issues for the EU in consultation phase 1* Final Report, Brussels: EU.

¹¹ Mimica (2015). Speech to the EP DEVE Committee. 19 October 2015:

http://ec.europa.eu/commission/2014-2019/mimica/announcements/extraordinary-meeting-ep-deve-committee-presentation-joint-consultation-paper-towards-new_en.

¹² Oljelund, A. 2014. *Changing Relations between the European Union and the African, Caribbean and Pacific States after the current agreement expires in 2020. State of play and reflections*. Report submitted to the Swedish Ministry of Foreign Affairs.

¹³ A number of EU member states are currently pursuing a fundamental debate about the use of ODA to respond to the immigrant and refugee problem in Europe

¹⁴ This became clear during several round-table meetings organised by the EC on the future of ACP-EU cooperation, particularly during discussions on relatively new policy issues such as the post-2015 agenda. Although the thematic experts involved were able

- (iii) *The long heritage of more than 40 years of ACP-EU cooperation*, which may make it difficult for the actors directly involved to move out of their 'comfort zone' or 'think outside the box' when discussing the CPA.
- (iv) *The scant evidence/evaluation material on the effectiveness* of the ACP-EU partnership and its institutions.¹⁵
- (v) *'Vested interests'* in maintaining the status quo.
- (vi) *The perception or fear that no credible alternatives exist* to the CPA. Closely linked to this is the legitimate concerns expressed by those who argue that one should not abandon a policy, an agreement or a set of instruments unless it proves possible to devise a better alternative which is politically feasible.

These conditions produce a number of **risks** that can shape a review process that is insufficiently evidence-based and result-oriented because it follows patterns and lines of argumentation that reflect:

- ✓ *Path dependency and normative approaches.* This is the case in **discussions where the 'acquis' of Cotonou** (in terms of contractual partnership, political dialogue, predictability and joint management) **is presented as a good thing per se**, without looking at evidence indicating whether these laudable principles are put into practice and actually yield the expected benefits. Such an approach also prevails if the CPA continues to be presented as something unique, without recognising that the EU has largely harmonised its cooperation approaches towards non-EU countries and regions. Other manifestations of normative stances are flawed comparisons with different cooperation agreements.¹⁶
- ✓ *Aspirational projections.* This occurs when actors largely agree on the weaknesses of the current CPA and the need to profoundly modernise it, and then immediately make a big leap forward into the future by proposing a set of **new ambitions for ACP-EU cooperation – without undertaking a reality check of the feasibility and asking whether the ACP-EU partnership is the right vehicle** for effectively pursuing these goals. A typical example of this approach is the claim that the CPA can be modernised by shifting its mandate towards the joint pursuit of political agendas in the UN¹⁷ (even though the evidence shows that both parties have never succeeded in doing this to date) or by integrating the new policy domains of the 2030 Agenda into the existing framework (even though the evidence clearly suggests that the objective conditions for delivering concrete outcomes on global issues may not be in place – as examined in detail in section 9 below).
- ✓ *Stand-alone approaches.* A third major risk in debates on the future of ACP-EU relations is to formally recognise that the world has changed, but to then view the future of Cotonou *'in splendid isolation'* from the global, regional and foreign policy realities affecting both the ACP group of states and the EU. This danger applies particularly to the EU. At first sight, dealing with the review of the CPA *'separately'* in some form of silo may seem justified. This could make the negotiation process more manageable by restricting it largely to the development community and the existing interests surrounding the agreement (in particular the EDF). It could insulate the ACP relationship from wider EU political and security considerations and preserve the CPA as a tested aid-delivery channel. Yet this choice is risky for the EU if it is serious about building a more coherent EU external action system and in the light of

to contribute to technical discussions, they were generally unaware of the specificities of the ACP-EU framework and the related institutional provisions.

¹⁵ Academic research initially investigated the contents of the CPA and in more recent years also addressed the EPA negotiations. Only a limited amount of research has involved the actual operation of the ACP and the ACP-EU partnership.

¹⁶ An example of such a normative approach is when people argue for a continuation of the ACP-EU relationship on the grounds that *'the Cotonou Partnership Agreement has worked much better than the Joint Africa-Europe strategy'*. This comparison is shaky on many grounds, particularly if one considers the huge financial resources the EU has dedicated to the CPA. If these EU resources were to be invested in the JAES, the dynamics and effectiveness of both policy frameworks would most likely change drastically.

¹⁷ As proposed by the report of the Dutch Advisory Council on International Affairs. 2015. *ACS-EU samenwerking na 2020. Op weg naar een nieuw partnerschap?* AIV, No. 93, Maart 2015, p. 37.

ongoing strategic processes and new EU initiatives (such as Europe 2020, the preparations for a Global Strategy for Foreign and Security Policy, the ENP review and the global trade strategy review). Disconnecting the CPA from these core EU processes may further marginalise ACP-EU cooperation.

3. The added value of a political economy analysis

As its name suggests, a PEA examines how political and economic processes interact and shape policies and practices. It looks behind the façade of policy discourse, action plans and formal institutions. It focuses on the (political and economic) *interests* and *incentives* that drive key *actors*, the distribution of *power* among them and the conditions required to generate *collective action* by groups of actors – through a set of *formal and informal rules* – to change things.

All these factors are critical for answering questions such as:

- Why is there often a big gap between policy ambitions and actual implementation?
- How can we move beyond explanations such as ‘*lack of political will*’ to explain why much-needed reforms fail?
- How can we gain a better understanding of the drivers of change and the factors of resistance?

In order to answer these questions, a PEA has to contain a set of methodological principles and tools (see **Annex 2** for details of the approach used).

A big advantage of PEAs is that they **avoid normative approaches**. The focus is not on ‘*what should be done*’ but on ‘*why things work as they do*’ – considering the contextual realities of a given reform, sector, policy process or cooperation agreement (such as the CPA). By **shedding light on often less visible aspects such as power, interests and incentives**, a PEA can be of added value to and complement other forms of analysis – in this case the range of EU and ACP studies on the future of the partnership.¹⁸ First, it can be instrumental in gaining a more subtle understanding of the reality than can be obtained from formal consultations organised by official parties. Second, it may help to understand better the factors underlying the successes or failures of ACP-EU cooperation. Third, the insights thus gained can be used to move ‘*from analysis to action*’: the identification of the most feasible reform options can inform the course of action and strategies adopted by stakeholders.

A key methodological challenge for any PEA is delineating core questions that can usefully be examined. The following five questions were identified for this purpose (see Box 1):

Box 1: Core political economy issues to be considered in this study

1. What are the foundational (i.e. historical) factors or building blocks underlying the ACP-EU partnership and how have these evolved over time?
2. How strong are these foundations today – in terms of facilitating effective collective action between parties – in view of the major contextual developments affecting the EU, the ACP and beyond as described above?
3. Who are the key actors, and what are rules of the game, the interests and incentives at work in ACP-EU cooperation processes and how do these affect the operation and delivery capacity of the ACP group, the EU and the partnership itself?
4. What external trends, factors and processes influence the ACP-EU partnership and its ability to produce concrete benefits for the parties involved?
5. To what extent is the ACP-EU framework a suitable vehicle for implementing the new universal agenda of sustainable development goals (SDGs) and organising effective collective action on global challenges?¹⁹

¹⁸ ACP commissioned studies include Babirus (2006); Van Reisen (2012); the report of its Ambassadorial Working Group (2014) and the Eminent Persons Group (forthcoming). The EU organised a series of round-table meetings (2015) and various member states commissioned their own analyses, such as Germany (DIE and ECDPM 2013), Sweden (2014) and the Netherlands (AIV 2015).

¹⁹ This fifth question is of a more prospective nature. The purpose of the ACP-EU partnership is to promote the development of the ACP states. The CPA was not designed to take on global challenges. It would therefore not make much sense to assess the performance of the CPA on the basis of an agenda that it was not designed to address. Yet the PEA can usefully focus on how the ACP-EU partnership has sought to deal with this upcoming global agenda (see section 8 below). This could help to distil lessons on the conditions required for meaningful collective action on this agenda in the future.

4. The foundations of the partnership and its development

An analysis of foundational factors is a standard component of a PEA study. These consist of contextual factors such as history, geography or deeply ingrained economic characteristics. In principle, they remain stable in the medium and even longer term. It is important to capture these foundational factors as they tend to have an ongoing impact, shape existing power relations, condition actors' behaviour and influence outcomes.

The purpose of this section is to analyse:

- (i) the nature of the key foundational factors that made it possible to broker this 'unique partnership' between two blocks in 1975;
- (ii) the evolution of these building blocks over time;
- (iii) the current solidity of these foundational factors, i.e. as in 2015.

Based on the literature on the development of the ACP-EU partnership, Table 1 below gives an overview of how seven key foundational factors underpinning the ACP-EU partnership evolved between 1975 (creation of ACP Group, first Lomé Convention) and 2015.²⁰

Table 1: Evolution of the foundational factors of the ACP-EU partnership (1975-2015)

Foundational factors of ACP-EU cooperation	1975 (first Lomé Convention)	2015 (CPA and planned review)
1. Asymmetrical relations between Europe and its formal colonies	✓ High degree of asymmetry	✓ Still high degree of asymmetry in terms of power and resources (as reflected by dominant position of EU)
2. Level of dependency	✓ High levels of dependency	✓ Reduced level of dependency of several ACP countries ✓ Alternative sources of funding (BRICS, Gulf states)
3. Geopolitical context	✓ Call for a New International Economic Order (NIEO) ✓ Rise of strong coalitions of southern countries (Non-Aligned Movement, G77, OPEC)	✓ Globalisation ✓ Market economy as dominant model ✓ Multi-polar world ✓ Universal 2030 Agenda related to SDGs
4. Common interests	✓ Strong common interest in forging a post-colonial partnership (in the case of the EC) and obtaining aid and trade concessions (in the case of the ACP) in the wider context of transforming international	✓ Dilution of common interests as a result of growing heterogeneity ✓ Shift from trade preferences to EPAs ✓ Both the EU and ACP seek to defend their interests in other fora

²⁰ See *inter alia* Ravenhill, J. 1985. *Collective Clientelism: The Lomé Conventions and North-South Relations*. New York: Columbia University.; Frisch, D. 2008. [The European Union's development policy: A personal view of 50 years of international cooperation](#). ECDPM, PMR 15.

	relations	
5. ACP bargaining power	<ul style="list-style-type: none"> ✓ Strong, thanks to group cohesion, a clear agenda, technical capacity and political leadership ✓ Capacity to negotiate beneficial deals (thus creating ownership and interest among members) 	<ul style="list-style-type: none"> ✓ Limited bargaining power as a result of reduced cohesion and capacity to act jointly ✓ Unclear benefits resulting in reduced ownership and engagement
6. Alternative policy frameworks	<ul style="list-style-type: none"> ✓ Limited set of alternatives 	<ul style="list-style-type: none"> ✓ Proliferation of overlapping and competing policy frameworks available to both the EU and the ACP
7. Binding (legitimizing) narrative	<ul style="list-style-type: none"> ✓ Strong reliance on colonial past provides historical legitimacy 	<ul style="list-style-type: none"> ✓ Historical legitimacy watered down by integration of new member states on both sides ✓ No new narrative to legitimate ACP and privileged position of the ACP-EU partnership

The above overview clearly suggests that almost all foundational factors - which made it possible to forge an innovative deal in 1975 - have changed quite dramatically over the past 40 years. As a result, the current ACP-EU construct now rests on rather fragile foundations. This, in turn, has **major implications for the political ability of both the ACP and the EU to effectively use the CPA 'beyond aid', i.e. as an instrument to broker political deals**, undertake joint action in international fora, ensure the effective promotion of shared values or manage possible conflicts of interest (in relation to migration and policy coherence for development), as we will see in the following sections.

5. The rules of the game in the ACP group and its capacity for collective action

The focus of this section is on the formal and informal rules of the game (such as power relations, norms, historic and cultural aspects or access to resources and benefits) that have shaped the actual operation of the ACP group since its inception. A political economy analysis takes particular interest in the interaction of these formal and informal rules as they largely determine the ***extent to which the ACP group can mobilise the required political clout and capacity to effectively defend the common interests of its members.***

First a PEA perspective is applied to the design and operation of key ACP institutions (section 5.1).²¹ This is then complemented with three concrete cases illustrating how the prevailing political economy conditions affect the group's capacity to achieve its ambitions in terms of:

- ✓ promoting intra-ACP cooperation (section 5.2);
- ✓ defending the interests of the ACP countries in the WTO (section 5.3);
- ✓ forging an ACP identity in international fora (section 5.4).

5.1. General operation of ACP institutions

The ACP group of states celebrated its 40th anniversary this year. During this period the group has expanded its membership from 46 to 79 countries. The foundational 1975 Georgetown Agreement defined the group's core values (i.e. ACP unity and solidarity), the key governance principles and a ***set of institutions*** for facilitating interaction within the group, as well as with Europe and beyond. The latter include a Council of Ministers, the Committee of Ambassadors and a permanent ACP Secretariat. The 2003 revision of the Georgetown Agreement formally recognised two other institutions, i.e. the Summit of ACP heads of state and the ACP Parliamentary Assembly (first convened in 2005).

The Georgetown Agreement endows the ACP group with legal personality, while its Headquarters Agreement with Belgium guarantees the diplomatic immunity of senior personnel at the ACP secretariat, as well as documentary and communications immunity. The UN recognises the Group as an international organisation,²² and the ACP group has enjoyed observer status at the UN since 1981. This architecture is complemented with several *joint ACP-EU institutions* (for a more detailed analysis of these joint structures, see Chapter 7 below).

Formal and informal rules underpinning the operation of the ACP institutions

Based on a documentary analysis and interviews, the following observations can be made from a political economy perspective on each of the ACP institutions:

ACP Summit

The tradition of organising ACP summits predates the formal creation of this institution in 2003. The gatherings organised in 1997, 1999 and 2002 focused on preparing and firming up ACP positions around the negotiation and start-up of the CPA. Recent summits (i.e. in 2008 and 2012) were more concerned with the group's future development. A crucial new summit is planned for 2016 (in Papua New Guinea, from 30

²¹ The analysis draws on a structured review of both public and unpublished documents. Twelve semi-structured interviews were conducted with ACP actors and experts during July-October to discuss key issues and close information gaps.

²² The ACP group is listed under 'non-resident international organisations' (see: <http://www.un.org/en/members/intergovorg.shtml>).

May to 1 June 2016), where the aim will be to make fundamental choices about the ACP Group's future and position vis-à-vis the review of the CPA beyond 2020.

While the EU does not play a direct role in the Summit's proceedings, beyond providing input in the form of speeches, the **ACP has relied strongly on EDF funding** for organising them. The EU Court of Auditors launched investigations into the management of EDF support for the 2008 Accra summit, and pending these investigations the EU was unable to provide funding for the 2012 summit. The host country Equatorial Guinea stepped in by providing additional financing equivalent to €249,879.²³

Despite the availability of EU funding, **recent ACP Summits have performed poorly in terms of attracting heads of state**. Media coverage indicates, for instance, that the Caribbean region failed to ensure adequate head-of-state representation at the most recent 2008 and 2012 Summits, with only one head of state being present in both cases.²⁴ The 2012 Summit was attended by 15 heads of states in total -with lower-level participation from other ACP States and 13 states sending no delegation whatsoever.²⁵

The Council of Ministers

Operating under the Summit of the Heads of State, the Council is formally the main decision-making body. It consists of a member of the government of each of the ACP states or its designated representative, and meets twice a year in regular session. The agenda for these regular sessions is prepared and adopted by the Committee of ACP Ambassadors. It has also established a number of Ministerial Committees and Consultations dealing with specific subjects such as development cooperation and commodity-specific groups. While the Council is entitled to adopt decisions by a two-thirds majority, in practice decisions are taken by consensus, with only few exceptions.²⁶

A study commissioned by the ACP found that, while Council meetings typically produce a set of agreements and decisions, **no precise instructions are given about follow-up**. This may be due to a disconnect between the ACP Summits and the meetings of the Council of Ministers, while the President of the Bureau (also known as 'President in Office') does not have a designated role to play in connecting the Summits or representing the Group in international fora. The Chair of the Committee of Ambassadors recognised (at the time that this study was finalised) *"the need to make the agenda of our Council meetings more strategic and relevant for Ministerial participation"*.²⁷ Not only the December 2014 draft EPG report²⁸ and recent research, but also those directly involved have recommended bringing decision-making closer to the ACP states – and consequently partly away from Brussels.

The Committee of Ambassadors

Under its formal mandate, the role of the Committee of Ambassadors consists of (i) assisting the Council of Ministers in its functions and carrying out any mandate assigned; and (ii) monitoring the implementation of the ACP-EU Partnership Agreement. It works through a number of sub-committees and working groups.²⁹

²³ European Commission. 2014. Annex 1 of the Commission Decision on the adoption of an individual measure in favour of Intra-ACP cooperation to be financed from the European Development Fund Bridging Facility: Action Document for the '*Institutional Support to the ACP Secretariat and its Geneva Antenna*'. See: https://ec.europa.eu/europeaid/sites/devco/files/action-document-institutional-support-ACP-secretariat-20141124_en.pdf.

²⁴ http://www.jamaicaobserver.com/news/Caricom-s-poor-attitude-to-ACP-summit_13194009

²⁵ <http://www.modernghana.com/news/436349/1/ACP-leaders-send-out-strong-message-to-partners-at.html>

²⁶ As discussed below, one such exception concerned the election of a new ACP Secretary-General.

²⁷ <http://www.acp.int/content/statement-president-office-ACP-council-ministers-prime-minister-and-minister-foreign-affairs>

²⁸ Draft EPG report, Keijzer and Negre 2014, Mahase-Moiloa 2015: 8.

²⁹ These six sub-committees are on Establishment and Finance; Sustainable Development; Trade and Commodity Protocols; Political, Social, Humanitarian and Cultural Affairs; Investment and Private Sector; and Development Finance.

In line with this dual mandate of facilitation and monitoring, the Committee presents its activity report at every session of the Council of Ministers.

The **Committee of Ambassadors has gained power beyond its official mandate** because other bodies did not exercise their own powers, or because it was granted these powers by the Council in accordance with the Committee's own proposal.³⁰ As a result, its role has moved beyond a *'decision-preparing'* mandate to effectively taking decisions in between Council sessions. An earlier study commissioned by the ACP group confirmed that *"in practice, the Committee of Ambassadors plays the role of decision-maker, and even during a Council of Ministers meeting, the majority of delegates are actually ambassadors"*³¹.

The **strong position of the Committee of Ambassadors does not mean that it asserts itself in the partnership in an effective and goal-oriented matter**. At an individual level, many ambassadors are dissatisfied with its operation, which tends to be characterised as formalistic, inefficient and process-oriented as opposed to results-oriented. Furthermore, the current rules for the Committee of Ambassadors were adopted in 1981, when the Group had 46 members, and in practice the Committee interprets the 'decision by consensus' rule as meaning unanimity. This interpretation reflects the ACP states' **strong attachment to national sovereignty**. The need for unanimity frequently slows down or blocks decision-making on relatively trivial matters,³² budgetary issues,³³ staffing matters,³⁴ and highly political issues – such as the preparation of a joint ACP-EU position for the 2015 Addis Ababa UN Financing for Development conference, which was blocked by a small number of ACP states (to the irritation of DG DEVCO).

A key factor explaining the frequent absence of ambassadors from regular meetings was that many have **highly demanding mandates**, which may include the full Benelux group of countries as well as Geneva-based and Rome-based UN and international organisations. As a result, a relatively small group of ambassadors tends to engage intensively with the ACP institutions, while for other ambassadors the ACP remains a less than part-time affair. More fundamentally, ACP actors³⁵ have linked the lack of effectiveness of the Committee of Ambassadors to the fact that ambassadors are mandated to promote and protect national interests. This results in immobility and indecision, while progress is possible only on the basis of the lowest common denominator. Interviewees referred to a *'culture of rule-breaking'* in the ACP institutions. They added that, because of the nature of their jobs, ambassadors are unlikely to openly criticise the Committee or call for its reform because this may have a negative bearing on their bilateral relations with some ACP states.

ACP Secretariat

During the negotiations of Lomé I (1975-80), the ACP group stressed the need for a permanent Secretariat that would be co-financed by the European Economic Community (including the purchase of the building which now houses the ACP group in Brussels). The EU has co-financed the running costs of the ACP Secretariat since 1977. Today, the EDF rules allow for a maximum of 50% of the Secretariat's running costs to be financed by the EU.

³⁰ Examples of the latter include the Ambassadorial Working Group on the future prospects of the ACP group, the mandate given to the Committee to act on the recommendations in the Working Group's report, and the role played by the Committee in the purchase of a new building for the ACP Secretariat.

³¹ Babirus 2006: 74

³² The debate on the proposed trip to Vanuatu by a number of ACP ambassadors following the cyclone in March 2015 is a case in point.

³³ In the run-up to the December 2014 ACP Council meeting, several ACP countries questioned the size of the Secretariat's budget and suggested closing down the Geneva office. No unanimous support was found for this decision, and it was instead agreed to conduct a study of the Geneva office that was ongoing at the time this report was finalised.

³⁴ One assistant secretary-general post has remained vacant since the start of the current SG's term of office.

³⁵ Mailafia, O. (2014) *Europe Seen from Africa*, in: Schepers, S., Kakabadse, A. (eds.) (2014) *Rethinking the Future of Europe – A Challenge of Governance*, Palgrave Macmillan. 236

The Secretariat is mandated to be an **administrative body** assisting the Committee of Ambassadors and the Council of Ministers. Its roles have been fleshed out in further detail during the course of time. These include:

- ✓ carrying out the various tasks as may be assigned to it by the Summit of Heads of State and Government, the Council of Ministers, the Committee of Ambassadors and the ACP Parliamentary Assembly;
- ✓ contributing to the implementation of the decisions of these organs;
- ✓ monitoring the implementation of the ACP-EC Partnership Agreement; and
- ✓ servicing the organs of the ACP group and, as appropriate, the joint institutions established under the ACP-EC Partnership Agreement.

Following the adoption of the CPA, the ACP Secretariat also gained new responsibilities by acting as the Regional Authorising Officer for the intra-ACP budget introduced under the 9th EDF. This responsibility entails, among other tasks, additional work in preparing calls for proposals, meetings with sub-committees of the Committee of Ambassadors to prepare the programming, and adopting memoranda of understanding with international organisations so that they can access intra-ACP funding.³⁶ Section 5.2 contains a detailed analysis of intra-ACP cooperation.

Given this demanding **dual mandate of servicing the Group and managing all-ACP development programmes**, the Secretariat may be said to be small in size. As of May 2015, it had a total complement of 92 posts, 75 of which were filled. Of these 75 posts, 48 were occupied by professionals, with the remaining 27 ascribed to general services. 82.6% of the staff are from Africa (44% from West Africa), 10.8% from the Caribbean, and 1.3% from the Pacific (i.e. one staff member). The remaining 5.3% are recruited under local labour laws.³⁷

Several reports commissioned by the ACP group³⁸ confirm that the Secretariat enjoys only **limited autonomy**. Interviewees noted that it is not easy for the ACP SG, informed by his technical staff, to place an item on the Council agenda in an independent manner, because the agenda is controlled by the Committee of Ambassadors. The SG also requires prior consent from the Committee of Ambassadors in order to use the Secretariat's travel budget.³⁹ All this has led some to conclude that: *"the status of the Secretary-General is, in truth, more that of a Secretary than a General"*.⁴⁰ However, interviewees warned against painting an overly simplified picture of the relationship between the Secretariat and the Committee of Ambassadors. There have been strong SGs who were able to carve out a space for autonomous action, partly by using their privileged access to information, networks and resources. It should also be noted that, despite the SG's limited executive powers, the process of electing an SG tends to be contentious. Similar

³⁶ ACP (2012) *Strategy for renewal and transformation (2011-2014)*, Brussels: ACP

³⁷ ACP SG 2015.

³⁸ See draft progress report of the Eminent Persons Group (EPG, 2014) as well as the proposals made by the ACP Ambassadors Working Group report stressing the need to strengthen the Secretary-General, increase financing and reforming the recruitment of Secretariat posts (ACP Ambassadors WG 2014: 78, 79). The UNDP-financed study by Van Reisen does not discuss institutional weaknesses in detail but instead generally argues for expanding the mandate of the Secretariat and the Secretary General (Van Reisen 2012).

³⁹ Interviews indicate that this control over travel expenditure is due to the Secretariat's perceived lack of strategic allocation of resources. Recent examples include sending a four-strong delegation to attend the funeral of an ambassador who had passed away (which was blocked) and the sending of a five-strong mission to the UN General Assembly, where the SG gave a speech (criticised but not blocked).

⁴⁰ Mailafia, O. (2014) *Europe Seen from Africa*, in: Schepers, S., Kakabadse, A. (eds.) (2014) *Rethinking the Future of Europe – A Challenge of Governance*, Palgrave Macmillan. 236

tensions arise when other top posts need to be filled, leading to disagreements that consume huge amounts of time and energy.

In order to meet a condition set by the EU for financing the Intra-ACP Envelope under the 10th EDF through a Contribution Agreement, the ACP Secretariat produced a strategy for renewal and transformation. The strategy contained not only a general vision and plan for the further development of the Secretariat, but also critical reflections of its own state of development.

Table 2: Challenges identified by the ACP Secretariat⁴¹

<ul style="list-style-type: none"> ✓ Human resource constraints, including lack of training, aging staff and understaffing ✓ Cumbersome decision-making ✓ Lack of knowledge for decision-making ✓ Flow of information from Brussels to the member states ✓ Poor visibility ✓ Cramped facilities at headquarters ✓ Lack of adequate empowerment for the Secretary-General 	<ul style="list-style-type: none"> ✓ Outdated business management processes ✓ Weak financial position of the organisation in general ✓ ACP ambassador interference in operational matters such as staff recruitment, promotion and discipline ✓ Poor attendance of ACP representatives at meetings ✓ Frequent turnover in ACP Brussels-based diplomatic missions
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The **ACP states' contribution to the Secretariat's running costs** (at the moment *de facto* 50% of its annual budget of €15 million) is unpredictable and plagued by frequent delays. While the EU reliably pays its share of the ACP's budget (€15.3 million in 2015), for most ACP states the regular and predictable payment of contributions tends to be the exception rather than the rule. In November 2015, a total of 49 out of 79 ACP states had not paid their annual statutory contributions.⁴² As of May 2015, 11 ACP countries had run up such high arrears that they were placed under sanctions.⁴³ Interviewees noted that the sanctions are not enforced in practice, since most ambassadors of ACP states in payment arrears continue to come to ACP House, pick up documents, take the floor during meetings, etc. This reflects the asymmetrical relationship between the ACP countries and their Secretariat.

It should be noted that the issue of non-payment by member states is common to many international organisations and other secretariats serving groupings of states, as is the reliance on external funders. Examples include several of the African Regional Economic Communities, the African Union and the Commonwealth secretariat.⁴⁴ **Annex 5** contains further information on the staffing of the ACP Secretariat, the policies on top-level management, recruitment and staffing, as well as on how the ACP and the EU co-fund its running costs.

The available research evidence points to **perceived shortcomings in the ACP Secretariat's capacity to deliver on this dual mandate**. First, while its human resources are largely absorbed by the need to organise a huge number of meetings, the intra-ACP budget is insufficiently linked to the ACP group's objectives. The ACP Secretariat acknowledges this and has called for the intra-ACP programme to be transformed from a unidirectional ACP-EU programme into a global all-ACP cooperation framework.⁴⁵

⁴¹ See ACP. 2012. *Strategy for renewal and transformation* (2011-2014), Brussels: ACP. 40, 41

⁴² <http://www.acp.int/content/statement-president-102nd-session-acp-council-ministers-hon-dr-mamphono-khaketla-minister-fi>.

⁴³ See <http://www.times.co.zm/?p=60796>, also reported here: <http://allafrica.com/stories/201506050193.html>.

⁴⁴ In 2013, a total of 30 out of 52 members of the Commonwealth were in arrears in their contributions to the secretariat budget, 70% of which is paid by the UK, Canada and Australia.

⁴⁵ See ACP (2012) *Strategy for renewal and transformation* (2011-2014), Brussels: ACP. 45

Second, the focus on managing intra-ACP funding means that less capacity is available for providing independent support to the group's wider political and economic concerns. This, in turn, may create dependency on the EU. The Secretariat observed in its 2012 strategy document that establishing relations with non-EU countries and organisations is challenging, due to *“the fact that the ACP may sometimes be misperceived as a creation of the EU, and that its organisational and institutional provisions do not advance these activities/actions”*.⁴⁶

The interplay between ACP institutions in practice: limited scope for collective action

What lessons can be drawn from this analysis, in order to understand whether the ACP institutions are fit to act as an effective defender of the overall interests of the ACP group (beyond accessing aid resources)? The conclusions are sobering:

- ✓ While the ACP institutions allow for frequent exchanges at ambassadorial and **technical levels** through the Committee of Ambassadors and its Sub-Committees and Working Groups, **political interaction is much less frequent** for the reasons explained above (i.e. low frequency of summits, low levels of attendance of Council meetings compounded by a lack of strategic and result-oriented decision-making processes, focus on national interests, and limited autonomy of the SG and the Secretariat).
- ✓ The skewed incentives in the ACP structures (i.e. geared primarily at managing EDF resources) means there is limited space, capacity and time for dealing with the broader political agenda or the group's institutional development. This suggests that the **ACP states regard the partnership mainly as an aid-delivery mechanism – and not as a mechanism for articulating and defending objective common interests with the EU and other key players**. As a result, important opportunities for collective action in selective policy areas –where the ACP could add value to what is done at national and regional level- are not exploited.⁴⁷
- ✓ The governance of the ACP is central in the group's reform plans. Different views co-exist as explained in Box 2 below.

Box 2: Ambassadors versus Eminent Persons: two diverging strategic reflection processes

Building on past debates, a new reflection process is taking place about the future governance of the ACP group. This has led to different views on how best to distribute roles and responsibilities:

- ✓ The December 2014 draft report of the Eminent Persons Group (EPG) proposes endowing the Secretary-General with full executive authority and creating a non-resident Governing Board to oversee the operations of the ACP Secretariat. The Committee of Ambassadors' mandate would be reoriented towards a monitoring and liaison function.
- ✓ The Ambassadorial Working Group report, in contrast, suggests widening the mandate of the Committee of Ambassadors to roughly the same responsibilities as the Governing Board, while the report makes no proposals as to the SG's mandate.

The EPG met in Brussels in 2-3 November 2015 to discuss the next steps in the process of finalising its report, which will be tabled at the Summit in PNG in 2016. A press release on the ACP website clarifies that the EPG has been tasked with incorporating the report of the Ambassadorial Working Group on Future Prospects in the final version of its own report.⁴⁸

⁴⁶ See ACP (2012) *Strategy for renewal and transformation* (2011-2014), Brussels: ACP. 40

⁴⁷ For a concrete example see: Goodison, P. *Revisiting ACP solidarity: Future scope in agro-food sector development*. Contribution written for the 'Future Perspectives of the ACP beyond 2015 and 2020'. The author argues that there is quite an agenda for collective, effective ACP Group action in support of the structural transformation of the basis of ACP agro-food sector engagement with the global economy. Yet this would require strong political leadership from ACP governments and a capacity to overcome the institutional constraints that now hinder such collective action.

⁴⁸ <http://acp.int/content/eminant-persons-group-advances-work-future-perspectives-acp-group>.

5.2. Limited progress in intra-ACP cooperation

The ambition of fostering intra-ACP cooperation has been around for a long time. It was reiterated in the revised Georgetown Agreement and still features prominently in the Report of the Ambassadorial Working Group on the Future Prospects of the ACP group. Yet ***all the available sources concur that practice has lagged seriously behind intentions***. Though valuable initiatives have been taken, internal cooperation within the Group has tended to be *ad hoc*, short-term and project-oriented and largely dependent on the availability of EDF funding. Partly as a result of the latter, the focus of intra-ACP cooperation has been largely steered by EU policy priorities and global issues – rather than by the need to enhance intra-ACP cooperation *per se*.

In order to better understand this gap between ambitions and practice, ***this section analyses two key aspects of intra- and inter-ACP cooperation***:

- (i) the programming of the EDF-funded intra-ACP initiatives (focusing mainly on the 10th EDF);
- (ii) the establishment of the ACP Inter-Regional Organisation Coordination Committee (IROCC).

The programming of intra-ACP funding

From the 10th EDF onwards, the programming of the intra-ACP envelope has followed a more strategic approach, leading to the production of Annual Action Plans, for instance. On paper, there is a clear division of labour between the EU and the ACP in deciding on the use of the funds, with the onus being clearly on the ACP to ensure a true intra-ACP focus. In practice, however, the ACP group and Secretariat have played a subdued role in this exercise. The ***EU has been largely in the driving seat*** (often deciding unilaterally on priorities and funding). As a result, only a limited number of programmes have provided for the establishment and/or reinforcement of robust networking and experience-sharing frameworks between ACP countries and regions that are sustained over time.

