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phase 1

**Final Report**

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## ACP - EU relations after 2020: Issues for the EU in consultation phase 1

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Final Report

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**DISCLAIMER**

This report has been prepared with the financial assistance of the European Commission. The views expressed herein are those of the persons consulted during the Round Table process and may therefore not necessarily reflect the official opinion of the European Commission.

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## GLOSSARY OF ACRONYMS

A4T / AfT	Aid for Trade
ACP	Africa, Caribbean and Pacific
ACP-EU	Africa, Caribbean and Pacific – European Union
AU	African Union
AUC	African Union Commission
BRICS	Brazil, Russia, India, China and South Africa
CARICOM	Caribbean Community
CARIFORUM	Caribbean Forum
CDE	Centre pour le Développement de l'Entreprise
CELAC	Community of Latin American and Caribbean States
CETA	Comprehensive Trade and Economic Agreement
CM	Common Market
CPA	Cotonou Partnership Agreement
CSO	Civil Society Organisations
CU	Customs Union
DG DEVCO	Directorate-General for International Cooperation and Development (EC)
DMROs	Duly Mandated Regional Organisation
EAC	East African Community
EBA	Everything But Arms
EC	European Commission
ECLAC	Community of Latin American and Caribbean States
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EEAS	European External Action Service
EIB	European Investment Bank
EPA	Economic Partnership Agreement
EPS	European Union's Pacific Strategy
EU	European Union
EUROMED	Euro-Mediterranean Partnership
FDI	Foreign Direct Investment
FTA	Free Trade Area
G20	Group of 20
G77	Group of 77
GDP	Gross Domestic Product
GNI	Gross National Income
GNP	Gross National Product
GPEDC	Global Partnership for Effective Cooperation
GSP	Generalized Scheme of Preference
GVC	Global Value Chain
HDI	Human Development Index
ILO	International Labour Organisation
IPR	Intellectual Property Rights
JAES	Joint Africa-EU Strategy
JECS	Joint EU Caribbean Strategy
JPA	Joint Parliamentary Assembly
LDCs	Least Developed Countries
LGBTI	Lesbian, Gay, Bisexual, Transgender and Intersex
MDG	Millennium Development Goals

MICs	Middle Income Countries
MS	Member State
MU	Monetary Union
NAO	National Authorising Officer
NGO	Non-governmental organisation
OCTs	Overseas Countries and Territories
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PIF	Pacific Islands Forum
PRB	Population Reference Bureau
PTA	Preferential Trade Area
REC	Regional Economic Community
SACU	Southern African Customs Union
SADC	Southern African Development Community
SDG	Sustainable Development Goals
SIDS	Small Island Developing States
SME	Small and Medium-sized Enterprises
TTIP	Transatlantic Trade and Investment Partnership
UN	United Nations
UNECA	United Nations Economic Commission for Africa
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
WHO	World Health Organisation
WTO	World Trade Organisation

## EXECUTIVE SUMMARY

A series of Expert Round Tables held in March 2015 constituted the first phase of a two-stage consultation process launched by the European Union (EU) on ACP-EU relations after 2020.

The **Cotonou Partnership Agreement (CPA)**, between the **African, Caribbean and Pacific (ACP)** Group of States and the EU, which will expire in February 2020, was signed in 2000. However, the Partnership dates back to as early as the 1950s with various instruments and agreements, as manifested in the Treaty of Rome, the Yaoundé Declarations and the early **European Development Funds (EDFs)**. According to Article 95 of the CPA, negotiations between the Parties “in order to examine what provisions shall subsequently govern their relations” are mandated to start “eighteen months before the end of the total period of the Agreement” in August 2018.

The Round Table process provided initial assessments and opinions from a total of 103 participants – experts from academia, think-tanks, the private sector, Civil Society organisations, EU Institutions and EU Member States – based on their experience with the ACP-EU partnership and their thematic knowledge.

The consultation was led by a team of eight consultants, i.e. one team leader and seven cluster leaders, under the guidance of the European Commission’s Directorate General for International Cooperation and Development (DG DEVCO) and the European External Action Service (EEAS). It was organised in the form of seven thematic Round Tables each considering clusters identified by the EU as key to a revised partnership:

- i) What kind of partnership do we want?
- ii) The future framework for international cooperation and development policy;
- iii) Means of implementation;
- iv) Stakeholders and institutions;
- v) Regional integration and trade;
- vi) Global challenges;
- vii) Demographic developments.

The number and composition of experts was carefully balanced in order to ensure the broadest possible coverage of views from European stakeholders and a diversity of profiles to stimulate an open debate on post-Cotonou issues.

Six of the Round Tables were co-hosted by European Union Member States and took place in The Hague, Bonn, Paris, Luxembourg, London and Riga, while (the first) one was held in Brussels. A concluding Round Table which discussed the outcome of the whole process with Commission services and the EEAS was organised in May, also in Brussels.

This report presents the key findings of the process together with recommendations for questions suggested for a subsequent phase of broader public consultations. It presents an overview of the discussions preceded by a description of cross-cutting issues which emerged in several or all Round Tables. The report seeks to offer a faithful reflection of the deliberations amongst participants of each Round Table. Opinions reported reflect those of the experts (without personal attributions), not those of the institution they belong to.

The rest of this Summary provides a short overview of the issues discussed at the respective Round Tables. A number of issues were raised in more than one Round Table. These recurring issues or issues of common concern are described in more detail in section “2.1. Cross-cutting issues” and cover i) values and interests for a renewed partnership, ii) the economic dimension and the private sector iii) wider stakeholder engagement; iv) going beyond the donor-recipient relationship and v) ownership of the ACP Group and sustainability of the institutions.

### ***What kind of partnership do we want?***

The participants at the first Round Table discussed the essence of partnerships, looking into the context in which the ACP-EU Agreement was originally set and aiming to develop a vision for the future. Participants also discussed potential conceptual and structural changes which might be required for a forward-looking, modern agreement, able to deliver on its objectives.

The EU and ACP countries have built a strong relationship over the past 50 years and prospect of negotiating a future agreement presents an opportunity to reflect on what the EU wants to achieve together with its partner countries.

Participants attempted to identify essential elements of a good partnership, with mutual trust featuring high on the list. A future agreement should take into account factors such as i) the changes that have taken place in global geo-politics, ii) new emerging challenges and regional dynamics, iii) the heterogeneity of the partners, iv) the Cotonou *acquis*, v) shared universal values, vi) EU specific and mutual ACP-EU interests and, finally, vii) the flexibility needed to deal with changing circumstances.

Against this backdrop, the objectives of a future ACP-EU partnership will need to be clearly defined and agreed between the parties. Ideally, an evidence-based analysis of the present Agreement should be carried out in order to provide objective data from which to draw informed decisions. In this respect, participants identified a number of issues which, in their opinion, may be more challenging than others, including a loss of global leverage by the EU, potential diverging interests between the EU and the ACP Group as well as within the two parties, and diverging interpretation of human rights, including the rights of Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) people.



### ***Setting the future partnership in a changing policy framework***

2015 is an important landmark for the future of development cooperation. The post-2015 development agenda, which is due to be adopted by the UN Summit in September, will be a universal agenda applicable to all countries and addressing the twin challenges of poverty eradication and sustainable development in its three dimensions: social, economic and environmental. Universality carries with it the implication that partners share responsibility for a common future and are the joint actors thereof. This will invariably have an impact on the framework for the post-2020 ACP-EU relationship.

The principles of universality and shared responsibility could lay the foundation for the future of the ACP-EU relationship. Possible questions for ACP-EU relations include: would a joint ACP-EU development fund to which all partners contribute according to their capacities be feasible? Would regional partnerships be more suitable than an overarching CPA for the application of differentiated treatment? On this issue, some Round Table participants noted that the preferential treatment of ACP countries as currently embedded in the CPA may not be easy to reconcile with the principle of universality.

The world has changed and the EU has to adapt to these changes. We live in a multipolar world and with that comes the need to move towards functioning as a network of global partners working together to address global challenges, including the challenge of socio-economic development and the reduction in inequalities.

Along the same lines, the development agenda is continuing to move away from a purely government-to-government relationship, aiming for greater inclusion of non-state actors, the private sector and the investment community. Incentives will need to be devised to improve the inclusion of these actors and the EU may need to adapt its financial instruments in that regard. The nature and scope of a new partnership will also need to be articulated and implemented coherently with the international commitments and objectives stemming from the post-2015 agenda and the **Sustainable Development Goals (SDGs)**.

### ***Towards a more inclusive implementation model***

A pressing question is how best to use financial and non-financial resources to implement the ACP-EU partnership in a post-Cotonou environment. This applies equally to development cooperation as it does to trade, cultural, political and other dialogue as well as to any other means of implementing the partnership. The need to rethink and invest further in the political and policy dialogues resonated with most participants particularly because the quality of dialogue is an indicator of the effectiveness of the partnership and the dialogue itself is a primary means of implementation of the partnership. Establishing the narrative necessary to justify and explain the aspirations of the future ACP-EU partnership is a complex task given the fast changing global political and economic environment.

The Agenda for Change<sup>1</sup> and the Busan Partnership for Effective Development Co-operation<sup>2</sup> have made public concerns that the means of implementing and particularly financing international development partnerships are undergoing major change. International partnerships are increasingly conceived as going beyond government-to-government relationships and also being grounded in partnerships between the private sector, non-state actors and civil society as well as through cultural cooperation, research, etc. In this context the predominant view is that partnerships tend to be stronger when based on a principle of shared responsibility for implementation: partnerships where one side is responsible for a disproportionate level of implementation tend to be less effective.

The debate on Financing for Development in the post-2015 context is likely to have serious implications for the partnership. Clearly, there is less and less room for a traditional “donor-recipient” relationship. Instead, future development partnerships are likely to focus on partnering with governments, civil society and the private sector with the mutual aim being fostering equitable and sustainable social and economic development.

The Round Table on “Means of Implementation” also discussed the implications of “budgetising” the EDF and the importance of predictability. In the discussions, “soft” means of implementation such as dialogue, developing a common narrative, building on a shared identity and investing in the partnership itself appeared to need much more attention than financing itself. In the same vein, many participants stressed the need to adjust the means of implementation better to the specific political and economic context in the recipient countries.

### ***A partnership - with whom?***

The question of what might be the best institutional architecture for a future partnership – and who should be the key actors in it - needs to be analysed on the basis of a thorough understanding of the current stakeholders and institutional framework and their strengths and weaknesses including the political economy of the partnership and the lessons learned from the performance of current arrangements. In that context some doubts exist as to whether the three regions have sufficient common interests to stay together as they are increasingly facing different sets of issues.

Regarding the involvement of stakeholders in the ACP processes, participant feedback from representative business and civil society organisations was that the ACP institutions and their functioning were not transparent for external stakeholders. While it is generally viewed as positive to have a legal agreement that institutionalises stakeholder participation as Cotonou does, participants considered that meaningful involvement of business and civil society

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<sup>1</sup> European Commission Communication (2011) and Council Conclusions (2012).

<sup>2</sup> Busan High Level Forum on Aid Effectiveness (2011).

stakeholders had not happened. The Cotonou institutions, if they are to remain relevant, should therefore be restructured in any future agreement taking into account experience to-date as well as the new geopolitical context. The perception of a number of Round Table participants was that the institutional architecture, in particular the performance of some of its institutions against objectives, would need to be analysed on the basis of factual evidence. In that context the perception of reduced commitment in different areas of the partnership appears relevant, as derived from poor and/or low level attendance at meetings of the joint institutions. A further identified problem related to the Cotonou decision-making process is that many important decisions on both sides are taken outside the ACP-EU structure, making it increasingly difficult to work together on common issues affected by these decisions. The three pillar structure of the CPA organised around the themes of political dialogue, development cooperation, and trade, should also be analysed as its relevance is likely to diminish with the **Economic Partnership Agreement (EPA)** system and the possible future "budgetisation" of the EDF.

The issue of funding the institutions was seen as fundamental, as many participants felt that shared responsibility implies equitable sharing of costs, which should be a core principle of any new partnership, and that asymmetrical financing, despite its initial justification for the CPA, had in the end weakened the current partnership. Re-thinking the partnership from a conceptual "zero approach" would allow the EU to look at the features of the Agreement with a fresh outlook. This "zero approach" could be coupled with an evidence-based analysis of the *acquis* to avoid "throwing out the baby with the bathwater" in order to build on what is working already under the Partnership whilst aiming to make improvements where needed. Looking to the future, the partnership would also need to leverage new information and communication technologies and new organisational work trends, including by taking into account new ways in which dynamic parts of civil society organise themselves today in non-institutional structures through social media.

### ***Trade policy and regional integration towards an improved strategic Partnership***

Trade relations between the EU and ACP countries now fall largely while not exclusively within the remit of the Economic Partnership Agreements (EPAs) and are dealt with by separate institutional arrangements covering regional groupings selected by the ACP countries concerned. At present, 49 of the 79 ACP countries are covered by an EPA and some more are expected to join in. Regional integration agreements are proliferating in and between the ACP regions, with several regional fora and an overarching ACP group and, despite undisputable progress, high ambitions for regional integration are often not matched by the reality on the ground. The EU also has distinct relationships with each of the three geographical areas (Africa, the Caribbean and the Pacific).

The revision of the ACP Partnership Agreement offers the opportunity to streamline the relationship the EU has with all these interlocutors. The key issues identified in the Round Tables included adopting a strategic approach to supporting regional integration, allowing for a multiplicity of approaches and not necessarily following the so-called “linear path model” and being more selective in cooperation with ACP/African **Regional Economic Communities (RECs)**. Participants also advocated a strategic approach to both implementing and broadening Economic Partnership Agreements, including the carefully selected reintroduction into the ACP-EU trade dialogue of controversial issues of deep integration including services, investment, public procurement, Intellectual Property Rights (IPR) etc. Finally, participants suggested adopting a strategic and inclusive approach for considering the interplay among North-South (wider ACP or more narrowly EPA) issues and the North-North dimension including the **Transatlantic Trade and Investment Partnership (TTIP)**.

### *The ACP-EU Partnership as a complementary tool to address global challenges*

**The key issue raised for discussion in this Round Table was whether the CPA can add value in addressing global challenges.** Whether the ACP-EU Agreement would be an appropriate channel to address common solutions was, one of the issues addressed during the deliberations. More specifically, the Round Table discussions looked into what global challenges were common to both the ACP countries and the EU and whether there was a role for the ACP-EU Partnership to act together on a number of selected global issues, both locally and/or at a global level. The underlying question for this cluster was whether the ACP-EU relationship could be used as a tool to address issues of global concern in a post-2020 framework, and whether some of these issues should be prioritised.

The Round Table in London distinguished two groups of global challenges as crucial for the future discussion process. In a first group, peace and security, inclusive governance and sustainable economic development were considered as important cross-cutting issues. In the second group, global issues such as water, energy, and food security, the global environment, climate change and raw materials were put forward. These issues were seen as important joint challenges and as crucial areas currently shaping political and public opinion.

A new multi-stakeholder, multi-level partnership approach which includes stronger engagement with the private sector and the investment community could provide significant opportunities for win-win solutions that both partners would benefit from, and for joint delivery on key global issues. These win-win solutions could be applied to the areas of **climate change, water, energy, the environment, biodiversity and wildlife**. For instance, helping ACP countries to protect wildlife and biodiversity has positive effects for them on poverty eradication and economic development, while the natural resources delivered by an intact environment are a vital input for the EU in producing high value products such as medicines.

The concrete delivery of joint solutions to global challenges could create the necessary trust for a long-term stable ACP-EU partnership. Round Table participants felt that the EU needed to clearly articulate its own economic and political interests along with its fundamental values in order to address global challenges more efficiently with partner countries.

### ***The challenges and opportunities of demographic development***

Demographic trends in the ACP countries and in the EU are leading to the development of dramatically different age structures and population dynamics. This will have a significant impact on the future relationship in terms of human and resource flows between ACP and EU countries and in terms of emerging cooperation priorities both at the political level, notably with respect to migration policy, and with regard to EU assistance in response to ACP development challenges.

As all demographic variables such as fertility, mortality or migration are deeply embedded in social issues, demographic policies go beyond pure demographics and encompass the challenges of poverty reduction, women's empowerment or undocumented migration, human rights and human trafficking. Forecasts predict that urbanisation and people's mobility, notably within Africa, will become critical issues to tackle in the future. Compared with these flows, out-of-ACP migration including its most relevant, out-of-Africa part, will remain a relatively minor factor. Nevertheless, the issue of controlled migration from ACP countries to the EU which could compensate for the EU's ageing population and workforce shortage in some sectors is an issue of common interest for both parties to a future agreement.

It is generally recognised that remittances contribute to reducing the extent of poverty. The discussion on remittances highlighted the need to reduce remittances' transaction costs, and to consider how remittances could contribute to local development in ACP countries, taking into account the balance between macro-economic and social development.

The possibility of ACP and in particular African demographic trends reaching the point at which countries can reap the benefits of a demographic dividend – i.e. an increase in the share of the economically productive part of the population that will allow a take-off of economic growth, distant as it may seem, is attracting increasing attention.. This and related issues of fertility control, migration, education and employment, the promotion of market-oriented training as well as the brain drain from ACP countries could be important issues to be tackled in a future ACP-EU partnership.

## 1. INTRODUCTION AND CONTEXT OF THE CONSULTATION

### 1.1. Background information on the Cotonou Partnership Agreement

The Cotonou Partnership Agreement was concluded in 2000 between the European Union and its Member States and the African, Caribbean and Pacific countries for a 20-year period in Cotonou, Benin. The CPA is currently the most comprehensive North-South agreement with respect to its content, legally binding nature, degree of institutionalisation and number of participating countries. The ACP Group, officially institutionalised in 1975 by the Georgetown Agreement, currently has 79 members of which all but Cuba participate in the CPA. As stated in its first article, the CPA's main objective is to reduce and eventually eradicate poverty, while contributing to sustainable development and gradually integrating ACP countries into the world economy. The CPA will expire in 2020, and negotiations are due to start at the latest in August 2018 in order to examine what provisions shall subsequently govern ACP-EU relations (Art 95 Cotonou).