Several elements explain this state of affairs. Some are linked to issues of limited experience with strategic programming and/or capacity constraints at the ACP Secretariat. Others are of a more intricate political economy nature. The findings clearly suggest that the ***balance of power*** is weighted in favour of the European Union's interests and that ***ACP members give priority to ACP-EU relations*** at the expense of building cooperative links among themselves. This, in turn, does not necessarily create the right ***incentives*** for the ACP Secretariat to ensure intra-ACP funds are strategically managed, or to articulate a consistent set of ACP interests and objectives. Moreover, the Secretariat lacks ***authoritative power*** in relation to intra-ACP funds, taking into account the primacy of the Committee of Ambassadors.

Successive EDFs have reserved substantial budgets for intra-ACP cooperation. Despite taking up over 20% of EDF9 resources and roughly 12% of the budgets for EDF10 and EDF11, there have been very few evaluations of the concrete interventions funded and the results achieved in terms of furthering the overall aims of the CPA. The analysis of the allocation of resources (see ***Annex 7***) shows that most of the budgets were used to contribute to the provision of global public goods, including peace and security through the Africa Peace Facility, as well as contributions to the Global Climate Change Alliance. A recent evaluation found a disconnect between what the countries want to cooperate on as a group and the EDF funds managed by the Secretariat: *“There is currently no example of an ACP state being mandated to represent the interest of the ACP group of States in the governance structure of an international organisation or fund receiving intra-ACP funding”*.⁴⁹

⁴⁹ SACO. 2013. *Evaluation of the EDF Support through the Intra-ACP Cooperation*. Brussels: EU.

The implementation of intra-ACP funds relies heavily on Project Implementation Units (PIUs), with some of these PIUs also known to contribute informally to the Secretariat's work on servicing the ACP group. In 2000, the European Court of Auditors criticised the EC for failing to enforce its rules on the matter, which implied *de-facto* promoting the use of PIUs for non-project purposes.⁵⁰ The reverse situation of the Secretariat supplementing PIU tasks also tends to occur, however, as was noted in an external evaluation report: '(...) *the ACP Secretariat increased its involvement and activity level in the implementation of Intra-ACP cooperation programmes. This has led the Secretariat to face challenges in terms of mobilising its staff and dealing with the workload related to the implementation of the Intra-ACP Cooperation activities*'.⁵¹ This comes with clear risks attached, given that past irregularities in EDF management have led to the suspension of the EU's contribution to the Secretariat's operational costs.⁵²

Moreover, assessing whether the Secretariat's EDF implementation mandate is at the expense of its role in facilitating the ACP group, or the other way around, requires a broader basis than financial analysis alone. The Secretariat's EDF implementation responsibilities increased considerably after the intra-ACP resources were expanded under EDF9, the final intra-ACP budget of €2.8 billion being almost tenfold what was originally budgeted. On the other hand, recent ACP reports have suggested that the Secretariat is continuing on this road and strengthening its competence in development cooperation management, such as proposed by the Ambassadorial Working Group's report. The draft EPG report went even further by suggesting that the Secretariat should acquire project management capacities that would eliminate the need for creating PIUs. While the group could decide to follow such a path, it would require considerable additional funding for the Secretariat in order for the group to capitalise on the presence of a permanent secretariat. It would also ***further push the ACP group to act as a structure for managing development cooperation – rather than as a political actor or global player.***

Joining forces: the experience of the ACP Inter-regional Coordination Committee

The case of the ACP IROCC that was launched in 2011 is also interesting from a political economy perspective. In theory, this was a ***laudable and timely initiative from an all-ACP point of view.*** The IROCC process aimed at fostering collaboration between ACP regions beyond mere aid management issues. It sought to foster a sense of belonging to the ACP family and promote regular interactions between stakeholders and the adoption of common actions in response to challenges of mutual interest. The expected outcome was the better alignment of interests among regional organisations within the ACP group. However, these ***promising dynamics unravelled fairly quickly.*** Despite the existence of common interests among parties and the prospect of substantial benefits to be derived from an effective IROCC, the process could not be sustained.

Capacity problems at the ACP Secretariat and the early termination of Secretary-General Ibn Chambas' tenure did not help matters. Yet there were more profound factors at work, including the limited commitment and interest of various key players (e.g. the new SG, the Committee of Ambassadors and the regional organisations involved) to get this process on track, as well as a ***lack of clarity*** about the ***real benefits*** that could be obtained by engaging in this collective action (beyond the actual meetings).

The prospects for revitalising the IRROC seem to be limited. This failed attempt to transcend regional approaches and unite forces again demonstrates '*change fragility*' within the ACP group and its Secretariat, and the difficulty of delivering on intra-ACP cooperation ambitions. It also illustrates that ***putting institutional mechanisms in place is not a sufficient condition for triggering collective action.***

⁵⁰ ECA 2001: 446.

⁵¹ SACO. 2013. *Evaluation of the EDF Support through the Intra-ACP Cooperation*. Brussels: EU, p.5.

⁵² See http://www.europarl.europa.eu/dg3/sdp/acp/en/2001/ai010321_en1.htm.

Both cases, i.e. the programming of intra-ACP funds and the IRROC process, suggest that the political economy conditions (in terms of interests and incentives) for creating genuine synergies and collaborative arrangements between ACP countries and regions have not been met. These are obstacles of a deep nature that cannot simply be removed by calling for more South-South cooperation or technical fixes.

5.3. The successful involvement of the ACP in the WTO

Trade is at the core of the ACP's history and mandate as an international organisation. The ACP members' trade and development profiles compel the group to participate actively in the WTO. On the whole, this involvement has proven successful, in terms of defending interests in specific areas. The group also sees the ACP's role in shaping the negotiations on the Doha Development Agenda as an important achievement. A recent ACP-commissioned study posits that the ACP group has secured tangible successes in the WTO, due in large measure to a combination of astute leadership, systematised coordination, the support of a Geneva-based ACP office and technical assistance mobilised from a variety of partners.⁵³

The initial stage of WTO negotiations in which the ACP invested were characterised by a focus on a narrow, defensive slate of issues. Indeed, the ACP's introduction to the multilateral trading system was first based on the Lomé waiver, and was followed immediately by a dispute over bananas, which took more than a decade to settle. In the 2000s, as the Doha Development Agenda (DDA) was losing momentum and EU preferences were handled outside the WTO, the ACP adopted a more proactive approach. This yielded important outcomes in terms of visibility, participation in influential (informal) fora, and the conclusion of deals (using the ACP's numerical strength and strategic acumen) on specific issues.

The ACP's efforts at the WTO reached their peak at the 9th WTO Ministerial Conference (MC9) in Bali. The ACP contributed to the conclusion of a Trade Facilitation Agreement by both bridging the gap between the divergent views of WTO members and tabling a submission that married trade rules with Trade-Related Technical Assistance. While the ACP group cannot claim intellectual authorship of this proposal (Argentina tabled the proposal in the context of Annex D negotiations), it did exploit the opportunity by developing concrete textual proposals and also negotiated an innovative approach to Special & Differential Treatment.

What were the key factors behind the ACP's performance and what do they tell us about the ACP group's future capacity for collective action? There are four key factors behind the ACP's performance:

- ✓ *ACP member state leadership.* The ACP group in Geneva consistently benefited from the tactical leadership and technical competence of its successive convenors. Pragmatic and analytically strong leadership coupled with the group's strength in numbers led to strategic participation in important consultative processes. However, despite having an ACP Secretariat satellite in Geneva, the involvement of the ACP as a political body in the group's work in the WTO is only limited. This is partly because its members' negotiating mandate comes directly from their ministries, a dynamic that is further reinforced by the prominent role played by the ACP convenors and focal points, which generally rely on their own mission's administrative and support measures.
- ✓ *Use of ACP focal points.* A group of 17 focal points complemented the work of ACP ambassadors. These are technical experts working for member-state missions or regional bodies such as the Organisation of Eastern Caribbean States or the Pacific Forum. The decisive factor behind the contribution of these trade diplomats was their ***capacity to technically prepare for intra-ACP***

⁵³ Lodge, J. 2014. *A Study on Successes and Failures of the ACP group since its Inception.*

consultations and subsequent engagement with other WTO members, providing an added incentive for members to pursue their interests through the ACP.

- ✓ *Technical assistance.* The ACP benefited historically from technical support from myriad actors, including UNCTAD, the Commonwealth Secretariat and South Centre. More recently, call-down technical expertise funded by various donors (including the EU) paved the way for a qualitative change in the ACP's capacity to table specific policy proposals.
- ✓ *Contextual factors.* The launch of the DDA in 2001 meant that the negotiating agenda featured a list of development issues that were familiar to the ACP countries. Even though the negotiations came to a near-standstill on several occasions, there were opportunities for the group to advance its interests collectively.

Can this success story be replicated in the future? ACP collective action in the WTO depended on the alignment of a number of key factors relating to the political environment (DDA), as well as the particular construct of negotiations in the WTO. The ACP group was able to mobilise technical and diplomatic capacity through its member states and use its numerical strength (it accounts for almost 40% of WTO membership). When member states align themselves in pursuing an issue through the ACP, the group has shown to be able to proactively engage in trade negotiations and shape the outcome.

Looking forward to MC10 in Nairobi, it is clear that this alignment of contributing factors is no longer present in the same way as it was in 2013. Certain elements are within the scope of the group, namely investing in strong leadership and mobilising the necessary expertise (i.e. focal points and experts), and to some extent even funding to strengthen the group's analysis and positioning. Others factors are fully outside the ACP's sphere of influence. The slow decline of multilateralism (and the rise of inter-regionalism) and the continuous strain on the Doha Development Round have had a profound impact on the ACP's footing in the WTO as one of the largest coalitions of developing countries in the WTO. The ACP as a negotiating group relies not only on its ability to convene its members, but also on the continued commitment of the WTO membership to development as a key objective of multilateral trade.

5.4. The ACP's identity in international fora

The PEA study also looked at the identity of the ACP group and its impact on the international scene. The establishment of the ACP group in 1975 under the Georgetown agreement conveyed the group's ambition to articulate, frame and contribute to international debates on development, trade, human rights, etc. Article 8(3) of the 2010 revised version of the CPA explicitly states that ACP-EU political dialogue *"shall facilitate consultations and strengthen cooperation between the Parties within international fora, as well as promote and sustain a system of effective multilateralism"*. It should be noted, though, that in the negotiations on Lomé I, the ACP states were hesitant to commit to work towards a joint engagement with the European Economic Community (EEC) in international fora, since they feared this could have the effect of undermining the G77's engagement.⁵⁴

In spite of the ACP's high aspirations, there is ample evidence that the group has **not been able to deliver on its promise of becoming an international political force**. While the ACP maintains relations with a host of international organisations, in practice, the presence and impact of the ACP beyond Brussels and the WTO in Geneva remains very limited. The ACP group itself recognised this in the revision of the Georgetown agreement in 2003 and has repeatedly restated its desire to strengthen its international identity.

⁵⁴ Drieghe 2009: 226.

Proponents of ACP-EU cooperation frequently remark that ***the EU and ACP together represent a majority in the United Nations*** and hence a great potential for influencing global action. The research evidence suggests, however, that ***neither the EU nor the ACP has invested seriously in capitalising on this potential.***

This gap between the ACP's ambition and practice in the multilateral arena is due to historical, systemic and persistent political and institutional factors that underpin the ACP group's functioning:

- ✓ ***An exclusive relationship with the EU.*** While the Georgetown agreement introduced an ambitious internationalist perspective for the ACP, the main task at hand remains managing the group's relationship with the EU. This made sense in light of the successes emanating from the Lomé I negotiations, which reflected the group's development aspirations through preferences and the (now defunct) mechanisms for compensating agricultural and mining operators in ACP countries for fluctuations on the world market.⁵⁵ However, the EU's foreign relations have changed fundamentally since 1975, gradually diminishing the political importance of the ACP group on the EU's radar. Enlargement has broadened the EU's geographic focus and major reforms in agriculture (such as the reform of the Common Agricultural Policy (CAP)) and trade (EPAs) have further eroded the ACP-EU's development-focused coalition. Box 3 further illustrates the impact of EU reforms on ACP countries in the specific sector of agro-trade policies.

Box 3: EU reforms in the agricultural sector and impact on ACP countries

The initial Lomé trade dispensation was a product of the exceptional confluence of political, economic and institutional circumstances, which strong political leadership from key ACP countries was able to exploit in gaining trade concessions. Yet even under these favourable circumstances, the trade preferences were constrained by domestic EU policy concerns and economic and political interests, most notably ensuring consistency with the Common Agricultural Policy (CAP) of the time. Individual ACP agro-food sectors were also closely integrated into EU based corporate supply chains –which followed their own agenda for global market repositioning. This left limited room to also accommodate the aspirations of individual ACP countries to move up agro-food sector value chains. Furthermore, the existence of trade preferences led a significant number of ACP exporters to pursue a path of maximising short term profit –with the result of being firmly locked into commodity based trade even when the writing of the wall was there with regard to the long term value of ACP trade preferences. Only a few ACP countries escaped this trap by adopting longer-term market strategies -supported by smart public policy initiatives and partly using EU resources to this end).

Evidence indicates there is an underlying tension in the ACP-EU agro-food sector relationship arising from the directly competing nature of key policy objectives. For the ACP ***a critical policy objective is to promote a structural repositioning within global supply chains***, with progressively greater value added being generated locally within agro-food sector supply chains. This however runs up against a central EU policy objective of ***promoting an expansion of value added agro-food sector exports to expanding global markets*** (including in Africa). An important dimension of this EU policy objective is locking in supplies of competitively priced raw materials from ACP countries, to which value is then added in Europe before re-exporting to more rapidly expanding markets for value added agro-food products in Asia, Latin America and Africa.

- ✓ ***ACP co-constituent groups.*** In the initial years of its existence, the ACP group benefited considerably from the G77's political work of seeking a new economic order, largely in the context of the United Nations Conference on Trade and Development (UNCTAD), but failed to establish an independent identity in the international fora. The G77's influence has waned considerably as the tide has shifted towards more economic orthodoxy in the wake of the Washington consensus. This has made the establishment of a muscular ACP identity within the UN system even more challenging. While the ACP group has enjoyed observer status since 1981, today many regional groupings or other specialised

⁵⁵ STABEX (Lomé I) was a financial compensation scheme for ACP countries that was aimed at remedying the harmful effects of unstable export revenues from agricultural products. SYSMIN (Lomé II) was a similar scheme for mineral products. Both were discontinued under the Cotonou Partnership Agreement.

coalitions (e.g. Least Developed Countries (LDCs) and Small Islands Developing States (SIDS)) are more active in the multilateral arena.

- ✓ *Heterogeneity of interests within the ACP.* The fact that the group's internationalist aspirations have been overtaken by other and overlapping coalitions is linked to the growing diversity of interests of the various ACP regions and countries from the various regions (see Box 4 below). This makes it objectively difficult to pursue "common" interests in such a big structure. It also helps to explain the weak institutionalisation of the ACP group as overarching entity. While the Georgetown agreement calls for legal personality, in practice, the ACP representatives are largely unable to speak for the group's members in international fora without the consent or an explicit political mandate from the Summit or Council of Ministers. Similarly, the ACP Secretariat's executive power is severely limited, in that the members have not endowed it with any supranational powers. This is compounded by a lack of technical capacity at the Secretariat – with many of the available staff being diverted to more operational tasks. This further restricts the group's options in pursuing a strong position in global governance, especially through the UN system.

Box 4: Analysis of core interests driving the A, the C and the P in their relations with the EU

Forty years of cooperation as a Group has created historical bonds between the ACP countries involved. Yet beyond the rhetoric of "*unity and solidarity*" it seems important for the various regions of the ACP to engage in a fundamental debate on two closely related questions: (i) how does each region within the ACP assess its evolving interests towards the EU beyond 2020 in an increasingly globalised and regionalised world? and (ii) what utility / added value could the ACP Group as a tri-continental structure still provide for each of each of the regions in this geopolitical set-up? Such domestic reflection processes at regional/sub-regional level within the A, the C and the P are crucial for developing realistic scenarios for the future.⁵⁶

In the framework of this study, a rudimentary 'interest analysis' was carried out with regard to the three main component elements of the ACP Group –while recognizing that this does not do justice to important sub-regional dynamics⁵⁷ within the A, the C and the P. Five dimensions of interests were compared that may provide incentives for each of the regions involved to engage with the EU: (i) substantial aid levels; (ii) effective political cooperation; (iii) trade and economic cooperation; (iv) security concerns and (v) global public goods.

While the three regions share an interest in maintaining aid flows from the EU (including from the perspective of ensuring donor diversification in the case of the Caribbean and the Pacific), the reality beyond 2020 will be dominated by differentiation –with aid being concentrated on least developed (primarily African) countries. The differences are particularly striking in the field of political cooperation. Europe and Africa are increasingly aware that they are 'condemned' to ever-closer dialogue and collaboration in a wide range of pressing policy areas (such as migration, stability). For the C and the P, political cooperation with the EU has been low over past decades, reflecting the marginal status of both small regions for Europe or the emergence of alternative political groupings with more political traction to organise the dialogue (e.g. the CELAC). On trade cooperation the EPA processes have institutionalised the split between the three regions (and various sub-regions). On security matters, the main traction is again to be found between Europe and Africa. In the Caribbean and the Pacific there might be shared security concerns (e.g. drug trafficking) but Europe is not the key external player in these parts of the world. On global public goods, each of the three regions have largely abandoned the ACP structure to articulate and defend their interests, looking for leaner and more effective institutional frameworks to exercise their bargaining power. On key issues such as climate change, the agendas of Africa (= economic transformation) and the Pacific (= protection against growing vulnerability) tend to collide. In all the regions, one can observe the active presence of non-traditional donors and economic operators (e.g. China, India, Brazil, Turkey, Gulf States, etc.) that profoundly affect the nature of cooperation with the EU (in terms of incentives provided, EU leverage, etc.).

These significant differences in interest between the A, the C and the P towards the EU will also have to be taken into account when the ACP Group redefines its added value beyond 2020. The challenge will be to clearly identify a limited set of core issues where collective action at all-ACP level can still make a real political difference in terms of bargaining power.

⁵⁶ An interesting example of such a scenario building for the Caribbean is provided in Jessop, D. 2015. *Europe considers future of ACP relationship*. Caribbean Council. 4 October 2015.

⁵⁷ In Africa, the Regional Economic Communities (RECs) are increasingly prominent actors and policy interlocutors for the EU (alongside the AU). For an analysis of different development dynamics within the Caribbean see Bishop, M.L. 2013. *The Political Economy of Caribbean Development*, Palgrave Macmillan. See also Clegg, P. 2015. *The Commonwealth Caribbean and Europe: The End of the Affair?* In the Commonwealth Journal of International Affairs, Volume 104, Issue 4, 2015.

- ✓ *Negotiating preferences and practices of the EU and ACP.* Three recent cases provide an opportunity to examine the practical use made of the potential for joint action in international fora. These are the joint ACP-EU positions on the 2012 World Conference on Sustainable Development, the post-2015 framework and the separate ACP position prepared for the UN Conference of Financing for Development. None of the three positions as drafted and negotiated in Brussels managed to influence the outcome of the fora to which they related. This is linked to political economy realities. First, the lack of a strong 'agency' of the ACP Group outside Brussels, and the ACP group's general tendency to work through the G77, regional groupings such as the African Union, or special interest groups such as the SIDS. Second, the EU's own joint action in international fora remains a work in progress. It generally involves a long preparatory trajectory and high transaction costs. In none of the above three negotiations did it invest seriously in joint action specifically targeted towards the ACP group. Instead, it entered into outreach with various like-minded coalitions during the course of the negotiation processes.

- ✓ *Instrumental partnerships.* The ACP has memoranda of understanding (MoUs) with 23 entities, the vast majority of which are international organisations. They include the Commonwealth Secretariat, the FAO, ITC, IMF, OIF, IOM, UNCTAD, UNDP, UNEP, UN-Habitat, UNIDO, UNESCO, UNISDR, UN Women, WCO, WHO and WTO. In practice, these MoUs often serve merely as requirements for accessing EDF-funded intra-ACP cooperation projects. Because the MoUs were signed largely for instrumental reasons, the majority remain unused. Interviewees indicated that the Secretariat did not share the MoUs with the ACP ambassadors, further underlining the instrumental role played by the MoUs in enabling a funding relationship.

6. Rules of the game at the EU – How the ACP evolved from a privileged to a rather marginalised partner

Since the Lomé I Convention was signed in 1975, the ACP has gradually become less prominent in the EU's external action. Indeed, the whole notion of the ACP has become less visible in the Lisbon Treaty, in EU policy discourse as well as in the EU's institutional framework (e.g. DG DEVCO and EEAS). It has been supplanted *de facto* by alternative continental strategies such as the joint EU-Africa partnership, the European Neighbourhood Framework and a growing number of strategic partnerships – all seen to reflect more pressing political priorities and arenas of EU external action.

This section seeks to understand the **political economy factors behind this gradual marginalisation of an erstwhile so prominent partnership** from a European perspective. It builds on previous analysis that highlighted key changes that affected the ACP-EU partnership (chapter 1) and transformed the foundational factors of this long-standing relationship (chapter 4). The purpose here is to extend this analysis by:

- ✓ looking deeper at the formal and informal rules internal to the EU that determine its evolving political attitude and approach towards the ACP (section 6.1);
- ✓ exploring EU actors' interest in the review of the ACP-EU partnership (section 6.2);
- ✓ considering the impact on ACP-EU relations of globalisation and regionalisation dynamics within EU external action (section 6.3);
- ✓ examining the political economy of the EDF and its possible 'budgetisation' (section 6.4).

6.1. Rules of the game at the EU and their influence on the partnership with the ACP

The ways in which the EU has dealt with ACP cooperation over the past 40 years are intimately linked to the evolving place and role of EC/EU development cooperation and external action in the European integration process. This **historical trajectory also helps to explain changes in the EU's relationship with the ACP**:

- ✓ As early as in the **Treaty of Rome** (1957), a space was carved out for Community action in the field of development (alongside efforts by member states). France was the driving force behind linking former colonies to the European integration process through the Yaoundé agreements and ensuring a '*burden sharing*' of the costs involved. These were soon followed by the Lomé Conventions, which integrated the UK's former colonies and triggered the constitution of an ACP group in 1975. France and the UK openly and forcefully directed the external action agenda towards the interest of specific developing countries.⁵⁸ This propelled the ACP countries into occupying centre stage in the EEC's development work. Other founding member states (the Netherlands and Germany) were not happy with this approach and pleaded instead for a global development policy⁵⁹ – a split that has now resurfaced in the debate on the future of the CPA.
- ✓ This process fostered the gradual growth of the **institutional structure of the European development administration** – evolving from what was known as 'DG-VIII' into the current DG for

⁵⁸ France made the inclusion of an 'association paragraph' in the Treaty of Rome a condition for its accession to the Community.

At a later stage, during accession negotiations leading up to 1973, the UK argued for the accommodation of its own former colonies (see Arts (2004)).

⁵⁹ Frisch, D. 2008. *La politique de développement de l'Union européenne. Un regard personnel sur 50 ans de coopération internationale*. Rapport ECDPM, No 15, p. 8.

International Cooperation and Development (DG DEVCO). In the period from 1958 to 1984, the relationship with the ACP was managed by a dedicated directorate, which was allowed to act in relative autonomy, with funds allocated outside the regular EU budget (EDF) and through relatively personal interactions with the elites in ACP countries.⁶⁰

- ✓ Between 1957 and 1995, the original six-member EEC evolved into a 15-member European Union. The **changes in EU membership** clearly influenced the geographical scope and political climate for the EU's development cooperation policy.⁶¹ In 1985, the Commission established a separate DG for External Relations that covered the non-ACP world. Over time, both the formal and the informal rules of the game changed as new member states joined (bringing along different views on development and more rational-managerial modes of operation) and partnership agreements were signed with other regions and countries. However, the **larger EU member states have retained a more substantial influence** over the formal and informal rules of the game. Even today, Germany, France and the UK alone provide over 50% of the funds of the 11th EDF and account for a corresponding number of votes in the EDF Committee, thus allowing them to exert influence and pursue their particular interests.
- ✓ The **Maastricht Treaty** (1992) set the Union's common foreign and security policy (CFSP) in motion. The aim was for the EU to become an influential global actor and '*norm-entrepreneur*' (promoting democracy and human rights abroad). It paved the way for more EU activity in all regions of the developing world and in relation to the EU's neighbours.⁶² It also guided institutional changes that would be introduced later and that affected the ACP's privileged position.⁶³
- ✓ The formal rules of the game for EU-ACP relations changed drastically with the **Lisbon Treaty** (2008) and the subsequent creation of both the European External Action Service (EEAS) and the function of the High Representative for Foreign Affairs & Security Policy/Vice-President of the European Commission (HR/VP). These prompted several rounds of **institutional adjustments** within the EU system which altered the position and coherent integration of the ACP countries in the Directorate-General's organisational structure (see Box 5).

Box 5: Fragmented ACP approach in the organisational structure of DG for International Cooperation and Development

The merger of DG DEV and DG AIDCO/EuropeAid led to the splitting of the Directorate in charge of ACP policy matters into geographic directorates (dealing separately with East and Southern Africa, West and Central Africa, Latin America and the Caribbean and Asia, Central Asia, the Middle East and the Pacific) as well as thematic units. Horizontal ACP coordination was entrusted to the directorate for East and Southern Africa, where it still resides, albeit with a cross-cutting mandate.⁶⁴ This reform needs to be seen against the backdrop of the devolution process, in which the geographic directorates were requested to contribute to the reduction of posts in favour of EC Delegations, and the creation of new thematic units.

The above institutional changes – which illustrate the gradual loss of the ACP's priority status in the pyramid of EU external relations – should be seen in the wider context of **Europe's ambition to become an effective global player**. The Lisbon Treaty is a key indicator of the reshaped and expanded

⁶⁰ Hewitt, A. and Whiteman, K. (2004) *The Commission and development policy: bureaucratic politics in EU aid – from the Lomé leap forward to the difficulties of adapting to the twenty-first century*, in: Arts, K. and Dickson, A.K. (eds.) *EU development cooperation From model to symbol*, Manchester University Press.

⁶¹ Arts (2004) *Changing interests in EU development cooperation: the impact of EU membership and advancing integration*. In: Arts, K. and Dickson, A.K. (eds.) *EU development cooperation From model to symbol*, Manchester University Press.

⁶² Carbone (2008) *Introduction: The New Season of EU Development Policy. Perspectives on European Politics and Society*. Vol. 9, No. 2, 111-113.

⁶³ While DG VIII focused solely on the ACP under the Santer Commission (1995-1999), ACP trade issues were moved to DG Trade under the Prodi Commission (1995-2004). EuropeAid was established in 2000 covering relations outside the ACP.

⁶⁴ DG DEVCO's organisational chart as at 1 October 2015 features a specific Post-Cotonou Task Force and thematic intra-ACP programmes under the aegis of Directorate C for Economic Growth and Development.

competencies for the EU in foreign policy.⁶⁵ The stated aim is to foster more political, coherent, efficient and visible EU external action.

This is reflected in Europe's attempt to building effective political partnerships with the African continent, through the AU and the Regional Economic Communities. The Joint Africa-Europe Strategy (JAES) sought to define such a global partnership adapted to the common challenges faced by the neighbouring continents. For a variety of reasons, effective implementation has lagged behind.⁶⁶ Yet there is growing political traction in EU-Africa relations, triggered partly by urgent common needs and interests such as migration, as is illustrated by the November 2015 Valetta Summit and the related Action Plan.⁶⁷ Many interviewees consulted for the purpose of this study saw the deepening as Europe-Africa relations as a top priority for the EU in the coming decade.

Yet the ***signs on the wall clearly indicate that the EU still faces major challenges in moving towards a coherent external action***. *First*, the Lisbon Treaty enhanced the responsibilities and powers of the EU institutions relative to those of EU member states, as stronger collective action through the EU was seen to compensate for the relative decline of the power of individual member states in today's multi-polar world.⁶⁸ In practice, this ambition has met with resistance. EU member states are only slightly willing to allow the Commission to coordinate their development initiatives – let alone control them. *Second*, since the Cotonou Partnership Agreement was signed in 2000, the EU has expanded from 15 to 28 member states. EU enlargement has led to a situation in which the majority of the 28 current EU member states have either no or very limited (or different types of) historical ties with ACP countries, let alone with the ACP as a group. The 'newer' member states (EU13) have clear strategic and security policy interests in their immediate Eastern or Southern neighbourhood⁶⁹ as well as more opportunities to access EU-managed Official Development Assistance (ODA) resources dedicated to this part of the world. *Third*, the EU also increasingly uses EDF resources to pursue its own interests. A case in point is the recently created Emergency Trust Fund for Africa, heavily relying on EDF reserve funds and African Regional Indicative Programmes, excluding *de facto* Caribbean and Pacific countries, and providing for the funding of activities in non-ACP countries (e.g. North Africa).⁷⁰ *Fourth*, the fragmentation of EU development cooperation (as a field in which the Union and its member states have parallel competences) is still a reality, despite efforts to improve the division of labour, sector concentration, and EU joint action in the field. It has resulted in a proliferation of actors and often limited ownership by member states of the 'European' part of the system (including cooperation with the ACP).

6.2. Reviewing the Cotonou Partnership Agreement and EU actors' interests

This section goes deeper into the actor analysis, focusing specifically on their interests in post-2020 relations. It also touches on the issue of where the power lies among these actors and interests, and the power of the European Commission in particular. It considers national political factors, including whether a new treaty could be ratified by national parliaments. Table 3 contains a basic '*actor analysis*' with regard to the relationship with the ACP (as of today). Clearly, important nuances may be lost in any summary and further refinements may be needed.

⁶⁵ See Van Seters and Klavert (2011) for more detailed information on the post-Lisbon arrangements for EU external action.

⁶⁶ Bossuyt, J and A. Sheriff. 2010. *What next for the Joint Africa-EU Strategy? Perspectives on revitalizing an innovative framework. A Scoping Paper*. ECDPM.

⁶⁷ See: http://www.consilium.europa.eu/en/meetings/international-summit/2015/11/action_plan_en_pdf/.

⁶⁸ Boening, A. Kremer, J.F., and Loon, A. (eds.). 2013. *Global Power Europe - Vol. 2: Policies, Actions and Influence of the EU's External Relations*.

⁶⁹ Lightfoot (2008) *Enlargement and the Challenge of EU Development Policy. Perspectives on European Politics and Society*. Vol. 9, No. 2, June 2008.

⁷⁰ See section on the Africa Trust Fund below.

Table 3: Basic actor analysis

Institutions and actors	Core interests	Weight and influence	Strategic position on future ACP-EU relations
DG DEVCO	<p>Taking the lead in ensuring a privileged and dedicated development policy framework with the ACP group of countries, and Africa in particular</p> <p>Retaining primary control of development resources by managing and implementing aid channelled to the ACP through the EDF</p> <p>Bureaucratic interests in maintaining as many resources as possible for ODA/development/EDF</p>	<p>The major EU institutional player on both ACP-EU and EDF, with big influence over agenda and implementation</p> <p>The EC (primarily DG DEVCO in the case of the EDF) has the right of initiative on proposals for external action instruments and hence decisions regarding the future of the EDF budgetisation. It therefore maintains a leading role in agenda-setting on the EU's negotiating position</p>	<p>ACP-EU relations should be modernised but maintained as a dedicated system in which DG DEVCO retains influence within the EU, including EU member states</p> <p>Dedicated financial resources should be as large as possible for development purposes and the preservation of influence in the myriad of competing EU interests</p> <p>Conviction that Africa would be at the losing end if there was a fundamental rethinking of ACP-EU relations</p>
DG TRADE	<p>Furthering EU trade interests globally</p> <p>Retaining DG TRADE's central position in trade-related issues</p> <p>Ensuring effective implementation of EPAs (with EU aid as incentive)</p> <p>Continuing EPA negotiations with countries currently not covered</p> <p>Deepening the scope of EPA negotiations on issues not covered by the current agreement</p>	<p>As trade is a full EU competence, DG Trade is widely perceived as more influential than those DGs (such as DG DEVCO) dealing with competences shared with EU member states</p> <p>EPA texts state that EPAs will come into force once countries have signed, ratified and started the process of implementation (notification). However, real implementation is beyond the control of the EU.</p> <p>So far, the EU has not managed to convince those who do not want an EPA to join.</p> <p>Remaining issues to be negotiated (such as services, investment, etc) are not bound by any multilateral deadlines (contrary to trade in goods). The EU therefore has little influence over those countries and regions that are not interested in such agreements (despite a commitment made in the EPAs to continue negotiations). No timeline has been drawn up.</p>	<p>The CPA remains the framework agreement for EPAs, which refer to the objectives and essential elements of the CPA</p> <p>DG Trade will engage in post-Cotonou discussions mainly from the perspective of what matters for EPAs</p> <p>The current EPAs are not fit for 21st-century reality. DG Trade might want to engage in a post-Cotonou dialogue to compile a truly workable road-map to modernise its trade relations with ACP countries, and to consolidate the link (or address systemic challenges) with regional integration in different ACP regions</p>

EEAS	<p>Furthering EU economic, political and security interests, while also ensuring some reconciliation with value agendas</p> <p>Assuming a more central and influential role in the EU's external relations and securing a more important regional and global role for the EU</p> <p>Retaining useful elements of the CPA to pursue EU interests in its external relations</p>	<p>EEAS is somewhat squeezed between the power of the Commission and the interests of EU member states</p> <p>EEAS wants strong political relationship with ACP states, mainly in Africa, but the ACP construct is not part of EEAS heritage or structures</p> <p>Under the EEAS Council Decision (2010) and Working Arrangements (2012), EEAS shares responsibilities for EDF programming with DG DEVCO</p>	<p>Interest in maintaining good relations with major EU institutional players on ACP-EU and EDF (i.e. the Commission), while introducing greater coherence into EU external action, extending its own influence and facilitating economic diplomacy</p> <p>Awareness that a continuation of ACP-EU relations beyond 2020 will not be conducive to improving the coherence of the EU's external action</p> <p>Desire to give priority to other, more important political and strategic EU processes (global strategy, review of neighbourhood policy)</p> <p>Keen to retain certain aspects useful to political and security interests, such as African Peace Facility funded under EDF if no alternatives are available or articulated.</p>
Other Directorates (including Secretary-General's Office)	<p>Retaining specific articles of CPA that may be useful to them</p> <p>Securing maximum Commission-managed resources</p> <p>Interests may grow with 2030 Agenda as they will be more involved in international cooperation</p>	<p>Limited influence when compared to DG DEVCO and DG Trade</p>	<p>Align behind overarching Commission formulated position (led by DG DEVCO)</p> <p>Secure maximum Commission-managed financial resources</p>
European Parliament	<p>Ensuring greater role for itself through 'democratic oversight' of management of all EU resources, including any future EDFs</p> <p>Retaining forums that privilege Parliamentary interaction</p>	<p>Currently not directly involved in EDF negotiations nor a direct party in post-Cotonou negotiations</p>	<p>Desire to be involved in the oversight of EDF, ACP-EU resources or any successor funding in the future</p> <p>Desire to be involved in the oversight of future trade agreements (or amendments thereto)</p> <p>Desire to retain privileged parliamentary forums (e.g. JPA), which partly goes against its budgetisation interest</p> <p>Desire for EP DEVE to retain maximum resources for ODA/development, which may be interpreted as being contrary to budgetisation</p>
Member states	<p>Influencing geographic and thematic focus of Commission-managed funds for external action, including EDF at both general and specific levels (related to own foreign policy and development interests)</p> <p>Limited commitment to continue privileged ACP-EU partnership among the 'EU13',⁷¹ as well as with other member states that prefer a global development</p>	<p>Varying levels of engagement in review process</p> <p>Uncertain whether sufficient 'champions' can be found for fundamental review of CPA</p> <p>Existence of conservative forces to keep CPA, out of a fear that in the current EU climate no alternatives could be designed that would be as 'beneficial' to the ACP countries</p>	<p>Negotiations on ACP-EU relations and the EDF should be seen in the light of member states' interests in wider EU budget negotiations and the amount they wish to contribute to the EDF</p> <p>Negotiations should also be seen in light of member states' desire to see the EU external relations budget focused on those thematic and geographic priorities that are closest to their individual</p>

⁷¹ This refers to the newer EU member states who joined as a result of the enlargements in 2004, 2007 and 2013.

	<p>approach (e.g. the Netherlands and Germany)</p> <p>Increasingly large trade and investment interests; long-standing involvement in economic diplomacy</p> <p>Influencing the amount they pay into EDF vis-à-vis other items in the EU budget</p> <p>Have to ratify any legal agreement</p>	<p>Currently substantial influence over EDF negotiations</p> <p>Member states who pay more into EDF have more influence on its management committee</p> <p>Some member states are very influential thanks to their bilateral relationships with certain countries and their private sector interests in them</p>	<p>interests</p>
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Table 3 gives a basic impression of the arena in which the debate and decision-making on the future of ACP-EU relations will unfold within Europe. It is a complex setting, with many actors and factors shaping the process and outcome. The EU cannot be seen as a monolithic actor or simply as the sum of a group of states and institutions. Although the emergence of the EEAS has complicated this inter-service consultation, it has not fundamentally changed it. Indeed, the Commission would be highly unlikely to cede leadership to the EEAS on the future of this dedicated strategic framework. This is because the ACP-EU framework not only directly governs large amounts of financial resources (EDF) that can be administered only by the Commission, but also has a Commission competence, i.e. trade, directly associated with it. Moreover, it is the only legally binding international agreement administered by DG DEVCO – adding to its political substance.

The interplay between EU institutions and actors, national member states and even differing administrative cultures and interests within national systems must be taken into account to fully understand how a ‘European position’ emerges.⁷² Furthermore, with public spending under pressure throughout Europe, rising Euroscepticism and increasingly assertive national parliaments, it is not entirely certain that a new legally binding agreement will indeed be ratified by the 28 national parliaments in the EU. For the ‘newer’ member states (EU13), the ratification of the CPA was one of the many conditions of EU membership. However, without this incentive, is there any guarantee that a successor to the CPA will be ratified? Even in the older EU member states, parliaments may have other agendas they want to pursue. Moreover, it is important to bear in mind that individual member states’ positions on development aid may undergo dramatic change at short notice as a result of election results and coalition negotiations.⁷³ The same applies to emergencies such as the migration crisis, which has led Sweden to consider diverting a significant portion of its aid funds to the refugee problem.⁷⁴ If the UK were to leave the EU, it would introduce a big wild card into the whole negotiating process: the UK is a major European power with a historical connection to ACP states and the third largest contributor to the EDF, accounting for almost 15% of the fund.

The impact of the wider EU agenda should also not be neglected. Internal reflections have now started as part of the review of EU’s 2020 strategy, as well as the multi-annual financial framework for 2014-2020 – at a time when Europe is facing a myriad of major challenges and the related need to restore confidence in the European integration process.⁷⁵ With 28 member states with divergent strategic interests sitting around

⁷² One example of a typical non-development rationale is the fact that member states that are net-contributors to the EU budget regarded the prospect of keeping the EDF out of the budget as a means of ensuring that the overall EU budget remained below the limits they had set in a national political debate.

⁷³ Gielen (2015) *Development Cooperation and Negotiation in Practice*. In Galucci (ed.) *Handbook of International Negotiation: Interpersonal, Intercultural, and Diplomatic Perspectives*. Springer International Publishing Switzerland 2015.

⁷⁴ <http://www.theguardian.com/global-development/2015/nov/05/sweden-could-redirect-60-of-development-aid-funding-to-refugee-crisis>

⁷⁵ https://ec.europa.eu/commission/2014-2019/georgieva/announcements/speech-berlin-conference-future-eu-multiannual-financial-framework-15-june-2015_en

the table, building consensus to undertake meaningful collective action and ensure coherence has become more cumbersome.

6.3. Globalisation and regionalisation in EU external action: how do they affect ACP-EU relations?

This question was addressed in one of the case studies underpinning this PEA. Starting point was the hypothesis that the pursuit of Europe's collective international interests and of individual Member States is increasingly driving the EU to engage with both a wider global group and also with more focused regional groupings than those offered by the ACP-EU.

The evidence collected suggests that ***an increasingly regionalist approach exists within a globalist approach of expanding EU external action.***⁷⁶ Clearly, the EU member states and institutions believe there is value in promoting and developing a global approach to international cooperation worldwide, while at the same time pursuing a regionalised approach to EU external action. These trends have led to a myriad of ***new partnership agreements***:

- ✓ *Within the ACP framework.* Over the course of the past 15 years since the Cotonou Partnership Agreement was signed, the EU and ACP member states have signed a number of complementary and sometimes overlapping agreements in terms of content with sub-regions of the ACP. The emergence of the African Union and the Joint Africa-EU Strategy, as well as other frameworks such as the Joint Caribbean-EU Strategy and the EU Strategy on the Pacific, exemplify the increasingly (sub-)regional approach adopted by the EU in addressing global foreign policy, security, trade and development concerns in the ACP region. These regional frameworks may still be fragile and criticised for lacking means of implementation,⁷⁷ yet combined with a number of sub-regional geographic strategies for Africa, they represent examples of more geographically focussed strategies in the EU's external action.
- ✓ *With a wide range of 'strategic partners'.* Over the past decade, the EU has formed strategic partnerships with a range of important countries. However, the definition of a '*strategic partnership*' remains unclear..⁷⁸ The countries selected include neighbouring countries, emerging economies, and countries that are presumably more of interest due to EU security concerns. It has also been pointed out that the EU's strategic continental partnerships with Africa and Latin America seem to be forgotten in the wider debate on strategic partners.⁷⁹
- ✓ *Strategic regional frameworks induced by security concerns.*⁸⁰ Another trend towards increasingly regional approaches to EU external action takes the form of regional strategies, which have been adopted notably in Africa, e.g. Great Lakes, Gulf of Guinea, Sahel, and Horn of Africa. These set EU political priorities and interests in these regions, and address the security and development nexus, but lack directly linked operational funding. Consequently, although they formally lie outside the ACP-EU

⁷⁶ See, for example, Mario Telo and Frederik Ponjaert (ed.) 2013. *The EU's Foreign Policy: What Kind of Power and Diplomatic Action?* Farnham; Ashgate Publishing.

⁷⁷ The Caribbean-EU strategy and the efforts to forge a renewed EU partnership with the Pacific region have clearly not gained significant traction over the years when compared with the JAES. The collective interest of EU member states in the Pacific and Caribbean is less than that in Africa.

⁷⁸ Strategic partnerships have been formed between the EU and Brazil, Canada, China, India, Japan, Mexico, Russia, South Africa, South Korea and the United States. For further information, see Grevi and Khandekar. 2010; or FRIDE's European Strategic Partnerships Observatory.

⁷⁹ Van Seters and Klavert (2011). *EU Development Cooperation after the Lisbon Treaty: People, Institutions and Global Trends.* ECDPM Discussion Paper 123.

⁸⁰ These regional frameworks should be seen in the light of the sharper focus on the link between security and development agendas which has been underlined in various EU policy documents ranging from the 2003 European Security Strategy to the 2006 European Consensus on Development, as well as in the 2007 JAES and various communications and Council conclusions, most recently on the Comprehensive Approach in 2014.

partnership, they have informed the creation of new EU external action instruments (e.g. Bekou Fund, Africa Trust Fund), have influenced the programming of EDF regional funds in Africa (e.g. Sahel strategy priorities in ECOWAS) and rely heavily on EDF funding. A number of regionally focused EU Special Representatives have been appointed to some of these regions to promote the EU's foreign policies and interests and play an active role in efforts to consolidate peace, stability and the rule of law.⁸¹

This burgeoning discourse on partnerships is seen to reflect a broader trend in EU foreign policy as **a response to increasing competition from Brazil, Russia, India, China and South Africa (the BRICS countries) and other emerging economies**. Since the Maastricht Treaty was signed, the EU has sought to become an influential global actor and has become increasingly active in all regions of the world. However, this has highlighted a long-standing division in the EU: to date, member states like France have been keen to retain the privileged ACP-EU partnership, while other member states such as Sweden, the Netherlands and Germany have advocated moving away from an exclusive EU-ACP relationship towards a universal form of European development cooperation embracing all developing countries.⁸²

The downside of these developments is a **proliferation of overlapping and possibly competing EU policy frameworks**, which inevitably lead to inefficiencies, higher transaction costs and above all impinge on the overall coherence of EU external action. Africa is a case in point. Europe is currently managing its engagement through a continental framework (JAES), through increasingly important partnerships with regional bodies (Regional Economic Communities, RECs), as well as through the European Neighbourhood Policy (ENP, in North Africa), the CPA and a strategic partnership with South Africa. There is also a resultant proliferation of EU committees dealing separately with the EDF and Development Cooperation Instrument (even though the DCI also includes a Pan-African Instrument, despite the risk of overlaps with EDF-funded Regional Indicative Programmes) as referred to above. In this context, it would be in the interests of the EU to seize the opportunity of the review of the CPA to consider rationalising these policy frameworks and the resultant bureaucratic structures.

6.4. The EDF and EU actors' interests

The question of the EDF and its possible budgetisation will return in the review process. It is an interesting area to observe from a PEA perspective as it allows us to conduct a more in-depth examination of the interests of the various EU actors involved. The EDF has a number of features that are worth keeping in mind in this debate (see box 6 below).

Box 6: The functioning of the European Development Fund

- ✓ The EDF is currently one of the most tangible and significant aspects of the ACP-EU relationship, yet some of the main decisions on the EDF are taken only by European actors. Indeed, despite the joint management structure of the CPA, the EDF decision-making procedures highlight the power of the EC, which administers it, the EEAS and the EC, which together decide on country and sector allocations, and the EU member states, which pay for and decide on the overall size of the EDF. The ACP Secretariat does not have observer status on the EDF Committee, where decisions on the allocation of the EDF are taken. In other words, like other ODA instruments, the EDF is inherently constrained by a donor-recipient asymmetry.
- ✓ The EDF Committee takes decisions on the EDF programming process, including the method for allocating funds, and is responsible for monitoring and evaluation. It is composed of representatives from each EU member state and is chaired by the Commission. The Committee has a weighted voting

⁸¹ Since 2003, the EU has mounted a number of civil and military crisis management missions in Africa, underlining the EU's growing role as a security actor.

⁸² See Arts and Dickson (eds). 2004. *EU development cooperation: from model to symbol?* Manchester University Press.

procedure depending on a country's financial contributions to the EDF. The top three contributors, i.e. Germany, France and the UK, account for 53% of the 11th EDF, while the top six contributors, i.e. Germany, France, the UK, Italy, Spain and the Netherlands, account for just under 80% of the total funds and the votes in the Committee.⁸³

- ✓ The ACP has no official say in the initial major allocation decisions for the EDF across countries and regions, as long as these decisions do not breach any provisions of the Cotonou Partnership Agreement. Yet up to a point they are nominally co-deciders on how the financial envelopes should be spent in a country or region – though recent ECDPM research shows that this was unevenly applied during the 11th EDF programming process.⁸⁴ A 1998 evaluation of EU aid to the ACP showed that the practical application of co-management is a persistent problem in the ACP-EU partnership, with the Commission often taking the lead in activities that should be carried out either by the ACP countries or jointly by the EC and ACP countries⁸⁵ (see also section 7.2 below).
- ✓ Because the EDF is currently negotiated and managed outside the EU budget, the EU member states decide among themselves and with the European Commission (without any involvement of the European Parliament) about a 'voluntary' calculation of the 'contribution key' that determines the amount that they must collectively pay. This currently differs from the formula used for EU budget contributions.

The discussion of the integration of the EDF into the EU budget, i.e. its so-called '*budgetisation*', has been brought up regularly in recent decades, yet it has thus far not proved possible to reach an agreement. As a result, the *status quo* has prevailed. The most recent serious attempt took place more than a decade ago, when the Commission published a Communication on budgetisation and drafted a legal basis for the integration of the EDF into the Development and Economic Cooperation Instrument.⁸⁶ The EU has gradually taken steps to align the EDF regulations as closely as possible with the DCI and the regulations on the General Budget. The intention is to simplify and harmonise EU procedures, particularly in view of the possible budgetisation of the EDF.⁸⁷

The evidence from the last EU budget negotiations and past budgetisation debates paints the following picture of the interests at play behind the negotiations on the EDF:⁸⁸

Historically, the **European Parliament** does not play a co-decision role together with the Council on aid funded from the EDF. It is only involved at the budgetary discharge stage and has no say in the allocation of funds.⁸⁹ The European Parliament has long been opposed to the exceptional position of the EDF, and has even in protest refused to grant its discharge for EDF expenditure.⁹⁰ The EP has asked for budgetisation since its first resolution on the subject in 1973, and for a number of years it has maintained a *pro memoriam* ACP chapter in the EU budget.⁹¹ The EP justifies its position by referring to the need to ensure that all Commission aid expenditure is properly controlled and that there is parliamentary oversight over the whole financial process. The EP reiterated this position in 2015.

⁸³ See **Annex 6**, which contains an overview of the 11th EDF Committee votes, contribution keys and financial contributions by member states.

⁸⁴ Herrero, A. Knoll, A., Gregersen, C., Kokolo, W (2015) *Implementing the Agenda for Change: An Independent Analysis of 11th EDF programming*. ECDPM Discussion Paper 180.

⁸⁵ Montes, C. and Migliorisi, S. (1998) p. 48. *Evaluation of European Union Aid (Managed by the Commission) to the ACP Countries*. Synthesis report. November 1998.

⁸⁶ <http://ec.europa.eu/transparency/regdoc/rep/1/2004/EN/1-2004-626-EN-5-0.Pdf>

⁸⁷ Herrero, A. Knoll, A., Gregersen, C., Kokolo, W (2015) *Implementing the Agenda for Change: An Independent Analysis of 11th EDF programming*. ECDPM Discussion Paper 180, p. 38.

⁸⁸ See publications profiled in ECDPM, 2014. 'Development and financial issues', in: *The future of ACP-EU relations post-2020: An overview of relevant analysis by ECDPM*, Maastricht: ECDPM, pp. 16-21.

⁸⁹ Ministry of Foreign Affairs of the Netherlands (2013). IOB Evaluation: *The Netherlands and the European Development Fund – Principles and Practices: Evaluation of Dutch involvement in EU development cooperation (1998-2012)*.

⁹⁰ Mackie, Frederiksen and Rossini (2004) *Improving ACP-EU Co-operation: Is budgetising the EDF the answer?* ECDPM Discussion Paper 51. January 2014, Maastricht.

⁹¹ Mackie, Frederiksen and Rossini (2004) *Improving ACP-EU Co-operation: Is budgetising the EDF the answer?* ECDPM Discussion Paper 51. January 2014, Maastricht.

The **Commission** has argued in the past that the budgetisation of the EDF would allow for greater consistency and compatibility between different budgetary sources, including supporting non-ODA expenditure and EU political initiatives that go beyond ACP-EU relations. It would also allow for the re-allocation to other regions of funds allotted to the ACP region. Yet in the last budget negotiations for 2014-2020, the Commission claimed that the 'time was not right' for budgetisation.

The **attitude of member states** towards budgetisation has not been constant, with positions fluctuating over time according to evolving political priorities and interests.⁹² For some member states, the budgetisation of the EDF would increase the size of their contribution, while for others it would result in a decrease. However, these effects are not simple to predict and analyse.⁹³ The budgetisation of the EDF would also open up negotiations on overall aid spending by the EU institutions, with the related uncertainty as to whether this would remain constant as a share of total EU spending,⁹⁴ given some member states' position on '*no growth in the overall size of the EU budget*'. In the case of individual member states, their own ministries often have differing views on budgetisation (e.g. the standpoint of a foreign or international development ministry may differ from that taken by a finance ministry) and has is something that also needs to be reconciled.

In order to analyse the underlying drivers that push and pull against each other in shaping a European position on the EDF (and the future of ACP-EU relations post-2020), we need to take account of **four interrelated dimensions** (the list is not exhaustive):

- ✓ A **financial dimension**, based on the premise that actors may calculate whether they will contribute more or less to the ACP-EU partnership funds via the EDF. This also affects other parts of the overall EU budget negotiations, and forms part of the typical 'mercantilist' approaches to member state engagement in the negotiation on the EU budget (i.e. putting in as little as possible and seeking to get as much as possible out for their own priorities). Also, the part of the EDF used for 'support expenditure', i.e. resources for the Commission to programme and implement ODA in ACP countries, was one of the more sensitive discussions during the negotiations on the 11th EDF.⁹⁵ For this reason, account needs to be taken of the underlying financial considerations among the EU institutions themselves.⁹⁶ More broadly, the EDF facilitates special institutional expenditure, such as the co-financing of the ACP Secretariat or the funding of the Joint Parliamentary Assembly, which is more complicated to undertake under regular EU budget instruments.
- ✓ An **influence dimension**, based on the premise that EU actors may perceive themselves as exerting more or less control over the way in which the EDF is managed within or outside the EU budget, whether as a dedicated instrument or not. EU decisions are taken in the EDF Committee, in which member states have more influence compared with similar management committees for financing instruments funded through the EU budget.. Some member states are quite content with the EP's limited role in the EDF. The division of responsibilities between the Commission, the EEAS and the EU member states on the programming and implementation of the EDF was one of the sensitive issues that arose during discussions on the 2014-2020 period and may therefore be regarded as a contentious factor for several actors.⁹⁷

⁹² For instance, after the adoption of the CPA, France asked DG DEV to study the inclusion of the fund in the Community budget and was thus a key factor in the Commission's decision (through its right of initiative) to propose budgetisation in 2003. Source: Claeys, A (2004) '*Sense and sensibility: the role of France and French interests in European development policy since 1957*', in: Arts, K. and Dickson, A.K. (eds.) *EU development cooperation From model to symbol*, Manchester University Press.

⁹³ CONCORD report, http://www.aprodev.eu/files/Africa_ACP/ACP-Cotonou/jpa-horsens-briefing-paper-edf-budgetisation-eng.pdf

⁹⁴ See Simon Maxwell in: <https://internationaldevelopmenteu.files.wordpress.com/2012/03/edcsp-opinion-16-eu-budget-surprise-member-states-proposing-budgetisation-of-the-edf.pdf>.

⁹⁵ Gielen (2015) *Development Cooperation and Negotiation in Practice*. In Galucci (ed.) *Handbook of International Negotiation: Interpersonal, Intercultural, and Diplomatic Perspectives*. Springer International Publishing Switzerland 2015.

⁹⁶ This also relates to the budgetisation debate where one argument for keeping the EDF outside of the EU budget is to safeguard it from downward pressure on the ODA budget within the EU budget.

⁹⁷ Gielen (2015) *Development Cooperation and Negotiation in Practice*. In Galucci (ed.) *Handbook of International Negotiation:*

- ✓ An **effectiveness/efficiency dimension**, based on the premise that actors may adopt varying positions on the EDF both in terms of the administrative efficiency of the EDF's particular management system, but also in terms of the effectiveness of the EDF with regard to development impacts compared with other development instruments. For instance, in its multilateral aid review in 2011, the Department for International Development (DFID) concluded that the EDF provided more 'value for money' than EU budget-financed cooperation, and that budget instruments were more risk-averse than the EDF.⁹⁸ This position has been contested by the European Commission, which argued that EDF and Commission funds are managed '*in almost all respects in the same way.*'⁹⁹ However, despite harmonisation efforts, two different sets of management procedures are still used.
- ✓ The **geographic/thematic focus dimension**, based on the premise that actors have differing positions on the relevance of the geographic focus of the ACP grouping and whether another geographic or thematic focus should be prioritised. Proponents see the EDF as effectively 'protecting' or earmarking a given budget for the ACP countries. This has also to do with the fact that high-income and upper-middle income non-ACP countries have not received bilateral aid from the EU since 2014, while those that are members of the ACP group have continued to receive funds under the 11th EDF. While differentiation is possible under the Cotonou Partnership Agreement and the 9th and 10th EDFs were already based on differentiated allocation criteria, graduation has not applied to the 11th EDF to the same extent as it did to the DCI for 2014-2020. This is due partly to the grave reservations of the ACP group on access to bilateral aid, but also because the CPA does not contain any legal provision for enforcing the graduation principle.¹⁰⁰ The budgetisation of the EDF would allow the same aid allocation criteria to be applied across the board. This is a situation for which the allocations to richer ACP countries under EDF11 has paved the way.¹⁰¹

What does this mean for the review of the ACP-EU partnership beyond 2020?

The case study shows that a multi-layered analysis of the European position on decisions on the EDF must take into consideration that:

- ✓ The EDF is the main financial instrument for funding the ACP-EU partnership. Yet its future in its current configuration is intrinsically linked to the EU side of the partnership and to the individual and collective interests of the EU and its member states.
- ✓ EU actors' formal positions are the result of an internal process of weighing needs and interests. This may differ between actors, but also within each actor's internal departments (e.g. between the finance and foreign ministries of an EU member state, or between DG DEVCO and other EU services, and within the EU institutions).
- ✓ EU actors' positions on the total amount available for the EDF/development cooperation and issues such as budgetisation are often driven by wider negotiating positions on the overall EU budget (e.g. concessions on the CAP, regional funds or the overall size of the EU budget) rather than specific considerations relating to the EDF, development cooperation or ACP-EU relations. The 11th EDF negotiations (held during a period of austerity) are a case in point. While the EU leaders agreed for the first time ever on a net reduction of 3.4% in the EU budget, capped at 1% of GNI, the EC's initial proposal for the EDF was also cut during negotiations, from €34.20 billion to €30.50 billion for seven years.¹⁰²

Interpersonal, Intercultural, and Diplomatic Perspectives. Springer International Publishing Switzerland 2015.

⁹⁸ DFID. 2011. *Multilateral Aid review: Assessment of the European Development Fund (EDF)*.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/67631/edf.pdf.

⁹⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/271107/ECBudget-and-EDF.pdf.

¹⁰⁰ Herrero et al. (2015) *Implementing the Agenda for Change: An independent analysis of 11th EDF programming*. ECDPM Discussion Paper 180, p. 12.

¹⁰¹ Even though only one ACP country, i.e. the Bahamas, 'graduated' under the 11th EDF, the allocations to a number of UMICs in the ACP were substantially reduced. See Herrero et al. (2015) for a more detailed analysis.

¹⁰² Herrero et al. (2015) *Implementing the Agenda for Change: An independent analysis of 11th EDF programming*. ECDPM Discussion Paper 180, p.8.

- ✓ Decisions will also be related to the outcomes of the review of the EU multi-annual financial framework for 2014-2020 and the remaining slow and uneven economic recovery and continued austerity policies. The EU faces serious challenges in rebuilding confidence among member states.

All this in turn suggests that questions regarding the EDF are linked to and should not be viewed separately from actors' positions on future ACP-EU relations in a post-Cotonou framework, or on funding and supporting EU external action and the EU budget more widely. They should be seen in the light of wider discussions about 'Europe in the world' and the multi-annual financial framework (MFF) discussions, in particular in relation to Heading IV (Global Europe).

The Commission has the legal right of initiative when it comes to proposing external action instruments and their size, i.e. a decision to budgetise the EDF can be initiated only by the European Commission. But the Commission is unlikely to do so without at least some carefully considered support from at least a small number of member states. As it last did in 2003, the Commission must make a proposal and member states must then negotiate not just on whether to budgetise the EDF, but also on the format of any 'within budget' successor to the EDF. The Commission is therefore a key actor in making any significant changes to the EDF to adapt it to a new reality. Under the current MFF agreement, the EU member states expect it to do so.¹⁰³ Yet the Commission could also claim once again that conditions were not right for moving the EDF to the budget if it believed that it was not in the Commission's interests to do so.

¹⁰³ European Council, 2013, *Conclusions - Multi Annual Financial Framework*, EUCO 37/13, Brussels, 8 February 2013, p. 42. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/135344.pdf

7. The ACP-EU partnership in practice

The next step in our analysis is to look at how all these elements together affect the CPA partnership in practice. There is no shortage of formal rules governing the ACP-EU partnership. The preamble to and general provisions of the CPA define not only the fundamental principles and shared values but also contain specific provisions on political dialogue, joint institutions, as well as the *co-management* of the EDF.

During its long history, the ACP-EU partnership has delivered **a wide range of development outcomes** through its national and regional programmes. Recent evaluations by EU Member States indicate that the EDF resources have in the past been globally allocated to pertinent development priorities (e.g. focus on poverty reduction). It is more **difficult to make aggregated and clear-cut statements about the impact achieved with the aid provided** -as evaluation evidence is scattered and seldom linked to the functioning of the CPA framework itself. A similar storyline emerges regarding operations of the European Investment Bank.

The CPA provided a single policy and institutional framework to the EIB operations in all ACP countries. It led to the establishment of the ACP Investment Facility (IF) conceived as a revolving fund, complemented with the 'Impact Financing Envelope' (IFE) since 2014 to undertake operations with higher development impact in complex environments. When appropriately tailored, EIB operations under the CPA have the potential to reach out to all ACP countries, ensure a greater focus on the private sector and cover a longer period of time. However, evaluation findings suggest that the EIB has followed a highly prudent approach in using the IF. This has led many, in particular among some ACP countries and civil society organisations, to complain about the "**conservatism**' of the EIB, which does not operate sufficiently as a development bank.¹⁰⁴ In 2010, the mid-term evaluation of the EIB IF concluded that "*the EIB has fulfilled so far the mandate it was given under the Cotonou Agreement, but did not maximise its contribution in that regard*".¹⁰⁵

This section focuses on the major implementation gap between the laudable ambitions of the CPA and the actual practice of the partnership often observed in studies, reports and evaluations. To better understand this gap, we looked at three core elements of the ACP-EU partnership:

- ✓ the political dialogue on shared values (under Articles 8-9 and 96-97 of the CPA);
- ✓ the practice of 'co-management' of EDF resources; and
- ✓ the functioning of joint institutions.

7.1. Political dialogue and shared values

The EU and the ACP share a **long history of political dialogue** that precedes the CPA. In the 1980s, the Europeans expressed a desire to strengthen the political dimensions of the partnership, particularly with regard to human rights. This initially met with strong resistance from the ACP group, based on the principles of non-interference and neutrality that had characterised international cooperation until then. However, the successive Lomé Conventions gradually integrated references to democracy and human rights as '**essential elements**' of cooperation, as well as provisions on possible sanctions in the event of violations.¹⁰⁶ This marked a clear trend away from non-interference towards conditionality and value-driven

¹⁰⁴ <http://www.counter-balance.org/audit-report-squanders-opportunity-to-address-eib-development-effectiveness/>

¹⁰⁵ ADE et al. 2013. Mid-term evaluation of the Investment Facility and EIB own resources operations in ACP countries and the OCTs. Volume I: Main Report. Evaluation for the European Commission. September 2010: Analysis for Economic Decisions (ADE).

¹⁰⁶ This cannot be seen in isolation from the geopolitical context and the prevailing trend towards EU integration. After the end of the Cold War, democracy and human rights became a new leitmotif in the emerging EU foreign relations, in full accordance with the EEC's ambition of positioning itself as a global political player. This was a role that it formally assumed with the 1993 Maastricht Treaty, which also introduced the Common Foreign and Security Policy (CFSP) as one of the pillars of the EU. At the same time, it

cooperation, and was largely a response to serious governance challenges in certain ACP states that were a liability to the partnership as a whole and to the use of EDF resources in particular. In terms of development cooperation, it also meant a shift from an entitlement-based to a performance-based partnership and to greater differentiation between partner countries based on their domestic politics.

Box 7: Essential elements and non-execution clause in the EU trade and development agreements¹⁰⁷

The revised Lomé IV Convention (1995-2000) introduced an 'essential elements' clause on human rights, democratic principles and the rule of law.¹⁰⁸ It was the first EU development agreement to set such a standard. The legal reasoning behind this was to include explicit language that makes respect for 'fundamental values' an 'essential element' on which the parties' obligations were premised, so that human rights violations on a certain scale by one of them could constitute a material breach of the treaty and thus justify suspension or other 'appropriate' counter-measures.¹⁰⁹ An essential elements clause does not create the tools or legal instruments with which to enforce it, which is why there is a significant variation in how these clauses can be activated in the event of 'non-execution'. Since the early 1990s, the EU has inserted essential elements clauses into a wide range of trade and/or cooperation agreements (including pre-accession agreements and association agreements with former Soviet republics and countries neighbouring the EU). However, most of these have not included any clear legal provisions for dealing with non-execution. More recent examples include the partnership and cooperation agreements with Southeast Asian countries and the Free Trade Agreements signed with Colombia and Peru. The CPA has by far the most substantial essential elements clause and accompanying legal instruments for dealing with non-execution.

The **CPA reinforced the political dimension** of the ACP-EU partnership by making it one of the three main pillars of the agreement, underpinned by political dialogue (articles 8 and 9) and the non-execution clauses (articles 96 and 97).¹¹⁰ The CPA does not give detailed guidelines for this political dialogue, as it is intended to be flexible and include both formal and informal processes, depending on the context and needs. In principle, it also allows for actors other than central governments (e.g. civil society organisations, private sector companies and parliamentarians) to be involved. The focus of the dialogue provisions is on positive conditionality and preventive measures. Only if all political dialogue has failed may sanctions be applied.