#### The CPA is rooted in a long ACP-EU history

The European Union's formal relationship with the African, Caribbean and Pacific countries can be traced back to the Treaty of Rome and the 1964 Yaoundé Convention. At that time, this relationship reflected the determination of the European Communities' Member States to maintain special links with a group of former overseas territories or colonies of several founding Member States. The accession of the United Kingdom to the European Communities in 1973 brought in many of the Commonwealth ex-colonies and overseas territories, opening the way to a more institutionalised partnership.

The official institutionalisation of the ACP Group in 1975 paved the way for the ratification of the Lomé Convention the same year, which set up a framework for cooperation between the ACP countries and the then European Community and its Member States. The basis of the Lomé Conventions, revised on a five-year basis until 1995, has been preserved and deepened in the CPA. The 1995 mid-term review of Lomé IV introduced the first legally binding human rights clause, thus bridging about a step change in ACP-EU political dialogue and providing for the political dialogue aspects in the CPA (Negre et al., 2013).

#### A partnership based on three pillars

In the Cotonou Partnership Agreement's Preamble, the parties reaffirm their will to "revitalise their special relationship" through a partnership based on "political dialogue, development cooperation and economic and trade relations". These **three pillars** support the CPA's main objectives of eradicating poverty, promoting sustainable development and the gradual integration of the ACP countries into the world economy, while "contributing to peace and

security” and “promoting a stable and democratic political environment”. Political Dialogue was introduced formal and institutionalised under the Cotonou Agreement with a view to strengthening the political dynamics of the relationship and addressing areas outside the ambit of development cooperation such as peace and security.

Relations between the EU and ACP countries, underpinned by the existence of joint institutions and a legally binding system, are based on several **fundamental principles**. These include the equality of the partners, the fulfilment of mutual obligations, the ownership of development strategies by the countries and populations concerned, as well as the participation of all sections of society in the partnership, recognising the role of non-state actors, local governments and parliaments beyond central governments. **Dialogue** is the pivotal force of the agreement and encompasses all the aims and objectives of the agreement, including essential elements such as human rights, good governance and the rule of law, or specific political issues of mutual concern such as the “arms trade, drugs and organised crime, ethnic, religious or racial discrimination”.

### **The European Development Fund as the main implementation instrument of the CPA**

The main instrument for providing development cooperation under the Cotonou Agreement is the **EDF** created in 1957 by the Rome Treaty and ratified in 1959. The EDF is directly funded by the EU Member States and covered by its own financial rules. The ownership of development strategies principle stated in the CPA means that the legal authority over the allocated funds belongs to both the partner country and the European Union in equal terms.

**Table 1 - Total financial resources allocated to the European Development Fund between 1959 and 2020 (including funds for Overseas Countries and Territories)**

<b>European Development Fund (EDF)</b>	<b>Financial resources (€ millions)</b>
1 <sup>st</sup> EDF 1959-1964	569
2 <sup>nd</sup> EDF 1964-1970	730
3 <sup>rd</sup> EDF 1970-1975	887
4 <sup>th</sup> EDF 1975-1980	3,053
5 <sup>th</sup> EDF 1980-1985	4,207
6 <sup>th</sup> EDF 1985-1990	7,883
7 <sup>th</sup> EDF 1990-1995	11,583
8 <sup>th</sup> EDF 1995-2000	13,151
9 <sup>th</sup> EDF 2000-2007	13,500
10 <sup>th</sup> EDF 2008-2013	22,682
11 <sup>th</sup> EDF 2014-2020	30,500

## CPA revisions and post-Cotonou relations

In accordance with Article 95, the CPA was revised in 2005 and 2010. Moreover, the initial non-reciprocal trade pillar expired in 2007, along with the World Trade Organisation (WTO) - waiver exempting it, and was replaced by references to reciprocal – but asymmetrical – and WTO-compatible EPAs. While the 2005 revision focused on a more efficient and results-oriented dialogue, the 2010 revision introduced changes related to urgent global and regional challenges such as climate change, food security and state fragility. In addition, the 2010 revision encompassed the principles of aid effectiveness, untying EU aid to ACP countries to reduce transaction costs. A third revision of the CPA, which would have been possible in 2015, was foregone by mutual agreement in order to focus on the preparations for the post-Cotonou period. The prospect of likely disagreements, *inter alia*, on issues such as stronger language on LGBTI issues as requested by the European Parliament but rejected by many ACP countries was also a factor in that decision.

### 1.2. Objectives of the Round Table Process

The Round Table process aimed to support the European Commission and the EEAS in their reflections and preparations for a broad public consultation process regarding the revision of the CPA.

According to the Terms of Reference<sup>3</sup>, the purpose of this specific contract was to bring together expertise to plan, prepare, conduct, evaluate and document seven thematic Round Tables related to a revision of the Cotonou Agreement. Each Round Table was also tasked with identifying key questions that should be raised in a public consultation.

The process sought to gather a critical mass of expertise to stimulate a wider discussion on post-Cotonou issues, focusing on specific issues for the time horizon 2020-2030. The outcome is to feed into a Green Paper as the basis for a broad public consultation, which will give the public at large a chance to take part in the process.

### Process and methodology

The seven cluster leaders were tasked with coordinating thematic Round Tables under the guidance and coordination of the team leader and under the responsibility of the Commission's Task Manager<sup>4</sup>. The Round Table process was designed to bring together experts from the public, private and third sectors, as well as from academia, allowing them to freely exchange their views on a series of thematic issues of high relevance for the ACP-EU relationship. The respective cluster leaders were expected to identify experts outside the

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<sup>3</sup> ToR in Annex 2).

<sup>4</sup> Dr Elisabeth Pape, DG DEVCO.



institutions as participants on the basis of their professional experience as well as of their written and oral contributions in the relevant fields: the EU, for its part, took care of the selection of institutional participants, i.e. from the EEAS, the Commission, and EU Member States. The latter were invited to propose sponsored participants.

All seven thematic Round Tables, chaired by their respective cluster leaders, who were also tasked with preparing a scoping paper setting out the key issues for discussion, and co-chaired by the Team Leader as specified in the ToR of the assignment, were held in March 2015. The first one was organised in Brussels while the subsequent six were co-hosted by European Union Member States in The Hague, Bonn, Paris, Luxembourg, London and Riga. Finally, a concluding Round Table chaired by the team leader was organised with the participation of all cluster leaders and European Union representatives (Commission and EEAS) in order to discuss the findings of the expert Round Tables including suggestions for the questions for the public consultation and areas for further analysis to underpin the post-Cotonou negotiations.

**Figure 1 - List and organisation of the seven Clusters and Round Tables**

Round Table/Cluster	Cluster Leader / Team Leader	Date	Venue
1. What kind of partnership do we want?	Aneta Sinachopoulou Svarna	03.03.2015	Brussels
2. Future framework for international cooperation and development policy	Maaria Seppänen,	13.03.2015	Paris
3. Means of implementation	Alexander O’Riordan,	10.03.2015	Bonn
4. Stakeholders and Institutions	Sean J. Burke	06.03.2015	The Hague
5. Regional integration and trade	Alan Risk Ramírez / Helmut Asche	24.03.2015	Luxembourg
6. Global challenges	Friedrich Barth	27.03.2015	London
7. Demographic developments	Yves Charbit	31.03.2015	Riga
Concluding Round Table	Veronica White	04.05.2015	Brussels

The contract was managed by EPRD and the targeted consultation process ran over a period of 6 months. Member States were invited to nominate their representatives based on their areas of expertise. The selection was made with a view to providing a balanced representation of the public sector, the private sector and civil society. In that regard, each Round Table was expected to comprise the following number of participants:

- EU Institutions (Commission and EEAS): 3.
- EU Delegations: 2.
- EU Member States: 4.

- Civil Society Organisations and businesses: 3.
- Academics/Think tanks: 3.

One hundred and three (103) experts from academia, think-tanks, the private sector, Civil Society organisations, EU Institutions and EU Member States were consulted through a process of Round Table discussions. The box below lists the different organisations and the respective participants, reflecting the diversity of the participants' backgrounds.

**Figure 2 - Mapping of the participants to the Round Table process**

<p><b><u>EU Institutions</u></b>  <b>COM:</b> DG DEVCO, DG Trade, DG BUDG  <b>EEAS</b>  <b>EU Delegations:</b> represented by recent returnees  <b>Others:</b> European Investment Bank</p>	<p><b><u>Civil Society Organisations and Businesses</u></b>  <b>Civil Society Organisations:</b> ACT Alliance EU, Concord, European Environmental Bureau, Heifer Baltic Foundation, Instituto Marques de Valle Flor, Jesuit Refugee Service, One World, Planet Resilience, World Resources Institute.  <b>Businesses and federations:</b> BUSINESSEUROPE, r0g_agency for open culture and critical transformation gGmbH.  <b>Other relevant organisations:</b> BizClim, CTA Brussels Office, International Organization for Migration, IUCN European Union Representative Office, OECD, Ramsar Convention.</p>
<p><b><u>EU Member States – all were invited</u></b>  <b>Co-Hosts:</b> France, Germany, Latvia, Luxembourg, Netherlands, United Kingdom  <b>Participants:</b> Austria, Belgium, Croatia, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Luxembourg, Netherlands, Poland, Slovakia, Spain, Sweden, United Kingdom</p>	<p><b><u>Think Tanks and Academics</u></b>  <b>Think tanks:</b> Centre for Global Development, Chatham House, Copenhagen Consensus Center, European Centre for Development Policy Management (ECDPM), German Development Institute, German Institute for International and Security Affairs, International Institute for Environment and Development.  <b>Academics:</b> Copenhagen Business School, Denmark; CNRS, France; Georgetown University, Washington, D.C., USA; Institut d'Etudes Européennes, Belgium; London School of Economics, United Kingdom; Plymouth University UK; University of Cape Town, South Africa; University of Liège, Belgium; University of Ljubljana, Slovenia; University of Mainz, Germany; University of Malta, Malta; University of Nijmegen, The Netherlands.</p>
<p><b><u>Team of Independent Experts</u></b>            7 cluster leaders.            1 team leader</p>	

The size of each group of participants aimed at providing balanced representation of the public sector, the private sector and civil society. It should be noted that the participants expressed their personal opinions and views at the Round Tables and not necessarily those of the organisations they belonged to.

## 2. KEY ISSUES RAISED

### 2.1. Cross-cutting issues

The discussions held in the seven thematic Round Tables gave rise to a number of issues of shared concern or interest spanning across the thematic Round Tables. The key cross-cutting issues are highlighted in the section below.

#### 2.1.1. Values and interests for a renewed Partnership

Two key questions were recurrent in the Round Table process: “**Why do we want an agreement?**” and “**Around which shared values and mutual interests should we build it?**” These **values** and **interests** would constitute the foundation of the partnership and need to respond to a common **vision**, supported both by the ACP Group and by the EU. Building a common narrative around a future agreement would be crucial to ensuring commitment by both parties as well as for the buy-in of a broader range of stakeholders and the general public at large. Moreover the new partnership would need to be coherent with the EU’s external action strategies and embrace strengthened political dialogue with ACP partners. To that aim, it would need to be tailored to the new global political dynamics including the increased political and economic weight of a number of ACP countries.

The current North-South relationship underpinned by a donor-recipient approach which characterises the current CPA would need to be reviewed in the context of the new international development agenda, in particular the Post-2015 agenda. Some aspects of the ACP-EU Agreement may now be obsolete and the dynamics of the relationship may have changed, both within Europe as well as within the ACP group.

The central issue of what the European Union wants to achieve with a new Partnership Agreement came up in all the Round Tables. It was said that the European Union needs to define what its interests in a future partnership are and should aim to formulate them clearly, notably with respect to its commercial and political interests besides its interest in promoting the respect for universal values and human rights. This would also help the EU affirm its position on the international stage facing emerging donors and partners such as Brazil, Russia, India, China and South Africa (BRICS), and to place itself in a sustainable partner-to-partner relationship.

Finally, it was felt that the 13 Member States that joined the Union most recently may not share the same interest in a special ACP-EU relationship as the other Members and, in the context of a new agreement, their interests would need to be better defined and taken into account.

### **2.1.2. The Economic dimension and the Private Sector**

Against the backdrop of encouraging growth prospects and a vibrant private sector in parts of the ACP countries notably in Africa, participants commented on the need to move towards a future Agreement that could better exploit the benefits of economic cooperation and trade, including through the integration of ACP economies into regional economies. Linked to that is the issue raised in a number of Round Tables of whether the private sector should have a greater involvement in a future ACP-EU institutional architecture, and what the advantages and added-value of the private sector as a stakeholder group would be. Participants debated what would be the right model for doing this as well as the challenges and risks involved and the kind of safeguards which could be introduced to manage risks, in particular with respect to corruption and lobbying.

The link with regional integration processes was also raised, including the issue of whether the involvement of the ACP private sector to-date as stakeholder for regional integration was deemed sufficient. In this respect, a number of participants shared their perception that, despite the progress achieved in engaging private sector representatives in REC dealings, more remained to be done. Participants felt that there was clear value in bringing together ACP and EU business leaders, and in engaging them in discussion with both European and African government and political leaders.

### **2.1.3. Wider stakeholder engagement**

The Cotonou Agreement already provides for the involvement of a varied set of stakeholders including civil society and the private sector. Nevertheless, a new Agreement might benefit from greater stronger involvement of stakeholders possibly beyond the economic and geographical limits of the current CPA. Who should be included in the partnership and which stakeholders should be involved? Which institutions should be part of the partnership or agreement(s) and how can their sustainability be ensured?

The private sector for instance, albeit clearly identified as a key stakeholder in the CPA and regularly invited to take part in ACP-EU dialogue and EPA negotiations, remained insufficiently represented in the current set-up despite the rapid expansion of the business community in ACP countries over the past two decades. Deeper involvement of the private sector alongside non-governmental organisations (NGOs) and civil society organisations (CSOs) would need to be tackled under a revised partnership. In particular, civil society could be more easily involved thanks to new technologies: issues are more visible on social media, where they can be discussed on a large scale, and organisations can easily be mobilized on specific issues.

### **2.1.4. Going beyond the donor-recipient relationship**

Although the CPA is based on 3 distinct pillars, most experts found that development cooperation through the EDF has dominated the partnership. Partner country expectations

were among the issues raised, noting that there is an increasing number of requests from Partner countries in relation to **policy advice needs, rather than financial assistance**, as with rising per capita incomes, the role of aid tends to become less important. It was added in the discussions that partner countries also requested support in dealing with global challenges such as climate change, water, and energy and food security. Another important change to be considered is a shift in the development model: leveraging private flows with **Official Development Assistance (ODA)** funds is a concrete option for stimulating private investment and growth. Most importantly, experts at all Round Tables touched on the major impact for the relationship between donors and recipients – and as a consequence for the ACP-EU partnership - expected to emanate from the post-2015 Agenda, which promises to end –even though not tomorrow – to the North-South divide.

### **2.1.5. Ownership of the ACP Group and sustainability of the institutions**

The ownership of the ACP Group and the sustainability of its institutions was discussed in different Round Tables. The ACP Group spanning three distant continents was perceived by many participants as a construct with limited relevance outside its relationship with the EU, both in terms of its importance in national and regional politics and in terms of its institutional relevance on the global stage.

Its limited influence on a global scale – despite the weight of its members in numbers in the UN – is an important element in the context of the SDG agenda and areas in which the EU has a major stake and a need for partners. With ACP Member States organising themselves in international fora more often than not along North-South and regional lines, the value added of the ACP Group as an ally in that context is not evident.

The limited presence and recognition of the ACP Group on the national political stage in ACP Member States is an important factor to take into account when it comes to the EU's interest in partnerships that link up people and societies and increase the visibility of the EU's role in the world, including as the largest provider of development assistance globally.

Several participants considered that shifting the bulk of the financing of the ACP institutions from the EU to ACP Member States would be a litmus test for the ownership and sustainability of the institutions. It would increase national stakeholders' awareness through inclusion in national budgets, and increase accountability towards ACP citizens. In that respect, the continued contribution of the EU to the core financing of the ACP institutions after 50 years of their existence was seen as an anomaly.

Every Round Table raised the question of whether there should be an agreement with the ACP Group at all in the future. Linked to this, participants across the Round Tables discussed the merits of regionalising the agreement with the A, C and P regions and the difficulty of identifying which institutions within those regions would be best suited as partners.

However, action under all three pillars of the current CPA – political dialogue, development and trade – has left the EU actors with the perception of a very diverse institutional landscape in the regions where the best partners for future cooperation are not easy to identify.

One concern voiced was that the ACP Group as it exists could be undermining the political influence of structures such as the **African Union (AU)**, which are considered to be more “home-grown” and would therefore enjoy more ownership.

Whatever the future set-up, there was substantial agreement that in the context of negotiations on a future Agreement, the parties should seek to rationalise overlaps between the different regional and continental organisations and seek to exploit synergies.

Some Round Table participants expressed their opinion that the principle of universality in the SDG Agenda may not be compatible with preferential treatment and that the characteristics of the Agreement may need to be adapted to this new policy context. Or, in other words, would a new ACP-EU Agreement be in a position to offer a sufficiently large degree of preference to be worthwhile for the ACP Member States? Would the common interests and the scope for global leveraging effects be sufficient for both sides to the Agreement to want to pursue it together in a multilateral environment?

## 2.2. Findings per Thematic Cluster

### 2.2.1. Cluster 1: What kind of partnership do we want?

The Round Table on “What kind of partnership do we want?” was held in Brussels on 3<sup>rd</sup> March 2015. It aimed to discuss the underlying essence of the Agreement and the type of partnership which may be desirable for the future. The rationale for holding a debate on this issue is in part the need to set a future Agreement in a forward-looking social, political and economic context. Participants discussed the context in which the Agreement was set at the time, how the world has changed and will continue to change and what the impact of these changes would be on our relationship with partner countries. The ACP-EU partnership was established at a time when the world was emerging from a colonial past with which many of the more recent EU Member States<sup>5</sup> have fewer historical links. They thus have more limited political relations with ACP countries, but this is also changing.