European policy-makers from different backgrounds (i.e. the European Commission, EEAS, the EU Delegations and the member states) **tend to highly appreciate the CPA's legal and institutional architecture that enables them to engage with the ACP around shared values.** This is often perceived as a 'unique' aspect compared with other EU policy frameworks with partner countries or regions. EU Delegations and EU member state missions generally see political dialogue as a useful *diplomatic instrument* for gaining access to the political level in a confidential yet structured setting, where sensitive issues can be discussed.

EU Delegation staff involved in the practice of political dialogue, however, report a **mixed track record in terms of actually applying these provisions across the ACP** (a record corroborated by several studies and reports).¹¹¹ However, in the emerging debate on the future of the ACP-EU cooperation, different EU

allowed the EU and the member states to go beyond the narrow conditionality set by the Bretton Woods institutions' approach, and avoid the embarrassment of supporting regimes such as those of Idi Amin, Jean-Bedel Bokassa, and Mobutu Sese Seko. See: Brown, W. 2004. *From uniqueness to uniformity? An assessment of EU development aid policies*. In: Arts, K. and Dickson, A.K. eds. 2004. *EU development cooperation From model to symbol*. Manchester University Press.

¹⁰⁷ For a discussion of 'essential elements' clauses in the full range of EU trade agreements, see: Hachez, N. (2015). *'Essential Elements' Clauses in EU Trade Agreements: Making Trade Work in a Way that Helps Human Rights?* KU Leuven Centre for Global Governance Studies Working Paper no. 158.

¹⁰⁸ Arts, K. 2000. *Integrating human rights into development cooperation: The Case of the Lomé Convention*. *Kluwer Law International*, p. 198.

¹⁰⁹ Hachez, N. (2015). p. 8.

¹¹⁰ Article 12, which allows the ACP countries to enter into a dialogue with the European Community on European policy processes that may affect their interests, may also be seen as forming part of the political dialogue. Formal use of the article by the ACP group since the adoption of the CPA has been very limited, however. No data is available on its impact and it has therefore not been included in this analysis.

¹¹¹ Bossuyt, J., Rocca, C., Lein, B. 2014. *Political dialogue on human rights under article 8 of the Cotonou Partnership Agreement*. (Study for the Directorate-General for External Policies of the Union). Brussels: European Parliament; Beke, L., D'Hollander, D.,

stakeholders have expressed the view that this is nonetheless a key part of the 'acquis' that can best be maintained by ensuring the continuity of the existing ACP-EU partnership.¹¹² This study looks at the practice of political dialogue under the CPA and a selection of other frameworks in order to assess this perceived singularity.

The practice of political dialogue under the CPA

The **evidence of how the political dialogue functions in the various ACP regions and countries is scattered and rather ad hoc in nature**. Elements of analysis can be found in country strategy evaluations conducted by the EC, in programming documents and in studies dedicated to the topic. Political dialogue issues are systematically discussed in exchange and training meetings involving EU Delegations and headquarter services. Building on these sources as well as our own specially targeted interviewees, the following pointers can be advanced on the practice of political dialogue under the CPA:

- ✓ Many ACP stakeholders involved in this type of dialogue see article 8 as a periodic obligation, and like many obligations not a pleasant one. Others experience it as a **one-sided performance review** rather than an open discussion of issues of mutual concern. The experience demonstrates that the political dialogue in many ACP countries has been more or less *neutralised* by turning it into ceremonial or overly formal events. In some cases, governments send a large number of dignitaries and senior staff, thus confirming the dialogue's importance but effectively pre-empting conditions for a frank and open political dialogue.
- ✓ The **inclusiveness of the political dialogue is often very limited**. Civil society organisations and other actors (e.g. parliaments) are only rarely involved. When this does happen, it is usually the EU that takes the initiative to consult these actors ahead and after discussions with the government.
- ✓ The **effectiveness and impact of the dialogue depends largely on contextual and political conditions**. Even though article 8 is a legal obligation, the willingness of all parties to engage in a constructive manner is a *sine qua non* for it to have any added value or even to take place at all. While in principle, political dialogue takes place in a spirit of partnership, there is a sense in certain corners of the ACP that the EU's normative credibility has now run its course, which may help to explain why a growing number of ACP countries tend not to engage in official rounds of political dialogue. The legal obligation of article 8 is a way of ensuring that dialogue takes place in countries such as Zimbabwe and Eritrea with tense diplomatic relations with the EU, yet it does not in itself guarantee a genuine, productive exchange. There are even some cases in which an official article 8 dialogue has not taken place for years because the government refuses to engage in the format.
- ✓ **Strategic, security and economic interests on both sides** have a significant impact on the agenda and the potential for political dialogue on human rights and democracy. They tend to undermine the EU's normative power in many high-profile countries.¹¹³ At the same time, the Lisbon Treaty requires the EU to promote its core values through external action. The EU and the member states are in fact bound by clear obligations under Articles 3(5) and 21(2-3) of the Treaty on the Functioning of the European Union (TEU) to refrain from any act that may affect the human rights of persons in non-EU countries, and to promote the fulfilment of human rights in their external relations.¹¹⁴ The European Parliament often takes a strong position in this respect. The EU's discourse on fundamental values has

Hachez, N., Pérez de las Heras, B. (2014). *Report on the integration of human rights in EU development and trade policies*. KU Leuven Centre for Global Governance Studies; Advisory Council on International Affairs (AIV). 2015. ACS-EU-Samenwerking na 2020: op weg naar een Nieuw Partnerschap. No. 93, March 2015.

¹¹² See for example Advisory Council On International Affairs. 2015. ACP-EU cooperation after 2020. *Towards a new partnership?* No. 93, March 2015. p. 18.

¹¹³ European Commission. 2012 (a). *Thematic evaluation of the European Commission support to respect of Human Rights and Fundamental Freedoms*.

¹¹⁴ See Bartels, L. 2015. *A model Human Rights Clause for the EU's International Trade Agreements*. German institute for Human Rights and MISEREOR.

had little effect on many authoritarian regimes, however, and the primacy of ‘hard’ interests and stability over ‘soft’ power often highlights the inconsistency between formal agreements and the reality of foreign policy.¹¹⁵

Conditionality under Article 96 of the CPA

The option of taking appropriate action under article 96 is firmly rooted in the assumption that the EU’s financial assistance gives it a certain amount of leverage, thus enabling it to influence decision-making in ACP countries. While budget support is still an important support modality, the ACP countries’ reliance on EU aid for their own government expenditure has dropped dramatically since 2000. In 2009, the average EDF share of government expenditure in ACP countries was 2.8%, most of which was accounted for by African countries. Moreover, the number of high-income and middle-income countries in the ACP region has risen from 31 in 2000 to 50 in 2015 (see **Annex 8**). This underlines the EU’s limited – and in some countries negligible – financial leverage.¹¹⁶

The EU’s approach to democratisation in the ACP region has always been a **combination of bottom-up support for civil society - and top-down influence over political elites** through conditional support.¹¹⁷ The EU has used both negative conditionality (i.e. sanctions) and positive conditionality (i.e. incentivising change with additional funding) in the ACP. In 2006, the EC launched the Governance Incentive Tranche (GIT), an initiative that sought to support governance reform through positive conditionality. Though endowed with significant funds (€2.7 billion from the 10th EDF), the desired changes did not materialise and the GIT quickly lost momentum, political traction and leverage capacity in the vast majority of ACP countries.¹¹⁸

The **track record of Article 96 procedures is also mixed at best**. The rare positive experiences have sprung from (i) a strong partner-country willingness to engage, and (ii) a coherent response from the entire international community. In most cases, either or both of these conditions were not present, and as a result, ‘appropriate measures’ failed to produce a positive response. This has led the EU to adopt a more pragmatic, selective approach in which the option of invoking Article 96 is reserved for instances in which it feels it can realistically influence decision-making. In practice, however, this selective, context-driven enforcement of Article 96 is often perceived as inconsistent, in part because member states with strong links to the state concerned may argue strongly either for or against it. On the ACP side in turn, article 96 is often regarded as a punitive and cumbersome process. The **inconsistent use made of it has given rise to a strong sense that the EU applies double standards** and targets certain regimes while disregarding others.

Research confirms that the use of article 96 has been inconsistent since the very beginning.¹¹⁹ Vital EU and member-state interests can dilute the EU’s normative position in countries that are of great strategic or economic importance. Moreover, individual EU member states with strong historical links to particular

¹¹⁵ In certain countries with large EU aid envelopes, for example, there is a strong performance drive from managers ‘to spend’ planned budgets without getting bogged down in risky dialogue on political concerns.

¹¹⁶ The EU’s financial leverage is difficult to measure. The EU’s overall financial footprint in the ACP may be limited, but this is not necessarily the case in individual countries. Furthermore, EU member states tend to have a very strong bilateral presence in traditional partner countries.

¹¹⁷ See Hyde-Price, A. 2006. ‘Normative’ power Europe: a realist critique, *Journal of European Public Policy*, 13:2, 217-234.; Lavenex, S. & Schimmelfennig, F. 2011. *EU democracy promotion in the neighbourhood: from leverage to governance? Democratization*, 18:4, 885-909.

¹¹⁸ ECDPM and IAG. 2011. Support study on the EU governance initiative in view of the preparation of a Report by the Commission to the Council in 2012.

¹¹⁹ See, for example, Laakso, L., Kivimäki, T. & Seppänen, M. (2007). *Evaluation of Coordination and Coherence in the application of Article 96 of the Cotonou Partnership Agreement*. Evaluation Services of the European Union; Del Biondo, K. (2012). *Norms, self-interest and effectiveness: explaining double standards in EU reactions to violations of democratic principles in sub-Saharan Africa*. Ghent University. Faculty of Political and Social Sciences, Ghent, Belgium.; Del Biondo, K. (2011). [EU Aid Conditionality in ACP Countries: Explaining Inconsistency in EU Sanctions Practice](#), *Journal of Contemporary European Research*. Volume 7, Issue 3, pp. 380-395.

countries have in certain cases either prevented the use of article 96 or actually compensated for a suspension of cooperation by increasing the level of bilateral support.¹²⁰ In other cases (e.g. Zimbabwe and Burundi), member states with strong ties have lobbied to invoke the clause in part in response to domestic pressures.

The most likely trigger of conditionality is a *coup d'état*, closely followed by irregularities during elections. This shows that the EU's use of article 96 is reactive rather than proactive. Research shows that there is considerable variation in the application of article 96. A recent analysis compared article 96 cases with instances in which severe irregularities took place *without* triggering a formal consultation procedure.¹²¹ Table 4 shows a selection of countries where a *coup d'état* took place in recent years or where an EU Electoral Observation Mission noted serious irregularities during elections. Of the 16 cases included, only five resulted in a consultation procedure. This shows that there is a **significant variation in the willingness of the EU to invoke article 96** in ACP countries.

Table 4: African countries in which a coup d'état took place or in which electoral irregularities were reported in recent years, and the EU response (2000-2010)¹²²

Country	Year	Violation of human rights/democratic principles	EU response
Ethiopia	May 2005	Irregularities during elections; crackdown on demonstrations	Reluctant conditionality
Ethiopia	May 2010	Irregularities during elections	No conditionality
Kenya	Dec 2007	Irregularities during elections	Threat of conditionality
Nigeria	Apr 2003	Irregularities during elections	No conditionality
Nigeria	Apr 2007	Irregularities during elections	No conditionality
Niger	Aug–Oct 2009	Constitutional coup	Article 96
Zimbabwe	Feb 2002	Irregularities during elections	Article 96 + CFSP sanctions
Zimbabwe	Mar 2008	Irregularities during elections	Article 96 + CFSP sanctions
Guinea	Nov 2001–Dec 2003	Constitutional coup	Article 96
Guinea	Sep 2009	Crackdown on demonstrations	Article 96 + CFSP sanctions
Chad	May 2001	Irregularities during elections	No conditionality
Chad	Jun 2005–May 2006	Constitutional coup	No conditionality
Ivory Coast	Oct–Dec 2000	Irregularities during elections	Reluctant conditionality
Ivory Coast	Mar 2004	Crackdown on demonstrations	Reluctant conditionality
Ivory Coast	Nov 2010	Irregularities during elections; President refuses to cede power	CFSP sanctions
Rwanda	Aug 2003	Irregularities during elections	No conditionality
Rwanda	Aug 2010	Irregularities during elections	No conditionality

¹²⁰ Laakso, L., Kivimäki, T. & Seppänen, M. (2007). *Evaluation of Coordination and Coherence in the application of Article 96 of the Cotonou Partnership Agreement*. Evaluation Services of the European Union.

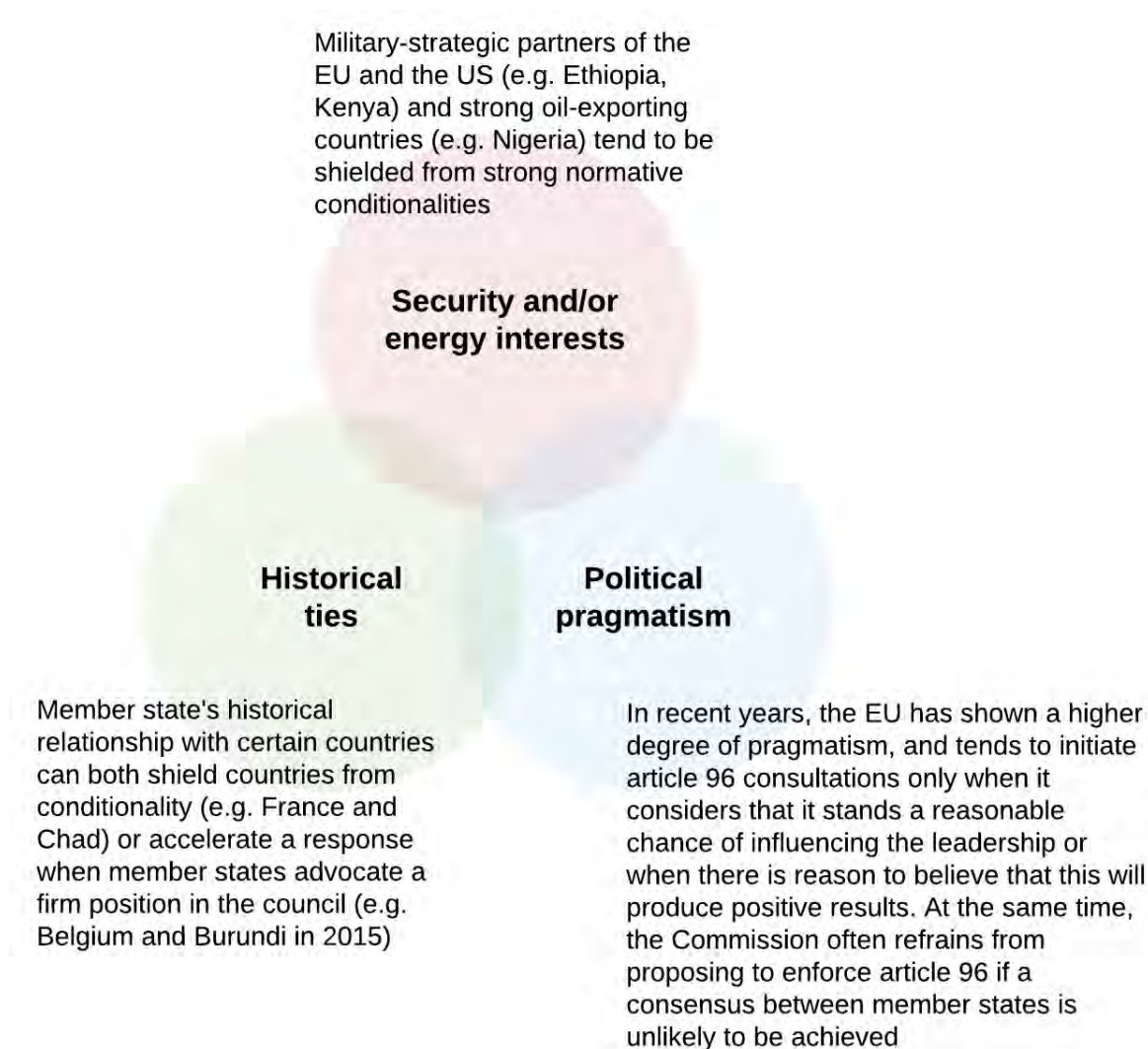
¹²¹ See Del Biondo, K. (2015). *Donor interests or developmental performance? Explaining sanctions in EU democracy promotion in sub-Saharan Africa*. *WORLD DEVELOPMENT*; Portela, C. (2007). [Aid Suspensions as Coercive Tools? The European Union's Experience in the African-Caribbean-Pacific \(ACP\) Context](#);

¹²² Reproduced from Del Biondo (2015).

In the above 'non-cases', the EU opted instead for a purely rhetorical approach; limited to public statements by the HR/VP and EU officials (e.g. Rwanda in 2003 and 2010, Chad in 2001 and 2005, and Ethiopia in 2010) or it chose only to apply targeted sanctions through the CFSP.¹²³

The available evidence suggests that three main overlapping dynamics underpin the approach adopted by the EU: security interests, historical ties and political pragmatism (see Figure 2 below). These elements tend to be masked or blurred out in an official public discourse that privileges legal and normative explanations.

Figure 2: Factors that influence the choice to apply Article 96 consultations



Practice shows that, while political conditionality applies to both parties, it has only been used unilaterally by the EU. Although, in legal terms, ACP countries or the group could invoke a consultation procedure with the EU or a member state, it is highly unlikely for this to happen, for the simple reason that the ACP group does not have the means or the leverage to enforce compliance through 'appropriate measures'. There have been a small number of instances in which ACP countries have contested the use of article 96. The

¹²³ For a more detailed analysis of the 'non-cases', see Del Biondo, K. (2012). Norms, self-interest and effectiveness: explaining double standards in EU reactions to violations of democratic principles in sub-Saharan Africa. Ghent University. Faculty of Political and Social Sciences, Ghent, Belgium; and Døhlie Saltnes, J. (2013). [The EU's Human Rights Policy Unpacking the literature on the EU's implementation of aid conditionality](#). ARENA Working Paper 02/2013.

case of Guinea, which contributed to the introduction of a period of ‘intensified dialogue’, has already been mentioned. In response to the EU’s invocation of article 96 in 2001, Zimbabwe invoked the CPA’s built-in dispute settlement procedure (under article 98) and retaliated by imposing sanctions on a number of UK and EU politicians (including MEPs). This did not affect the EU’s position, however, and the ‘appropriate measures’ imposed by the EU lasted until 2014.

As a political group, the ACP only gets involved in a formal consultation procedure when the EU invokes the non-execution clause in the CPA. This **limited role of the ACP has been further diluted by the regionalisation process -particularly in Africa with the AU taking over the job.** The ACP Secretariat and Brussels-based Ambassadors have tended to issue more communiqués following particular events in ACP countries, such as natural disasters or *coups d’état*, but these are perceived not to carry much weight compared with other regional actors. ACP interviewees confirmed that the main purpose of these statements was a signalling one and that no real impact was anticipated.

External factors further reduce the relevance of the CPA’s political conditionality provisions. Western donor agencies have lost the moral monopoly over democratisation and human rights. In Africa in particular, the AU and the RECs are gradually assuming the role of ‘normative entrepreneurs’. In the field of peace and security and its emerging African Governance Architecture built on the African Charter for Democracy, Elections and Governance have the potential to gain greater legitimacy in the long term than foreign demands.

Political dialogue in other EU partnerships with non-EU countries: how unique is the CPA?

Compared with its predecessors, the Cotonou Partnership Agreement features deeper and wider political dialogue and articles that deal specifically with this, as well as with the essential elements of the agreement and the parties’ fulfilment of obligations under the partnership. The **political conditionality in the CPA is not unique**, however. The EU and the EU member states are bound by obligations under articles 3(5) and 21(2-3) of the TEU to refrain from any act that may affect the human rights of persons in third countries, and to promote the fulfilment of human rights in their external relations.¹²⁴ Since the mid-1990s, the EU has systematically inserted human rights clauses into its trade and cooperation agreements with third parties, essentially conditioning economic relations on compliance with human rights standards.¹²⁵ Agreements with over 130 countries now contain such a clause.¹²⁶

However, there are big differences in the way in which these clauses can be activated or enforced. Table 5 below makes a basic comparison between the political dialogue components of the CPA and a select number of other EU agreements with non-EU (‘third’) countries that have a trade dimension as well as a political dialogue component.

¹²⁴ See Bartels, L. 2015. *A model Human Rights Clause for the EU’s International Trade Agreements.* German institute for Human Rights and MISEREOR.

¹²⁵ Bartels, L. 2004. *A Legal Analysis of Human Rights Clauses in the European Union’s Euro-Mediterranean Association Agreements*

¹²⁶ European Commission. 2012. *Using EU Trade Policy to promote fundamental human rights: Current policies and practices.* DG Trade Non-Paper: http://trade.ec.europa.eu/doclib/docs/2012/february/tradoc_149064.pdf

Table 5: Comparison of political dialogue and conditionality components of selected agreements¹²⁷

	Cotonou Partnership Agreement: all ACP countries	Euro-Mediterranean Association Agreements (EMAAs) ¹²⁸	Partnership Cooperation Agreements (PCAs) with post-communist countries ¹²⁹	Post-Lisbon PCAs: ASEAN member states (Philippines, Vietnam, Indonesia) and Iraq
Framework for political dialogue	Article 8 ¹³⁰	Overseen by joint management body: association council and sub-committees	Overseen by joint management body: cooperation council/joint committee and committees	Overseen by joint management body: cooperation council/joint committee and committees
Essential elements clause	Detailed (art 9-13)	Concise	Concise	Concise
Specific reference to human rights in international law	Comprehensive	Yes, with variation in terms of specific legal instruments referred to	Yes, with variation in terms of specific legal instruments referred to	Yes, with variation in terms of specific legal instruments referred to
Specific reference to democratic principles	Yes	Yes	Yes	Yes
Dispute settlement mechanism	Yes, consultation procedure	Yes, through joint management body	Yes, through joint management body	Yes, through joint management body
Option for appropriate measures	Yes	Yes	Yes	Yes
Invocation of dispute settlement & appropriate measures	Selectively yet regularly	Rare	Rare	No

These *bilateral agreements*¹³¹ contain similar provisions on political dialogue and are also underpinned by ‘essential elements’ on democracy and human rights, which quote a selection of international agreements and charters. Due to the bilateral negotiation process, there is some variation in the wording used, but in general, ***EU essential elements clauses are fairly similar in substance, even if much more concise than in the CPA.***¹³² All these agreements also include a structure and framework for regular political dialogue, mostly at ministerial level, as well as a mechanism for parties to engage with each other and take ‘appropriate measures’ if one party considers that the other has failed to fulfil its contractual obligations.

The interviews conducted for the purpose of this study indicate that ENP actors experience the effectiveness of political dialogue as more or less the same as ACP actors. This corroborates the finding that the conditions for effective political engagement depend more on the state of diplomatic relations and

¹²⁷ Based on a light-touch review of a selection of agreements, complemented by a general literature review carried out in April 2015.

¹²⁸ Algeria, Egypt, Jordan, Israel, Lebanon, Morocco and Tunisia.

¹²⁹ Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russia, Ukraine, Uzbekistan and Tajikistan.

¹³⁰ Unlike other agreements, Article 8 of the CPA makes explicit reference to the non-execution clause and is considerably more precise about the scope and depth of dialogue that is foreseen.

¹³¹ Whereas many more recent agreements were negotiated in a regional setting (e.g. EU-Central America, EU-ASEAN and the Barcelona process), the Association Agreements and Partnership Cooperation Agreements in question were signed as bilateral agreements between the EU and the partner country. Although these agreements are fully tailored to the bilateral context in terms of trade and economic cooperation, the political components (i.e. political dialogue, essential elements, etc.) are surprisingly uniform.

¹³² See Bartels, L. 2012. *Human rights and sustainable development obligations in EU Free Trade Agreements*. University of Cambridge Legal Studies Research Paper Series Paper No. 24/2012.

the cooperation context than on the format or legal background against which talks are held. However, the CPA format has its advantages if there is a breakdown of relations. The main difference between the CPA and these bilateral agreements therefore lies in its application of conditionality. While article 96 tends to be applied comparatively regularly, the essential elements clauses in the other agreements are rarely invoked in European Parliament resolutions, EEAS statements or Council conclusions. Council conclusions on these countries also rarely involve the suspension of cooperation. More targeted CFSP measures and a review of support strategies are often preferred instead.

There are ***important similarities between the practice of political dialogue and conditionality under the CPA and the EU's other mixed agreements with third parties***. The EU has signed several legally binding agreements as well as a host of trade agreements that all refer to the principles of human rights and democracy. However, the essential elements clauses in these agreements are regarded mainly as 'political clauses'.¹³³ It is therefore very uncommon for these clauses to be enforced by imposing sanctions. This is considered only when deemed both politically feasible and useful.¹³⁴ The format of the CPA has the advantage of specificity, making it more difficult for either party to circumvent it. The political conditions for productive engagement, however, are largely the same across the board.

While the EU's sanctions policy faces more and more challenges of limited effectiveness and legitimacy, the African Union has beefed up its normative framework for democratic governance on the continent, specifically in the area of unconstitutional changes in government. This is particularly relevant because, with the exception of Fiji and Haiti, all article 96 consultations have been with AU member states. The basis of the AU's 'doctrine on unconstitutional changes in government' is the African Charter on Democracy, Elections and Governance (which was agreed in 2007 and which entered into force in 2012), which is the normative basis for the AU's conception of electoral democracy and acceptable constitutional regime change.

Concluding remarks

As we have already mentioned, the whole legal infrastructure surrounding political dialogue and non-execution clauses tends to be highly appreciated by EU policy-makers. Concerns have been expressed that the EU might lose these political instruments of leverage if the CPA were fundamentally altered or discontinued. How legitimate are these fears considering the political economy analysis presented here of the actual functioning of these CPA provisions?

The findings of this study challenge the assumption that the existence of a legally binding framework for 'shared values' constitutes per se a major political asset guaranteeing better results. The analysis shows instead that the conditions for effective political engagement depend much more on the state of diplomatic relations and the cooperation context than on the format or legal background against which talks are held.

This conclusion is based on the following points:

First, although the EU has tried both positive conditionality (such as the Governance Incentive Tranche) and negative conditionality (such as the suspension of aid) in its promotion of political values among the ACP group, major ***success stories are hard to find***. In some cases, EU Delegation staff feel that too

¹³³ Hachez, N. 2015. 'Essential elements' clauses in EU Trade agreements: making trade work in a way that helps human rights? KU Leuven Centre for Global Governance Studies Working Paper No. 158.

¹³⁴ In August 2013, for example, following the military take-over in Egypt in July, the EU invoked the principles of the Association Agreement to ask for a review of cooperation, but emphasised the continuation of socio-economic support to the Egyptian people and civil society. The first consultations were held in 2014 with a view to gradually resuming the political dialogue under the AA in 2015. See: Council conclusions of 21 August 2013, and the 2014 ENP progress report on Egypt.

strong a normative push (sometimes under pressure from the European Parliament or individual member states) can even harm their diplomatic position and be counterproductive in terms of political reform. Especially in countries with which diplomatic relations are tense or where the stakes for EU foreign policy are high, a more subtle, gradual or indirect method of influencing political decisions is called for. Pressure to exhaust the legal instruments available under the CPA or other frameworks can undo months or even years of engagement.

Second, the CPA goes further than other agreements in terms of spelling out political values and linking the promotion of these values to cooperation (mainly aid). The structures and long history of ACP-EU cooperation allowed an ambitious approach to be taken to political conditionality. However, there is ample evidence that this has **not yielded the expected results in terms of democratisation and respect for human rights and fundamental values**. The promotion of political values by leveraging aid and trade instead has proved a very difficult undertaking and one that is hard to realise. Although this is not inherent to the CPA framework, the CPA has not managed to facilitate progress on political dialogue. Over the years, the practice of political dialogue has been hollowed out in many countries, mainly because of contextual changes in the ACP region and Europe. Western democracy support is attracting growing criticism for its inconsistency. In most cases, the EU (no longer) has the leverage to influence decision-making through political dialogue or conditional aid.

Third, since the CPA was signed, **ACP institutions have not played a proactive role** in promoting and defending the values set out in the CPA (as well as the Georgetown Agreement). Political dialogue under article 8 on the principles underpinning the partnership has remained a largely EU-driven agenda. Recent trends in democracy and human rights demonstrate that the CPA arrangements are no match for real political dynamics in ACP member states. These challenges are not unique to ACP-EU cooperation, and affect other external agreements signed by the EU.

Fourth, the above suggests that the **CPA's much-praised 'shared values' are not necessarily shared by many ACP states**, particularly in Africa. Democratic governance is under pressure in an increasing number of African countries, witness the growing number of countries enacting legislation that restricts the space for civil society. The 2014 CIVICUS report notes two distinct geographical clusters where the situation is deteriorating: the former Soviet countries and sub-Saharan Africa.¹³⁵ The International Center for Not-for-Profit Law (ICNL) has tracked more than 20 legislative acts in sub-Saharan Africa alone since 2012 that restrict the freedom of assembly and expression.¹³⁶ Another indication is the large number of 'third-term' conflicts that are currently ongoing or surfacing in East and West Africa,¹³⁷ signalling the persistence of the 'president-for-life' model in many countries. At the same time, Western democracy support is facing a growing pushback globally.¹³⁸ This is reflected by the increasing restrictions on foreign funding for democratisation and civil society advocacy, but also by the pushback (particularly in Africa) against the Western electoral observation model.¹³⁹

The decision not to review the CPA in 2015 was motivated partly by **growing tensions between the EU and the ACP – Africa in particular** – around several issues. This was already the case in 2010 with the 'agreement to disagree' on the revision of article 13 on migration, and the reluctant response by many

¹³⁵ CIVICUS. 2015. *State of Civil Society Report 2014*.

¹³⁶ ICNL and CIVICUS. 2014. *Report from the African regional workshop on Protecting Civic Space* November 17-18, 2014. University of Pretoria, South Africa.

¹³⁷ See Aglionby, J. and Fick, M. 2015. *Abuja Africa third terms: Who stays, who goes?* Financial Times, 25 October 2015. <http://www.ft.com/intl/cms/s/0/f3c03602-771e-11e5-933d-efcdc3c11c89.html#axzz3sKjiD2z7>

¹³⁸ See Carothers, T. and Brechenmacher, S. 2014. *Closing space: democracy and human rights support under fire*. Carnegie Endowment for International Peace.

¹³⁹ Dickson, T. 2013. *Africa can handle elections without Western observers: Obasanjo*. SABC. 13 March 2013: <http://www.sabc.co.za/news/a/69c81d804ee010099c8c9d3a187502c4/Africaundefinedtoundefinedhandleundefinedtheirundefinedelectionundefinedwithoutundefinedwesternundefinedobservers:undefinedOlusegunundefinedObasanjo-20131303>

African countries to the EU's wish to facilitate the readmission of migrants. Other issues have involved the International Criminal Court, legislation adopted in ACP countries to restrict the space for civil society, and LGBTI (lesbian, gay bisexual, transgender and intersex) rights, of which the EP is a particularly strong supporter.¹⁴⁰ Some member states see these tensions, especially those surrounding key symbolic issues such as the ICC and LGBTI rights, as **potential deal-breakers, or at least big risk factors for the Post-Cotonou debate**.¹⁴¹ EU institutions and member states fear that it will be tough in the years to come to negotiate a normative framework that is as ambitious as the CPA.

Fifth, the increasingly weak track record of political dialogue under the CPA and other frameworks is not a technical matter, but illustrates the wear and tear on the EU's normative power abroad in the light of a fundamentally different global and regional environment than at its inception in the 1990s. What seems required now is not 'trying harder' to share and promote political values (i.e. doing more of the same and hoping it will eventually work). Rather, we **need a fundamental rethinking of how the EU can best approach political dialogue with partner countries and regions**. It is doubtful whether this can take place within the constraints of the current highly prescriptive CPA.

7.2. Co-management of the EDF

One of the key elements of the Lomé 'acquis' is the principle of the *co-management* of the EDF. The development philosophy behind this formal rule is that co-management is key to ensuring ownership of the development process. This principle reflects the spirit of 'equal partnership' and is to be consistently applied throughout the cycle, i.e. from programming to implementation and monitoring and evaluation.