*The ACP-EU partnership was established at a time when the world was emerging from a colonial past with which many of the more recent EU Member States have fewer historical links.*

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<sup>5</sup> Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovenia, Slovakia.

The discussions at the first Round Table were organised around three key discussion areas:

- What would be the essence of an ideal partnership between the ACP and the EU post-2020?
- What would be the necessary areas for reform, why and how?
- What risks should be addressed?

*A few ACP countries have a higher GDP than some EU Member States. At the same time, of the current 48 LDCs in the world, 40 are located in the ACP region.*

It was felt that the Agreement should move away from the donor-recipient relationship and aim towards a partner-to-partner Agreement. Participants discussed the desirability of establishing a partnership with a sense of shared responsibility. This would in turn require that the partnership be built on trust and shared values. The issue of whether the partnership should be built with conditionalities was also discussed and participants explored the



Round Table 1, Brussels, 3 March 2015.

potential relevance of introducing elements of conditionality, such as terms and clauses under which a partnership would be feasible.

The discussions also highlighted the advantages of the Agreement as it stands and the features that make it unique and may be

worth preserving, such as its legal nature, as well as the political dialogue, equal partnership and ACP ownership, all of which potentially make the CPA a pioneer model of a contractual relationship. Participants felt that it would be worth examining in further detail how these elements could be built upon and further developed. Importantly, transparency and accountability among partners apply to both the EU and ACP countries. In this respect, the amended Article 9 of the CPA in the 2010 revision stipulates that the principles underlying the essential and fundamental elements (regarding human rights, democratic principles and the rule of law as well as good governance) “shall be applied equally” to both the ACP States and to the EU and its Member States.

The trade dimension of the partnership has mostly been moved out of the agreement with the conclusion of EPAs, replacing the previous unilateral trade preferences for ACP countries

with reciprocal sub-regional treaties in conformity with the WTO, and the availability of broader based schemes for the EU's trading relationships with developing and least developed countries (Everything But Arms (EBA), Generalised Scheme of Preference (GSP) and GSP+<sup>6</sup>). The economic dimension of the partnership – private sector development, investment, Aid for Trade (A4T), regional integration – is nevertheless likely to take on greater importance in the future, and how best to respond to these developments should be examined.

Graduation and differentiation are also having an impact. A revised partnership could enshrine such new approaches. A few ACP countries have a higher GDP than some EU Member States. At the same time, of the current 48 LDCs in the world, 40 are located in the ACP region<sup>7</sup>. 16 African developing countries are landlocked, while there are 36 ACP Small Island States<sup>8</sup>. In the African ACP countries, more than 200 million people live in fragile and conflict-affected situations<sup>9</sup>.

In the meantime, other relationships have also been gaining in depth and importance. The EU and the ACP regional groupings have agreed separate political frameworks: the Joint Africa-EU Strategic Partnership (JAES)<sup>10</sup>, and the Joint Caribbean-EU Partnership Strategy (JECS) in 2010. In 2006 a Strategy for A Strengthened Partnership was adopted to develop EU relations with the Pacific Islands from a donor-recipient level to a more political relationship.. As a result, the political dimension of the cooperation with these groupings has been strengthened outside, although in synergy with, the Cotonou Agreement.

Over time, the interests and ambitions of both the EU and the ACP States have evolved. A new partnership could take these more clearly into account. Eradicating poverty and promoting sustainable development and universal values within capable states that guarantee the rule of law, good governance and democracy, remain top of the agenda.

Increasing global economic interdependence means a renewed partnership can look at how to exploit the benefits of economic cooperation and trade better, via the integration of ACP economies into regional economies, in conformity with the World Trade Organization (WTO) and the availability of broader schemes such as private sector development and investment. It can also look at the integration of ACP economies into the world economy, along with the diversification of their economies and progression to value chains, the transfer of know-how and technology for the sustainable development and the ability to create a stable, predictable and attractive environment for EU investors and traders, offering market opportunities and

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<sup>6</sup> GSP with full removal of tariffs, granted to countries that ratify and implement international conventions relating to human and labour rights, environment and good governance.

<sup>7</sup> UN DESA (figures for 2013).

<sup>8</sup> UN-OHRLLS (figures for 2014).

<sup>9</sup> Source of conflict and fragile situations listing: World Bank Harmonized List. Source of population data: United Nations figures for 2014.

<sup>10</sup> Adopted on the Lisbon Summit (2007) and amended at the Africa-EU Summit in Brussels in 2014.



*ACP countries will keep increasing their participation in the world economy; their population, largely outnumbering the EU population, will continue to grow*

access to resources for EU businesses as well as helping ACP producers and exporters to take full benefit of the EU market.

Even if political developments in the ACP countries and the EU beyond 2020 cannot be predicted, economic and demographic considerations show clearly that ACP countries will keep increasing their participation in the world economy; their population<sup>11</sup>, largely outnumbering the EU population<sup>12</sup>, will continue to grow, and the EU's economy will continue to depend on energy, raw materials, open markets and competitive industries.

Other important international factors should have an impact on the shape of the new relationship, such as the expected overarching post-2015 agenda, including SDGs, which is expected to pay due attention *inter alia* to the situation of fragile and conflict-affected states and of the LDCs, to the sustainable use and management of natural resources, and the prevention of ecosystem degradation, pollution, climate change and natural disasters.

Many recent publications<sup>13</sup> deal with possible scenarios regarding the future of ACP-EU relations. Some such scenarios include an opening of the ACP group to new members, such as the non ACP LDCs, which could potentially provide an alternative to the UN G77<sup>14</sup> and China group of developing countries, or even to the whole of Africa, in particular North African countries. Another possibility is the emergence of a dynamic and cohesive ACP group, which can establish global partnerships beyond the EU, in particular with the BRICS countries.

Another such scenario suggests that the ACP group should become an **overarching umbrella** for the ACP regions, with or without specific provisions for EPAs and/or the various RECs. This scheme with four elements, one for the whole ACP Group and three or more regional pillars<sup>15</sup> would take into account the importance of the three regions, namely Africa, the Caribbean and the Pacific and possibly regions within Africa, such as the East African Community (EAC), the Economic Community of West African States (ECOWAS) and the Southern African Development Community (SADC), and consider them on an equal footing with the whole ACP Group.

<sup>11</sup> 930.555 in 2014 (see Table 2).

<sup>12</sup> 506.859 in 2014 (see Table 2).

<sup>13</sup> E.g. European Parliament (2013) Policy Briefing, ACP-EU relations after 2020: Review of options, or, Geert Laporte (2012), What future for the ACP and the Cotonou Agreement? Preparing for the next steps in the debate.

<sup>14</sup> The Group of 77 at the UN is a loose coalition of developing nations created to promote the collective economic interests in the UN. It has 77 founding members while currently there are more than 130 G77 members.

<sup>15</sup> At an equal level, depending on the number of countries, population and area of each of the considered regions?

Finally, the existence of a legally binding agreement remains a critical issue to address. Other issues that should be analysed include sources of funding for the partnership, a detailed description of the objectives, means of implementation and institutional arrangements of the partnership, potential overlaps with other kinds of international and EU collaboration, possible complications in each type of partnership, as well as implications and modifications resulting from the post-2015 development agenda, aid effectiveness and compliance with the Agenda for Change, in particular concerning differentiation.

### **Analysing the Cotonou *acquis* and the EU's main interests**

To start the reflection on the renewal of the ACP-EU Partnership, the first step should be to analyse partners, stakeholders, benefits and goals achieved so far, as well as to assess the related institutions, mechanisms and instruments, including the EDF. The CPA collaboration model is a pioneer model of a contractual relationship combining political dialogue, trade and development. After 15 years of the CPA, there is a need to analyse the problems, deficiencies and successes of its implementation so far, so as to provide a solid basis for the discussion on a new partnership.

- The nature of the geo-political challenges and its impact on regional dynamics.
- How the CPA can be better linked to other aspects of EU External Action.
- How the growing recognition of the role of interests and values can receive more weight vis-à-vis the role of development assistance in the ACP-EU partnership.
- How the universal objectives of the post-2015 framework could be translated into the concrete ACP-EU context.
- What constitute the incentives for ACP-EU collaboration and how they have changed over time.
- The experiences with political dialogue and the use of conditionality.
- The experience of ACP and EU collaboration in global forums.
- The relevance and efficiency of current institutions and mechanisms.
- The extent to which the CPA has reinforced the involvement of civil society and the private sector in national politics.
- The extent to which the CPA has fostered interaction, dialogue, coordination and cooperation within the ACP Group at a regional and sub-regional level.
- How the current EU regional strategies with the ACP sub-regions can be better and more linked to a future ACP-EU partnership.
- The concrete differences and similarities between the CPA and other arrangements (Joint Africa-EU strategy, Neighbourhood policy, etc.).

The next step should be to identify the EU's own interests by putting the ACP-EU Partnership into a geo-strategic context, in particular the position of Europe in the world and the EU's interests, in close collaboration with the EU Member States. Strategic objectives should be

identified first, followed by a revision of the institutional structure, keeping in mind the lessons learnt so far. The political dimension of EU-ACP cooperation should be considered while a stronger economic cooperation model could promote business opportunities and investment. The changes in the world, both at the EU and ACP level should be taken into account, as well as the influence of and the relationship with emerging economies, notably the BRICS. To move the partnership beyond a North-South development partnership towards a real political partnership with universal objectives in a Post-2015 context is a priority.

### Designing a coherent agenda for the new partnership

*The new partnership would need to be coherent with the EU's external action strategies and embrace strengthened political dialogue with ACP partners.*

A coherent agenda for the new partnership should be prepared that takes into account peace, security, democracy, governance and stability while being consistent with the EU's strategic planning and other international agendas, such as the post-2015 agenda, and avoid any overlapping with other international organisations. This agenda should take into account the following:

- How to make the ACP-EU Partnership more political, moving it beyond its colonial legacy.
- The need to avoid undertaking standalone reflections on Cotonou that are disconnected from other aspects of the EU's external action.
- The regional dynamics, in particular concerning RECs/Duly Mandated Regional Organisations (DMROs) in Africa.
- The move beyond the North-South paradigm towards a universal agenda and towards an agenda of jointly addressing global challenges and jointly mobilising the necessary resources to tackle them.

According to the panellists, a legally binding agreement for the 21<sup>st</sup> century which take into account the global picture and agenda, the heterogeneity of the ACP partners and their different interests and agendas while at the same time preserving the Cotonou *acquis* was needed. A regional approach could deal better with the particular interests and problems of the ACP countries. LDCs and OCTs could also be taken care of within a regional or even sub-regional context. Global challenges could be dealt with together with the ACP partners and the EU Member States.

The panellists also argued that incentives should be part of the partnership. Solidarity and trust amongst partners, as well as flexibility and simplicity are crucial for the partnership. The **multi-stakeholder approach**, with governments, NGOs and the private sector, should be kept in the new partnership; **new multi-layered institutional cooperation** should be created

beyond governments to include universities and other authorities and partners. Sharing of universal values, in particular the rule of law and human rights, including respect for LGBTI rights, as well as peace and security could be key constituents for the new partnership.

### Identifying and addressing risks

The main identified risks that should be addressed in the renewal of the ACP-EU Partnership include the following:

- The current CPA is increasingly seen as obsolete *vis-à-vis* the partnerships developing between ACP countries and emerging economies, in particular the BRICS. Can the EU offer a sufficiently large preference margin to the ACP Group compared with other countries for a special partnership to remain attractive?
- Diverging interests and vision within both the EU and the ACP Group.
- Communication, credibility of the European Union.
- Aid fatigue. Loss of public support, lack of confidence in the EU aid model.
- Issues related to lack of respect for human rights and to Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) rights.
- Dealing with regimes that are corrupt.
- Lack of a common EU vision, lack of a clear political agenda, lack of public support.
- Lack of ownership and interest on the ACP side.
- Wasting resources in ACP countries that could be used more effectively.
- Starting the negotiation process having the conclusions already in mind.

### Questions for the public consultation

Most Round Table participants insisted on the need to **base the partnership** – or the agreement, if there is to be one - on **shared values or on mutual interests**. Participants highlighted that frank and open reflection on the EU's own interests should be part and parcel of the public consultation including on trade issues. It will therefore be essential for the EU to reflect upon and define its own interests in preparation for the consultation.

Questions that could be raised in the public consultation on this issue include:

- On which shared universal values do you think the partnership between the EU and ACP countries should be built? Please give examples.
- Which mutual interests do you think could be the basis for the EU and the ACP Group to build a partnership?
- What should the objectives and political aims of a revised agreement be? Which sectors should the new partnership focus on, and why?
- Should a future Partnership be based on a legally binding agreement and if so, why? Could a non-legally binding agreement be as effective?

- What Cotonou objectives and goals do you think had a positive impact on the ACP-EU relationship and are worth preserving? Which aspects should be radically changed in the case of a new agreement?
- Do you think there should be an agreement at all between the EU and the ACP Group of States? If not, do you think that a set of regional multilateral agreements or partnerships would be a better way to implement a relationship between the EU and ACP countries?
- Do you think a revised agreement, if there were to be one, should cover a specific timeframe?

### Areas that could benefit from further analysis

The cluster leader and Round Table participants identified the following areas which would benefit from further analysis by the European Union with a view to the future post-2020 negotiations:

- Assessing the Cotonou *acquis*
- Conducting an evidence-based analysis on the value of the Cotonou Agreement so far.
- Assessing the impact of the ACP-EU Partnership in terms of political dialogue so far.
- Improving the EU methods for assessing political, policy and technical dialogue to promote a common and authoritative definition of the dialogue among the EU and EU Member States. This should also aim at identifying how an effective dialogue should be monitored.
- Identifying the aspects on which the ACP Group and EU have a shared understanding of the CPA's success.

### 2.2.2. Cluster 2: Future framework for international cooperation and development policy

The Round Table was held in Paris at the Ministry of Foreign Affairs on 13<sup>th</sup> March 2015 with three rounds of discussion: implications of scope and approach of the post-2015 agenda for future ACP-EU relations, implications of the universality principle for future ACP-EU relations, formulation of questions for the public consultation.

*The post-2015 agenda poses the challenge of going beyond the North-South divide. The SDGs will bring about significant changes in ODA and in domestic policies in the EU as well as in ACP countries*

The purpose of the Cluster was to discuss the possible impact of the post-2015 development agenda, including the Sustainable Development Goals

(SDGs) on future relations between the EU and the ACP countries, and on what could be the scope of a future agreement. Cluster 2 concentrated on the development policy aspects of the CPA and of EU policies. It also touched upon other consultation issues, especially the financial and institutional arrangements including a brief discussion on the means of implementation.

The post-2015 development agenda including the SDGs is most likely to have a significant impact, since it is set to frame development efforts for the next 15 years, as the MDGs have since the turn of the Millennium. And while the CPA entered into force before the MDGs, this time around the potential future agreement will be adopted after the post-2015 agenda. Therefore, the scope, priorities and approaches of the post-2015 agenda could significantly influence those of a potential future ACP-EU agreement. In addition, the post-2015 agenda could potentially bring about significant changes in international relations, domestic policies and North-South relations. In theory the universality of the post-2015 agenda transcends the North-South divide and the post-colonial donor-beneficiary relationship. The post-2015 development Agenda also implies a change internally in developed nations with deep changes in both internal and external policies. Overall, it is a new type of agreement, potentially linking all countries through shared responsibility. The Cluster 2 Round Table was dedicated to reflecting upon the implications of the post-2015 agenda on future ACP-EU relations.

For development cooperation, the post-2015 development agenda also offers an opportunity to stress policy coherence for sustainable development. If fully implemented, the SDGs will require a change in our governance structure, by demanding increasing cooperation across ministries. In the Round Table discussions, doubts were expressed regarding whether the EU with its Member States and the ACP countries were prepared for this kind of radical change in governance. Despite their revolutionary potential, the implementation of the SDGs may be difficult because of the way they are structured, with the 17 goals and 169 targets proposed. There is also a concern that the SDGs may not be fully implemented, as the post-2015



Round Table 2, Ministry of Foreign Affairs, Paris, 13 March 2015.

development agenda is “aspirational” and non-binding.

One of the potentially far-reaching principles introduced by the post-2015 agenda is universality. Though this is contested in the UN negotiations context, universality should come with shared responsibility,

meaning that each country should contribute its “fair share”, with regards to both domestic implementation and contribution to the global effort. For ACP-EU relations as well as for the

international community as a whole, the challenge is to define how to combine universality with differentiation, taking account of different national realities, capacities and levels of development.

The post-2015 agenda is expected to set the focus of global development priorities and resources in the coming 15 years. Therefore, its implications for future ACP-EU relations are potentially very significant. There is *a priori no inherent* incompatibility between the (current) agreement and the post-2015 agenda. However, it remains to be clarified whether a new CPA would need to encompass the whole scope of the post-2015 agenda. It should also be noted that on some issues (e.g. the political pillar), the CPA is more ambitious than post-2015 – therefore several participants stressed the need to avoid rolling-back on the Cotonou *acquis* and to preserve what goes further than the proposed SDGs.

Some participants asked if a set of regional agreements would be better suited for the post-2015 world than a single, overarching CPA. If this were the case, how would the regions be defined? The general opinion at the RT was that the legally binding nature of the CPA is an element to be conserved. If there is a future agreement, should the possible new agreement like the current one be legally binding or should it be based on a political declaration? What would be the arrangement best suited for implementing the SDGs, or at least some of them, together with the ACP countries? Would bilateral agreements based on shared values with countries joining in when willing and ready to do so be the best partnership solution?