A **system of National Authorising Officers (NAOs)** was put in place to jointly manage EDF resources. The NAO, generally under the aegis of the Ministry of Finance, represents the government concerned in all EC-supported programmes. In theory, the NAO works in close harmony with the EU Delegation, and is responsible for coordination, programming, regular monitoring and annual, mid-term and end-of-term reviews, in conjunction with stakeholders, including non-state actors, local authorities, and ACP parliaments where relevant. Much of the NAO's work consists of day-to-day managerial tasks such as putting contracts out to tender, authorising expenses or making the necessary adjustments to ensure that projects and programmes are properly implemented. NAOs also play an important role in articulating the government's position and liaising with line ministries. A similar system is in place at a regional level (involving Regional Authorising Officers or RAOs), catering to all six ACP regions. The ACP Secretariat performs the same role in relation to the intra-ACP programme.

The need to ensure ownership of the development process is now widely recognised as a condition for sustainable impact (cf. the Paris Declaration, the Accra Action Agenda and the Busan Outcome Document). Yet how does this principle of co-management work in practice in the CPA framework? Who are the key actors? What power relations, interests and incentives drive them? Does the system guarantee ownership and, if so, whose? How efficient and effective is co-management, particularly in terms of fulfilling the key objectives of ACP-EU cooperation and achieving sustainable results?

Co-management in practice: an often parallel, costly and conflict-ridden system

At first sight, the issue of co-management seems primarily technical and of limited potential interest to decision-makers involved in the review of the CPA. Yet a **closer analysis reveals that the topic is linked to fundamental questions such as power relations, regulating access to resources, and control**. It is

¹⁴⁰ European Parliament. 2015. Report on the work of the ACP-EU Joint Parliamentary Assembly (2014/2154(INI)).

¹⁴¹ See Advisory Council On International Affairs. 2015. *ACP-EU cooperation after 2020. Towards a new partnership?* No. 93, March 2015. P. 36.

therefore important to avoid an ideological or purely technocratic view on co-management,¹⁴² but rather start from what happens in the field and to be aware of the primarily *political nature* of the numerous management challenges.

The experience of the past 40 years¹⁴³ suggests that co-management can work smoothly with ACP countries that have stable democracies, good policies and strong institutions, and uphold the rule of law. It is less easy to effectively apply this principle in authoritarian regimes, in countries confronted with weak governance and administrative systems, and widespread corruption, or in fragile states. It is also no surprise that the latter categories of countries tend to be the main recipients of EU development cooperation resources.

One should also not forget ***political economy factors on the EU side***. Despite all the rhetoric on ownership and co-management, the EU tends to have its own political agenda in particular countries and regions and to push its own (evolving) cooperation priorities – which do not necessarily coincide with the main concerns or needs of governments and/or citizens in ACP countries.

The evidence on the actual operation of co-management systems paints a sobering picture. Consider the following pointers that clearly show how the principle of co-management is in practice often eroded and reduced to a rather hollow thing, incurring huge costs (also at a political level):

- ✓ ***The NAO's role mainly involves dealing with EU procedures.*** In the original version of the CPA, articles 35 and 36 of Annex IV contain a detailed description of the responsibilities and tasks attributed to both the NAO and the Head of Delegation. The revised version only gives details of the tasks attributed to the NAO, all of which are linked to *the 'preparation, submission and appraisal of programmes and projects'*. The clauses relating to the Head of Delegation are limited to working in close cooperation with NAOs and *'informing the national authorities of Community activities which may directly concern cooperation'*. The principle of co-management is in fact reduced to managing EDF resources in line with EU procedures, but is disconnected from decision-making, which remains in the hands of the EU.¹⁴⁴
- ✓ ***Programming remains largely EU-driven.*** Decisions on the overall amount of money available for the ACP, as well as on the allocation of resources to the respective countries and regions (through their National and Regional Indicative Programmes), are the sole responsibility of the EU. There is solid evidence that key choices – also in relation to the programming process – are made by the EU on a top-down basis, with NAOs often being overruled in their choice of priority sectors, aid modalities and implementation choices (see Box 8 below for two recent examples).¹⁴⁵ In practice, the EU's commitment to country ownership is difficult to reconcile with its desire to ensure a high degree of compliance with EU policy priorities and aid management preferences.¹⁴⁶

¹⁴²This is the approach followed in the above mentioned issued by the Dutch Advisory Council on International Affairs on ACP-EU cooperation beyond 2020. The AIV's analysis reduces the problems encountered with the NAO construct to issues of capacity, procedures and staff rotation while choosing not to explore the politics underpinning such an aid delivery mechanism (see p. 23).

¹⁴³ Derived from a variety of sources such as EC country strategy evaluations, studies, official reports (some dating from the 1990s) and critical analyses by the European NGO community. A good example is the 2006 Eurostep study with its provocative title of *'We decide, you own'* reviewing EU approaches to programming aid in four ACP countries. Over the past two decades, the ECDPM and its associates have also seen co-management at work in many ACP countries during support missions.

¹⁴⁴ See Herrero, A., Knoll, A., Gregersen, C., Kokolo, W. 2015. *Implementing the Agenda for Change: An independent analysis of the 11th EDF programming*. (Discussion Paper 180). Maastricht: ECDPM

¹⁴⁵ Past examples of EU-driven programming include a steep increase in governance-support programmes (in the case of the 9th EDF) and regional bodies (10th EDF), which later led to absorption problems among the recipient structures (subsequently criticised by Court of Auditors).

¹⁴⁶Ibid.

Box 8: The EU in the driving seat in programming EDF resources

The recent programming of the EDF provides two good examples illustrating how EU interests and political priorities have influenced programming choices and the use of EDF funds. This has been contrary to the co-management principle underpinning the ACP-EU partnership. The first example involves the top-down approach followed in the choice of sectors in the bilateral programming of the 11th EDF. The second concerns the channelling of EDF funds to an emergency trust fund for Africa.

Programming of the 11th EDF

There is substantial evidence¹⁴⁷ that the 11th EDF programming process followed a top-down approach. In many cases, DG DEVCO's programming preferences superseded the initial proposals from EU Delegations, thus overruling Delegation-led in-country consultations with partner governments, civil society organisations and member states (on programming decisions, including on sector choices, sector allocations, aid modalities and other implementation decisions). The EC's narrow interpretation of the policy priorities defined by the Agenda for Change led to:

- (i) a strong bias towards productive sectors, with a particular focus on energy and agriculture;
- (ii) a relative decline in support for the social sectors in each country (the overall allocation to social sectors in the 11th EDF represents 20% as per the EU's political commitment);
- (iii) an unprecedented withdrawal from the transport sector, despite the EC's long track record and despite it being a priority sector for many African partner countries; and
- (iv) an exponential rise in allocations to the energy sector. Compared with the 10th EDF, these were multiplied by a factor of 9, while the number of beneficiaries remained stable.

The EU Emergency Trust Fund for Africa

In 2013, the Financial Regulations (2013) were revised in order to allow the European Commission to establish and manage European Trust Funds. These were to be funded by the EU budget and the EDF, and would be open to contributions from EU member states and other donors. The rationale behind the creation of European Trust Funds was to allow for rapid, flexible and efficient joint EU response in the case of emergencies, by filling a gap in the EU's external action instruments.

As the refugee crisis unfolded, notably in 2015, the EU institutions and its member states came under rising pressure to deliver a coordinated, visible and efficient response. This led to the creation of an EU Emergency Trust Fund for Africa, which was to benefit the Horn of Africa, the Sahel and Lake Chad, and the North of Africa. The fund is intended to address the causes of destabilisation, forced displacement and irregular migration, by promoting economic and equal opportunities, security and development. The fund was one of the deliverables of the recent EU-Africa migration summit held in Valetta, Malta (5-6 November 2015).

The Emergency Trust Fund will have a budget of €1.8 billion, drawing massively from the EDF. This includes €1bn from the EDF reserves (drawn from the pre-earmarked funds for the Performance-Based Mechanism), and funds from Regional Indicative Programmes from Central Africa, West Africa and East and Southern Africa, and National Indicative Programmes from the Horn of Africa.

It is not clear whether the fund is compatible with the co-management principle. There is little evidence that ACP countries or institutions have been involved in planning the Trust Fund. RECs have not had much negotiating space to counter the EU's proposal for the allocation of EDF funds to the Africa Trust Fund. There are indications that the governance arrangements for the Africa Trust Fund will give a weighted vote only to contributing donors, which means that RECs will have a voice, not a vote and will lose *de facto* control over the use of EDF funds. Although a trust fund may allow the EU to deliver flexible and quick support, the approach is problematic in terms of the use made of EDF resources:

- (i) for the benefit of one ACP region only;
- (ii) to support the EU-Africa partnership and its migration management priorities;
- (iii) for the benefit of North Africa (not eligible for EDF funding);
- (iv) to support activities in other regions (West Africa funds benefiting Central Africa).

¹⁴⁷ Herrero et al. (2015) *Implementing the Agenda for Change: An independent analysis of 11th EDF programming*. ECDPM Discussion Paper 180.

- ✓ **Asymmetric relations.** In countries where the national administration is very weak, there is a tendency for the EU Delegations to act as a substitute for the NAO in order to accelerate the implementation of programmes. In many countries, the NAO offices are in fact parallel structures (or project implementation units) run by technical assistants, whose main task is to deal with complex EDF procedures and administrative requirements.¹⁴⁸ In these situations, the support units attached to the NAO are used as *registration centres* for decisions taken elsewhere or as *watchdogs* on behalf of other ministries that lack technical assistance resources and are not familiar with the procedures. Studies have also shown that the funding of NAO technical support units is very costly, not viable from an institutional point of view,¹⁴⁹ and contradictory to EU policies on technical assistance.

By funding new project implementation units to support NAOs under the 10th EDF, the European Commission in fact went against the Union's commitment under paragraph 32 of the European Consensus on Development not to establish new ones.¹⁵⁰ Attempts have been made in the past to create genuine systems of co-management based on trust and close collaboration (overcoming the double circuit).¹⁵¹ Yet these have remained *ad-hoc* experiments. To circumvent the inefficiencies of the system, the EU is making increasing use of trust funds, e.g. support for the health sector in Mauritania. While they may help to speed up disbursements, they tend to weaken ownership and alignment with national systems and procedures.

- ✓ **NAOs do not always act in the interests of line ministries.** The evidence among recipients suggests that NAOs often tend to centralise power and sometimes even marginalise line ministries in decision-making and implementation. NAOs are responsible for coordinating relations with EU Delegations, but there is no clear division of roles with line ministries. This can be detrimental to the principle of subsidiarity and the overall functioning of the government, and may also affect the quality of interventions and policy dialogue at sector level. The way in which the NAO system is generally organised may also be detrimental to the EU. While other donor agencies engage directly with line ministries or the ministry of finance, the EU's first point of entry is the deputy NAO. The latter may act as an administrative gatekeeper, thus hampering the EU's access to political decision-makers.
- ✓ **Perverse political side effects of co-management.** Authoritarian countries often invoke the principle of co-management to block progressive programmes for democratisation, justice or civil society engagement. There have been examples of EU Delegations proposing civil society support programmes with a clear governance focus – in line with the CPA provisions and the recently revised EU policy framework for civil society. Yet, on the insistence of the NAO, these proposals have been transformed into traditional micro-project approaches (with the EU Delegations being unable or unwilling to push for a more governance-oriented approach).¹⁵² Particularly in countries where governance is weak, NAO offices can be vehicles for clientelist practices (e.g. in recruiting personnel and service-providers for programmes or in deciding on eligibility criteria and intervention zones on political or ethnic grounds). Thus, the EU's 2014 mapping exercise of civil society, as well as an

¹⁴⁸ Ibid.

¹⁴⁹ GRET. 2002. *Evaluation de la coopération de la communauté européenne en matière d'appui institutionnel aux ordonnateurs nationaux du FED*. June 2002.

¹⁵⁰ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ%3AC%3A2006%3A046%3A0001%3A0019%3AEN%3APDF>.

¹⁵¹ Such a system was tried out in Haiti in the 1990s. It helped to substantially reduce administrative delays while forging a shared understanding of how best to manage the resources. However, the approach was abandoned after the departure of the Head of Delegation.

¹⁵² In a capitalisation study of 40 civil society programmes in 38 ACP countries, Floridi and Sanz Corell insisted on the need to design this type of programme in a politically savvy way, taking into account the governance environment and the quality of state-society relations. Technocratic programmes merely aimed at building capacity may not be the best way forward as civil society support is by definition 'not neutral' from a governance perspective. Floridi, M. and B. Sanz Corella. *Capitalisation Study on Capacity Building Support Programmes for non-state actors under the 9th EDF*, June. 2009, p.12.

evaluation of an earlier support programme under the 9th EDF,¹⁵³ revealed that the NAO services systematically interfered with guidelines for calls for proposals in order to prevent certain topics or beneficiaries from being included.

Implications for the future

What should be retained from this brief analysis of the functioning of co-management in the ACP-EU framework?

First, one should be careful to present co-management as an ideal form of governance for development cooperation resources and part of the ‘*acquis*’ of ACP-EU cooperation that should not be lost. This often happens in policy debates on the CPA. Believers in this system admit the existence of weaknesses, yet tend to ascribe these primarily to a ‘lack of capacity’ and ‘complex procedures’ that recipient administrations struggle to master. Using a political economy lens allows us to look behind the façade of laudable principles. While the CPA’s model of co-managing development cooperation was ahead of its time, ***the practice of country ownership has been largely diluted in its institutional implementation.*** The NAO model has been largely reduced to a procedural role in managing complex EDF programmes. Key strategic decisions with regard to EDF funding remain dominated by the EU and its institutions. In many ACP countries, the practice of co-management is therefore much more an administrative interface than a joint strategic function. In countries with weak governance, the NAO system is often a major obstacle to addressing core development and governance challenges and ensuring the transparent and accountable use of EU aid resources.

Second, a comparative analysis also suggests that ***the CPA system of co-management is not unique.*** The principle of having a ‘*focal point*’ (or homologue) within the central government of the partner country is also found in other EU cooperation agreements. In practice, these focal points share more or less the same powers and competences as the NAO in terms of programming, procurement, follow-up of implementation, link with sector ministries, etc. (see Box 9).

Box 9: Delivering development cooperation in the ENPI¹⁵⁴

In the EU cooperation agreement under the European Neighbourhood and Partnership Instrument (ENPI), there is always a core entry point and key interlocutor (called the National Coordinator) in the partner government (usually at the Ministry of Foreign Affairs or the Ministry of International Cooperation). The job description of this entity is very similar to the NAO’s: coordinating the programming process, obtaining inputs from line ministries, and negotiating the sectors of concentration. As in ACP countries, the officials in charge can block *progressive* programmes in relation to human rights or civil society (as happened in Jordan). The ‘focal point’ signs financing agreements, chairs steering committees and manages the funds involved (often with help of technical assistance). The EU delegations also carry out *ex ante* controls, thus creating a parallel (double) circuit that tends to slow down implementation and disbursements

Third, whatever system is put in place to manage future EU development cooperation resources in a more transparent, result-oriented and accountable manner, a ***major overhaul of the NAO system should be considered.*** In many ways, it is a format that was compatible with the (rather narrow) 2005 Paris ‘*aid effectiveness*’ agenda (to be delivered by central governments). Yet the notion of ownership has evolved dramatically in the past ten years. The Busan Outcome Document talks about ‘*development effectiveness*’ and stresses the need for *country ownership* associating all relevant players. ***The NAO construct, functioning as it does as a heavily centralised aid intermediary, is outdated*** and is not compatible with:

¹⁵³ Floridi, M and Sanz Corella, B. 2009. *Évaluation à mi-parcours du projet PASOC (9ième FED)*. See also Amar, Z and S. El Kum. 2014. Identification et formulation d’un programme d’appui à la société civile au Tchad sur le 11^{ème} FED.

¹⁵⁴ This box relies on interviews with key actors in the ENPI South and East.

- (i) the promotion of country ownership through direct interaction with key stakeholders (e.g. sector actors);
- (ii) the multi-actor nature of development which implies much more participatory approaches than those currently prevailing in the highly centralized ACP-EU cooperation processes;
- (iii) the requirements of international cooperation *beyond aid* – which will apply to most ACP countries after 2020.

7.3. The joint ACP-EU institutions

There are three types of joint ACP-EU institution:

- (1) a first group consisting of a joint Committee of Ambassadors and joint Council of Ministers that focus on the management of the partnership. These were set up under the Yaoundé Convention in 1963;
- (2) joint institutions with a specific mandate and tasked to advance specific CPA objectives;
- (3) joint institutions set up in the context of Economic Partnership Agreements.

Joint Council of Ministers and Committee of Ambassadors

During the Lomé I negotiations in the early 1970s, there was little opposition to the proposal to continue the Yaoundé Conventions' joint Council and Committee institutions. Some EEC members regarded them as important symbols of the privileged nature of the partnership, while to others they seemed relatively harmless. Earlier studies of the partnership noted that the detailed provisions of the Conventions and the limited mandates given to the institutions meant that there was actually ***not much for these joint institutions to decide***, as a result of which they have generally played an administrative and symbolic role throughout the decades.¹⁵⁵

The ***EU's preference for symbolic dialogue*** was also evident in the rejection of the ACP's proposal to grant the group membership of or even observer status on the EDF Committee. The Joint Council's lack of impact on decision-making is compounded by the fact that it meets only once a year. This has reinforced the EU's tendency to take unilateral decisions on matters in relation to which both the letter and the spirit of the CPA expect a decision to be taken only after a dialogue with the ACP. One recent example is the EU Council's decision of September 2015 to create a 'European Union Emergency Trust Fund for stability and to address the root causes of irregular migration and displaced persons in Africa'. The Commission decision was prepared in December and approved by the Foreign Affairs Council on 16 October 2015. Yet the earliest opportunity to formally discuss it with the ACP would have been the ACP Council session in November 2015 (with the next Joint Council scheduled for April 2016). The ACP was therefore neither consulted nor involved in the decision-making process leading to the adoption of a Trust Fund for which the European Commission's €1.8 billion contribution is to be funded largely through the EDF (as explained in section 7.2 above).

This symbolic role has inevitably affected ***attendance and representation***. Studies suggest that parties have expressed the political value they attach to these structures by '*voting with their feet*'. The joint Council of Ministers is considered particularly problematic because of poor ministerial attendance on both sides of the partnership. For instance, the Dutch minister (Piet Dankert) was the only European minister in attendance during the 1990 joint Council session in Suva, Fiji.¹⁵⁶ The Lomé Conventions stipulated that the joint Council Presidency would alternate between members of the EU and ACP groups. However, this

¹⁵⁵ Drieghe, L. 2011. *Lomé I herbekeken: Naar een geopolitiek intergouvernementalistische analyse van de eerste Conventie tussen de Europese Economische Gemeenschap en de Afrikaanse, Caribische en Stille Stille-Zuidzeelanden*. PhD thesis, University of Gent. p 222

¹⁵⁶ Mailafia, 1997, 257.

provision was not put into practice, the suggestion being that this was mainly because ACP countries would have spent too much time trying to decide which country should represent them.¹⁵⁷

In 2008, the ACP President in Office of the Council used the occasion of a joint Council meeting in Addis Ababa to criticise the poor attendance on the EU side: *‘the ACP does not desire dialogue at the joint ministerial level when representatives in attendance are those who have neither the mandate to take political decisions, nor the leeway to discuss the content of the issues in detail.’*¹⁵⁸ An APRODEV study reported that, during this period, an ACP request to organise an EU-ACP summit meeting was politely refused by the EU Council, which considered that the existing joint institutions were sufficient, even though the EU invested in a similar summit with the African Union during the same period.¹⁵⁹

Table 6 presents information on ministerial attendance of two recent Council meetings, showing that ministerial attendance has not improved in recent years.

Table 6: Number of ministers present at recent ACP-EU Council meetings¹⁶⁰

Council of Ministers in Nairobi on 20 June 2014:	Council of Ministers in Brussels on 25 May 2015:
<p>ACP ministers (including permanent secretaries and deputy ministers): 28</p> <p>EU ministers: 1 (Presidency)</p>	<p>ACP ministers: 22</p> <p>EU ministers: 1 (Presidency)</p>

The Council meetings are prepared by the Joint Committee of Ambassadors which, despite appearing to be a meeting of ambassadors, tends to be attended on the EU side by diplomats involved in the ACP Council Working Party. As with the EU attendance of joint Council meetings, the only EU ambassador who tends to be present at Joint Committee meetings is the ambassador representing the rotating EU Presidency. Interviewees identified poor EU attendance as one reason why the Committee had failed to prepare a political exchange at the joint Council. However no particular examples were advanced to illustrate cases in which ACP ambassadors had managed to place more political items on the agenda.

The dedicated joint institutions of the CPA

The following table describes the key characteristics of the three institutions covered by Annex III to the CPA.

Table 7: Introducing the three joint ACP-EU institutions

<p>The Technical Centre for Agricultural and Rural Cooperation ACP-EU (CTA) was established in 1983 under the second Lomé Convention between the ACP</p>	<p>Founded in 1977 as the Centre for the Development of Industry, the Centre for the Development of Enterprise (CDE) is a joint ACP-EU agency based in</p>
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¹⁵⁷ Mgbere, 1994, 210.

¹⁵⁸ See: <https://appablog.wordpress.com/2008/06/13/acp-wants-equal-representation-at-joint-acp-ec-council-meetings/>.

¹⁵⁹ APRODEV 2008, pp. 2-3.

¹⁶⁰ These figures are derived from the attendance records for the meetings in question.

<p>and the EU member states.</p> <p>The CTA's tasks are:</p> <ol style="list-style-type: none"> 1) to develop and provide services that improve access to information for agricultural and rural development; and 2) to strengthen the capacity of ACP countries to produce, acquire, exchange and utilise information in this area through the support of ACP organisations. <p>Its vision is <i>'to be the partner of choice for those working to empower agricultural and rural communities in Africa, the Caribbean and the Pacific with the knowledge and skills they need to fight poverty and hunger'</i>.¹⁶¹</p>	<p>Brussels.</p> <p>The CDE initially focused on organising trade fairs, but the Cotonou Partnership Agreement reoriented the CDE's mandate towards helping ACP businesses to become more competitive and fostering partnerships between European and ACP businesses. Its mandate was further extended by the 2nd revision of the CPA in 2010.</p> <p>The CPA also expanded the CDE's remit to cover service sectors such as tourism, transport and telecommunications. In addition to its wide network of contacts, CDE has established several decentralised units in ACP countries to enable quicker interventions, greater use of local expertise, and a lower threshold for small enterprises to benefit from CDE support.</p>
<p>The Joint Parliamentary Assembly (JPA) plays three roles:</p> <ol style="list-style-type: none"> 1) advocating the empowerment of ACP national parliaments; 2) promoting democracy and human rights; and 3) monitoring the implementation of the CPA.¹⁶² <p>The JPA is composed of an equal number of MEPs and representatives of the parliaments of each ACP state. It currently consists of 156 members.</p> <p>Two co-presidents who are elected by the Assembly direct its work. Twenty-four vice-presidents (12 European and 12 ACP), also elected by the Assembly, constitute the Bureau of the Joint Parliamentary Assembly, together with the two co-presidents. The Bureau meets several times a year in order to ensure the continuity of the work of the Joint Parliamentary Assembly and to prepare new initiatives aimed notably at reinforcing cooperation.</p> <p>The JPA itself meets twice a year, once in an EU member state and once in an ACP state. The JPA has three committees: for political affairs, for economic development, finance and trade, and for social affairs and the environment. The JPA regularly undertakes exploratory or fact-finding missions.</p>	

The CPA spells out the overall objectives, mandates and governance structures of the CDE, the CTA and the JPA, which are all funded through the EDF. Under the 10th EDF from 2007 to 2013, the CDE was granted a budget of €108 million, the CTA received €96 million and €10 million was set aside for the JPA.¹⁶³

¹⁶¹ <http://www.cta.int/en/about/who-we-are.html>

¹⁶² Delputte 2012: 258.

¹⁶³ Examples of annual fiches with information on the annual budgets for the CDE and CTA are available at http://ec.europa.eu/europeaid/sites/devco/files/aap-supporting-acc-countries-spe-p1-project-approach-af-20111212_en.pdf (CDE) and https://ec.europa.eu/europeaid/sites/devco/files/aap-agricultural-cooperation-acc-eu-spe-af-2011_en_11.pdf (CTA).

How relevant and effective are these dedicated joint institutions?

Centre for the Development of Enterprise (CDE)

Research evidence indicates that the CDE's mandate and level of ambition was increased considerably without a commensurate increase in its resources. Under the 9th EDF, the CDE's average budget per ACP country for promoting private sector development to combat poverty was estimated at just over €160,000 per annum. In 2000-2010, over half the direct grants to ACP businesses did not exceed €5,000. The actual funded interventions also raised doubts about the extent to which the activities supported have a poverty-reducing effect.¹⁶⁴

With regard to the internal functioning of the CDE, financial irregularities were observed by the EU Court of Auditors.¹⁶⁵ While an OLAF (European Anti-Fraud Office) investigation was not carried through due to a lack of evidence, an evaluation report compiled in 2013 did point to serious governance problems, which were reflected by a succession of seven different directors in less than seven years.¹⁶⁶ In 2013, it was decided that the CDE would be gradually closed down.¹⁶⁷ Discussions in the ACP-EU Committee of Ambassadors nonetheless emphasised the need to ensure cooperation activities in support of the ACP private sector, and also clarified that it was the EU's decision to close down the CDE (of which the ACP took note).¹⁶⁸ The EU may now be contradicting its own decision by on the one hand reducing the CDE to a 'lighter structure' while at the same time increasing the budget it proposes for cooperation with the private sector to €600 million under the 11th EDF.¹⁶⁹ It could be argued that this risks increasing the 'projectisation' of ACP-EU cooperation in this area, while reducing its broader role in furthering the ACP-EU partnership.

Technical Centre for Agricultural and Rural Cooperation ACP-EU (CTA)

Because of the need for the adjustment of EPAs and also due to the increased focus on the productive sector in EU development cooperation after 2010, both the CDE and CTA have become – at least in theory – more central to the EU's own development cooperation instruments.

The CTA has done comparatively better in benefiting from this shift in focus, with an unpublished external evaluation observing '*broad consensus among stakeholders of the CTA's unique role within the ACP-EU development community in facilitating information and knowledge exchange and policy dialogue in [Agriculture and Rural Development]*'.¹⁷⁰

However, an ACP-commissioned study criticised the boards of the two organisations as well as the Committee of Ambassadors for doing little to synchronise the joint institutions' programmes with the policies of the ACP group as required by Annex III of the CPA.¹⁷¹ As with the CDE, the EU has also provided significant funding for cooperation programmes in ACP countries relating to the CTA's mandate without its involvement, and none of the two organisations can be seen as strongly benefiting from the higher priority given to food security and the private sector in EU development policy.

¹⁶⁴ Langan, M. (2011) '*Private Sector Development as Poverty and Strategic Discourse: PSD in the Political Economy of EU-Africa Trade Relations*', *Journal of Modern African Studies* 100, 101.

¹⁶⁵ ECA 2000: 428.

¹⁶⁶ CDE (2013) Proposed transformation of the CDE into a specialised and decentralised tool of promotion of ACP SMEs, investments & EU-ACP business partnerships, online:

https://www.cde.int/sites/default/files/documents/proposed_transformation_of_the_cde_en_final.pdf

¹⁶⁷ See: <http://www.acp.int/content/curator-named-see-through-closure-cde>.

¹⁶⁸ ACP-EU Committee of Ambassadors (2014), Outcome of proceedings of the 64th meeting of the ACP-EU Committee of Ambassadors on 16 May 2014, online: <http://data.consilium.europa.eu/doc/document/ST-2104-2015-INIT/en/pdf>.

¹⁶⁹ See: <http://acp.int/content/acp-council-ministers-convenes-next-week>.

¹⁷⁰ EU (2011) Renewed support of the European Commission to Intra-ACP cooperation through 14 programmes, p3 online: <http://www.gtai.de/GTAI/Content/DE/Trade/Fachdaten/PRO/2012/01/P20016.pdf>

¹⁷¹ Babirus CC (2006) Study on the Future of the ACP Group, Brussels: ACP Secretariat. p60

Joint Parliamentary Assembly (JPA)

The ACP-EU Joint Parliamentary Assembly is co-chaired by a member of parliament from an ACP country and a member of the European Parliament. The ACP members of parliament tend to arrive on average between four and five days before the start of each of the two plenary meetings that take place each year. In this period, they meet as the ACP Parliamentary Assembly and also prepare their contributions to the JPA. In addition to the budget provided under the CPA, €5 million was provided under the 10th EDF to facilitate the participation of ACP civil society organisations in JPA meetings.¹⁷² Finally, over and above the contributions from the EDF, the EP also contributes its own resources to the JPA by financing the attendance of MEPs and by providing the appropriate linguistic regime for its MEPs.¹⁷³

Independent research on the operation of the JPA has concluded that its success in performing the three above roles has been limited due to its status as a consultative body without legislative powers. Moreover, ACP and EU participants differ in the degree of importance they attach to each role, with ACP participants valuing CPA monitoring over the other two roles, as well as in terms of the benefits they derive from the JPA. In addition, the absence of political groups¹⁷⁴ means parliamentarians – especially those from ACP countries – behave essentially as government representatives.¹⁷⁵

In view of the frequent cuts in the ACP Secretariat travel budget, the joint institutions create opportunities for ACP Secretariat officials and Brussels-based ACP ambassadors to travel to ACP countries.¹⁷⁶ This helps to explain why ACP participants at the JPA often include non-parliamentary government representatives.¹⁷⁷

Various EU member states have declined to host the JPA plenary for various official reasons in recent years. Both ACP and EU JPA participants regard this as a sign that EU governments do not value the JPA. An own-initiative report by the European Parliament sought to raise awareness on this topic, deploring ‘*the lack of interest shown by some EU member states having held, or expected to hold in the future, the EU Council Presidency by rotation, in hosting the JPA sessions.*’¹⁷⁸ The EU handbook for the rotating presidency nonetheless states that the rotating presidency is required to attend and contribute to JPA sessions, but not to host them.¹⁷⁹

Joint institutions set up under the EPAs

Despite being beyond the scope of the retrospective analysis presented in this study, the new institutions established under the Economic Partnership Agreements (EPAs) require some consideration as to their relationship with the existing joint institutions.

No analysis is presently available of the extent to which these joint institutions overlap with existing ACP and joint ACP-EU institutions. Table 8 lists the institutions created by four of the EPAs. The differences can

¹⁷² EU (2011) Renewed support of the European Commission to Intra-ACP cooperation through 14 programmes, p3 online: <http://www.gtai.de/GTAI/Content/DE/Trade/Fachdaten/PRO/2012/01/P20016.pdf>

¹⁷³ Council of the EU 2015: 7).

¹⁷⁴ Such as in the EP.

¹⁷⁵ Delputte, S. (2012): The ACP-EU Joint Parliamentary Assembly Seen by Its Members: Empowering the Voice of People’s Representatives?, in: European Foreign Affairs Review 17 (2): p258, 259.

¹⁷⁶ This recurring problem is often referred to in speeches by the ACP Secretary General, such as the following: <http://www.acp.int/content/opening-address-secretary-general-100th-session-acp-council-ministers-10-december-brussels>

¹⁷⁷ Kingah, S., Cofelice, A. (2012) EU’s Engagement with African (Sub)Regional Parliaments of ECOWAS, SADC, the EAC and the AU, Brugge: United Nations University Institute on Comparative Regional Integration Studies (Working Paper 2012/8) p16

¹⁷⁸ Goerens, C. (2015) , Report on the work of the ACP-EU Joint Parliamentary Assembly p6. Online:

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A8-2015-0012+0+DOC+PDF+V0//EN>

¹⁷⁹ EU 2011b: 70.

be explained by the various regional groupings' preferences, the larger scope of the Caribbean EPA, as well as by the number of ACP countries covered by the agreement.

Table 8: EPA institutions¹⁸⁰

CARIFORUM (15 states)	ECOWAS (16 ACP states)
1) Joint Council 2) Trade and Development Committee 3) Parliamentary Committee 4) Consultative Committee 5) Special Committee on Customs Cooperation and Trade Facilitation	1) Joint Council 2) Joint Implementation Committee 3) Parliamentary Committee 4) Consultative Committee
EAC (5 ACP states)	SADC (6 ACP states)
1) Joint Council 2) Special Committee on Customs Cooperation	1) Joint Council 2) Trade and Development Committee

The key observations here are that the CARIFORUM-EU and ECOWAS-EU EPA institutions in particular closely overlap with ACP and joint ACP-EU institutions in terms of participation and substance. As a result, EPA institutions may negatively impact high-level participation at their all-ACP equivalents given that the EPA institutions are more likely to address issues of a direct national or regional interest. A big difference with ACP and joint ACP-EU institutions, though, is that most of the EPA institutions do not meet regularly but decide themselves when to convene. The experiences of the Caribbean EPA institutions suggest that the availability of EU funding is an important factor in determining this interaction.