### **Implications of the scope and approach of the post-2015 agenda on ACP EU relations**

During the first session on the scope and approach of the future ACP-EU agenda, the following questions were raised:

- How could or should the expected wide scope of the post-2015 development agenda have a bearing on a possible post-2020 agreement, particularly in relation to the political and development cooperation pillars?
- Should we expect a future agreement to be aligned with the post-2015 agenda and address it comprehensively? What are the challenges of such an approach?
- How can we preserve the *acquis* of the CPA, in particular when it goes beyond what is included in the post-2015 agenda (e.g. political pillar)?
- How could or should the post-2015 Global Partnership, including Means of Implementation, have a bearing on a possible post-2020 agreement, in particular regarding the development cooperation and economic/trade pillars?

*“Sustainable development goals should be action-oriented, concise and easy to communicate, limited in number, aspirational, global in nature and universally applicable to all countries.”*

*UNSG's summary report, par. 62 on the mandate by the GA (Resolution 66/288, annex, para. 247).*

- What would be the implications of differentiation, as understood in the post-2015 context, on a future agreement?
- How can we ensure a more participatory and inclusive approach?

The discussions at the Round Table expressed a general consensus that the post-2015 agenda, if adopted at the United Nations Summit in September 2015, could potentially bring about major changes in international relations, especially in North-South relations.

The post-2015 development agenda is being finalised at a moment in world history when several trends and processes are coming together. In the near future, particularly in the next five years up to the moment when a new “post-Cotonou” agreement should be signed, no matter what its form and scope is, there will be increasing security issues to be tackled. This applies not only to the Middle East, North Africa and the Sahel, but also to the EU countries. In addition, Europe is facing slow economic growth and increasing nationalism in many countries, which make it difficult to foresee the deepening of integration.

NGO representatives in particular stressed that the post-2015 agenda implies the end of North-South relations as we know them. If really integrated into the EU's external relations, the post-2015 agenda goes beyond the traditional donor-recipient relationship. One participant argued that this could by extension mark the death of Official Development Assistance. Although others disagreed, the post-2015 agenda is at least likely to bring about changes in how development cooperation is conceived and implemented. This is all the more so as the world of development providers is increasingly diversified, notably with the rise of South-South cooperation and “big players” such as China.

The universal SDGs imply a change not only in our external action, but also in our domestic policies. This could be seen as an opportunity to make fundamental policy changes and move towards sustainable development both internally and externally, emphasising policy coherence for sustainability, and the “sustainability effectiveness”<sup>16</sup> of aid in foreign policy for example.

Inherent to the sustainable development agenda is the question of time (time scale). In other words, interpreting this comment, the sustainability agenda imposes the consideration of nature's own renewability and regeneration cycles in pollution, production, consumption patterns etc. This means mainstreaming sustainability in domestic policies, overarching development strategies, changing governance structures and practices (working across ministries) and, last but not least, introducing similar changes in the structures of the EU's internal governance. In many comments, it was deemed that the EU and Member States are not yet ready for this kind of radical change.

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<sup>16</sup> While aid effectiveness refers to what and how much is achieved by aid (“value for money”), sustainability effectiveness of aid refers to assessing the degree to which aid inputs contribute to sustainable development.



We cannot yet foresee the full extent of the challenge posed by the post-2015 agenda as it is still under negotiation. Coherence is difficult to maintain in conditions in which each country has a set of actors and sets of interests which are not always congruent, and sometimes are even contradictory. The challenge is to come up with a much more complex and multidimensional relationship involving different stakeholders from ministries to civil society and sub-national bodies. What is needed is to identify interests both on the EU side and on the side of developing countries including ACP countries.

Some participants noted that the foreseen number of goals (17) and targets (169) posed a challenge, making them difficult to manage and implement.

In general, there was some disbelief in the post-2015 agenda's ability to actually trigger some real changes in the world, despite its revolutionary potential. Although some changes may take place in a slow and gradual way, this does not mean that the North-South divide will disappear in one day.

### **Implications of the SDGs' universality principle on ACP-EU relations**

One of the potentially far-reaching principles introduced by the post-2015 agenda is its universality, meaning that the agenda – including the SDGs – will be applicable to all. This is a notable change with respect to the MDGs. Indeed, universality needs to be understood in conjunction with differentiation, meaning that we will need to take account of different national realities, capacities and levels of development. There remains significant uncertainty as to how the concepts of universality and differentiation will be translated into practice. For instance, would the targets and/or indicators be further tailored at a national level? This is also linked to the issue of responsibilities, and whether the agenda will be underpinned by the principle of shared responsibility, which implies that all countries will have to take on a “fair share” both in domestic implementation and in the contribution to the global effort.

The implications (or lack thereof) of post-2015 universality/differentiation for a possible new agreement were not entirely clear at this stage. It was generally felt that a new agreement could possibly cater for more flexible partnerships for countries/regions, reflecting maturity in relations and allowing for a spectrum of cooperation possibilities beyond development cooperation. It could also imply greater differentiation in support to developing countries according to their economic and social situation and according to their degree of vulnerability.

The discussion session on the implications of universality led to the following questions:

- What could and should the universality of the post-2015 development agenda imply for a possible post-2020 ACP-EU partnership and for the future of ACP-EU relations?
- Could we imagine more flexible partnerships at “sub-ACP” level?
- What form of ACP-EU partnership (legally binding agreement or other) would best match both EU interest and overall development policy requirements in the context of the post-2015 development agenda?

## The legally binding nature of the CPA

The legally binding nature of the current CPA was generally considered an added value in ACP-EU relations by the Round Table participants. Due to the legally binding nature of the CPA, the ACP countries are already used to dialogue on good governance, democracy and human rights, plus security which also forms part of the post-2015 agenda. In these themes, the CPA goes beyond what the post-2015 agenda proposes. This state of affairs should not be abandoned but should be built upon in the construction of ACP-EU relations. However, there would also be challenges in reaching a legally binding agreement if it were to encompass, for example, the whole scope of the post-2015 agenda, including SDGs. It was suggested that mutual accountability mechanisms and peer reviews could compensate for giving up the legally binding aspect of the CPA. On this issue, there was no general consensus among the participants of the Round Table.

What follows here is a list of suggestions that were put forward by the participants concerning the future ACP-EU arrangement.

- The process leading to a new agreement should explore countries' potential common interests and needs in a transparent and honest way, and should aim for a much more balanced and reciprocal partnership; it should define common objectives.
- The post-2015 agenda involves reforms in EU domestic policies, which would offer more opportunities for best practices and exchanges of know-how, technology cooperation and benchmarking. Strong synergies should be promoted between the EU and, for instance, African countries to accelerate their energy transition.
- The process leading to a new agreement should be very inclusive and involve non-state and local actors.
- The three dimensions of sustainable development should be much better reflected in ACP-EU cooperation; the post-2015 agenda should really lead to mainstreaming sustainable development throughout European and ACP domestic policies.
- A future ACP-EU arrangement could have higher requirements and more ambitious governance objectives than what is proposed in the post-2015 agenda.
- It was suggested that there could be a joint development fund instead of a totally Europe-funded EDF to which all countries would contribute according to their means and capacities: this could guarantee the ownership of the countries of the South.
- The current CPA could be seen as a bridge between the MDGs and the SDGs, because the CPA integrates cultural, economic and political dimensions and thus it is much more comprehensive than the MDGs. It may not, however, be possible to integrate all the SDGs into the future ACP-EU partnership, although it could be still used as a vehicle for implementing some of the SDGs. In any case, the future agreement and the SDGs should be aligned.

- The future ACP-EU arrangement could go further than the SDGs in some respects.
- The future agreement should be flexible enough to allow for graduation and differentiated treatment and a “fair share” for countries according to their capacities and resources.
- The ACP countries should be consulted on their true interest in and willingness to promote and defend common values with Europe. This should also translate better into making use of the partnership in global settings, such as UN negotiations.
- As long as so many ACP countries are in the group of least developed countries, development cooperation will most likely continue to play a major role in the EU’s future relations with this group of countries.

### Questions for the public consultation

Participants at the Round Table thought that the public consultation should include questions encouraging reflections regarding the opportunity offered by a post-2015 framework to increase the efficiency of international cooperation and development and innovate, such as:

- How could the partnership between the EU and ACP countries go beyond a donor-recipient relationship and focus on a partnership-based approach?
- Through which channels should development cooperation be delivered? Would a joint fund to which all contribute according to their capacities be desirable for example?
- How could knowledge and experience transfers between the EU and ACP countries be better included and implemented in a potential future agreement?
- How do you think that the potential successor to the EDF could better support the unique development opportunities in ACP countries whilst also addressing global developmental priorities?
- Would a future ACP-EU partnership agreement be the right place to support the implementation of the Sustainable Development Goals? Should they be included and monitored in an EU-ACP agreement, or should they be left outside of an agreement?

### Areas that could benefit from further analysis

The cluster leader and Round Table participants identified two areas which would benefit from further analysis by the European Union with a view to the future post-2020 negotiations:

- Further study on the coherence between the current Agreement and the **ACP’s sustainable development agendas**<sup>17</sup> in order to assess the reforms that are required to the CPA in order to align a future agreement with the post-2015 agenda.

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<sup>17</sup>Two strategies UNECA (2014) and ECLAC (2015), as well as a declaration SIDS (2014), have already been published.

- Studying the BRICS’ sustainable development strategies in order to anticipate their areas of interest for collaboration with ACP countries in the light of the increased presence of some BRICs as emerging donors in those regions.

**2.2.3. Cluster 3: Means of implementation**

The Round Table on the “means of implementing” of the CPA and of a possible future Agreement was held in Bonn, Germany on March 10<sup>th</sup> 2015, co-hosted by the German Government. The discussions were grounded in the consensus that the debate on how to implement the CPA must go significantly beyond what is (perceived to be) a narrow focus on ODA and trade. These discussions were also informed by a side-event hosted by the German Development Institute (DIE), a public sector think-tank, which introduced participants to the findings of a survey on views and ideas from 9 ACP countries on the future of ACP-EU cooperation after 2020.

*The means of implementation are, in essence, the tools to help achieve the aspirations of a partnership.*

The means of implementation are, in essence, a tool to help achieve the aspirations of a partnership. The CPA is implemented as much through financing the EDF as it is through contributing to and building on the African, Caribbean, Pacific and European Union’s shared identity. In this regard, it was felt that the partnership could focus more in the future on providing an effective and valuable Political Dialogue, and representation and coordination in defending and promoting common priorities in the global architecture.

Traditionally, the partnership has appeared to give more weight to the financial means of implementation. However, increasingly, ACP voices argue that equitable investment and

favourable trade protocols are as important, if not more so, than aid. Paying attention to the mobilisation of domestic resources in the framework of the CPA is as much an ACP priority as it is an EU one. On the EU’s side, the *Agenda for Change* as well as its stated priorities in the context of the *Busan Partnership* attribute a lot of importance to effective policy dialogue and better contextualisation (and corresponding differentiation) to improve the returns as much from



Round Table 3, Federal Ministry of Economic Cooperation and Development (BMZ), Bonn, 10 March 2015.

development cooperation, as from policy dialogue and all other aspects of implementing the partnership. Dialogue is often referred to as the primary indicator of a working partnership. The consultations called for dedicated attention to discussing the quality of political and policy dialogue between the EU and the ACP Group (both at country level and internationally). Furthermore, a recurring difficult question is why, if the quality of dialogue is such an important indicator of an effective partnership, there is not a more formal mechanism to support, monitor and ensure mutual accountability for productive dialogue.

The *Busan Partnership Agreement* and the *EU Agenda for Change* combined identify one of the biggest impediments to effective development cooperation as being the lack of meaningful consultation and participation with non-state actors in the development cooperation and partnership processes. Currently, the EDF is largely programmed between the partner governments and the EU in a government-to-government arrangement and largely behind closed doors. Seeing the EDF as its most important financial means of implementing the partnership, it was proposed that the Round Table questions what can be done to bring decision-making into the public space to deliver *national* (rather than just governmental) ownership of development programming. In this regard, the European Investment Bank (EIB) was an important participant in the Round Table discussion so as to contribute the EIB's perspective on the relationship between means of implementation and complementary private sector investments.

An important question asked by some participants was whether the "0.7% target" still makes sense and if it is at all politically feasible in the current constrained economic environment, or indeed, if it has ever been feasible. This question also touches on whether it is justifiable and indeed viable to appeal to the ACP countries and more particularly the richer ACP countries and regions to contribute to the EDF. Some participants also considered that it is also important to ask the relevance of this globally agreed target when there is evidently so much value to be had in using more innovative financing (e.g. in partnership and/or investment with the private sector) and in improving domestic resource mobilisation. In this space, it was agreed that the Round Table should focus on addressing and interrogating perceptions (or misperceptions) that the EDF could be better leveraged as a financial resource through allowing for more innovative approaches to financing for development. Finally, the Round Table was designed also to investigate the potential implications of financing ACP-EU development cooperation through the budget rather than through a self-standing fund with its own rules, procedures, costs, incentives and disincentives.

Throughout the process of consulting stakeholders, the recurring and cross-cutting priority was to explore what needs to be different in terms of means of implementation so that a future agreement focuses on delivering added value or confining itself to where it has a measurable comparative advantage. How this is to be achieved and what it means is the key question informing this Round Table on the means of implementing the partnership.

## Delivering value in an international partnership

The partnership between the European Union and the African, Caribbean and Pacific countries and regions is much bigger than ODA and trade, including cultural, knowledge sharing and many other aspects. The reach of the partnership is such that it provides the basis for a much more differentiated relationship, such as that called for in *The Agenda for Change*, based on the opportunities and challenges that are unique to each of the ACP countries and regions. In this regard, there are expectations that the partnership be **more nuanced** to complement and align with the specific political and economic realities better in partner countries and regions.

*A shared narrative and common sense of objectives is vital to any partnership.*

It was considered that the CPA and the EDF in particular should be strengthened to **respond better to shared global priorities**. The EDF was noted as an important means to support peace building (such as in support to the AU) and private sector investment (through the European Investment Bank facility) in the ACP countries but it was also acknowledged that it could be further strengthened to balance better the focus on country specific allocations for development assistance with the growing need for the EU and the ACP Group to address shared global priorities jointly (including climate change, migration, security, etc.). In terms of how the EDF itself operates, some participants noted that replacing the fund by budgetary based allocations would improve oversight, better harmonise the management of EU aid and also create an incentive for quicker delivery. At the same time, the Round Table touched on the possibility that EDF resources as they are currently programmed could be better linked to raising domestic resources in ACP countries. EDF resources could also be better recognised for the reduction they bring about in macro-economic risk in ACP countries by *predictably* contributing foreign exchange and public resources.

The ACP as a group is very different to what it was at the signing of the CPA fifteen years ago. Increasingly, members of the ACP Group are managing dynamic, growing economies, with an ever-growing number approaching middle income status. At the same time, in some parts of the European Union, slower economic growth and growing poverty rates have become a persistent challenge. At the Round Table, there was a convergence of opinions agreeing that there is no space for a “business as usual approach”. The successor to the CPA will need to provide considerable space **for the participation and ambitions of middle income ACP countries** while focusing on **common challenges for** EU and ACP countries, particularly in relation to addressing the dual challenges of growing income inequalities and entrenched poverty. Some argued that the development financing part of the partnership should focus less on poverty and more on mutual interests. A number of participants also questioned whether ACP countries and regions should themselves contribute substantial resources to poverty reduction.

If the partnership is to be implemented better, it needs greater investment in relationship and confidence building more than anything else. In this regard, the Round Table participants thought that the future focus on implementation should be on investing in:

- Building a greater sense of shared ownership of a future ACP-EU Agreement and in particular strengthening the ACP countries' capacity to shape and influence the partnership.
- A shared vision of what the EU and the ACP Group are trying to achieve with the partnership. This vision should include the current focus on poverty eradication and strengthening democratic and human rights but could go beyond focusing disproportionately on problems in the ACP countries to focusing on shared challenges common to the EU and ACP countries. A partnership amongst equals is implemented through balanced support for both partners' challenges.
- Using the partnership to build consensus on what the EU and ACP want globally and particularly in getting more traction in the global governance architecture. The EU and the ACP Group could better take advantage of their shared priorities to coordinate and develop a division of labour on how to influence global agendas better.
- The partnership delivering for the partnership itself. Any partnership needs the means to invest in demonstrating the value of the partnership itself as much as in delivering on what the partnership is supposed to achieve. In this regard, the Cotonou Partnership would need a rethink in terms of delivering regular events (visibility) to affirm success and positive messages and to deliver a narrative based on current and past successes.
- Better identifying and developing responses to shared common and/or global challenges. The Cotonou Partnership has a history of this such as in allocating resources to peacekeeping and investing in the private sector but it is not commonly seen as a viable avenue or forum to work on shared common challenges despite the vast pooled financial, political and technical resources it has access to.
- Dialogue at the political, technical and policy levels with a special focus on better enunciating what the partners mean to each other and how to deliver a greater sense of reciprocity. The partnerships should demonstrate more similarities and shared experiences between the EU and ACP countries for an equal dialogue.
- Strengthening weaker voices in order to build a partnership amongst equals.
- Fostering more openness in managing expectations of the partnership.
- Developing a sense of a "differentiated equality". One size does not fit all, but the partnership is about banding together despite different strengths, weaknesses and priorities. More importantly than anything else, the future of the partnership depends on its ability to implement a sense of differentiated equality because this is the only means by which smaller, poorer or weaker actors participate in the partnership as

equals. Much like how the EU has invested in ensuring that smaller Member States are equal partners in the Union, the Cotonou Partnership Agreement must invest in ensuring that all ACP and EU members have a sense of equal, if not differentiated, value in the partnership arrangement.