¹⁸⁰ The e text of the agreements is available at <http://trade.ec.europa.eu>.

8. Limited ownership of the CPA beyond official parties

The CPA embraces the principle of participatory development

One of the key innovations of the CPA was to open-up ACP-EU cooperation to actors other than central governments. The **various Lomé Conventions had been pretty much a 'closed shop'** reserved for official parties and reflecting state-centred approaches to development that had prevailed since independence, apart from a consultative committee promoting exchanges among parliamentarians. During the 1990s, the combined effect of structural adjustment programmes and democratisation processes created political space for civil society and the private sector to play their role in development. Inevitably, ACP-EU cooperation had to adapt to these societal dynamics. The negotiation of a successor agreement to Lomé (1998-1999) provided an opportunity to 'democratise' ACP-EU cooperation. Civil society organisations in the ACP countries were keen to seize this first chance to participate in the reflection process leading up to the CPA.

Agreement was ultimately reached when it was decided to incorporate a set of ambitious provisions on the participation of 'non-state actors' in the CPA.¹⁸¹ Participation was seen as a *'fundamental principle'* (under article 2) to be applied across the board, including in the definition of cooperation strategies, in political and policy dialogues and in the course of implementation. However, non-state actors were not given a formal role in the CPA's five-year review cycle, and hence did not have any direct influence over the revisions made to the CPA in 2005 and 2010. These revisions further expanded the range of partnership actors to include regional organisations and the African Union, national ACP parliaments and local governments.

The intention was that non-state actors, particularly civil society organisations, would have access to EDF funding as well as capacity-building programmes, to enable them to become effective governance actors. The CPA invited the ACP private sector to play a key role in achieving development goals such as creating growth and employment, or alleviating poverty, and introduced a comprehensive policy to this end (based on dialogue, integrated approaches to private sector development, and an Investment Facility managed by the European Investment Bank). Openings were also created for political society, initially focused on parliaments. The inclusion of local authorities followed during the first review of the CPA in 2005.

Since the CPA was signed, the imperative of adopting multi-actor approaches to development has been emphasised in a series of treaties, policy documents and international frameworks. The Busan Outcome Document (2011) aptly reflects this trend, with its insistence on country ownership (rather than government ownership) and its recognition of the distinct roles to be played by the various families of actors.

Putting the principle into practice

Over the past 15 years, many ACP countries and regions have taken **formal steps to enhance the participation** of civil society and private sector actors in programming and implementation. Access to funding and instruments was also improved. For instance, dedicated civil society programmes were supported in many places with the aid of EDF resources. Efforts were made to engage with national parliaments in ACP-EU cooperation (beyond members attending the Joint Parliamentary Assembly), including through capacity-building programmes. In recent years, more and more local authorities have been recognised as actors with a distinct identity and specific set of (legally enshrined) competences. In several ACP countries, new opportunities have emerged for local authorities to engage in the domestic policy process on matters concerning them (through their national and regional associations).

¹⁸¹ According to article 6 of the Cotonou Partnership Agreement, non-state actors include (1) the private sector; (2) economic and social partners, including trade union organisations; and (3) civil society in all its diversity, in accordance with national characteristics.

However, despite these positive dynamics, the available evidence clearly suggests that the **overall track record of participatory approaches is quite sobering in many ACP states**.¹⁸² The following facts support this contention:

- ✓ *Limited scope for upstream participation in the definition of cooperation strategies as well as in political and policy dialogue.* Again with notable exceptions, most ACP governments have been reluctant to create space for the genuine participation of other actors in domestic policy processes. This was recognised during a recent round-table meeting organised by DG DEVCO/EEAS on the future of ACP-EU relations after 2020, on the topic of 'Stakeholders and Institutions'.¹⁸³ While participants were enthusiastic about the presence of a legal framework that institutionalises stakeholder participation, they felt that the *'actual dialogue that has taken place with stakeholders was [...] weak at best'*.¹⁸⁴ A highly centralised culture clearly still prevails among ACP officials in charge at country and regional level, as well as in the ACP institutions. While the EU has gradually adopted more sophisticated policy frameworks for civil society,¹⁸⁵ local authorities¹⁸⁶ and the private sector,¹⁸⁷ many EU Delegations have found it hard to implement these new strategies. As a result, **centralised approaches are still quite dominant** and the voice of these other actors remains limited to core ACP-EU cooperation processes such as programming, political and policy dialogue, and sector budget operations.

- ✓ *Difficult and cumbersome access to funding.* Abundant evaluation material shows that a host of **political, institutional and procedural constraints often block access to funding** for non-official parties to the CPA. **Civil society actors** who seek to be active in human rights or governance-related matters face more and more big obstacles as governments adopt restrictive laws or block support programmes with a clear empowerment perspective - using the controlling power of the National Authorising Officer to this end, based on the principle of co-management (see section 7.2 above). **Private sector operators** in particular often find it tough to engage with the CPA's highly centralised style of governance and management, as well as with the cumbersome procedures. This, in turn, limits the incentives for private sector actors to engage in dialogue and policy processes or even to look for funding (as transaction costs were seen to be too high). The unfolding story of the Centre for the Development of Enterprise (CDE) is further testimony to this centralised management approach that is hard to reconcile with private sector dynamics. In many countries, **local authorities** also face an uphill struggle to obtain meaningful levels of autonomy from central governments that resist effective decentralisation. As newcomers to ACP-EU cooperation, they face information gaps about the opportunities offered by the CPA, as well as major capacity challenges limiting their ability to engage effectively. Access to funding is hampered by ill-suited instruments and procedures (including the use of 'calls for proposals' for local authorities). Their integration into mainstream cooperation processes (e.g. policy dialogue and sector budget support operations) is therefore still in an embryonic stage.

¹⁸² This evidence comes from various sources, including EC country strategy evaluations as well as project and thematic evaluations. The latter category includes the 2008 evaluation of EC aid channelled through civil society, the 2011 evaluation of EC support for human rights and fundamental freedoms, and the 2013 evaluation of EC support for private sector development. The confederation of European NGOs (CONCORD) monitors the quality of civil society participation, particularly in programming processes, in a quite systematic way.

¹⁸³ This was part of a series of round-table conferences organised in first half of 2015.

¹⁸⁴ See White, V. 2015. *ACP-EU relations after 2020: Issues for the EU in consultation phase 1*. Final report. July 2015, p. 32.

¹⁸⁵ EC Communication on: *The roots of democracy and sustainable development. Europe's engagement with Civil Society in external relations*. Brussels, 12 September 2012, COM (2012) 492 final.

¹⁸⁶ EC Communication on: *Empowering local authorities for enhanced governance and more effective development outcomes*. Brussels, 15 May 2013. COM (2013) 280 final.

¹⁸⁷ EC Communication on: *A Stronger Role for the Private Sector in Achieving Inclusive Growth and Sustainable Development in Developing Countries*. Brussels 13 May 2014. COM (2014) 263

- ✓ *Ownership and knowledge of the CPA are concentrated mainly in the 'Brussels-based' actors.* Recent studies and reports¹⁸⁸ have argued that **the whole ACP-EU construct does not count with much ownership 'beyond the Brussels arena'** and the small group of diplomats, officials, experts and partners directly involved in the implementation of ACP-EU cooperation. On the ground, a multitude of actors are involved in or benefit from concrete cooperation activities funded through the EDF. Yet the link is seldom made between this aid and the wider ACP-EU cooperation framework, overall political objectives, and the institutional architecture, processes, procedures and instruments. There is thus a sizeable 'disconnect' between the structures and inner circles involved with the CPA's functioning on the one hand, and other actors in ACP countries on the other. As a result, the number of well-informed and engaged actors and stakeholders in ACP-EU processes is rather limited.

The political economy of participation under the CPA

What does all this mean from a political economy perspective? Why is there such a sobering track record in terms of applying participatory principles? Why is there this big gap between ambitions and practice? And what are the prospects for altering the underlying rules of the game, including centralised governance and management as well as the lack of transparency and public accountability on the impact of ACP-EU cooperation?

Four key political economy factors may shed light on the tenacity of the centralised approaches to cooperation that still characterise the ACP-EU partnership:

- ✓ **Focus on aid resources.** While the CPA formally opens the door to other actors in relation to all pillars (i.e. aid, trade and political dimensions), in practice, most of the traction and action takes place in relation to accessing EU and EDF resources. This soon became the prime arena in which the various actors engaged and competed with each other. With a few notable exceptions, it proved much more difficult to provide space and incentives for the meaningful participation of non-state actors in domestic policy processes, political dialogue or negotiating processes with the EU (e.g. around EPA negotiations or concrete policy coherence for development dossiers).¹⁸⁹ This confirms that the CPA's main pole of attraction is the development pillar providing access to aid resources.
- ✓ **Limited traction for non-state actors to engage at all-ACP level.** In the first decade of the CPA, the ACP Secretariat, the EU and the actors themselves created innovative mechanisms for dialogue at different levels (national, regional and all-ACP) that would allow participation to go 'beyond aid'. 'Cotonou platforms' of non-state actors were created in several ACP countries. These were formed in response to EDF requirements and the institutional constraints of EC Delegations, which lacked sufficient staff resources to engage with individual non-state actors. The dynamics were similar at an all-ACP level, resulting in the creation of **an ACP Civil Society Network, an ACP Business Forum and an ACP Local Government Platform**. After a promising start, each of these platforms gradually lost momentum and at this stage these all-ACP Platforms have either ceased to exist (see the box below on the ACP-EU Business Forum) or are no longer effectively operating. While a lack of funding and capacity are the main reasons for their demise, there are also more profound political economy factors at work. In trying to set up their platforms, non-state actors from the ACP struggled to ensure legitimacy, representation and effective action around common interests.¹⁹⁰ For most actors, the overall ACP-EU framework proved too abstract, distant and complex to organise meaningful collective action and influence policy processes with any chance of success. As analysed in section 5, the core ACP

¹⁸⁸ See: Keijzer, N., Negre, M. (2014) *Outsourcing a partnership? Assessing ACP-EU cooperation under the Cotonou Partnership Agreement*, in: South African Journal of International Affairs, Volume 21, Issue 2, 2014.

¹⁸⁹ There are quite a few examples of ACP countries (e.g. Mauritius and Kenya) that gave a prominent place to their private sectors in the EPA negotiations.

¹⁹⁰ W.E. Koekebakker. 3013. *The ACP Civil Society Forum Study*. Final Report. August 2013.

and joint ACP-EU institutions do not engage the two parties and govern their partnership in a dynamic manner and instead largely focus on symbolical and administrative matters. As a result, they do not provide an enabling environment for the partnership actors to engage with and inform each other. Other frameworks '*closer to home*' (at a national and regional level) have proved more promising as a means of engaging and investing scarce capacities and resources.

Box 10: The private sector in dialogue and decision-making

A series of consultative fora were set up to facilitate inter-regional dialogue during the early years of the CPA. These included the now discontinued ACP-EU Business Forum with its broad objectives of '*promoting linkages and collaboration among ACP private sector actors and their EU business partners; strengthening the overall capacity of ACP private sector actors to effectively participate in the formulation and implementation of ACP-EU cooperation at national, sub-regional, regional and global levels; building a new public-private partnership with ACP governments and with the EU, based on dialogue, a quest for complementary action and mutual accountability*'.¹⁹¹ While the business forum initially created some opportunities for policy engagement, the structure quickly lost momentum, and was discontinued in favour of regional business fora. These are now held at regular intervals between the EU and Africa, CARIFORUM and the Pacific. The main public interlocutors at these events are regional institutions and the EU.

- ✓ *Power and control of resources.* Another key political economy factor relates to the limits of substantive democratisation in a number of ACP states, particularly in Africa. State-society relations are under tension in many places and space for civil society is closing – despite the formal adherence by the governments involved to all types of international treaties, African charters and other normative instruments. This worrying trend is visible not only in authoritarian states, but also in countries with formal democratic credentials. It has induced the EU to include the issue of an '*enabling environment*' for civil society as one of its political priorities (in the ACP and elsewhere). Yet it remains to be seen how much political leverage the EU can mobilise to further this cause, particularly in partner countries that are important from a geopolitical, security or economic perspective. Finally, the control over aid resources is a key driver in blocking other actors' effective participation and access to funding. In many places, '*sharing the pie*' is not in the interests of the ruling elites. It also explains why, in countries with weak governance systems, attempts are made to ensure that the beneficiaries of EU aid programmes are part of clientelist networks linked to the power-holders (this phenomenon is seen in relation to private sector support programmes, for instance).
- ✓ *The rules of the game strengthen the hand of power-holders.* The **CPA structures, systems and procedures tend to reinforce this 'monopoly position' of central governments**, while at the same time reducing the opportunities for the transparent and accountable management of the funds involved. EU management approaches and aid modalities (e.g. budget support) are not necessarily helpful as they often display a bias towards dealing almost exclusively with the central state and therefore reinforce unequal power positions.

The implications for the review of the CPA

There are three major implications that deserve to be examined if the purpose is to have a truly inclusive cooperation framework that is fit to address the global development agenda beyond 2020.

First, the CPA's observed ownership deficit among actors and stakeholders is not a unique phenomenon. Other cooperation agreements (such as the JAES and the ENPI) face similar challenges in broadening their scope beyond governments and meaningfully engaging with civil society, private sector actors and local authorities. Yet this **demonstrates again that the existence of a legally binding treaty does not in**

¹⁹¹ Puello, M. 2003. *The ACP Business Forum: a platform to enhance private sector capacities and development.* the Courier ACP-EU no. 199 July-August 2003.

itself guarantee that key provisions such as those on participation will be effectively enforced. The challenges faced by EU Delegations in pleading for inclusiveness in the ACP are similar to those faced in other partner countries. The political environment and the health of state-society relations are the determining factors, rather than the nature of the cooperation agreement.

Second, viewed from a political economy perspective, the **chances are limited that official parties will abandon this culture of centralisation and marginalisation of non-state actors** (in the majority of ACP countries). Power considerations and interests (e.g. keeping control of the rents linked to the EDF) are strong drivers for maintaining the *status quo*. The emerging debate on the future of the CPA has seen a great deal of talk about the need to adopt multi-actor approaches. Yet the proposals contained in the report of the Ambassadors Working Group give major cause for concern. The lengthy document devotes only a few paragraphs to the issue of participation without mentioning any innovative ideas or approaches.

Third, all this makes the CPA – and the way that it is currently managed - **unfit to address the 2030 Agenda for Sustainable Development**. The effective implementation of this global framework depends heavily on the participation of all families of actors, including in terms of financial contributions (particularly from the private sector). The CPA's highly centralised and intergovernmental governance model is also out of tune with societal dynamics in the world and the rise of networking forms of governance to solve complex problems. Future institutions and cooperation frameworks will be judged by their ability to adopt truly inclusive approaches, thus ensuring their legitimacy and effectiveness in terms of collective action.¹⁹²

¹⁹² Goldin, I. 2013. *Divided Nations. Why global governance is failing and what can we do about it?* Oxford University Press.

9. Can the ACP-EU framework contribute to the provision of global public goods?

In September 2015, the international community approved the **2030 Agenda for Sustainable Development**, with its 17 goals and 167 targets, as a successor agreement to the Millennium Development Goals (2000-2015). It remains to be seen how this ambitious agenda will be picked up by all parties concerned in the years to come. At the same time, the new framework will shape both the content and process of international cooperation. In this context, the question arises as to whether the ACP-EU partnership is fit for purpose in terms of its ability to deal with the global development agenda beyond 2020 when the CPA expires.

A recurrent proposal in the incipient debate on the future of ACP-EU relations is to integrate the 2030 Agenda in the text of a follow-up agreement. In theory, this could easily be done – using an approach already applied to previous reviews of the treaty. Few will disagree that all the sustainable development goals are also relevant to ACP states.

Yet such a reform scenario is based on an assumption that the ACP-EU framework is a suitable vehicle for effectively addressing global development challenges or that it can be made into one. The following section analyses this assumption from a political economy perspective. Is the right configuration of actors, power relations, interests and incentives in place to effectively implement the 2030 Agenda under the ACP-EU framework? To what extent are the CPA's 'rules of the game' compatible with the *software* required to tackle global development challenges beyond 2020? If not, can the CPA be rewired and made fit for purpose?

Assessing the ability of the ACP-EU framework to deliver the 2030 Agenda

The CPA was not initially designed to deal with the issue of global public goods (GPG). However, in the past decade, consecutive revisions of the CPA have added more and more provisions on global issues such as peace and security, migration, the fight against terrorism, climate change, etc., along with increasing collective action to come up with concrete responses to some of these global issues. This means that the ACP-EU framework has to some degree been *tested* in terms of addressing the issue of global public goods.

In order to draw lessons for the suitability of the ACP-EU to address these issues in the future, this study looked at experiences with regard to three public goods: food security, climate change, migration. What worked, what did not and why?

The **overall conclusion** is that ***the ACP-EU framework, as presently structured and operated, does not prove a suitable vehicle for organising effective collective action*** and obtaining mutually beneficial results. The outcomes of joint action were generally limited to formal declarations without any concrete follow-up or any direct influence on the policy processes involved. The most concrete type of action was generally the allocation of funds to (short-term) projects in these areas, for example through EDF-funded intra-ACP facilities. A case in point is the *ACP Observatory on Migration*, funded under the 10th EDF and implemented under a consortium led by the International Office for Migration (IOM). Despite producing highly relevant research, it only lasted until 2014 and subsequently closed down.

The **reasons for the limited engagement and lack of outcomes** are in line with the overall findings of this PEA study. ***The ACP-EU framework is not conducive to organising a structured dialogue, articulating a coherent set of interests and ensuring result-oriented negotiations or joint actions.*** This is a result of the substantial heterogeneity of the members of the partnership, which tends to hamper

cohesive action, as well as the difficulties faced by the ACP institutions in brokering a clear and workable position in many of these areas. The effective resolution of these global issues requires legitimacy, proximity and subsidiarity. **Other policy frameworks and multilateral arrangements can provide this more effectively than the ACP-EU partnership.** This explains why the real locus of traction and action surrounding global public goods in each of these three cases is found at 'lower levels' than a tri-continental structure, in particular at regional, sub-regional or thematic levels.

A close examination of ACP-EU experiences in dealing with each of these global public goods confirms this overall conclusion, as explained below.

Food security

Agriculture and food security have been a long-standing priority for cooperation since the Lomé Conventions, particularly with Africa. In practice, this objective has been pursued using the development cooperation pillar of the CPA, specialised (technical) institutions funded through the EDF (e.g. CTA and COLEACP) and other financial instruments (such as the EU Food Facility). Besides a general declaration of the Joint Parliamentary Assembly on the importance of food security, the issue has not been picked up at a political level by the ACP group or in the ACP-EU framework. No joint declarations have been issued; no common positions have been adopted. The only discussion of agriculture and food security has been in the framework of EPA negotiations, i.e. mainly warnings against the potential negative impact of EPAs. The ACP group is not represented at the Food and Agriculture Organisation of the United Nations (FAO) – though the first ever Memorandum of Understanding was signed with the ACP group in June 2015 to work together and assist on food security and climate change.¹⁹³

This modest track record is linked to the nature of the policy issue involved and the whole question of who does what in a multi-level governance system. Food is first and foremost a highly context-specific issue at the level of livelihoods as well as at local and national levels. The AU's flagship initiative, the Comprehensive Africa Agriculture Development Programme (CAADP), has also been criticised for being 'too high-up', given the differences among African countries and the resultant need for customised approaches. Even the Regional Economic Communities (RECs) struggle to provide added value. Against this background, it is hard to see the relevance of a tri-continental structure.

Evidently, food security needs to be addressed as a GPG. This terrain is occupied by global institutions with a specific mandate (such as the FAO, the World Food Programme, and the International Fund for Agricultural Development) and scientific research centres operating under the Consultative Group for International Agricultural Research, special UN rapporteurs or new fora created at that level (such as the Global Alliance on Climate Smart Agriculture). The ACP group and ACP-EU cooperation do not play a role at such higher levels, partly because these UN-led processes and dynamics follow the typical UN groupings (such as the G77, the Africa Group and the Asia Group).

The message is clear and illustrates the **principle of subsidiarity**. If ACP states want to defend their food security interests at higher levels, they go first to their (relevant) regional body, then possibly to the AU or the groups in the UN-related fora. There is no space and added value for the ACP-EU framework.

Migration

The ACP-EU partnership on migration is characterised by a dichotomy. On the one hand, it has a strong focus on North-South migration management, with specific emphasis on the return and readmission of

¹⁹³ See: <http://www.fao.org/news/story/en/item/289579/icode/>

African nationals from the EU. On the other hand, it includes progressive efforts to focus on South-South migration, which is of increasing relevance to the ACP group, mainly in the context of the EU's development cooperation partnership.¹⁹⁴ The ACP group's position has been to emphasise the developmental effects of migration, e.g. in its 2006 Declaration on Asylum, Migration and Mobility. At this level, it has been possible to find common ground with the EU. Some progress has been made in building migration- and development-related capacities in ACP states. Through its regional, national and intra-ACP envelopes, the EDF has supported relevant projects and programmes. This, in turn, has been instrumental in the formulation of a joint ACP-EU position that was published ahead of the UN High Level Dialogue on International Migration and Development in October 2013.

By contrast, the **issue of return and readmission** – as reflected in **article 13** of the CPA – has become **one of the most contentious aspects** of the ACP-EU partnership. A long-standing lack of mutual trust, exacerbated by the article 13 negotiations, has hampered the development and implementation of a comprehensive common ACP-EU agenda for action.¹⁹⁵

However, as no similar legal framework exists with a group of countries, the **ACP-EU framework is in some circles perceived to be of strategic importance for the EU as the basis for obliging African states to readmit migrants from ACP states**. The existence of a legally binding provision such as article 13 may prove a powerful incentive for some EU member states to prolong the CPA. **Yet it is doubtful whether this will turn out to be an effective instrument of enforcement**, considering past tensions and blockages. The ACP group was also not invited to attend the recent Valetta Summit on migration.

Whereas the ACP framework is seen as relevant to a bilateral dialogue on readmission, the ACP group as an intergovernmental organisation is not seen as a key interlocutor in the area of migration. As regards the overall dialogue with ACP states, the EU noted in its assessment of the implementation of the Global Approach on Migration and Development: *'Despite of progress made, the ACP-EU Migration Dialogue is complicated by the fact that the African, Caribbean and Pacific macro-regions are very differently placed with respect to EU migration policies and their commitment in this dialogue varies accordingly.'*¹⁹⁶

As a result, the **EU increasingly favours a continental and regional approach to migration issues, particularly in relation to Africa**. From the perspective of the EU member states, the Africa-EU partnership has greater strategic value as it includes most of Europe's neighbourhood in the Southern Mediterranean. Hence, political traction and action are derived from Regional Dialogues (known as the Khartoum and Rabat processes) and are placed in the context of EU-Africa relations (as illustrated by the recent Valetta Summit in November 2015). Similarly to the ACP-EU dialogue, the EU-Africa dialogue is hampered by the presence of too many countries with too divergent interests. Here too, the subsidiarity principle will be a driving force in placing 'regional routes' in pole position as the place where results could be achieved. In all these discussions, the ACP framework has been mentioned only in relation to the issue of return and readmission.

This is not to say that the ACP group does not offer any potential added value in providing expertise and perspectives on South-South regional or inter-continental migration. Demands for and flows of migration between and within the two groupings have grown and are unlikely to subside in the coming decades. Yet the ACP group as a whole has not yet clearly articulated its own vision and position so as to fully define and exploit its possible added value over other cooperation frameworks. So far, for example, we have seen

¹⁹⁴ For a more detailed analysis, including data on migration flows, see Knoll, A. 2015. *ACP-EU Migration Policy* (forthcoming)

¹⁹⁵ The revision of the CPA in 2010 did not include a modification of article 13 to upgrade the partners' ambitions. Once again, the issue of readmission prevented an agreement from being reached.

¹⁹⁶ European Commission. 2014. *Report on the implementation of the Global Approach to Migration and Mobility (2012-2013)*. COM/2014/096 final.

limited ownership of cooperation projects such as the intra-ACP Migration Facility. Moreover, the fact that migration as a topic has not featured prominently in the ACP group's own reflections on the future of the CPA may indicate that there is simply not enough interest in pursuing a strong common intra-ACP cooperation agenda on migration with partners.

Climate change

The CPA contains a brief mention of climate change, mainly as a cooperation challenge in relation to the vulnerability of small-island ACP countries (article 32(2)). Since the CPA was signed, the theme has gradually gained momentum, for example through two Joint ACP-EU Declarations (in 2006 and 2009) of uncertain impact and follow-up, as well as during the 2010 review of the CPA, in which parties recognised the **global challenge of climate change** as a major subject for their partnership.

In recent years, the ACP group also developed a common position ahead of the UN Framework Convention on Climate Change (UNFCCC), the Conference of the Parties (COP 20) in Lima in 2014,¹⁹⁷ and an Issue Paper for COP 21 in Paris. These policy documents reveal a strong consensus on the need for a legally-binding agreement that allows a balance to be struck between mitigation and adaptation financing and scaling-up new, additional, predictable and adequate finances. Yet different sources from the EU and the ACP consulted for this study made the point that the **ACP group's visibility and collective action capacity was very limited at successive COPs** as countries prefer to operate through other groupings and alliances. The Group is also not known to the 'new', non-developmental related actors that are involved in climate-change dialogue processes (such as the EU's DG CLIMA). The Green Diplomacy Network was recently revived under the leadership of the EEAS, but the ACP is not present in this network and DG DEVCO does not have much influence.

As with other policy processes relating to global public goods, **regional dynamics are gradually taking over**. Although all these alternative institutional frameworks such as the JAES, the LDC group or the SIDS (see box 11 below) also face major challenges,¹⁹⁸ they undoubtedly offer more political traction and scope for managing common interests. The JAES in particular has the potential to provide a **platform for political dialogue and cooperation in areas beyond development cooperation and trade**. Over the years, it has helped to build a common understanding between African and EU actors on various climate-related issues and on their respective positions in the UNFCCC negotiations. It may also have improved the coherence of some of their climate-related actions. For example, ClimDev-Africa, a JAES-sponsored programme has informed processes guided by the JAES such as the Great Green Wall for the Sahara and the Sahel Initiative, an initiative for climate change adaptation.

During the **recently concluded negotiations in Paris on a new climate compact (COP 21)** the ACP Group joined forces with the EU and other key players to call for an ambitious and legally binding agreement. This led some to observe that the ACP as a Group has still high political relevance for the EU and as global player. However, a political economy analysis of what happened in the run-up and during the COP 21 puts things in perspective. The EU and its Member States, together with a group of Small Islands Developing States (SIDS) through the Alliance of Small Island States (AOSIS) played a leading role in driving forward a "high ambition coalition" that did the technical and political groundwork to elaborate

¹⁹⁷ With the aid of meetings funded by the EC-funded Global Climate Change Alliance (GCCA), an intra-ACP programme aimed at

tackling the challenges posed by climate change to the development of ACP states. The programme was funded in part by the intra-ACP envelope (€40 million).

¹⁹⁸ The interviews suggest that many African official parties still perceive the EU to engage as 'a paternalistic actor, unable to consider the AU and its members as equal partners, including by exercising firm control over the agenda, and the substance and process of consultations and meetings'. This problem, i.e. of the EU imposing its agenda on African stakeholders, is found across the JAES partnerships.

ambitious negotiation proposals. The EU had been preparing this coalition for months, with outreach efforts going to the Caribbean, the Pacific, Latin American (AILAC) countries, and Morocco. Formally the ACP Group as such played no lead role in this preparation process. Its contribution was largely limited to providing political support to this agenda during the final stages of the COP 21, followed afterwards by other countries, including “deal breakers” such as Brazil, Canada, Japan and the US.

Box 11: The relevance of the ACP group to the SIDS

The group of Small Island Developing States (SIDS), which was recognised by the UN Conference on Environment and Development (UNCED) in 1992, consists of 52 member states.¹⁹⁹ They are all low-lying coastal countries that face very similar sustainable development challenges such as remoteness, the difficulty of creating economies of scale, access to markets, small but growing populations and limited resources. They are connected by their inherent vulnerability. Though not formally recognised by the UN, they are attracting growing international attention.²⁰⁰ As a group, they struggle to forge a consensus on certain aspects of the climate negotiations. Their positions on other common foreign policy issues are even more fragmented.

A documentary analysis coupled with the interviews conducted for the purpose of this study clearly suggest that the most important alliances for the SIDS have not been within the ACP. In theory, a tri-continental structure might be expected to amplify the voice of small island states and protect them better against foreign interference. Yet this potential of the ACP group did not materialise, partly because it has proved difficult to reconcile the interests of such a heterogeneous set of countries – the majority of them located in Africa, where the problem of vulnerable island states is less acute.²⁰¹

The relevance of the ACP framework is further weakened by the existence of a variety of alternative institutional frameworks through which the SIDS can increase their impact. First and foremost, the Alliance of Small Island States (AOSIS), established in 1990 and bringing together 39 member states, is the key arrangement for the SIDS to engage in ‘collective action’ to address global warming in the UNFCCC framework.²⁰² For example, it brings together regional issues, such as the Caribbean Community Climate Change Centre (5Cs) for the islands in the Caribbean. The EU also partnered strategically with AOSIS, mostly on climate change, for instance in relation to the SAMOA Pathway Document.

The ‘software’ of the 2030 Agenda is not compatible with the CPA’s rules of the game

Contrary to its predecessors, the 2030 Agenda is ‘universal’. It is premised on the fact that all countries have common challenges and need to take responsibilities at various levels in order to achieve the sustainable development goals. Such a drastic extension of the agenda inevitably requires a **major change in the way international cooperation is organised**. Consider the following implications of the new policy framework:

- ✓ A universal Post-2015 agenda is set to abandon the traditional *North-South divide* as the dominant conceptual frame and rationale for cooperation between *rich* and *poor* countries. The SDGs apply to the EU as much as they do to the ACP, and Europe faces significant challenges in attaining the goals.

¹⁹⁹ <https://sustainabledevelopment.un.org/topics/sids/memberstates>

²⁰⁰ The UN proclaimed 2014 as the ‘International Year of Small Island Developing States’. At the UN Third International Conference on SIDS in September 2014, global leaders adopted the SIDS Accelerated Modalities of Action (SAMOA) Pathway Document that calls for greater action on sustainable development by building resilience and strengthening partnerships.

²⁰¹ To prepare for COP21, an Issue Paper has been adopted by the ACP group’s Sub-committee on Sustainable Development. It covers key issues of convergence for the 79 member states spanning sub-Saharan Africa, the Caribbean and the Pacific Islands, ranging from adaptation to climate variability and adequate support for adaptation actions, especially for LDCs and SIDS, to climate financing, and reducing emissions from deforestation. Interviewees appreciated the importance of this attempt to produce an Issue Paper, because it reflects the concerns of the SIDS and other ACP countries instead of simply responding to the EU’s demands and interests, as is traditionally the case. Yet it carries the risk of being a very broad set of positions reflecting all the divergent interests within the group and thus a rather weak bargaining tool.

²⁰² AOSIS has generally been characterised by cohesiveness, based on its members’ structurally predetermined realities, i.e. vulnerability to climate change. However, some observers claim that this ‘unity’ has come under stress due to the fragmentation of the UNFCCC regime itself. See: http://www.cis.ethz.ch/content/dam/ethz/special-interest/gess/cis/cis-dam/Research/Working_Papers/WP_2011/2011_WP72_Betzold_Castro_Weiler.pdf.

- ✓ The new agenda broadens the remit of international development cooperation far beyond poverty reduction to include many things not traditionally financed by Official Development Assistance (ODA).
- ✓ Development cooperation is moving beyond aid. International solidarity will continue, particularly with regard to the poorest countries and fragile states. Yet the **focus will be less on financial transfers and much more on managing global challenges through new forms of collective action**, policy coherence for *sustainable development*, global governance and mutual accountability.
- ✓ With the 2030 Agenda, **differentiation has become a crucial guiding principle**. The EU already differentiates its financial assistance according to levels of development, including vis-à-vis the ACP group, whose upper-middle income and high-income states may graduate from cooperation at a national level after 2020. The notion of *shared responsibility* will be crucial.
- ✓ Implementing this new global agenda cannot simply be entrusted to multilateral institutions, aid agencies or partnership frameworks that were created in another era. Innovative global and regional governance structures and networks will be needed. **New institutional actors and stakeholders** will join the cooperation process (beyond the traditional development community).
- ✓ The debate is still ongoing about how to take the 2030 Agenda further, and what *means of implementation* this will require. While the old model of unilateral (financial) solidarity between North and South is clearly on its way out, many Least Developed Countries (LDCs) face challenges of increasing fragility and will continue to require traditional support. However, development cooperation under the 2030 Agenda will increasingly revolve around countries' own **domestic resource mobilisation**.