### **Leveraging financing to deliver a productive partnership between the EU and ACP countries**

The Round Table discussed the topic of how financing could be better leveraged to deliver a meaningful and productive partnership between the EU and the ACP Group. This included a focus on what incentives are presumed to be informing decision-making and what participants think represents the most ambitious objectives of the ACP-EU partnership that should be financed. Recognising that poverty reduction is not the only priority, the Round Table questioned what a future agreement could deliver shared ACP-EU priorities. Participants explored whether funding needs to be reconfigured away from needs based poverty reduction. One option mentioned was to focus development financing more on catalytic investment opportunities although participants questioned whether the EU and ACP countries had a common understanding of where their shared priorities and opportunities lie. A cross-cutting question was whether the current implementation arrangements did enough to ensure sufficient communication with elites to even identify where the opportunities reside.

*To implement the partnership so that it delivers the desired political, policy and technical dialogue promised in the CPA, both the EU and ACP countries need to have the appropriate incentives and capacity.*

One group of participants asserted that the ACP-EU partnership and its means of implementation, particularly the EDF, should be protected as much as possible and possibly even expanded on. On the other hand, some participants were of the opinion that “budgetising” the EDF would be a beneficial next step. The European Commission representatives noted that ongoing work on quantifying the pros and cons of “budgetising” the EDF will enrich the debate going forward.

Establishing a multi-country partnership as large and wide-reaching as the ACP-EU partnership is difficult, if not nearly impossible to replicate. Allowing the demise of this partnership would bear the risk of losing the vast political and intellectual capital already invested in the partnership. In this vein, the potential benefits of “budgetising” the EDF should be carefully balanced with the possibility that it would convey a negative political message. Even if the intentions are only to strengthen financing of the partnership, there is a significant risk that “budgetising” the EDF could be misinterpreted at a political level as symbolically closing the EDF. Furthermore, the expert inputs to the Round Table on the benefits of such a move did not produce any clarity on the advantages of “budgetising” the EDF over what could be achieved through substantially adjusting the rules and workings of the fund (save for the



advantage to be had in harmonising EDF programming with other EU programming for partner countries).

Participants also drew attention to the possibility that the ACP as a group might now be investing sufficiently in the necessary organisational capacities to capitalise on the opportunities inherent in the partnership. To implement the partnership so that it delivers the desired political, policy and technical dialogue promised in the CPA, both the EU and ACP countries need to have the **appropriate incentives** and capacity. Discussions implied that most participants were unsure whether this capacity or these incentives were in place.

*The successor of to the CPA will need to provide space for the participation and ambitions of middle income ACP countries.*

The EDF is also a highly important financing for development mechanism but one that the Round Table participants felt is largely underutilised in the global governance arena. Even at partner country levels, some noted that the EDF's medium term financial envelopes meaningfully improve the predictability of public financing and foreign exchange for partner countries but this is not commonly recognised. Unfortunately, the management of the country envelopes as a whole does not appear to be sufficiently utilised in this regard. The EU and ACP countries could take stock and generate a better understanding of what the EDF's comparative advantages are, so that they can be better deployed to improve financing for development and particularly to unlock domestic resources for development. Discussions touched on concerns that the CPA is lacking in terms of analysis and evidence of its performance and effectiveness. In comparison with the size of monies spent on development cooperation, the participants widely expressed the view that there is insufficient data for evidence-based decision-making on the future of the EDF.

At the same time, participants noted that the EDF's focus on poverty reduction could be restructured to contribute better to aspirational and ambitious priorities such as catalytic investments that also promise to reduce poverty.

The Round Table suggested the following considerations to improve financing for development in a post-Cotonou Agreement:

- Programming at country level needs to be primarily focused on identifying and rallying behind local priorities. Programming of the EDF needs to be formulated in a way that ACP and EU citizens easily understand what the value of it is even if it means financing high-level international goals such as climate mitigation.
- The EDF needs to better integrate financing projects with investing in dialogue and dialogue itself needs to be constructed in a way that it promotes a sense of equality between the EU and ACP.
- Regional frameworks and initiatives should be further utilised and supported particularly

because they allow for a more equal partnership (regional organisation to regional organisation rather than regional organisation to developing country as is the case with country specific programming). In this regard, the EDF needs to be more flexible and able to respond to ACP countries' regional priorities.

- The EDF needs to deliver more exchange of information as well as the understanding that neither the EU nor the ACP Group has the “winning formula” for effective development. The EU and ACP countries have a lot to learn from each other and this lesson-learning process is one of the most important means of implementing the partnership. Nothing better illustrates this than the changing nature of public challenges with the EU’s growing poverty problem and the ACP’s increasing success in fostering economic growth, albeit with both the EU and ACP countries struggling to respond to challenges related to migration, security and inequality.
- The EDF and the Cotonou partnership need to be retooled to facilitate dialogue with and amongst elites both in the EU and ACP countries. The focus on poverty reduction for the poor has resulted in the perception that development practitioners miss catalytic developmental opportunities because they tend to be driven by elites rather than the poor. There is a need for the EU and ACP countries to invest more in identifying, enhancing and capitalising on catalytic opportunities (more so than just programming in response to what often are intractable problems).
- The EDF should take heed of the good experiences and lessons learned with the EIB and related partnerships to engage and work in complementarity with the private sector.
- Most importantly, an unavoidable feature of the partnership will be the growing need to adjust implementation to the needs of middle income and richer ACP countries. There is an urgent need to start work on a coherent and compelling vision of what such a partnership looks like and how it is to be implemented.

### **Moving from Government to national ownership**

The Round Table attempted to address the fact that the EDF is currently seen as primarily programmed between partner governments and the EU, in government-to-government arrangements and largely behind closed doors. Participants discussed what could be done to bring decision-making into the public space to deliver *national* more than just government ownership. This discussion also touched on questions about what might be needed in terms of reforming or restructuring the EDF so that it better complements private sector investment. This also involved reflecting on how the EDF could be better incorporated into partner country national decision-making and accountability processes whilst also consulting development actors and civil society.

In terms of development cooperation, there was considerable discussion of the need to invest more resources in and pay more attention to joint analysis, trust and consensus building

between the EU and ACP countries and regions. This is particularly important in generating a shared understanding and vision on what the EU and ACP countries see as most valuable and most opportune in the partnership. In this regard, the partners to the CPA also need to invest in communication and narrative focusing on the successes and challenges of the partnership, better elaborating where there is enthusiasm and opportunities to expand the partnership.

The Round Table raised concerns that the successor to the EDF needs to do the following to align better with the ambitions of the Busan Partnership Agreement:

- Take better advantage of the existing relationship building resources such as with local staff and in other organisations such as the European Investment Bank (that enjoys a productive working relationship with the private sector).
- Invest more in relationship building resources both in the EU Delegations and in and through programming.
- Make better use of information and communication technologies to increase the reach of communication and to enable better analysis. The EDF and CPA would both need increased investment in communications to be able to understand the interests of the public in partner countries and to demonstrate value to them as well as to ensure greater accountability of the EU to its citizens.
- Guard against the trap of thinking that we can compensate for a lack of human resources by spending more on budget support (a concern raised by a number but not all participants). Budget support is a modality that has a specific value but is too often presented as a cure all for complex partnership challenges that need to be addressed head on (rather than bypassed).
- Better communicate to its own officials and partners the high-level assumption that democratically elected partner governments are the only actors sanctioned by the electorate to set domestic development priorities. This means placing more pressure on decision makers to recognise the authority of democratically elected governments as being the foundation for any implementation of the CPA. Fully recognising the authority of democratically elected governments was seen as the starting point for the partnership that is only complemented by or supported with technical and financial resources (such as those provided through development cooperation).
- Do more to break down closed door decision-making arrangements that do more to undermine the integrity of the partnership than they do to facilitate it.
- Be better aligned with partner country budgeting and democratic decision-making processes.
- Review the National and Regional Authorising Officer (NAO and RAO) offices to determine to what extent they enhance and strengthen the partnership and whether there are opportunities for them to play a stronger role in facilitating the partnership itself.

## Questions for the public consultation

An important point is that the European Commission and EEAS should decide if a specific question on the principle of self-financing/joint-financing should be included in the public consultation. As mentioned during the Concluding Round Table, such a question would be at the heart of what the “nature” of any future desired partnership is and would allow EU citizens, stakeholders and tax-payers to reflect on a question that touches them directly.

- How could the European Union increase the visibility of its actions and of the EDF on the ground?
- What would be the advantages and disadvantages of “budgetising” the EDF?
- How could institutions and collaboration mechanisms become more effective?
- What could be improved to ensure that political, policy and technical dialogue are supported, invested in and better monitored in implementing the partnership?
- What is the best way to further encourage political dialogue?

## Areas that could benefit from further analysis

The cluster leader and Round Table participants would recommend conducting a **Political Context/Political Economy Analysis** on incentives and disincentives for “budgetising” the EDF **accompanied** by a concise **position paper** on advantages and disadvantages. In particular, it is essential that the study includes a consultation with EU Delegation practitioners on the ground, in particular those that have worked in both DCI and EDF-funded countries as they will be able to compare both systems and the inherent advantages and disadvantages in terms of development cooperation.

### 2.2.4. Cluster 4: Stakeholders and Institutions

The Round Table on Stakeholders and Institutions took place in The Hague on 6th March 2015. The discussion was organised around 4 main themes:

*Creating high-performance institutions and real stakeholder involvement in any post-Cotonou institutional framework needs to build on what has worked and what has not worked in the past.*

1. The ACP-EU institutional framework – What can we learn from the past?
2. What changes for the institutional framework for the future?
3. ACP-EU stakeholders – Which new stakeholders should be involved?
4. Towards a high performance ACP-EU institutional architecture.

## Learning from the Past

The first session focused mainly on discussing the performance of the current institutions, particularly from an ACP perspective. The participants noted i) how institutions need to be improved, and ii) how often institutional structures are not sufficiently flexible or reactive enough to respond appropriately to past and present challenges. It was also noted that the commitment to participate and deliver results is uneven among the parties: both the ACP countries and the EU have shown reduced commitment in different areas of the partnership, which has further undermined the effectiveness of Cotonou. For example, there has at times been a low level of participation by EU members in the Joint Parliamentary Assembly, and poor attendance by EU



Round Table 4, Ministry of Foreign Affairs, The Hague, 6 March 2015.

Ministers in joint ministerial meetings. There needs to be a deeper reflection on both the aims and objectives of the Agreement and how to adapt the current institutional means to achieve these in today's world. Membership of the Agreement was also identified as an issue, with some participants noting that the current member countries should not necessarily be viewed as the sole possible members.

It was also noted that it is to be expected that – after nearly 20 years with many changes and amendments to the Agreement – the ACP-EU institutions are demonstrating signs of “fatigue”. Funding was also identified by some contributors as a fundamental issue and it was considered that a lack of self-financing on the ACP-side may contribute to creating asymmetries in the partnership, including a possible lack of ownership and commitment on the ACP side.

The participation of stakeholders also had a rather mixed record: while it is generally considered positive to have a legal agreement that institutionalises stakeholder participation, the actual dialogue that has taken place with stakeholders was considered weak at best. A multilevel framework for dialogue should facilitate communication with civil society, business, ACP countries and the EU. Nevertheless, it is important to question whether the aims of the partnership could be achieved without the ACP structure or the CPA itself. Real partnership starts from co-ownership; both parties need to value cooperation, to make the Agreement meaningful and mutually beneficial, and it was highlighted that this cannot happen without funding of ACP participation costs by ACP countries.

## The institutional setting

A number of Round Table participants commented that some institutions could change and widen their range of duties: for example, the ACP Secretariat in Brussels, which now has relatively limited powers, could see its role enhanced, possibly towards brokering South-South cooperation. It was also noted that the joint institutions generally do not perform to the best of their capacity, as seen for example in participation levels in the Joint Parliamentary Assembly (JPA). Some of the electoral observation missions and fact-finding work was considered to have been quite interesting and useful, but there are still some issues where improvements can be made. Parliamentarians are frequently absent from meetings and discussions, which is detrimental to the long-term functioning of the institution. Round Table participants noted how the JPA could also make a greater contribution to the partnership by tackling important issues such as the promotion of democracy, the rule of law, and good governance: on this point, regional joint parliamentary assemblies appear to be more focused than their plenary counterparts.

Communication is another issue to be addressed as some Round Table participants observed how today's actors are more likely to talk about their own position, rather than elaborating on a joint vision and a joint position on specific issues. Overall, participants considered that while the ACP structure provides for an extended forum, the activities and scope of this forum could be broadened. One participant also underlined how, in his opinion, commitment to the ACP-EU structures and cooperation on the EU side was weaker nowadays than it was in the past, and that this reduced EU commitment is affecting the partnership.

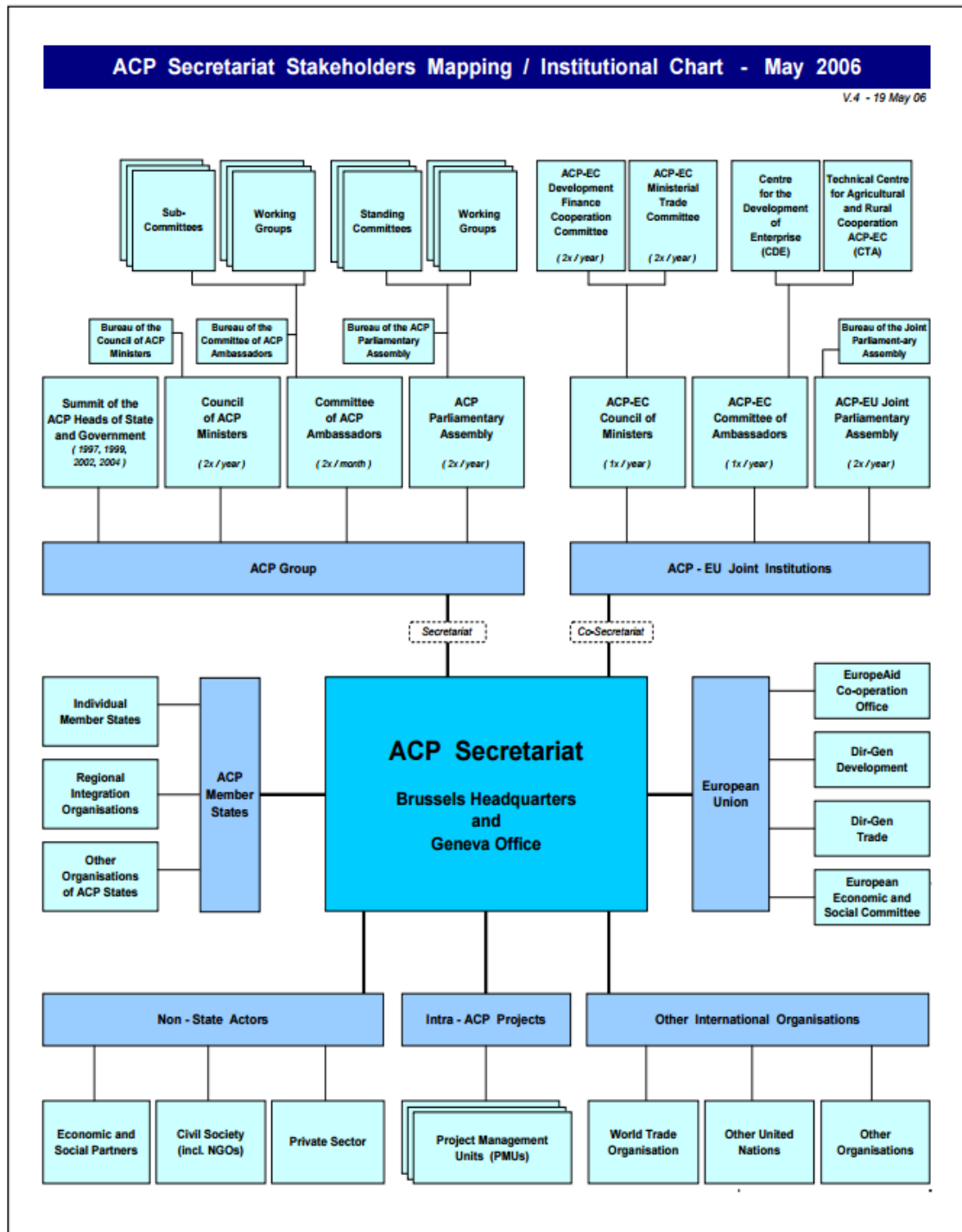
*After nearly 20 years the ACP-EU institutions are showing signs of fatigue.*

## The structure of the partnership

Some Round Table participants expressed doubts as to whether the three regions (Africa, the Pacific and the Caribbean Region) have sufficient common interests to stay together as they are increasingly facing very different sets of issues. Thus, continuing a partnership with the whole group may no longer be an efficient policy choice, especially considering how a more efficient targeting of specific issues may require a diversification of the partnership. Nevertheless, some participants considered that the Cotonou Agreement should be improved rather than discontinued; this could happen either by keeping the groupings as they are, or with new groups and new agreements. A further identified problem related to the Cotonou decision-making process is that important decisions on both sides are generally taken outside of the ACP-EU structure, making it increasingly difficult to work together on common issues affected by these decisions. This creates a need to change the institutional dynamics, which are in need of updating. Several participants noted that the main reasons for the creation of

the ACP-EU structure are still relevant, therefore the focus should remain on the necessary changes to make the system work more efficiently.

Figure 3 - ACP Secretariat Stakeholders Mapping / Institutional Chart – May 2006<sup>18</sup>



18) ACP Secretariat, Strategy for Renewal and Transformation 2011 – 2014, <http://www.acp.int/sites/acpsec.waw.be/files/Strategy%20for%20Renewal%20and%20Transformation%202011-2014.pdf>

### Recognizing private sector and civil society actors

It was noted that, from the perspective of business stakeholders, there should be a discussion on why the Centre for the Development of Enterprise (CDE) had failed. For business actors, CPA institutions seem like an impenetrable “black box”: they had tried to engage with the CDE, but had a hard time understanding its purpose and potential. There does not seem to be an adequate platform for dialogue with business. It is important to engage with the private sector in order to foster the creation of new enterprises and jobs that will foster development within the ACP countries. Another Round Table contributor highlighted the importance of their role being specifically recognised in the Agreement, as it helps to promote their institution and build an awareness of their roles within their Member State. This was considered an essential feature of the partnership by some of the participants. The Cotonou Agreement provides a legal framework for ACP-EU relations, a model which should be kept in the opinion of some participants. However, this model has left little scope for wider engagement and participation with civil society. Some participants commented that this has to be improved and it would be beneficial to compare the ACP structure with other bilateral regional forums (e.g. the CELAC forum, which was due to take place in April 2015).

*Specific recognition of private sector and civil society actors in the CPA has helped build awareness of their roles with home governments.*

### The issue of ownership and funding of the institutions

A participant compared the ACP to a container, as it comprises a vast range of content for an array of settings or sectors. It was also noted that the ACP Group can only demonstrate its full potential when it is given a sense of ownership and accountability. On this point, questions were asked as to what basis the new relationship should focus on: if trade will fall under the EPA framework, and the EDF, if “budgetised”, will go under a different legal framework, then **political dialogue** may well be the only component that remains part of the ACP structure.

The current limited economic contribution to the ACP structure by ACP countries has led to an imbalance of power vis-à-vis the EU, as noted by some of the participants, while also contributing to diminishing the value of the partnership in the eyes of both partners. Most participants favoured co-ownership, rather than a recipient-beneficiary framework. The suggested cost savings would not be about saving money for the EU but rather about creating a structure that all participants value and remain active contributors to. The way forward should be **co-ownership**, not ownership. Both sides should share ownership and be interested in the partnership. It was noted that joint programming has the potential to contribute to this.

*Real partnership starts from co-ownership. The low level of ACP financing of the ACP institutions no doubt contributes to asymmetries in the partnership.*



## Looking to the future

The discussion emphasised how a “starting from zero” approach should be adopted. This would involve conducting an analysis of current needs, as well as identifying the type of structure required to address those needs. The **three pillar structure** of the CPA, organised around the themes of political dialogue, development cooperation and trade, in this respect should also be analysed, as they might be diminishing in importance due to the EPA system and the possible future "budgetisation" of the EDF. While some observers still believe the three pillar structure is valuable, others do not share this view. Moreover, development models are generally shifting from financial assistance to policy assistance and from classical aid to leveraging private funds, and this should filter into a new system.

The session went on to discuss the new global challenges that are likely to influence the ACP-EU relationship in the future. The Round Table participants noted that we live in an ever changing world, characterised by new dynamics which are shifting from a top-down to a bottom-up approach. New technologies play a fundamental part in this transition, particularly considering that they allow for the establishment of direct contact between citizens and institutions. It was further noted how urbanisation presents new challenges, and managing new communities may entail new models of governance such as regionalisation and decentralisation, where new technologies and communication can play an influential role. New technologies could also contribute towards ensuring aid effectiveness and promoting transparency at an international level. Strong leadership is required within this framework, and it was noted by some participants that the ACP Institutions seem to be lacking in this respect. An increased use of new technologies could also contribute to an increase in the engagement and the involvement of stakeholders. This also relates to identifying and selecting relevant stakeholders to continue their participation in the framework, and those which should no longer participate. Round Table participants discussed how enabling peer-to-peer communication is fundamental, and should potentially be a priority for the EU.

## Embracing new challenges: the “starting from zero” approach

Partner Countries’ expectations of donor countries’ behaviour was among the issues raised by some participants. It was noted that there is an increasing number of requests from Partner Countries in relation to needs associated with **policy advice, rather than financial assistance**. In this regard, an assessment would be required to identify whether the EU is equipped to offer this form of support. Other participants considered a potential shift in the development model: leveraging private flows with ODA money is a concrete option to stimulate growth, and here Joint Programming with development banks such as the European Investment Bank could have the potential, in some of the participants’ opinions, to successfully implement this model. Moreover, significant attention should be given to building effective partnerships at country level and devolving authority from headquarters to the field.

### **Moving towards decentralised models taking urbanisation challenges into account**

A Round Table participant talked about how a new model, based on the concept of “Peer2Peer” has emerged. This is a model concentrating less on economic, administration and cooperation factors and more focused on a harmonious approach, leaning towards decentralised cooperation and knowledge-sharing. From this perspective, it is important to move from a centralised administrative system to a more individual and regional approach.

The ACP structure should enable the creation of specific policies for specific regions and different partnerships for different partners. This also entails deciding which new stakeholders should be involved and how they should be effectively incorporated. **Mass urbanisation and the ever-increasing pressure on ACP mega-cities is a key challenge** and the way in which we address this issue is immensely important including addressing this at a policy level. Ensuring urbanisation in cities while tackling rural development in parallel (bringing the city to the village) is of fundamental importance for a new and efficient model of development. Cities’ populations are exploding, and they need to invest in infrastructure to be able to deliver the services their citizens need. In this framework, decentralised governance seems to be more efficient and, in this context, interregional communication is very important.

### **Using new technologies to increase stakeholder participation**

In this context, new technologies could contribute to increased participation, helping to deliver a new system based on aid transparency and more flexible exchanges. Ensuring international transparency in the way we work was further highlighted, examining our interaction with one another and how we get and give access to money and markets. Others noted the importance of a more strategic exchange of knowledge. In order to achieve this, there was a general consensus among Round Table participants that stakeholders need to get more involved in the process of decision-making.

Another Round Table participant highlighted how these new technologies and communications methods and decentralisation challenges have altered our lives and the way we work, but also bore some risks, such as those related to data protection, which should be carefully considered, especially when introducing the matter of the management of the new institutions. Participants felt that the ACP Group can be restructured, but it would be much more complicated for the EU to reform its internal structures. Nevertheless, new stakeholders need to be involved and faster methods of decision-making need to be created to address increased needs in a more effective and faster manner. Moreover, one participant noted that new developments in technology bring new stakeholders to the table. For instance, the Afri Labs network and African Innovation Hubs which are active in education, economic development and politics, promote “European” values. These stakeholders could be identified as potential partners for new cooperation agreements: the EU should decide if it wants to engage with accelerated social development.

Some contributors remarked the importance of involving **youth** in this process as they are more open to new technologies, and comprise a large majority of the population.

### **Accompanying the democratic transition**

Another contributor noted that most countries involved in ACP cooperation are societies in transition, moving towards modernisation, which we would like to see promoting democratic and universal values. This is especially relevant considering these countries are our neighbours, going through a demographic transition within a process of globalisation which has an impact on us all. The participant went on to note that it was important in this context is to develop better approaches to prevent the emergence of fragile states which cannot be real interlocutors. It is possible to create incentives for more advanced interaction but to do so it would be necessary to **loosen the strong focus on poverty reduction** and give more weight to **issues like culture and education**.

### **New levels of commitment**

The Round Table further discussed the overlap of the ACP institutions with other regional organisations in the ACP region, also noting the risk of undermining these regional organisations and in particular the regional economic integration organisations that often have a higher level of ownership and legitimacy than the ACP Institutions. The Round Table noted that the EU's priority should be to collaborate and work with these regional organisations, and not to hinder them.

As one participant observed, do we still need the "A", the "C" and the "P" to work together? The mere fact that the ACP structure exists as it is might undermine other organisations and Regional Economic Communities. It is very important to make a strong point in getting agreements with regional organisations.

### **Towards a high performance ACP-EU institutional architecture**

Some of the main themes under discussion also related to: i) what the EU and the ACP countries should concentrate on; ii) what they want; iii) what they need - and only then iv) designing a system that will ensure that they have identified a set of goals and priorities. An important point to consider here is that there is a need to ensure active and meaningful participation: there is no value in having participation by actors who are not representative of the country or sector they should represent, and who are not sufficiently committed.

The Round Table also briefly discussed the importance of the National Authorising Officer in aid programming and implementation: although it varies according to the country, it should be noted that in many cases the position could be made more accountable while drawing down less resources. However, with aid "budgetisation" potentially becoming a reality, the aid

programming and implementation system is likely to undergo significant changes. It is too early to discuss roles like the NAO before this change happens. Finally, it was noted that by 2020, resources and growth will presumably change significantly and it is important to pursue negotiations with this in mind.

There needs to be a commitment to stakeholders' involvement, and there needs to be a structure, perhaps a new mechanism with different actors such as multi-stakeholder mechanisms, rather than a system organized in stakeholder groups. Several stakeholders have to be involved, including Parliaments, civil society, and the private sector.

### **Questions for the public consultation**

The question of who should be party to a future agreement was present at a macro-level with the issue of regionalisation, and at a micro level with the issue of stakeholder engagement.

- Should a future agreement continue to include the three current regional blocs, namely Africa, the Caribbean and Pacific, in one single framework, or should it move towards continental, regional or sub-regional partnerships?
- What would be the advantages and disadvantages of a continental, regional, or even sub-regional approach? Would such regionalisation help each region or sub-region to pursue their respective agendas with the EU?
- What would be the added value or benefits of keeping an agreement with the three A/C/P regions?
- How could a differentiated and flexible approach be implemented with different countries or regions? To what extent do you think differentiation and preference (systems, clauses, processes) should be applied? How could LDCs better benefit from such differentiation and preferences? How could OCTs be taken into account?
- How could the EU and ACP countries identify and engage a broader range of relevant stakeholders, in particular civil society, in a renewed agreement? How could the partnership move away from a government-to-government focus and include a broader range of stakeholders?
- What other stakeholders could be involved in a future partnership? For example, should European networks work directly with cities in the ACP region (e.g. help megacities address the significant population and urbanisation challenges they face)? Or help business networks, local networks and education and learning networks tackle the huge skills development needs of Africa's rapidly expanding youth population? Or work with new communication technologies and local actors to prevent conflict or help manage areas at risk of conflict?
- Can new technologies be used in a new partnership structure to involve stakeholders in a more direct and timely manner? And to involve more types of stakeholders and in different ways?

- How would you integrate the role of the Diasporas in a revised agreement?
- What kinds of institutions would be required to facilitate efficient and transparent stakeholder engagement?
- Would you recommend any stakeholder engagement best practices that could be used by the EU and ACP in the case of a future agreement?

### **Areas that could benefit from further analysis**

The cluster leader and Round Table participants identified several areas that would benefit from further analysis by the European Union with a view to the future post-2020 negotiations and would recommend conducting the following analyses:

- Conducting a comprehensive analysis of the Cotonou institutional structures and performance (e.g. cost-benefit, organisational effectiveness analysis). Verifying if the Agreement's stakeholders and institutions are adequately resourced to carry out the Agreement's objectives. Are institutions under or over-resourced? Are they effective? The Capacity Map could take the form of an analysis of the organisations' existing structures and resources, with the aim of identifying their capacity and inherent abilities against set objectives. Alternatively, the European Commission could consult directly with other regional and continental stakeholders (e.g. AU, RECs) as to their views on institutional effectiveness.
- Compiling existing research to document external examples and best practices of strong institutional frameworks (financial stability / cost effectiveness).
- How to create a more sustainable financing model for any future ACP Institutional Architecture, in particular one where the principle of co-ownership is embedded. This could become important in the context of the Post-2015 agenda and the "sustainability" dimension.
- Gathering views of stakeholders within ACP countries (businesses, investors, civil society, think tanks etc.) on their understanding of the CPA's achievements and on their expectations.

### **2.2.5. Cluster 5: Regional integration and trade**

The Round Table on Regional Integration and Trade in the renewal of the ACP-EU Partnership took place in Luxembourg on 24<sup>th</sup> March 2015.

Departing from stylised facts showing nuanced progress of ACP countries' trade integration where both integration with the EU and among regional communities themselves lag behind global trade growth, the Round Table deliberated on the main traits of economic and political integration among ACP countries and of bi-regional trade and investment issues between

them and the EU. The Round Table thus had a twofold, partly overlapping theme: **Regional Integration** in ACP countries under the CPA, and **Trade**. The Round Table was invited to undertake a mapping exercise on regional integration at large, where some important successes in conflict resolution and peacekeeping stand out, and on the regional economic communities (REC) more narrowly, while trade was introduced as shorthand for a broader area and covered services, investment, competition and other trade-related issues as well.

Looking forward, the key question for the Round Table was: with the overarching goals of poverty eradication and sustainable development in the present CPA, what are the expected contributions of the traditional twin areas of EU support that are indeed “Regional Integration” and



Round Table 5, Ministry of Foreign Affairs, Luxembourg, 24 March 2015.

“Integration into the world economy” (alias Trade & Investment) for the future of the partnership with the ACP countries? Are ACP regions on the right track and, accordingly, are EU policies and cooperation? In trying to answer these questions, the Round Table deliberated both on the continuation of successful CPA features and on strategic adaptations needed, beyond the deadline of the CPA in 2020.

In the Cotonou Agreement, Regional Cooperation and Integration are described comprehensively as a multi-dimensional development strategy of the ACP States which deserves EU support (Part 3/Title 1/Chapter 2/Section 3). Economic and Trade relations at large were defined as the third pillar of the Agreement and are specifically laid out in Part 3/Title 2. This sets the objective of economic and trade cooperation at fostering the smooth and gradual integration of the ACP economies into the world economy and among themselves, thus reiterating from Title 1 the commitment to regional integration and making the two themes interlinked. Furthermore, economic and trade cooperation shall aim at enhancing the production, supply and trading capacity of the ACP countries as well as their capacity to attract investment. In doing so, it aims to create a new trading dynamic between the parties, to strengthen the ACP countries' trade and investment policies, to reduce their dependency on exports of raw commodities, to promote more diversified economies and to improve the ACP countries' capacity to politically and administratively handle all issues related to trade.

In the area of trade, non-reciprocal trade preferences were provisionally maintained in the Cotonou Agreement in line with a WTO waiver that expired at the end of 2007, and was replaced by a commitment by both parties to ensure the conclusion of WTO-compatible and more ambitious EPAs by 2008, covering notably trade in services and a range of trade related issues. Within the Cotonou institutions, the ACP-EU dialogue on CPA Part 3/Title II Economic and Trade Cooperation has focused on EPA negotiations and implementation, market access for commodities, sanitary and phytosanitary measures, WTO issues and trade capacity building measures. The dialogue has an all-ACP dimension, whereas specific institutions shall oversee the implementation of each EPA. The CPA parties have delivered on their commitment to ensure the conclusion of WTO-compatible EPAs which now cover the majority of ACP countries (49). The EU-Caribbean EPA, in application since late 2008, has been the subject of a recent review (November 2014). The implementation of the other EPAs has either not started or is still too recent for meaningful evaluation of results. Next to EDF implementation, the EPA trade negotiations arguably constitute the second most important and closely watched field of action among the two partnering groups.

*High variance in performance among African RECs suggests more selectivity in EU support for regional integration, based on performance and actual demand for assistance.*

The Round Table thus had to take stock of the progress of ACP regional integration and the effectiveness of EU support, as well as of EPA negotiation results and the first outcomes of implementation in one ACP region, and consider appropriate institutional settings, policy coherence and actions in future relations between the two country groups.

### **Regional integration**

The first theme – **regional integration** – in its various political, economic and social dimensions has seen mixed results in ACP countries – some initiatives have been successful, some have remained limited as to their depth. The ACP countries have for a long time been encouraged to pursue political and economic integration, not least by the EU as an eminent supporter of such integration processes. ACP authorities have the topic high on their political agenda, and have moved some of their RECs up the ladder of step-wise economic integration or started to create ambitious new ones. There is now a need to rethink the formats (“models”) and policies of economic integration strategically, to review the political commitment to carry regional integration through as well as the political economy of interests driving regional communities or holding them up.

This assessment was driven by multiple interventions at the Round Table pinpointing high (for some: “lofty”) ambitions of economic integration with a “heavy” institutional setting similar to the EU to contrast with a sobering reality of unwillingness to cede elements of sovereignty to

a community, weak secretariats and imperfect internal liberalisation. The progress of Regional Economic Communities along the chosen linear path of integration (preferential trade area (PTA), free trade area (FTA), customs union (CU), common market (CM), monetary union (MU), and Economic Union) was considered to be way behind proclaimed expectations. The existing monetary unions do not contradict this finding as they, too, lag behind schedule in terms of free trade integration. It was further observed that variance among African REC as to their performance is high. This led to the issue of more **selectivity** in support to African RECs, based on performance and actual demand for assistance. In relation to this, the question of financial resources for the running of REC activities was raised, as balanced reliance by RECs on their members' own domestic resources as compared with donors' resources is in itself an indicator of performance and political will. This connects with the issue of funding for the overarching ACP institutional structure.

*The fact that cross-regional dynamics in certain sectors of the ACP economies – infrastructure along transport and power corridors, communications, finance, global value chains etc. - – outpace progress in formal regional economic communities encourages critical rethinking.*

The fact that cross-regional dynamics in certain sectors of the ACP economies – infrastructure along transport and power corridors, communication, finance, **global value chains (GVC)** etc. – outpace progress in formal regional economic communities encourages critical rethinking. For some Round Table participants, a “light” integration model along these lines, supported by consequential easing of trade barriers, presents itself as an alternative to classical integration with measured opening to global markets. Pan-African dynamics of finance, telecommunication, transport and power constitute a different reality of *real* economic integration indeed, with potentially far reaching consequences for furthering the CPA. Several interventions considered aid allocated to such undertakings as relatively low, regrettable in view of low 10<sup>th</sup> EDF aid absorption altogether, whereas other interventions pointed to sizeable financial aid especially for the corridor and interconnection projects in southern Africa. So future **aid allocation** along these lines remains an important question and is connected with the issue of more selectivity in REC support.

Moderating the upbeat assessment, it has to be noted that key sectors of the ACP economies do not display the same tendency of spontaneous (cross-) regional growth: manufacturing industry, adding value to mineral resources, and large parts of agriculture. Otherwise, intra-African and intra-REC trade figures and employment data would look different. Therefore, related national and regional policies supporting them still need to be strengthened. Assisting ACP RECs with insights from EU experience with proactive regional economic policies can be of considerable value for the deepening of their economic integration.