In view of the **rules of the game that currently apply in the ACP-EU partnership**, the CPA software seems to be less and less **compatible with what is needed to implement the 2030 Agenda ambitiously and effectively**:

- ✓ Rather than being based on the development prospects of all developing countries, the CPA is an exclusive partnership with a group of countries with whom the EU has historical ties.
- ✓ The CPA is essentially a North-South partnership concerned primarily with the implementation of consecutive EDFs, with the aim of supporting the development of ACP states. Beyond this point, it is difficult to detect any effective collective action on non-aid EU policies, such as dialogue that may affect ACP interests, political dialogue on common interests or engagement in international fora on global issues.
- ✓ The ACP has been reluctant to accept the principle of differentiation,²⁰³ arguing that this would jeopardise the group's unity and erode solidarity among its members.
- ✓ The ACP-EU partnership has been unsuccessful in creating space for a genuine involvement of actors other than central governments.

Considering the gap in approaches between the development philosophy of the ACP-EU partnership (as an asymmetrical donor-recipient relationship focusing primarily on aid) and the universal 2030 Agenda (concerned as it is with global development challenges that are to be addressed by all countries through a

²⁰³ Even though differentiation is part of the CPA, since the publication of the EU's Agenda for Change, ACP officials have repeatedly expressed concerns about the issues of differentiation and graduation.

variety of funding resources) it is **highly improbable that a revised CPA can be made fit to drive these objectives**. The 2030 Agenda innovates with its ambition. Delivering on these 17 goals requires thorough soul-searching, not only by the EU and the ACP, but by the entire traditional 'development community'. ODA will play a role in the implementation process. However, it cannot be the driving force behind this global agenda.

10. Conclusions

The aim of a political economy analysis is not to identify *desirable* changes, but to better understand why things are the way they are and how the configuration of contextual factors, power, interests and incentives determines the prospects for effective change. It may contribute to a more refined understanding of the underlying factors that explain the success or failure of policies and practices. This, in turn, can help identify realistic trajectories of change for the future.

This section draws conclusions from our political economy analysis of the ACP-EU partnership and looks at the implications for the review process of the ACP-EU partnership

Conclusion 1: The ACP-EU partnership is at a critical juncture

ACP-EU relations can look back on over 40 years of common history. This shared history has forged bonds as well as a set of formal and informal rules of the game regulating the various aspects of the partnership. The post-colonial arrangement between the EEC and ACP, institutionalised through the first Lomé Convention (1975-1980), has shown a remarkable capacity to adjust to changing circumstances. However, by the mid-1990s the so-called Lomé spirit of *'equal partnership'* had lost momentum (see section 4). This prompted the parties to introduce quite transformative innovations into the Cotonou Partnership Agreement (2000-2020), with the potential to reinvigorate the relationship between the ACP and the EU (section 2).

Fifteen years on, the evidence is that this intended revitalisation did not take place. This has been due to major changes in the world around, in the ACP and in the EU. These forces have led to the gradual **marginalisation of the ACP-EU framework on both sides** (section 2). The writing on the wall is clear to read:

- ✓ In practice, the CPA has evolved mainly into a development cooperation mechanism with limited political and trade value (see sections 2, 5, 6 and 9).
- ✓ Most of the building blocks that imbued the partnership with the strength and capacity to conclude mutually beneficial deals in the past (such as the existence of common interests) have fundamentally altered over time (see section 4).
- ✓ The ACP group is increasingly seeking to widen its relations to include non-EU partners (sections 2 and 5), while the EU is articulating its interests through other global and regional policy frameworks – including with members of the ACP group (section 6). The relationship between Europe and Africa, organised through the African Union and the Regional Economic Communities (RECs), is a case in point.
- ✓ In theory, 28 EU member states and 79 ACP countries represent a significant force in multilateral settings. However, effective coalitions have not materialised because it has proved difficult to find common ground among such a large and heterogeneous group of states on either side. As a result, the ACP-EU framework has limited political clout (sections 5, 6 and 9).
- ✓ Knowledge of the CPA outside the 'Brussels arena' is limited. The ownership of the partnership is restricted mainly to central governments and DG DEVCO (section 8).

All this indicates that the *justification* of the partnership, rooted in a joint colonial past, has been diluted over time. A number of EU member states, particularly those with far less – or indeed no – affinity with this legacy, will have a tough time finding convincing arguments for continuing a partnership arrangement with an exclusive group of countries whose composition is motivated by history. This applies particularly at a time when globalisation and regionalisation dynamics are setting the tone and a new *universal* 2030 Agenda on Sustainable Development has been embraced by the international community.

Conclusion 2: The weakness of the ACP-EU foundations affects its overall performance and impact

During its long history, the ACP-EU partnership has delivered a wide range of development outcomes through its national and regional programmes. In many ways, the Lomé Conventions and the CPA may be credited for having functioned as a *laboratory* for testing innovative approaches to international cooperation, particularly in the initial years of the partnership (see section 4). Recent evaluations by EU member states indicate that, broadly speaking, EDF resources have been allocated to pertinent development priorities (section 2). It is not easy to gauge whether this has been due to the existence of the CPA framework. The bulk of EDF resources are managed *de facto* in a highly decentralised manner at country and regional level (with limited involvement of the apex structures). Only the resources dedicated to intra-ACP cooperation are managed centrally.

Yet when one scratches a bit deeper, one finds substantial evidence pointing to a major implementation gap between the laudable ambitions of the CPA and the actual practice of the partnership. This is generally attributed to a host of institutional and technical factors, including weak capacities.

The present study tells a different story. It argues that the **limited effectiveness of many CPA provisions is due primarily to political factors** – such as power relations and the interests and incentives of the various actors. This logic helps to explain the less than optimum performance of the CPA and the limited impact of core elements such as:

- ✓ *Political dialogue.* The inclusion in the CPA of a *legal architecture* for political dialogue and conditionality (Articles 8 and 96-97) tends to be highly appreciated by EU policy-makers as a leverage tool in the field of democracy and human rights. The evidence collected for the purpose of this study challenges this view (section 7). In practice, political dialogue under the CPA has been either regionalised (e.g. towards the AU) or bilateral (with limited influence exerted by the ACP group as a whole). Although the EU has tried both positive conditionality (in the form of the Governance Incentive Tranche, for example) and negative conditionality (e.g. the suspension of aid) on the ACP group, success stories are hard to find.

Organising an effective political dialogue is generally a challenging exercise, despite the existence of the CPA as a normative framework. This is due to profound changes in the relations between the parties. A growing number of ACP countries are less dependent on aid. To an increasing degree, Western policies on and practices in democracy and human rights promotion are viewed as inconsistent and applying double standards. In most cases, the EU no longer has the power and leverage needed to influence decision-making through political dialogue or conditional aid. Major tensions now surround a number of sensitive issues, such as LGBT-related issues, the role played by the International Criminal Court, the space for civil society, and the return and the readmission of migrants. These differences have raised doubts about whether both parties share the core values of the CPA.

- ✓ *Participatory approaches under the CPA.* Despite generous provisions and laudable support programmes for a wide range of actors (such as parliaments, civil society, the private sector and local authorities), ACP-EU cooperation has remained a rather closed shop, managed in a highly centralised manner. This is due to the partnership's long-standing focus on government-to-government cooperation, as well as to the limited amount of support provided by many ACP governments for meaningfully involving other actors in the process (section 8).
- ✓ *Intra-ACP cooperation.* This has been a formally stated core ambition of the ACP group since 1975. Yet 40 years on, ACP actors openly recognise that things have not worked out as hoped. While interesting projects have been funded (including on global development issues), few initiatives have reinforced cooperation and networking among ACP regions and countries. Progress in intra-ACP cooperation remains largely dependent on EDF-facilitation and resources (section 5).

Conclusion 3: Success stories can be a source of inspiration for the future

In a political economy analysis, it is useful to focus on 'success stories' as they may shed light on the specific mix of power relations, actors, interests and incentives that explain why positive results have been achieved. For this reason, the widely recognised success achieved by the ACP group in the WTO was taken as a case study.

Since the foundation of the WTO and the Doha Development Round, the multilateral trading system has proved fertile ground for collective ACP action at a number of intervals. In the past, this revolved mainly around maintaining market access to the EU. More recently, the negotiating group, led by a succession of strong member-state conveners and supported by high-quality technical assistance, managed to secure its joint interests at the 9th Ministerial Conference (MC9) held in Bali in 2013, in what was widely acknowledged as a 'tour de force' and an innovative and technical approach to special and differential treatment in the trade facilitation agreement. This was the result of a particular confluence of enabling factors, both contextual and with regard to ACP action (see section 5.3).

It is not clear whether this experience can be replicated, as the context in the WTO has changed and there might be only limited windows of opportunities to push forward development agendas. Yet the ingredients that made this ACP engagement successful (i.e. leadership, technical content, dedicated agency from individual member states) could guide the current reflections within the ACP group on appropriate 'niches' where the organisation could add real added value.

Conclusion 4: Technical fixes cannot breathe new life into the ACP-EU partnership

The two previous conclusions have important implications for the review process of the ACP-EU partnership, particularly for those who express a preference to *modernise* the existing CPA framework. This line of thinking is based on the premise that the CPA remains a highly relevant and valuable framework. The proponents acknowledge certain contextual changes (such as regionalisation dynamics) and delivery issues (e.g. with regard to political dialogue, participatory development or co-management). Yet the assumption is that these challenges are essentially implementation problems that can be addressed by refining the existing CPA framework.

This political economy analysis casts severe doubts on the assumptions underlying such an approach to the review process. The evidence collected indicates that **'technical solutions' may not suffice** to

revitalise the ACP-EU partnership or to address recurrent implementation weaknesses. All the main challenges affecting ACP-EU cooperation are of a political and systemic nature, i.e. they are linked to evolving power relations and to the interests and incentives of the various actors and stakeholders involved. They do not therefore lend themselves to simple adaptations or quick fixes.

To underpin this conclusion, the table below draws from the evidence collected in the preceding sections to assess the solidity (from a political economy perspective) of a number of reform assumptions.

Table 9: How solid are reform assumptions from a political economy perspective?

Reform assumptions / solutions for modernising ACP-EU cooperation	Reality check (taking account of political economy realities)
<p>1) <i>The ACP-EU partnership can be revitalised by strengthening joint political action in global fora (using strength of the numbers)</i></p>	<ul style="list-style-type: none"> • No history of joint political action by the two parties - beyond the largely symbolical act of adopting joint statements • Future collective action by the two parties is unlikely considering the heterogeneity of interests at stake and the existence of alternative (regional) frameworks • Joint ACP-EU institutions find it hard to mobilise key actors and generate added value
<p>2) <i>The ACP-EU framework is compatible with and can perfectly integrate regionalisation dynamics under an all-ACP umbrella</i></p>	<ul style="list-style-type: none"> • The globalisation and regional dynamics in both the EU and the ACP will intensify as both parties seek to defend their political, economic and security interests in relevant fora • Keeping regionalisation dynamics in the ‘CPA box’ may hamper the development of truly strategic and reciprocal partnerships (such as those between Europe and the AU/RECs)
<p>3) <i>The existence of a legally binding treaty offers guarantees for political dialogue</i></p>	<ul style="list-style-type: none"> • Whether an effective political dialogue takes place depends primarily on the configuration of the interests involved (which are of a geopolitical, economic or security nature) and not on the existence of normative provisions
<p>4) <i>The existence of a legally binding ACP-EU framework (Article 13) makes it possible to deal with migration issues</i></p>	<ul style="list-style-type: none"> • Poor track record in applying Article 13 due to the resistance of ACP States • The mere existence of a legal provision does not guarantee dialogue and joint action • Effective solutions to migration issues are most likely to be obtained outside the ACP-EU framework through comprehensive regional or bilateral deals
<p>5) <i>The CPA can accommodate the need for more inclusive, multi-actor approaches to cooperation</i></p>	<ul style="list-style-type: none"> • Despite progressive provisions, limited progress has been made in participatory development • There are limited signs of change in this centralised culture (many ACP states are closing the space

	<p>available for civil society)</p> <ul style="list-style-type: none"> • Government-led partnerships are out of tune with societal dynamics and new forms of network governance for addressing global challenges
6) <i>The system of co-management can be improved by clarifying rules, capacity-building and leaner procedures</i>	<ul style="list-style-type: none"> • To an increasing degree, the EU is in the driving seat in terms of managing EDF resources • The NAO construct (as a centralised aid interface) is at odds with (i) the promotion of <i>country</i> ownership; (ii) the multi-actor nature of development; and (iii) the ‘<i>beyond aid</i>’ agenda that will apply to most ACP countries after 2020
7) <i>The CPA can be made fit for purpose so that it can address the 2030 Agenda for Sustainable Development with its focus on global public goods</i>	<ul style="list-style-type: none"> • Content-wise, the SDGs could easily be incorporated in the wording of a future agreement • Yet the means of implementation required for the 2030 Agenda (i.e. universality, differentiation, shared responsibilities and domestic resource mobilisation) are not in line with the rules of the game underpinning the CPA (i.e. a North-South partnership focused on aid and largely reserved for central governments)
8) <i>The ACP can transform itself into an effective and legitimate global player – and a more solid political partner of the EU</i>	<ul style="list-style-type: none"> • There is limited evidence of ‘<i>unity and solidarity</i>’ among the ACP countries as interests become too diverse²⁰⁴ • The added value of the ACP group to its members (beyond accessing EU funding) is unclear • ACP rules and processes are not conducive to collective action • The legitimacy of the ACP group has been undermined by a lack of own resources

Two additional points merit mention.

1. *First*, it is often claimed that the CPA is a unique framework for international cooperation because of its legally binding framework, scope and underlying principles (e.g. equality, shared values, co-management and predictability). The findings suggest, however, that this **unique character is questionable**. One of the reasons for this is that the EU has harmonised its various policy frameworks and partnerships agreements. The legally binding nature of the CPA is still a distinguishing feature, yet the evidence suggests that the mere existence of normative provisions does not suffice to guarantee an effective and result-oriented partnership (see sections 7 and 8).

²⁰⁴ Despite their strong attachment to the principle of ‘solidarity’, the ACP states made their own decisions when it came to adopting Economic Partnership Agreements (EPAs).

2. *Second*, the human resources and financing problems encountered in the ACP group also exist in other types of institutions and other cooperation agreements with the EU. However, the *political traction* in these other frameworks (such as the AU and the RECs) is often much stronger as they tend to enjoy greater legitimacy than the ACP, are closer to the real dynamics in the field and provide a better setting for negotiating political issues with the EU (as illustrated again by the recent Valetta Summit between Europe and Africa on migration).

Conclusion 5: The ACP-EU partnership may need a reboot rather than an upgrade

The overarching conclusion of this political economy analysis is clear: fifteen years after the CPA was signed, ACP-EU cooperation has not achieved its stated objectives. The substance of two of the three pillars of the CPA (i.e. trade and political dialogue) has been largely transferred to regional frameworks and trade agreements. Ambitious and innovative provisions on participatory development, policy coherence and migration have not been translated into practice. What remains is an asymmetrical partnership restricted to governments and based largely on unilateral aid flows. The added value of such aid-based partnerships is likely to be limited beyond 2020, as many ACP countries graduate out of aid and a universal 2030 Agenda focusing on global development challenges awaits implementation by other means. ACP-EU cooperation has often been an incubator of innovations. Yet over the years, the framework has lost traction and become increasingly ill adapted to a radically different world.

Considering these political economy realities, the mere adaptation of the existing policy framework seems a perilous option. The challenges confronting ACP-EU cooperation are not simply a question of *'improving implementation'*. **The pertinence and effectiveness of the framework itself is the core issue.** Its geographic focus on a selective group of countries linked by history is under question. The huge heterogeneity of the countries involved on both sides hampers its capacity for collective action – a key asset required in order to address the global development challenges of the 2030 Agenda. The regionalisation dynamics on both sides have created several (competing) institutional frameworks that are gradually taking over the roles and responsibilities initially devolved to the ACP-EU partnership. As a result, the added value of the ACP-EU framework is no longer clear from the perspective of subsidiarity and complementarity. It is also not easy to see how a separate agreement with the ACP group would tie in with the EU's stated ambition of becoming a global player undertaking coherent external action.

However, the political economy analysis shows that vested interests on both sides may favour the **option of a limited reformulation of the existing agreement**. Partly for negotiating reasons, there are certain incentives for following the *'path of least resistance'*. A number of motives may underpin such a policy stance, including:

- ✓ fears that it would be difficult to strike good alternative deals (particularly in terms of aid levels for Africa) in the current climate of political and financial crisis in the EU;
- ✓ a reluctance to abandon the 'legally binding' CPA, as this may reduce the leverage for pursuing a political dialogue or for striking deals on sensitive issues (such as migration);
- ✓ the CPA's current constellation, with its own dedicated fund (EDF) from outside the regular EU budget, makes it easier to finance institutional costs and co-fund the ACP Secretariat (which would be more difficult if this was done through the EU budget);
- ✓ stakeholders may defend the *status quo* in order to safeguard their access to EDF beneficiaries;
- ✓ the sense that there is not enough time to work out viable alternatives that would be politically acceptable to 28 EU and 79 ACP countries.

The other option available to policy-makers involved in the review process is to rethink the overall framework in a more fundamental way. The challenge here is to jointly design future alternative scenarios of international cooperation that can deliver better outcomes to the states and citizens of Africa, the Caribbean, the Pacific and Europe. This option invites parties to *'think outside the box'*. Scenario-building along these lines may entail:

- (i) putting globalisation and regionalisation dynamics first (instead to artificially confining these into the ACP);
- (ii) applying the principles of subsidiarity and complementarity in defining the added value of any ACP-EU umbrella agreement;
- (iii) reviewing the governance systems to allow for truly inclusive partnerships and a more effective and transparent management of the financial and non-financial inputs.

From a political economy perspective, this looks like a more bumpy road to reform. And yet this option has the potential to reboot the partnership between Europe and the countries and regions of Africa, the Caribbean and the Pacific, and to facilitate the design of a set of mutually beneficial policy frameworks that might be fit for purpose, i.e. capable of addressing the global development agenda beyond 2020.

ANNEXES

Annex 1: Key Moments with Regard to Post-Cotonou in the Next Two Years (as per December 2015, subject to change)

	Key moments EU	Key moments ACP	Relevant other processes
2015	<ul style="list-style-type: none"> - 6 Oct: Launch public consultation - 12, 20 Oct: Discussion in Foreign Affairs Council <p>Other relevant events:</p> <ul style="list-style-type: none"> - July: EEAS launches preparation for global strategy 	<ul style="list-style-type: none"> - June: Council of Ministers mandate Ambassadors to follow-up on - September: planning mission ACP SG to Papua New Guinea for 2016 summit - November Council of Ministers: EPG report and report Amb. Gunessee 	<ul style="list-style-type: none"> - Sept: Adoption Agenda 2030 - Dec: COP 21, Paris - Dec: WTO MC10, Nairobi
2016	<ul style="list-style-type: none"> - Ex-post evaluation CPA - Ex-ante impact Assessment of post-Cotonou options - October: publication COM with proposed EU negotiation mandate <p>Other:</p> <ul style="list-style-type: none"> - September: Communication on “Next steps towards a sustainable European Future” (EU response to 2030 Agenda) - July: EEAS global strategy - Possibly: review of EU Consensus on Development 	<ul style="list-style-type: none"> - April: Joint ACP-EU Council in Dakar - May/June: ACP Council of Ministers - June: ACP Summit in PNG - November: ACP Council of Ministers 	<ul style="list-style-type: none"> - April: 14th UNCTAD - May: first UN World Humanitarian Summit in Istanbul - Nov: COP 22, Morocco
2017	<ul style="list-style-type: none"> - May 2017: FAC Conclusions: EU negotiation position - Mid-term review financial instruments for MFF 2014-2020 	<ul style="list-style-type: none"> - May/June: ACP Council of Ministers - June: ACP Summit in PNG - November: ACP Council of Ministers 	<ul style="list-style-type: none"> - Nov: COP 23 in Asia-Pacific region

Annex 2: Summarised Methodology

PEAs are usually done on countries, sectors or specific problems, following an analytical logic where first historical foundations (*structural elements that can no longer change*) are analysed, then rules of the game (*formal institutions and informal rules*) and then the here and now (*actors and their incentives*).²⁰⁵

This is essentially a PEA of a set of institutions and actors that galvanize a partnership. Therefore the classic approach had to be adapted as follows:

- The study looked first at the **historical foundations** of the ACP Group, on the one hand, and those of the evolving EEC/EU in relation to the ACP. These historical facts and trends are what they are and cannot be changed. The key objective was to identify which ideas and interests shaped and changed the partnership over the past 40 years.
- The second level of analysis focused on the **formal and informal rules of the game**. This was done from three perspectives: (i) The structure and functioning of intra-ACP institutions; (ii) an analysis of the relevant EU institutions and (iii) the joint institutions and interactions with institutions that are exogenous, and how it is influenced by external institutions and trends. This level of analysis is crucial because a reform process is in essence a change of the existing rules of the game. The key objective was to identify and understand the institutional forces (actors, ideas, interests, incentives) that structured institutions on both sides of the partnership and how these evolved over time.
- The third level of analysis is made up of specific **case studies**. Each of the case studies is directly linked to one of the three parts of the rules of the game analysis. The case studies do not cover all aspects of the partnership and even the selected cases are not the subject of a comprehensive analysis (due to budget/time limitations). The case studies should be seen as specific “zooms” on particular issues. The key objective of the case studies is to provide empirical evidence on the performance of the ACP-EU partnership, on how outputs were produced and results achieved (or not) in reality. They aim to illustrate key political economy dynamics at work in the different policy areas and essentially serve as a reality check.

Changes in institutions happen as a result of the action of and interaction between actors/stakeholders who are each driven by ideas, interests and incentives. Therefore each level of analysis was on a **two-pronged approach**:

- First the stakeholders (individuals, groups, organizations, institutions, networks,...) and their respective interests, incentives to act or the strength of their ideas and convictions (stakes) were identified and analysed (the “WHO and the “WHAT”).
- The second step zoomed in on the relations and interactions between stakeholders, their incentives, their power and their constraints. Which relations/interactions have been and are most relevant (always in relation to the issue under review) or have been decisive. A stakeholder may have a strong personal preference or even a strong interest, but may be cut off from collective action and thus wield limited influence. The analysis intended to show where stakeholders and interests converge and diverge (not all stakeholders may sufficiently be informed about the position of others), or the extent to which decision-making power is concentrated or diffused.

²⁰⁵ For an analysis of the role played by PEA in development cooperation, refer to: Hudson, D., Leftwich, A. 2014. From Political Economy to Political Analysis, Development Leadership Programme Research Paper 25, online: [http://publications.dlprog.org/From Political Economy to Political Analysis.pdf](http://publications.dlprog.org/From%20Political%20Economy%20to%20Political%20Analysis.pdf)

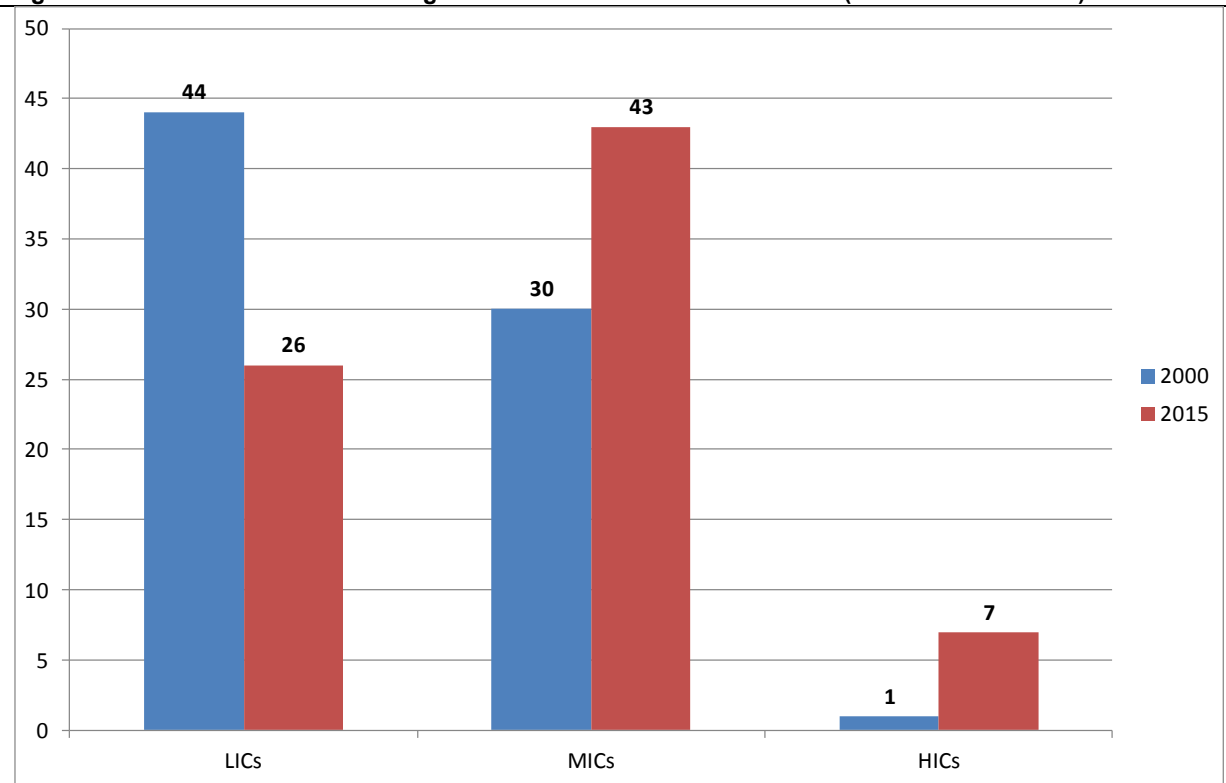
The **sources** of the study are documents and interviews. The interview-style for a PEA was different from the common reports and research where the focus is on gathering as much as possible information. In this case the interviews focused on understanding the motives that drive stakeholders as well as gauge the real or perceived power they have or are attributed.

A PEA assumes that there is ***path dependency*** in institutional processes and that therefore certain changes are more likely than others. There is no blank page on which a new ACP can be drawn, there is a history and there are forces that drive the direction of reform, independent from the desirability or political correctness. As such a PEA points out the most feasible reform(s). It does not produce a normative judgment on how good or bad that outcome is, nor is it deterministic (it does not identify the only possible outcome).

It must be stressed that a PEA does not produce ***scenarios***. Only once the most likely direction of travel has been identified by the PEA can strategies be formulated to promote or prevent that most likely outcome.

Annex 3: Selected indicators on the ACP group

Figure 1: Income classification changes of ACP states from 2000 to 2015 (source: World Bank)



N.B. Figures exclude Cook Islands, Nauru and Niue because the World Bank does not classify economies of states with less than 30,000 inhabitants

Table 1: Income levels in ACP (2014)²⁰⁶

Region	ACP population	Percentage of ACP total population
Low	445.680.070	52,4%
Lower middle	304.024.481	35,8%
Upper middle	96.979.186	11,4%
High	3.103.867	0,4%
n.a.	32.382	0,0%
Total	849.819.986	100,0%

Source of income level data: World Bank <http://data.worldbank.org/about/country-and-lending-groups>, population data (from : United Nations (1990-2013 data) <http://data.un.org/Default.aspx>

²⁰⁶ Tables 1-6 include South Sudan as an aspirant member of the ACP

Table 2: Least Developed Countries in ACP (2013)

Region	Country count	Population in ACP LDCs	Percentage of ACP total population
Africa	34	473.651.653	55,7%
Caribbean	1	10.413.211	1,2%
Pacific	5	1.602.516	0,2%
Total	40	485.667.380	57,1%
ACP countries that are LDCs			40,0%
ACP countries that are not LDCs			60,0%

Source of LDC listing and population data: United Nations http://www.un.org/en/development/desa/policy/cdp/ldc/ldc_list.pdf

Table 3: Conflict/Fragile Situations in ACP (2014)

Region	Country count	Population in ACP conflict/fragile situations	Percentage of ACP total population
Africa	18	205.764.478	24,2%
Caribbean	1	10.413.211	1,2%
Pacific	6	1.890.609	0,2%
Total	25	218.068.298	25,6%
ACP countries that have fragile/conflict situations			31,0%
ACP countries that do not have fragile/conflict situations			69,0%

Source of conflict/fragile situations listing: World Bank Harmonized List, population data: United Nations <http://siteresources.worldbank.org/EXTLICUS/Resources/511777-1269623894864/HarmonizedlistoffragilestatesFY14.pdf>

Table 4: Small Island States and Landlocked Developing Countries in ACP (2014)

Region	Small Island States	Landlocked developing countries
Africa	6	16
Caribbean	16	0
Pacific	14	0
Total	36	16
ACP countries that are small island states		45,0%
ACP countries that are not small island states		55,0%
ACP countries that are landlocked developing countries		20,0%
ACP countries that are not landlocked developing countries		80,0%

Source of list of small island states and landlocked developing countries: United Nations <http://unohrrls.org/about-ldcs/country-profiles/>

Table 5: Economic Vulnerability Index of ACP countries by regions (2012)

Regions	Highest	Lowest	Average
Africa	67,8	20,9	42,6
Caribbean	70,3	24,5	42,3
Pacific	82,0	38,3	55,0
Total	Kiribati	Cote d'Ivoire	43,6

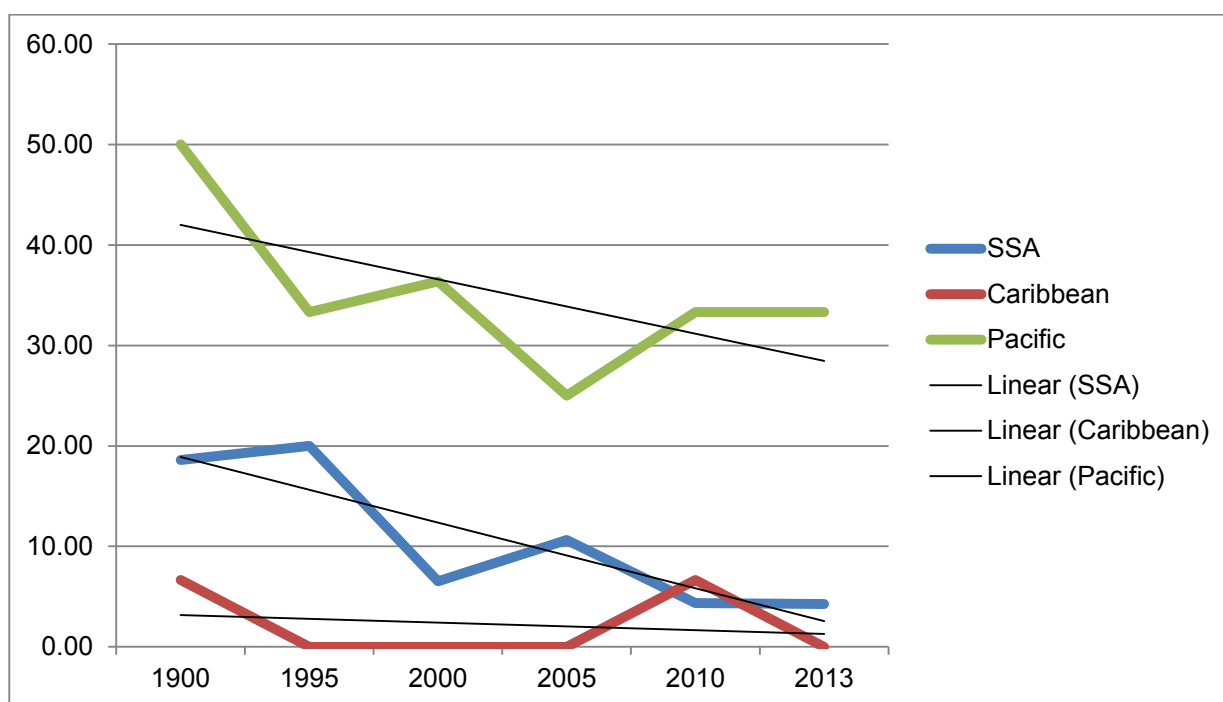
Source of Economic Vulnerability Index: United Nations http://esango.un.org/sp/ldc_data/web/StatPlanet.html

Table 6: Environmental Vulnerability Index in the ACP (2004)

EVI	Country Count	Population	Percentage of ACP total population
Resilient	11	68.413.407	8,1%
At risk	20	309.687.368	36,4%
Vulnerable	22	226.347.709	26,6%
Highly vulnerable	14	228.011.002	26,8%
Extremely vulnerable	10	4.925.074	0,6%
n.a.	3	12.435.426	1,5%
Totals	80	849.819.986	100,0%