Given the mixed track record, deepened strategic thinking on the alternative paths to effective regional integration might ensue for both ACP actors and for EU supporters. A wide range of opinions was observed as to the degree by which the EU has in the past supported copying of the “EU model” in ACP countries. Do we encounter an **EU bias** in our support for ACP regional communities? Where EC representatives denied any deliberate focus on replication of the institution-heavy EU model (and in fact the EC 2008 Communication does not contain such a focus), others considered it the “only show in town”, making the EU “miss the boat” on lighter integration. Also raised here was the considerable cost of CPA, AU and formal (EU-style) REC institutions, perceived as largely borne by donors (not least the EDF) and, if confirmed, raising doubts about ACP ownership. Ownership undoubtedly lies with ACP stakeholders; the European experience continues to serve as an important point of reference but the EU proposes no model to sell. A far broader and more systematic inclusion of the ACP private sector and other stakeholders in the joint dialogue on such choices was deemed quintessential by all at the Round Table and led to a call for broader or innovative modes of stakeholder representation, heard at other Round Tables too.

## Trade

On **trade**, the Round Table considered the fact that negotiations on the bi-regional EPAs foreseen in the CPA itself have now been concluded for 49 of the 79 ACP countries, with very diverse content and country coverage. In contrast to the comprehensive CARIFORUM EPA, the African EPAs mainly cover trade in goods and are thus considered shallow in terms of trade economics, while the deeper integration issues are relegated to rendezvous clauses. However, implementing the trade-in-goods agenda in a way that allows us to sustainably reap the mutual benefits and protect the most vulnerable groups in partner countries already represents a tall order in itself.

As a consequence, the Round Table considered the implications of the need both for (a) rules-based, economically and fiscally sustainable implementation of the trade in goods agenda, supported inter alia by the new multilateral Trade Facilitation Agreement, which the ACP countries apparently supported as a group, and (b) substantial deepening of EPAs by considered reintroduction of issues like trade in services, investment, competition policy, or intellectual property rights, wherever this is considered useful together with the EPA countries. The latter part of the discussion was also inspired by the fact that the proposed Transatlantic Trade and Investment Partnership is expected to cover such deeper integration issues, with consequences for developing countries that need to be assessed and managed.

Throughout the twelve years of EPA negotiations, the likely economic, social and fiscal impact of EPA implementation has been assessed very differently by different stakeholders in

different countries, both in the ACP group and in the EU, including the impact on regional economic communities. Now, as more EPAs are approaching signature and their final scope and content become known, refreshed baseline and ex-ante evaluation study of EPA implementation could well inform the public dialogue on the economic prospects of the future partnership. Accordingly, the need for further study applies to the assessment of the effects that the important topics set aside for rendezvous will have. Importantly, it enables contracting partners to update their views on **policy coherence** between development cooperation and trade policy.

*Bi-regional EPAs have now been concluded for 49 of the 79 ACP countries, with very diverse content and country coverage..*

In this regard, facilitating developing country integration into **GVCs** was considered important. In itself the theme is not innovative, as most multilateral or bilateral donors carry out GVC support as part of their aid for trade; and this was not an issue of EPA negotiations either, because GVCs just represent a mode of inclusion in modern day global trade that is not disputed as such. However, success stories seem to indicate how ACP countries can make the best of the new trade dispensation and how the involvement of ACP and European businesses can be broadened. The topic is linked to **SME support** as well, as small and medium enterprises in ACP countries arguably need more targeted support for GVC inclusion. The question arises of how durable the involvement of developing countries in agro-industrial and manufacturing production chains will be when transatlantic trade & investment relations deepen. This important question has now come to the fore in *ex-ante* assessments of TTIP third country effects. With what is presently available from some sector studies (Berden et al., 2009; Capaldo, 2014; Felbermayer et al., 2013; Francois et al., 2013; Raza et al. 2014) evidence is very inconclusive; some chains will crack or shift while others are expected to hold. In consequence, this underscores the importance of GVCs in both EPA and future TTIP implementation and monitoring. Along with the adjacent dimension which is the impact of harmonised social and product standards on developing countries this is part of the area where further study is arguably needed for well-prepared talks about the future of the ACP-EU partnership. Importantly, such in-depth study will also inform next generation of **Aid for Trade (AfT)** – an essential part of the development programme written into the EPAs.

In terms of country coverage, the three African EPA groups now largely correspond to the regional communities EAC, ECOWAS and SACU, but leave a sizeable number of countries with single country or *ad hoc* group interim EPAs or entirely without such a partnership agreement. Accordingly, the Round Table took note of the attempts to broaden EPA coverage in Africa and the Pacific, but also considered the imperative to maintain the trade & investment dialogue with non-EPA countries in a common regional or cross-regional framework.

### **The non-execution clause for cases of grave violation of human and democratic rights**

The non-execution clause for cases of grave violation of human and democratic rights contained in the CPA (Article 96) was discussed as to its application in EPA implementation and in a future post-Cotonou agreement. This appears to be both a legal issue and a question of how best to pursue the political agenda of support for human rights and democratic government. Most fundamentally, the question of a non-execution clause or alternatives thereto again represents an exercise in practical policy coherence among the three CPA pillars – policy dialogue, development aid, and here: trade.

### **Would a renewed partnership be the right platform for trade and regional integration?**

On the overarching question whether a renewed post-Cotonou partnership between the EU and the ACP group will provide the appropriate platform to specifically foster regional, bi-regional and global integration of trade and investment and to support joint dialogue, the Round Table gave a nuanced answer inspired by the specific challenges from regional integration and trade. On the one hand, several Round Table participants considered the format of an ACP group as motivated by historical ties with little appeal for today's EU Member States, especially those without such traditional links. On the other hand, value added was specifically attributed to the partnership with the ACP group from the initial asymmetric trade agreement to present-day joint action e.g. in multilateral trade fora. The upcoming trilateral dispensation with EPAs as North-South agreements and TTIP or CETA as comprehensive North-North agreements might provide another argument for maintaining a common platform for jointly promoting trade and investment issues in a developmental perspective. The Round Table considered that in any new configuration, the dialogue between the African Union and the European Union needs to be built in or synchronised, all the more so as the AU is the apex structure for African RECs and provides guidance on regional integration issues. The appropriate format of a renewed partnership thus lends itself for public consultation.

*The upcoming trilateral dispensation with EPAs as North-South agreements and TTIP or CETA as comprehensive North-North agreements might provide another argument for maintaining a common platform for jointly promoting trade and investment issues in a developmental perspective.*

### **Questions for the public consultation**

Economic exchanges between the ACP countries and the European Union are making headway, but to a lesser extent than with other regions. On the EU side, the negotiation of the EPAs was for twelve years the main vehicle to foster trade with the ACP group (along with the introduction of EBA and GSP/GSP+ reform). Outcomes are mixed, for the time being

confined to trade in goods (with the exception of the Caribbean) and opinions on the likely impact of the EPAs diverge. A large minority of ACP countries still remains outside EPAs. Against this backdrop, the key issue here seems to be to know how trade policy could be best leveraged with EPA groups, across EPA groups and with non-EPA countries to make EPA implementation a true exercise in partnership, and as a consequence convince some non-EPA countries to join and consensually re-enlarge the agenda beyond mere trade in goods. On top of this, third country effects from comprehensive North-North trade and investment partnerships which the EU is currently negotiating are a legitimate concern for ACP countries. Creating a platform for the joint assessment of such impacts and deepening the scant scientific evidence in order to do no harm to ACP partners whenever possible, will also help further a more strategic ACP-EU partnership.

On the other hand, the mixed reality of regional economic and political integration among ACP partner countries raises the question of how cooperation could become more effective and more strategic, and echoes strategic questions on political choices and commitments. Input from the public consultation should be sought regarding the ways to reconfigure the bi-regional political dialogue on the intertwined topics of regional integration and trade, with the aim of deepening political and economic relations along the lines drawn. In both form and substance, this represents a tall political order and should thus generate lively debate in public consultations.

- How can it be assured that non-EPA countries remain in trade dialogue with the EU?
- How can postponed services, investment, competition and IPR issues selectively be reintroduced into trade talks, with EPA and non-EPA countries, in the best interest of our ACP partners?
- How can an overall framework for EPA implementation across the different EPA groups be established, including insightful joint monitoring of practical experience with the new rules and speedy adaptation to EPA country needs?
- Would there be issues from the thematic areas of “Regional Integration” or “Trade & Investment” that could be suitably addressed on a post-Cotonou platform – and is this possibly better than in other multilateral, bi-regional or bilateral bodies?
- Which public goods and which regional policies do you think are crucial for sustained development and thus need EU support?
- How can evidence of and confidence in around third country effects of planned North-North trade and investment treaties best be incorporated into the trade policy dialogue with ACP countries?
- How can political dialogue on the future of ACP regional and global integration become substantially more inclusive than at present?

## Areas that could benefit from further analysis

The cluster leader and Round Table participants identified two areas that would benefit from further analysis by the European Union with a view to the future post-2020 negotiations:

- As more EPAs now come to approval, gathering updated evidence on likely impacts of both EPA implementation and the selective reintroduction into the ACP-EU trade dialogue of complex issues of deep integration, such as services, investment, public procurement or IPR.
- Conducting joint and inclusive *ex-ante* evaluation and scenario building of likely trade and investment outcomes at the interface of North-South (EPAs, comparable RTAs) and North-North economic agreements (CETA, TTIP) for ACP countries, e.g. consequences for ACP participation in global value chains and challenges from social and product standards.

These two intertwined areas of study have the potential to render exciting debates more objective at an important juncture. Following the example of a few earlier reports, further study means combining scientific desk work with well-structured enquiries with stakeholders in different sectors and different countries.

### 2.2.6. Cluster 6: Global challenges

The Round Table on “Global challenges” was held on 27<sup>th</sup> March in London at the premises of DFID in the format of a multi-stakeholder dialogue of selected experts. The participants were a mix of Cotonou insiders and outsiders representing different areas with regard to global challenges.

The Round Table started with a **stimulating presentation on global trends & challenges by DFID Chief Economist Stefan Dercon**. Salient elements of his presentations include:

(1) From a marked North-South divide in the 50's, we are heading towards a **great convergence**, along two tracks:

- (a) a global non-income convergence along the lines of reduced children per mother ratios and enhanced life expectancy prospects and a demography peak forecast for 2060 (global numbers declining from then onwards) with a caveat, markedly slower convergence for Africa for next decade;

*We have to anticipate a major humanitarian challenge which is the primary impact of climate change and has major effects on ACP countries. Fixing the global humanitarian system should become a priority.*  
(Stephen Dercon)

(b) overall Asian income convergence, with Africa housing an increasing number of the world's poor. The ACP Group is a heterogeneous group and there are some doubts that Africa can soon become (like Asia until now) the next growth workshop of the world unless it can better tackle governance, tax, conflict and crime challenges.

(2) **China is fast becoming the new economic centre of the planet**, as the economic centre of gravity is heading historically back to Asia/China and as all major global deals are made with China. Its Africa policy is remaining essentially one of non-interference and economic engagement. The world is currently multi-polar and we are heading towards one with many more poles, or alternatively with no poles at all.

(3) **An increasing fragility of the social contract** is visible in many countries. The EU neighbourhood is facing wider challenges to national identity. We are increasingly faced with solid and resilient countries with steady growth patterns (India, Bangladesh) on the one hand and fragile countries where growth cannot be put on a steady path on the other hand.

(4) We have to anticipate a **major humanitarian challenge** which is the primary impact of **climate change** and has major effects on ACP countries. Fixing the global humanitarian system should become a priority.

Faced with a heterogeneous developing world and fragmented international governance, the EU as a major actor could impact on African (ACP) trends through focusing on international economic governance, the humanitarian dimension and addressing conflicts and migration.

After this presentation, **the Round Table's main discussions** were organised around sets of questions aimed at raising key issues, in particular

on whether the EU should change its mind-set from an aid perspective to a partnership-based and more interest-driven perspective. Moreover, concrete input was expected regarding which interest and win-win situations could drive the future EU negotiations:

- What would be the added value of a future agreement in tackling global challenges?
- What priorities do you see for inclusion in the post-Cotonou Framework and why?
- What changes would you envisage to make ACP-EU action on global challenges effective? Which concrete EU interests would you identify with regard to global challenges?



Round Table 6, Department for International Development (DFID), London, 27 March 2015.

- Which specific regional win-win deals could you envisage for the EU under a post-Cotonou agreement?
- What role should ODA and in particular the EDF play with regard to global challenges in a post-Cotonou environment?

Global challenges such as climate change, water, energy and food security do get increasing attention in global politics and shape the global policy arena more than during the last revision of the ACP-EU-Partnership Agreement. The CPA had, until now, a strong focus on eradicating poverty in ACP countries and its main purpose is seen by many as a channel for aid distribution through the EDF. The CPA was originally not perceived as a partnership to deal with global challenges. However, the second revision of the Cotonou Agreement in 2010 adapted the partnership and more attention was given to global challenges, in particular for the first time, the EU and the ACP recognised the global challenge of climate change as a major subject for their partnership. The key questions are now to what extent and how global challenges will be taken into account in a future partnership agreement.

Political will and political relevance are an important condition for a successful ACP-EU agreement in 2020. Given their political relevance, global challenges can become an important area to shape the future ACP-EU partnership and to create the political momentum to drive it forward. Another important area for a successful renewal of the partnership is to gain public support from EU citizens. Global challenges receive a lot of public attention and they are discussed, understood and accepted by the global press and a broad public. Collaboration on global challenges can help to increase public and political support in the EU and in ACP countries and could therefore stimulate the process leading to a new agreement.

As a basis for the discussion, the cluster leader proposed 4 scenarios on how to deal with global challenges in a post-Cotonou process as a basis for the future negotiations of the future partnership agreement.

- Scenario 1: Keep global challenges out of post-Cotonou and deal with them in international fora.
- Scenario 2: Make the post-Cotonou Agreement a broad framework and include global challenges step by step whenever it is politically feasible.
- Scenario 3: Include all global challenges from the beginning in a post-Cotonou Agreement.
- Scenario 4: Include a few global challenges based on a strategic analysis and as a catalyst for a revitalised partnership.

The 4<sup>th</sup> scenario was proposed as the most promising scenario to guide the future negotiation process and it was derived by taking the following criteria into account:

- Focus on a few key issues and do not overload the agenda.

- Reduce complexity.
- Define joint interests and win-win situations.
- Concentrate on concrete delivery.
- Get more political, public credit for the EU's financial efforts.

### **Added value to deal with global challenges in a future partnership agreement**

Global challenges are high on the political agenda in ACP countries and in the EU; however, their relative importance varies depending on the region. Climate change, for example, is high on the agenda in the Caribbean and the Pacific for example and raw materials in Africa. The political dividend associated with global challenges could be used in the post-Cotonou process to stimulate political attention and support. This seems to be vital for the entire process as political will is crucial for the success of the future negotiations on the partnership agreement.

Concrete global, regional and national actions are part of the global policy debate on global challenges. The SDGs debate includes a number of global challenges. Once they have been adopted, the key question will be how to implement the related SDGs at regional, national and local level. Here lies an opportunity for the post-Cotonou process. The new partnership framework could position itself as an implementation mechanism for global challenges in the SDG framework and would help translate global policy into concrete implementation.

By further reinforcing and strategically targeting global challenges in a new partnership agreement, new opportunities would be created to define and promote common interests for the EU and ACP partners in areas of high political relevance. This would potentially catalyse the discussion to move the development agenda from an aid driven perspective towards a perspective of creating win-win situations for all partners.

By their very nature, global challenges will draw attention to the coherence of all policies and instruments in the framework, and should help identify and eliminate negative, adverse incentives. In addition, global challenges can serve as reference points for peer reviews among participating nations, fostering dialogue and joined-up responses.

Another opportunity that global challenges would open up is the area of joint investments. Joint investments, for example in infrastructure, would improve the living and business environment in partner countries and would provide export opportunities for EU know-how and technologies. This would increase EU visibility and link the post-Cotonou agenda to the EU policy for jobs and growth of the Juncker Commission.

### **Priorities for a post-Cotonou Partnership Agreement**

Renewed ACP-EU cooperation could be guided by the SDGs with regard to joint action on global commitments. As global challenges in general and the implementation of the SDGs in



particular are areas of common interest and require mutual accountability, they provide the opportunity to change the mind-set in the ACP-EU partnership. They provide an opportunity to move from an aid based approach to an investment-driven approach based on multi-level, multi-stakeholder partnerships.

The issues of **peace and security, inclusive governance and sustainable economic development** are important conditions for stability and for the success of the work on global challenges in a post-Cotonou partnership. They will have to be addressed between the EU and the ACP countries regardless whether and to what extent inside or outside of a new partnership agreement. As other EU partnerships such as AU-EU cooperation are already dealing with some of these issues and as the situation and interest between Africa, the Caribbean and the Pacific are quite different, a careful assessment of the situation and of the potential role of a future agreement should be made. The analysis should be carried out also taking into account that North Africa is of vital interest to the EU with regard to all these issues but not included in the ACP-EU Partnership.

*The EU should define its own and its common interests with its ACP partners to create win-win solutions and joint models for addressing global challenges.*

### **Changes to make an ACP-EU Partnership effective regarding global challenges**

The Round Table discussed a number of different changes that are necessary in order to include global challenges in a new ACP-EU partnership agreement and to make actions under the renewed agreement effective. Besides political will and moving the political discussion out of Brussels and into the partner countries, there was one point that was regarded as key: the change in mind-sets.

The EU as well as the ACP partners see the present partnership mainly as an aid delivery mechanism and as a reliable channel for financial transfers from EU to ACP countries. Activities outside the aid distribution function have hardly ever really got into the mainstream of the ACP-EU partnership work. The partnership has only rarely had significant influence on the global policy dialogue. New partnerships such as the partnership the EU developed with the AU since the year 2000 have further diluted the importance of the CPA.