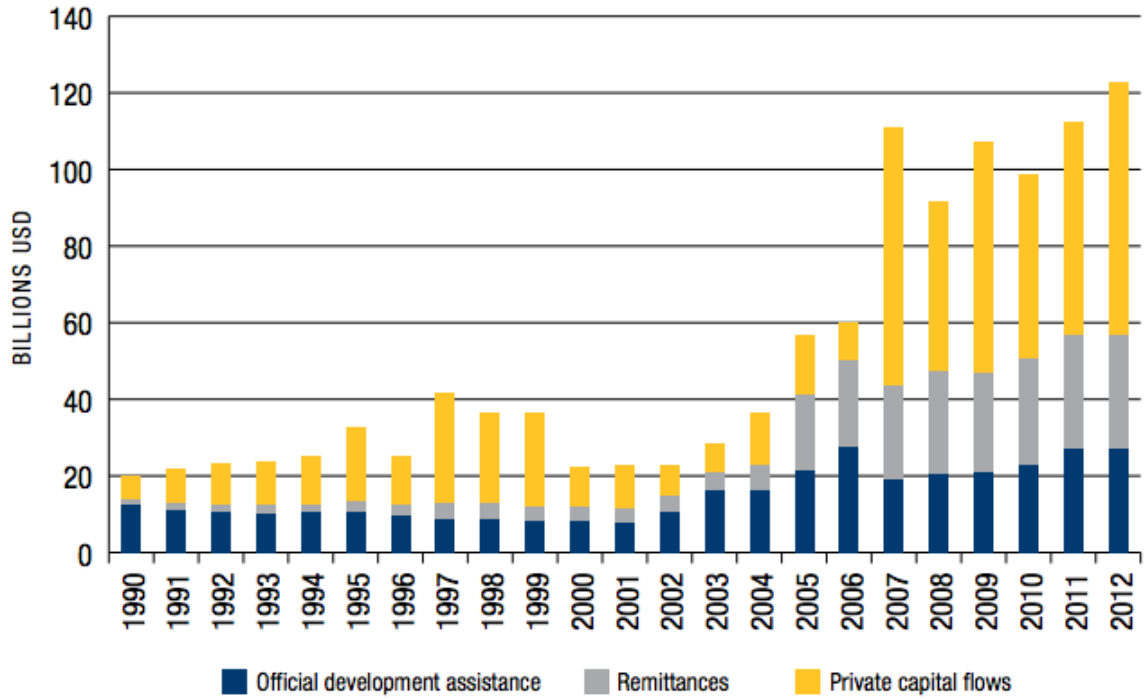
Source of Environmental Vulnerability Index: <http://www.sopac.org/index.php/environmental-vulnerability-index>

Figure 2: Percentage of countries with a ratio of more than 25% ODA as a percentage of GNI



Source of net ODA received (% of GNI) World Bank: <http://data.worldbank.org/indicator/DT.ODA.ODAT.GN.ZS?display=graph>

Figure 3: Sub-Saharan Africa: aid and other external flows (1990-2012, in USD billions)²⁰⁷

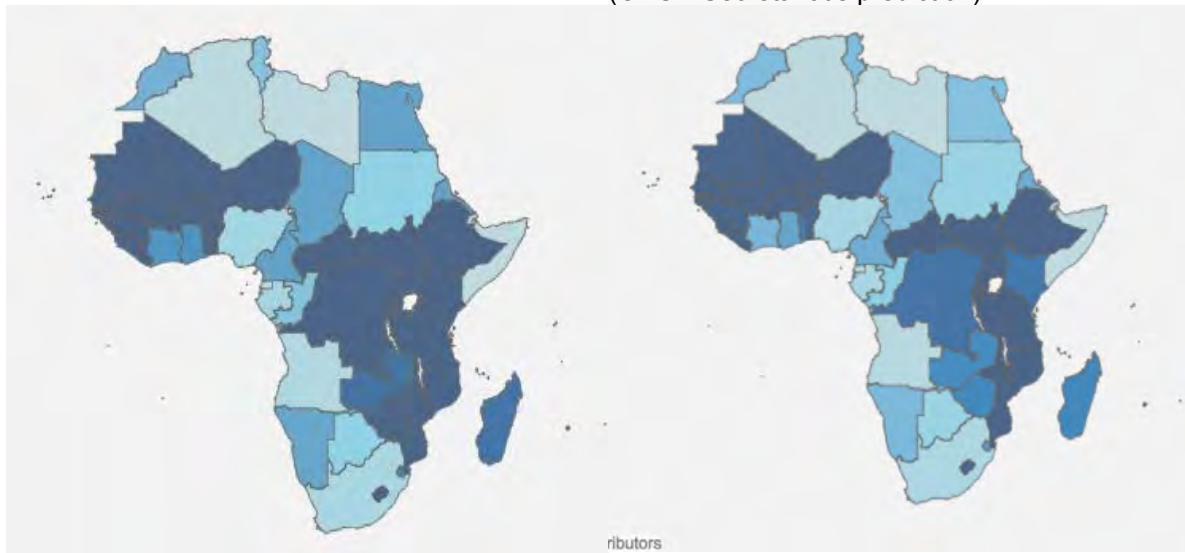


Sources: IMF, World Bank, and authors' calculations.

Figure 4-5: Country Programmable Aid as a percentage of GNI in Africa in 2013, and projection for 2017²⁰⁸

CPA per GNI (%) to Africa in 2013

CPA per GNI (%) to Africa in 2017
(OECD Secretariat's prediction)



²⁰⁷ Sy, A, and Rakotondrzaka, F.M. 2015. *Private capital flows, official development assistance, and remittances to Africa: Who gets what?* Brookings SERIES: Global Views. No. 52 of 54.

²⁰⁸ OECD-DAC statistics: <http://www.oecd.org/dac/aid-architecture/cpa.htm>

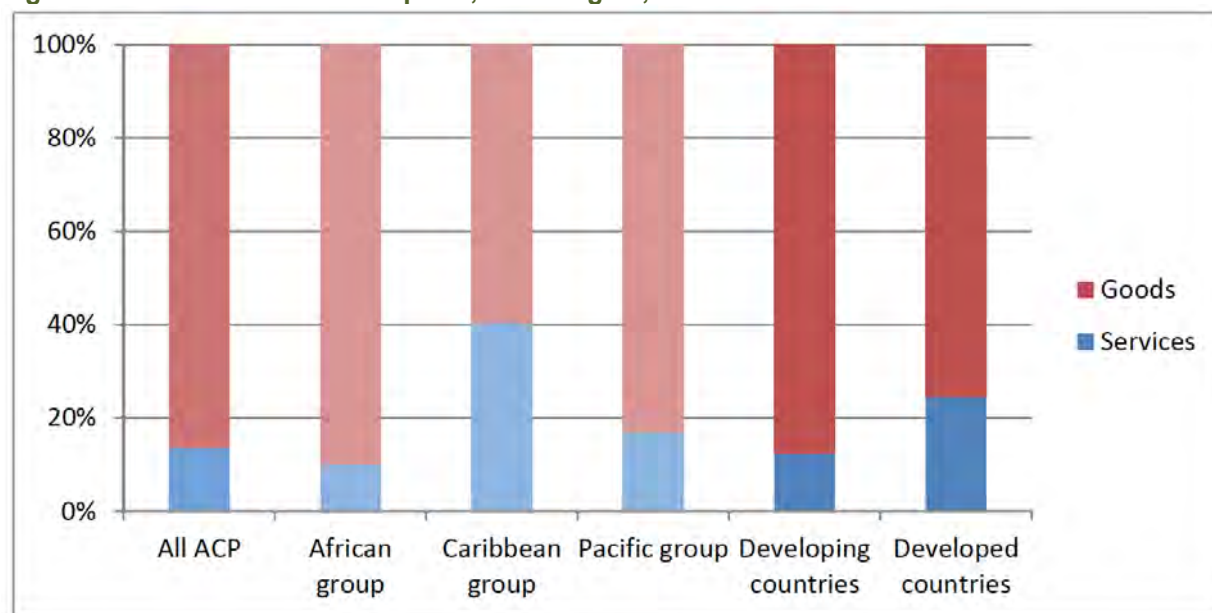
Annex 4: Selected ACP trade and development statistics²⁰⁹

Table 1: Economic development indicators

	Doing Business Index (DBI) 2014				Logistics Performance Index (LPI) 2014		Per capita nominal GDP 2012 (US\$)	Annual growth of per capita GDP 2002-2012 (%)
	DBI rank (/189)	Trading across borders			LPI rank (/160)	LPI score (/5.0)		
		Rank (/189)	Time to export (days)	Cost to export (US\$ per container)				
All ACP (79 countries)	128	118	26	1,629	117	2.48	1,855	2.52
African group (48)	141	138	30	2,014	121	2.45	1,716	2.60
Caribbean group (16)	101	80	16	1,015	104	2.59	5,178	3.45
Pacific group (15)	103	90	23	849	114	2.52	2,346	1.69
Developing countries	110	109	25	1,619	97	2.69	4,836	4.75
Developed countries	37	38	11	1,094	25	3.60	42,474	0.95

Source: ITC calculations based on data from the World Bank (2014). DBI and LPI are calculated using simple average; per capita GDP figures are calculated at country group level.

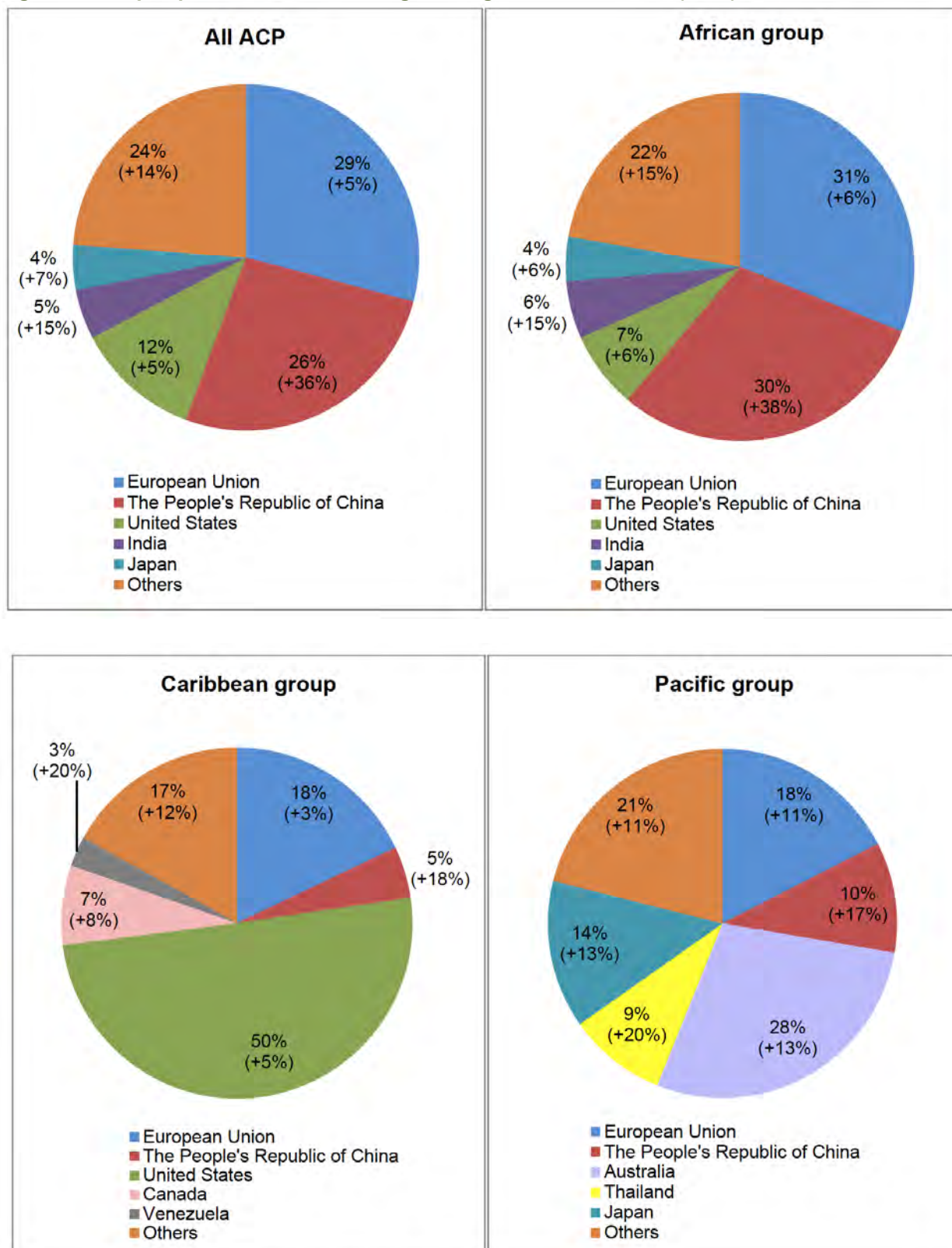
Figure 1: Distribution of total exports, including oil, 2012



Source: ITC calculations based on ITC Trade Map data.

²⁰⁹ Source: ITC. (2014). *African, Caribbean And Pacific Trade Prospects For Stronger Performance And Cooperation*.

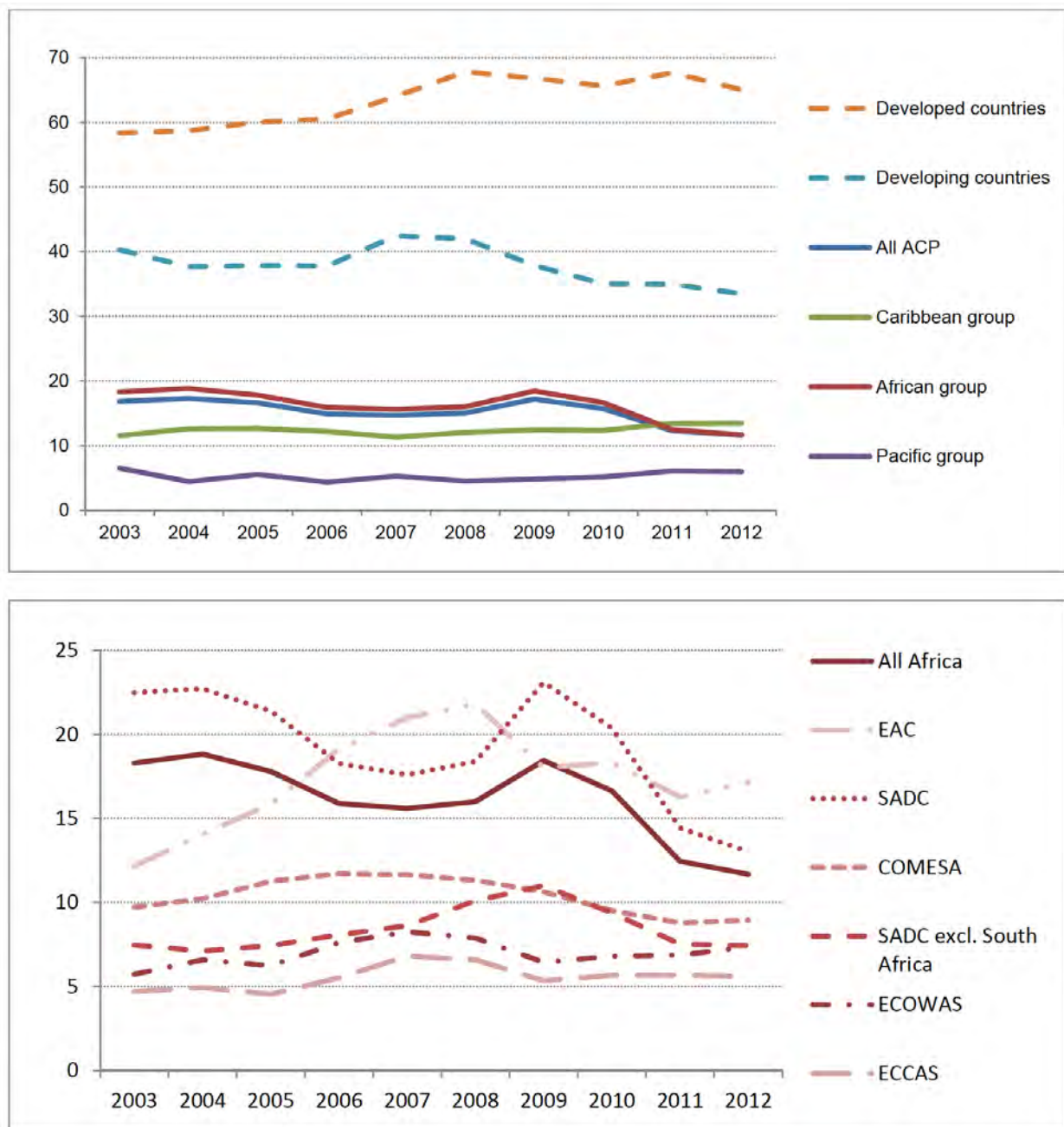
Figure 2-3: Top export markets, excluding intraregional trade and oil (2012)



Source: ITC calculations based on ITC Trade Map data.

Note: shares are based on export data for 2012. Annual export growth rates between 2003 and 2012 are displayed in brackets.

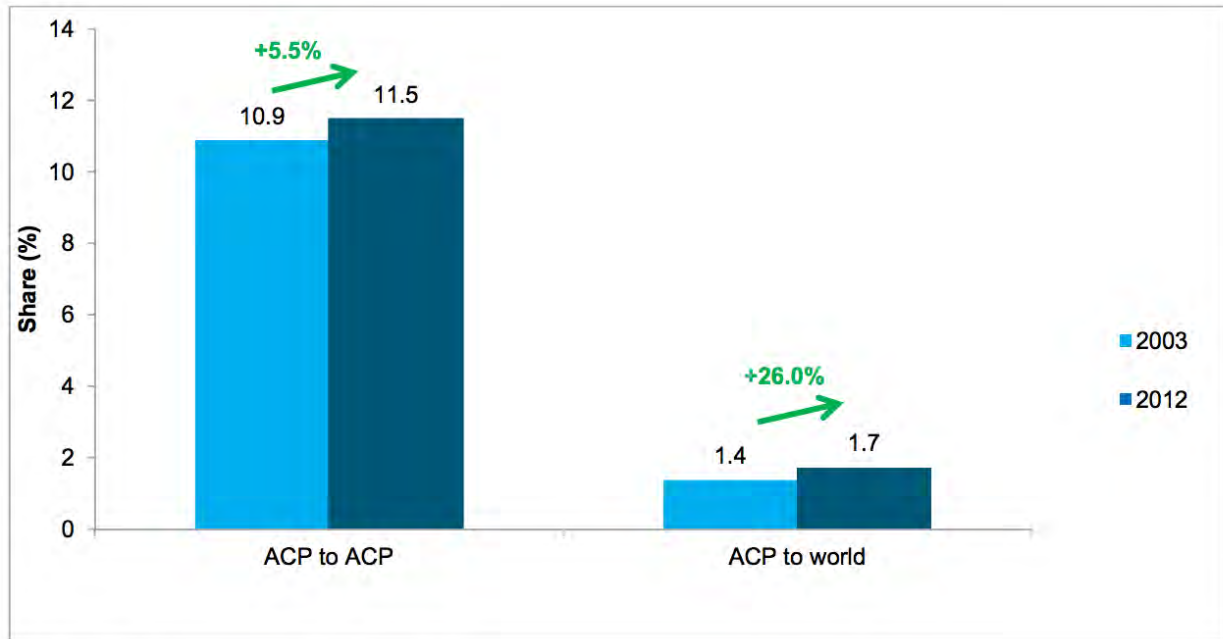
Figure 4: Number of equivalent products, excluding oil



Source: ITC calculations based on Trade Map data. Calculation is done at HS 4 level, and excluding oil (HS 27).

Note: Egypt and Libya were excluded from calculations for COMESA as they are not part of ACP.

Figure 5: Increase in Intra-ACP trade vs ACP trade to global markets (2003-2012)



Source: ITC calculations based on Trade Map data.

Annex 5: Structures and resourcing of the ACP Secretariat

Overall figures on staffing and financing

As of May 2015, a total of 92 posts are available at the secretariat, of which 75 are filled. 48 posts belong to professional staff with the remaining 27 ascribed to general services. When including the two trade experts based in the Geneva office and excluding the SGs and four Assistant SGs, a total of fifteen technical experts with expertise on the three respective pillars of the CPA are available at the Secretariat. Geographic distribution of the 75 posts is uneven, with 82.6% of staff members from Africa (44% of the secretariat's staff are from West-Africa), 10.8% from the Caribbean, 1.3% from the Pacific (i.e. one staff member) and 5.3% staff members recruited under local labour laws (ACP SG 2015).

The Lomé I Convention agreed that the EU would support part of the ACP Secretariat's running costs through the EDF, which was first provided in 1977. The ACP states contributions to the secretariat have always been erratic, which among other factors can be explained by wider problems of financial instability and insufficient foreign exchange earnings in many ACP countries (Mgbere 1994: 189). These problems escalated during the 1980 when many ACP states failed to provide their contributions due to economic challenges. Jones (2014: 21) reports that in this period the Secretariat's staff was reduced to twelve persons and could no longer adequately support ACP negotiators, who subsequently had to turn to the European Commission for financial support as well a data and information. At the time when Cotonou was signed, the annual operational budget of the secretariat was estimated at 8 million euro per year and financed 87 staff members. During the CPA negotiations the EU also agreed to increase its funding from covering 36 to 38 staff posts at the Secretariat, arguing that the Group's enhanced trade cooperation mandate required this increase (ECA 2001: 443, 445).

The ACP Secretariat works with annual budgets that are adopted during the second annual session of the ACP Council of Ministers. Four examples of such budgets illustrate the planned contributions from both sides in different financial years under the EDF 9, 10 and 11 implementation periods:

Table 1: Comparison of annual ACP Secretariat budget (in euros)			
Budget FY 2004		Budget FY 2012	
ACP MS	4,403,120 (46.9%)	ACP MS	6,076,605 (47.7%)
EDF contribution	3,504,360 (37.3%)	EDF contribution	5,015,000 (39.4%)
Income from tax deductions	792,000	Income from tax deductions	1,230,681
Reserve Fund (Cuba, other meetings, rest)	676,980	Arrears in Contribution	414,246
Total	9,376,460	Total	12,736,532
Budget FY 2014		Budget FY 2015	
ACP MS	7,774,416 (51%)	ACP MS	7,952,613 (51.6%)
EDF contribution	5,600,000 (37%)	EDF contribution	6,100,000 (39.6%)
Income from tax deductions	1,300,333	Average interests from Arrears (2011-2013)	139,444
Arrears in contribution	665,093	Cuba and South-Sudan financed through arrears	603,198
		Income from tax deductions	1,346,588
Total	15,339,842	Total	15,399,171

These examples show that in roughly ten years the ACP secretariat's budget increased from 9.3 million (FY 2004) to 15.4 million euro (FY 2015), an increase of 60%. This increase was to partly due the increase in salary scales agreed to during the December 2011 ACP Council.²¹⁰ More recent annual budget increases were due to additional expenses on, among others, the Eminent Persons Group (EPG) and studies preparing the acquisition of a new Secretariat Building (ACP 2014).

ACP financing of the ACP Secretariat

Similar to salaries paid to top officials in the Secretariat, the scale for contributions by its members aligns to the UN system's procedures. As per the UN system, each member state's contribution is based on the country's gross national income average of the last three to six years and calculated according to levels of national debt, per capita income and currency fluctuation. Since the current budget was agreed before the GDP of large economies such as Nigeria and Kenya were rebased, the largest portion of the secretariat's annual budget of 3.5 million euro continues to be provided by South-Africa through its 600,000 euro contribution that it reliably provides.²¹¹

For a large group of ACP states, regular and predictable payment of contributions however tends to be the exception rather than the rule. In 2015 a total of 43 ACP states (i.e. 54%) had arrears in payment. As of May 2015 a total of eleven ACP countries have such high arrears that they are placed under sanctions, these countries being: Democratic Republic of Congo, Sudan and Central Africa Republic, Antigua and Barbuda, Grenada, Marshall Islands, Micronesia, Nauru, Dominica, Palau and Sao Tome E Principe.²¹²

Irregular or late payment frequently leads to cash-flow problems in the secretariat. This is shown in the figures reported by the SG to the Council of Ministers: in the past ten years (FY 2005-2015) on average 30% of contributions from ACP states were received by April/May of the year against a target of 50%. In the same period, on average 66% of contributions were received in October against a target of 100%. In 2014 the ACP secretariat had to use its financial reserves to compensate for non-payment of member contributions.²¹³ Moreover under the current and previous Secretary General the ACP secretariat had difficulties to mobilise a travel budget beyond those meetings that are funded separately from EDF resources, such as the Joint Parliamentary Assembly.²¹⁴

EU contribution to the ACP secretariat

The indicative programme for the 9th and 10th EDF intra-ACP budgets were already anticipating a larger financial contribution given the EU's financial 'ceiling' to provide a maximum of 50% of the secretariat's annual running cost. While the four cases of annual budgets presented in the table represent an EU contribution of around a third in running costs, the EU also contributes what appears in the Secretariat's budget as 'income from tax reductions'. As per EDF rules, the EU pays the gross salaries of its share of ACP secretariat staff, while recognising that the Secretariat is tax-exempt under its Headquarters agreement with the Kingdom of Belgium, thus allowing the ACP Secretariat to use the balance as an additional EU contribution to running its organisation (EU 2014: 120).

The 10th EDF NIP reserved 45 million for the EU's financial contribution to the running costs of the secretariat, amounting to 7.5 million euro per year. This practice has been continued under the bridging facility between EDF10 and EDF11, in which the EU has included the contribution to the running costs (6.1

²¹⁰ For the agreement see:

http://www.acp.int/sites/acpsec.waw.be/files/20111212_DecisionsResolutionsCOM.pdf

²¹¹ It should also be noted that Angola and Equatorial Guinea provided additional financial contributions to the Secretariat beyond what is required by the contribution key, as reported here: <http://www.acp.int/content/interview-special-chair-acp-committee-ambassadors-he-dr-ousmane-sylla-guinea>

²¹² See <http://www.times.co.zm/?p=60796>, also reported here: <http://allafrica.com/stories/201506050193.html>

²¹³ Action fiche new secretariat: http://ec.europa.eu/europeaid/sites/devco/files/aap-acp-action-fiche-20131204_en.PDF

²¹⁴ Source: this issue is regularly addressed in speeches by the ACP Secretary General as posted on the Group's website.

million euro as per the ACP Council budget) but included an additional 1.2 million euro in operational costs²¹⁵ and 200,000 euro in technical assistance, up to a total of 7.5 million (EU 2014: 8). The action document of the bridging facility does not specify what is covered by 'running costs' beyond stating that up to 50% of the Secretariat's budget may be funded. One can thus conclude that the Secretariat is relatively flexible in managing both components of the grant in a flexible manner with the running costs being mainly used for salaries and the operational costs for eligible meetings and conferencing costs.

²¹⁵ Under 'operational costs', the EU funding can be used for the following ACP Secretariat activities: "institutional meetings, conferences or seminars organised by the ACP Secretariat or in which it participates within its mandate, communication and visibility actions as well as the TA component" (EU 2014: 7).

Annex 6: 11th EDF Committee votes, contribution keys and financial contributions by Member State

Member State	Votes	Contribution key (%)	Contribution in EUR
Germany	206	20,6	6 278 073 788
France	178	17,8	5 433 939 212
United Kingdom	147	14,7	4 477 859 817
Italy	125	12,5	3 822 429 255
Spain	79	7,9	2 419 882 349
Netherlands	48	4,8	1 457 204 507
Belgium	33	3,3	991 222 306
Sweden	29	2,9	896 604 897
Austria	24	2,4	731 402 704
Denmark	20	2	604 156 077
Poland	20	2	612 359 140
Finland	15	1,5	460 362 995
Greece	15	1,5	459 832 191
Portugal	12	1,2	365 092 757
Ireland	9	0,9	286 774 704
Czech Republic	8	0,8	243 270 097
Romania	7	0,7	219 078 839
Hungary	6	0,6	187 477 674
Slovakia	4	0,4	114 751 370
Luxembourg	3	0,3	77 817 755
Bulgaria	2	0,2	66 664 762
Croatia	2	0,2	68 693 411
Lithuania	2	0,2	55 145 696
Slovenia	2	0,2	68 492 071
Cyprus	1	0,1	34 050 797
Estonia	1	0,1	26 341 931
Latvia	1	0,1	35 423 567
Malta	1	0	11 595 331
TOTAL	1000	100	30 506 000 000

Annex 7: Intra-ACP Envelope of the 10th EDF, in EUR mln²¹⁶

Component	Budget	Purposes
Institutional expenditure and operational expenses of a series of joint institutions	300	Provides funding for the Centre for Development of Enterprise, the Technical Centre for Agricultural and Rural Cooperation, hosted by Wageningen Agricultural University, and the Joint Parliamentary Assembly. Resources are also used to contribute to the funding of the ACP Secretariat and for an intra-ACP Technical Cooperation Facility.
Supra-regional geographic ACP initiatives, i.e. mainly measures that benefit the majority or all of the ACP states		
All-ACP initiatives	1,290	Funds initiatives on climate change (e.g. through the Global Climate Change Alliance), science, education and culture, trade, the private sector and migration
Pan-African initiatives	440	Funds initiatives in the areas of peace and security, institutional support, agriculture and rural development and sanitary services. This includes support for the African Union and a series of facilities: (i) African Peace Facility, (ii) Water Facility, (iii) Energy Facility and (iv) the EU-Africa Infrastructure Trust Fund.
Global initiatives, i.e. global measures contributing to sustainable development to which the ACP States have subscribed.		This includes EUR 300 million for global initiatives in the field of public health (such as the Global Fund to Fight AIDS, Tuberculosis and Malaria).
Reserve	370	The reserve includes EUR 300 million for peace and stability for the period 2011-2013

²¹⁶ IOB. 2013. *The Netherlands and the European Development Fund - Principles and practices: Evaluation of Dutch involvement in EU development cooperation (1998-2012)*. P. 243.

Annex 8: Article 96 Consultation procedures (2000-2015)²¹⁷

Country	Start date (of consultation procedure)	End date (of appropriate measures)	Reason for invoking art. 96	"Appropriate measures" taken
Haiti	26/09/2000	31/12/05	Irregularities during elections	Partial suspension of EDF aid and redirection towards civil society and private sector
Fiji	19/10/2000	12/04/01	Coup d'état	New EDF programmes subject to conditions of free and fair elections and the appointment of a legitimate government
Côte d'Ivoire	15/02/2001	30/06/02	Irregularities during elections	Limited conditionality
Liberia	23/07/2001	22/02/02	Involvement with human rights violations by the RUF, lack of freedom of the press and of expression, corruption	NIP instalments made conditional on free and fair elections
Zimbabwe	11/01/2002	20/08/12	Irregularities during elections and deterioration of HR and RoL	"Smart sanctions", suspension of budget support and redirection of aid to Civil Society
Central African Republic	22/05/2003	30/06/05	Coup d'état	Macro-economic support suspended, depending on electoral plan and clearer public finance Complete resumption only after elections
Guinea-Bissau	19/01/2004	20/09/04	Coup d'état	No suspension of aid and special funds for supporting transition
Togo	14/04/2004	15/11/07	Irregularities during elections	No suspension of aid
Guinea	20/07/2004	14/04/09	Irregularities during elections	Partial suspension of upcoming EDF aid, conditional on progress towards free and fair elections
Mauritania	30/11/2005	29/05/06	Coup d'état	10th EDF CSP conditional on elections

²¹⁷ Sources: Beke et al. (2014); Bradley (2005); Laakso, Kivimäki and Seppanen (2007); Mackie and Zinke (2005); Mbangi (2005); Various official Council documents.

Fiji	18/04/2007	30/09/13	Coup d'état	10th EDF CSP conditional on respect to commitments made; Future sugar allocation subject to respect to commitments and new government in place
Mauritania	20/10/2008	06/04/09	Coup d'état	10th EDF budget support programme made conditional on full return to constitutional order; partial suspension of on-going support
Guinea	29/04/2009	02/12/13	Coup d'état	Resumption of Debt relief programmes and renegotiation of EDF CSP subject to regime change
Madagascar	06/07/2009	06/12/12	Coup d'état	EU took over NAO duties; suspension of budget support
Niger	08/12/2009	21/09/10	Referendum for third mandate of President in view of Presidential elections	EU took over NAO duties; Partial suspension of aid and upcoming EDF funding made conditional
Guinea-Bissau	29/03/2011	01/07/15	Deterioration of RoL and HR	Suspension of budget support and partial suspension of EDF projects
Burundi	26/10/2015	Ongoing	Disputed election and third term	<i>Consultation procedure ongoing</i>

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