A new agreement needs to be adapted to the new political and economic circumstances and needs to shift **from an aid-based country level approach to a multi-stakeholder, multi-level partnership approach** also across countries which should be open to more partners from civil society, the private sector and from the finance and investors community for joint programmes and investments.

The new ACP-EU partnership should function as a platform to create concrete and action-oriented cooperation amongst all players of society and on all levels. The post-Cotonou partnership could have a convening function based on the convening power of the EU that

brings together the partners necessary for example for joint investments and implementation. The ACP-EU partnership would move from vertical to more horizontal work. This would imply that the participation of stakeholders in concrete and joint implementation and investments needs to be strengthened and that the operational arrangements have to be more open and transparent and the financial mechanisms more flexible.

### **EU Interests as a basis for the new partnership**

The Round Table participants considered the clear definition of the interests of the European Union with regard to global challenges as an important pre-condition before entering into any negotiations with ACP partners. The key challenge is to find a common line amongst the **different interests of the EU Member States**. **Public support and public interest** was considered as one important point to guide the debate on the interests of the European Union.

Participants found it important to distinguish between short-term and long-term interests. The following short-term interests were identified that are driven by urgency and a fireman's approach to achieve stability:

- Joint action against terrorism.
- Addressing illegal migratory flows.
- Supporting actions against pandemic crises.
- Preventing and halting conflicts in ACP countries.
- Moving to inclusive governance and supporting free, fair and equal elections.

**Short-term** measures to contain the impact and scale of these challenges would still need to be underpinned by systemic approaches drawing on better information and identity management, security and counter-terrorism also in cyberspace and IT systems supporting public administration and more inclusive governance, in which the EU has a lot of expertise to offer and best practice to replicate. It was, however, noted that the EU interests needed to be **differentiated** for LDCs and for MICs as well as for the different regions in the partnership.

As **long-term** key interests participants identified the implementation of the SDG's, climate change requirements alongside support for economic development in order to achieve stable and long-term economic and political partnerships. In this respect conflict prevention and peace building measures were also seen as important long-term measures. Therefore, it was seen as an important point to further position the EU as a major global player and partner for development and to build a different image for the EU compared with other global players such as China or the US. Several participants pointed out that the EU should therefore further champion universal values (Human rights; inclusive governance etc.) on the global stage and promote the EU culture in ACP countries (language, literature, music, education system, privacy and data protection etc.).

Overall, **the EU should clearly identify and follow its interests with regard to global challenges** and the new partnership with the ACP countries. These challenges however must be followed with a spirit and approach aimed to create solidarity on global challenges. It was noted during the Round Table that **clear market and economic interests** should not be hidden with regard to the new ACP-EU partnership. However, all the self-interests need to be followed in accordance with the rule of law, legal process and transparency. This differentiates the EU from the approach taken by China and should be communicated much more for the purpose of image building.

### **Win-win solutions between ACP countries and the EU on global challenges**

Given the economic situation of the EU and the fact that some of the Member States are in a more difficult economic situation with regard to economic growth than some of the ACP countries, the participants of the Round Table considered the **creation of win-win situations around global challenges** as an important aspect of the future ACP-EU agreement. Moreover, a number of ACP countries see themselves as economic players on a global level and seek economic partnerships rather than aid-driven partnerships. Global challenges such as water, energy, food security, climate change and raw materials provide large opportunities in this respect. However, joint win-win solutions should always be based on transparency and the rule of law.

This could be applied to the areas of **climate change, water, energy, the environment, biodiversity and wildlife**. The Round Table did not discuss win-win solutions in great detail and only a few first ideas were highlighted which would need to be specified further in the negotiation preparation process:

- Supporting ACP countries in protecting wildlife and biodiversity has positive effects for them on poverty eradication and economic development, while the natural resources delivered by an intact environment are a vital input for the EU in producing high value products such as medicines.
- Joint infrastructure investments would create opportunities for EU industries in delivering technologies and would improve the economic and business environment in ACP countries at the same time. A better business environment in ACP countries would create win-win situations for both partners, by providing more developed markets for EU countries and improve the quality of ACP products for world markets.
- Supporting ACP countries in adapting their infrastructure to climate change in cities, ports, navigation and agriculture would provide opportunities in delivering technologies and know-how by EU Member States and create joint businesses. This could be water, energy and waste technologies for cities as well as technologies for modern irrigation and precision agriculture.

- Support to ACP countries on infrastructure development and climate change adaptation could be also combined with partnerships on raw materials where both sides would grant each other preferential conditions.
- Supporting ACP countries in developing their financial markets and banking systems could result in a better business environment and investment conditions for EU businesses.

It was noted that the EU should take a flexible approach for the different regions and countries in the ACP group and should position itself also as a reliable partner for sub-groups such as the Small Island Developing States which need very specific support with regard to climate change.

### **Different finance approaches and instruments**

The key objective of a new ACP-EU partnership with regard to finance is to leverage new private investments to help ACP countries to achieve their commitments with regard to global challenges and to create win-win situations where EU partners can also benefit.

The future EU finance instrument should be capable of supporting multi-level and multi-stakeholder partnerships for joint programmes and investments. A flexible EU Trust Fund for global challenges and in particular for more infrastructure investments could be one potential means of leveraging more private investments. In this regard, one of the key challenges is to identify and prepare more bankable projects in ACP countries which would satisfy the needs of the private investment community on the one hand and the EU sustainability approach for global challenges on the other.

In general, supporting activities around global challenges as outlined above would require changes in the EU finance approaches in order to create the necessary flexibility, speed and long-term sustainability so as to work more efficiently with the public and private investment community and ACP countries. Blending of different finance sources for pre-investment and investment activities could be a possibility. Moreover, ACP countries would require support to access private investments and for financial engineering. In this respect, one important area of joint ACP-EU collaboration would be the development of reliable and transparent financial systems and markets in ACP countries. This would stabilise the business environment and would be beneficial for all partners.

### **Questions for the public consultation**

The public consultation is a good forum to address global challenges as they are less technical than other issues, and closer to the interest of individuals, civil society organisations and businesses. The Round Table discussions highlighted that an interest-based partnership would

be a good forum for the negotiation of win-win situations, where all or most parties to the partnership could benefit from common actions.

- Given the heterogeneity of global challenges (food, water and energy security, global environment, climate change, raw materials) in the three A/C/P regions, would a future ACP-EU agreement be the right framework to address them, or would bilateral and regional agreements be more effective?
- Can you think of win-win situations in which the EU and ACP would target specific global challenges together and both benefit from it?

### **Areas that could benefit from further analysis**

Participants suggested that defining a region-specific approach and identifying concrete win-win approaches ahead of the negotiations would help the EU better define its interests and priorities with regard to the different global challenges with an impact on the ACP partner regions.

#### **2.2.7. Cluster 7: Demographic developments**

The seventh and last thematic Round Table was held in the Latvian Capital Riga on 31 March 2015 and devoted to the issue of demographic developments. It brought together 15 experts from the EU institutions, academia, think tanks, and civil society. The discussion was organised in three blocks:

- Challenge 1: What are the demographic dynamics of the EU and ACP countries? How will the demographic dynamics of the EU and ACP countries impact on their future relationship?
- Challenge 2: Do migrants' transfers to ACP countries contribute to their development? In which way can a future agreement between the ACP and the EU take into account remittances of migrants to ACP countries, possibly leveraging funds that could contribute to development?
- Challenge 3: What are the economic and social consequences of demographic, urbanisation and migration dynamics? In which way do they or should they influence the possible objectives of a future ACP-EU partnership (whereby the universality principle of the emerging post-2015/SDG agenda needs to be taken into account)?

### **Relevance of the cluster**

A major contrasting demographic characteristic of the EU and the ACP countries accounts for the organisation of this cluster, because in the EU as well as in ACP countries the demographic context contributes to shaping economic and social development.



Round Table 7, Ministry of Foreign Affairs, Riga, 31 March 2015.

The annual rates of demographic growth (table 1) reveal that the almost static demography of the EU's population (0.1%) runs counter to the demographic dynamism of African ACP countries (the growth of the two other groups is slower). As for GNP per capita, the variances are very high between the EU and ACP countries of Africa and the Pacific,

while those of the Caribbean are intermediate. The simple comparison of

these two indicators (total population and GNP per capita) suggests that current employment and income opportunities in the EU are a factor of attractiveness for potential migrants from ACP countries, especially those from Africa and the Pacific, without even mentioning other factors, notably education (for the brain drain issue; see *below challenge 3*).

**Table 2 - Population and GNP per capita in 2014**

Region	Population (thousands)	Population growth %	GNP per capita in 2014 US\$
EU	506 859	0.1	34 131
African ACP	891782	2.5	3 505
Caribbean ACP	28 403	1.3	12 218
Pacific ACP	10 370	1.1	4 673

Source: our calculations based on PRB data, 2014

### The current state of affairs

Table 2 below compares the fundamental demographic indicators of the 28 countries of the EU and the 79 ACP countries for 2014. It also gives a hint of future prospects (2050).

### Structures by age and ageing

The population of EU countries is increasing very slightly and has entered into an ageing process. Combined with demographic stagnation (due to low fertility), the very high life expectancy in the EU will induce accelerated population ageing. The old age support ratio will fall by half from now until 2050 (from 4 to 2 persons of working age per pensioner) (UN, 2014). In Germany in the early 1990s, there were almost three people of working age for every person over the age of 60. Calculations indicate that within the next decade, the ratio

will already be less than 1 to 2. There is no doubt that the elderly population will in the future represent an expanding sector of consumption (geriatric and hospital care, aid for the isolated elderly and those in old people's homes, leisure).

ACP countries, particularly in Africa, are showing a renewed interest in social protection and not without good reason. Population dynamics is critical. Around Africa, governments and experts are becoming more and more conscious of demographic ageing, which will come through inevitably as an issue, just as it is an issue right now in China<sup>19</sup>.

Lastly, labour force participation is a major worry with regard to the surging youth population, but it is rendered complicated especially in Africa where the informal economy is poorly documented.

**Table 3 - Demographic indicators in 2014**

Region	Population growth 2050/2014	Average annual growth 2014-50	% <15yrs	% >65yrs	Number of children per woman	Migratory balance	Life expectancy at birth	Old age support ratio
EU	x 0.99	0.04%	15.8%	17.3%	1.53	+ 0.53	79.2	4
Caribbean	x 1.2	1%	26.8%	7.1%	2.2	- 1.80	72.1	9
Africa	x 2.14	2.5%	41.4%	3.4%	4.84	- 0.66	58.1	9
Pacific	x 1.45	0.02%	35.6%	4.1%	3.86	-7.3	68.0	6

Source: our calculations, based on PRB data, 2014

## Fertility

In the EU, only France and Ireland (2.0 children per woman) are just below replacement level (2.1). Elsewhere (Germany: 1.4; Poland: 1.2; Italy: 1.4; Spain: 1.3) low fertility will induce an actual decline in population. For instance, Germany is expected to sink to around 70-74 million people by the mid-century, down from over 82 million today.

By contrast, demographic growth is rapid in all the ACP countries in Africa (table 3 above) due to high fertility. This induces a rate of growth which is too high with regard to the current rates of economic growth, hence requiring constant increases in expenses on health, education etc. Moreover, it should be kept in mind that despite the millions of dollars invested over several years in family planning programmes, the results obtained in West African countries are derisory. In the thirty five years of the 1970-2005 period, fertility has fallen slightly in Mali (-8.4%), Angola (-6.4%), and Liberia (-0.1%), while it has remained the

<sup>19</sup> ILO (2013).

same (0%) in Congo, Burundi, Uganda and Sierra Leone. The contrast with the decreases observed in China (-65%), Korea (-71%), Kuwait (-65%), Thailand (-61%), and Mexico (-64%) is striking.

### **Mortality and Health**

Life expectancy varies widely between the EU and the three ACP groups of countries, the Caribbean being the closest to the EU (Table 2). In EU countries, where chronic diseases (cancer, cardiovascular diseases, and diabetes) are prevalent, illness does not imply a high risk of dying because the improvement in health conditions and therapeutic advances can delay death without curing patients. In ACP countries, infectious and parasitic diseases continue to negatively affect development, and Sub-Saharan Africa is lagging behind the two other groups of ACP countries, low life expectancy being associated with high vulnerability of children and women, especially due to maternal mortality (WHO, 2012). However “diseases of affluence” (cardiovascular diseases, digestive diseases, cancer) are no longer the preserve of wealthy and developed EU countries. They are becoming increasingly prevalent in ACP countries, creating a “double epidemiological burden” And because of the suddenness of the changes, problems like overweight and obesity now coexist with malnutrition. This trend is expected to worsen in the years ahead and is largely related to changes in lifestyle and, in particular, urbanisation, which has contributed to transforming eating habits, activities, and social structures.

### **Urbanisation and migrations**

Between 2015 and 2050 the urban populations of ACP countries will increase, as in Europe, though faster in Africa (x 1.38) than in the Caribbean and the Pacific (table 3).

At the global scale, urbanisation has far outstripped emigration in volume. Between 2000 and 2010, 260 million people became “urban”, whereas international migration during the same period was estimated at 55 million people. Table 3 shows that urbanisation will be more intense in Africa (38% increase) than in the Caribbean (14%) and Pacific (18%). From the standpoint of partnerships between EU and ACP countries, this major trend leads to suggesting a reorientation of part of the EU development programmes in ACP countries for the benefit of cities, especially African ones.

*At the global scale, urbanisation has far outstripped emigration in volume. Between 2000 and 2010, 260 million people became “urban”, whereas international migration during the same period was estimated at 55 million people.*



**Table 4 - Rate of urbanisation in 2015 and 2050**

Region	2015	2050	2050 /2015
EU	73.6	82.0	x 1.12
African ACP	40.4	55.9	x 1.38
Caribbean ACP	70.4	80.7	x 1.14
Pacific ACP	30.1	35.7	x 1.18

Source: calculations based on PRB data, 2014

The measurement of migration remains poor, notably regarding flows, not only entries into the EU but above all flows of returns to ACP countries. In addition, by definition, the migratory balances of table 1 only give the *compensation* between entries and exits, not the magnitude of flows.

Last but not least, the statistical weight of South-South migrants fluctuates between 33% and 45% of the entire stock of migrants. In the case of African countries and the EU, it is important to emphasise a crucial fact: migration within West Africa is far more considerable than to the EU and North America combined: (7.5 million versus 1 million).

### **The demographic dynamics of the EU and ACP countries and their impact on the future ACP-EU relationship**

At the Round Table, the cluster emphasised the following elements:

- Demographic data, especially those on international migration, are sometimes badly missing and, in any case, need to be improved.
- The ACP Group is clearly a construct. Data reveal quite different demographic regional realities in the three regions (Africa Caribbean, Pacific) and even within each of them, especially in Africa. It should be recalled that among ACP countries, the African ones are the most important, demographically speaking. The 21st century will be that of African demography: from 1.1 billion people today, its population is expected to reach about 4 billion in 2100 (according to the UN 2012 population projections).
- A red thread links the “demographic dividend” (see below, challenge 3), employment, and migration challenge. Increasing the level of education in ACP countries is crucial to the three of them.
- Population policies regarding international migration involve issues such as poverty reduction, human rights and trafficking of human beings, empowerment of women and reducing the mortality risks for undocumented migrants crossing the Mediterranean.

- Article 13 of the Cotonou Agreement raised several criticisms. It is regarded as dated in so far as its underlying hypothesis that development of ACP countries would reduce migration proved wrong.
- Mixed migratory flows comprise not only genuine asylum seekers who are seeking the protection of the EU but also migrants who migrate for other reasons, mostly economic, and who try to avoid expulsion by claiming asylum thus overburdening already strained asylum systems in the EU. As a result, low rates of granted refugee statuses are recorded.

Is the future partnership the right framework to address migration issues? If so, is the partnership more fit to address some specific migratory issues, while others can be more effectively addressed within other frameworks (bilateral or regional)?

The Round Table debates on this challenge can be summarised under two major headings:

1/ Equal attention should be paid to the institutional framework and to concrete regulations.

- First, the means used for reducing remittances' transaction costs are an important technical issue. Costs for transferring remittances to Africa are 50% higher than the global average, and amount to 12% of the total transfer.
- Second, a crucial issue is the potential opportunity for remittances to contribute to local development in ACP countries, such as existing contributions to microfinance, which could be further exploited.
- Third, remittances are a crucial component of macro financial flows, often more important than ODA and FDI.
- However remittances also have to be put in perspective with other flows. The growth rate for remittances is only about half that for exports in the same period. They should also be put into the perspective of transfers in the opposite direction, such as profits transferred by international firms from ACP countries to countries with low taxation rates, outflows due to transfer pricing, and illegal capital outflows.

2/ Adopting a sociological perspective allows a better understanding of the complexity of the issue than what the purely economic approach would permit.

- As a preamble, it should be recalled that despite risks of funding terrorist activities, as was investigated after September 11<sup>th</sup>, undocumented remittances are a very efficient "banking system of the poor". Informal remittances do what official remittances cannot do: they enable a great number of people to send small sums of money at a moderate cost.
- First, the often heard criticism about the limited contribution of remittances to *economic* development (it is claimed that they are wasted in sumptuous expenses)

ignores their contribution to *social* development (education, health, empowerment of women, etc.).

- Second, for the individual migrant, remittances are often a step towards preparing their return to their home country. To that extent, remittances can be a proxy for future migration flows. Demographers project fertility and mortality trends projections on the basis of specific hypotheses. Demographic projections could rely on mid- and long-term trends in remittances to build badly missing hypotheses on return migratory flows.
- Third, remittances are a concrete and symbolic link between the migrant and their family and/or their ethnic group. Almost always families and kinship have covered the cost of migration, and family networks in the EU have facilitated the migrant's search for a job, for accommodation, etc. Indeed, the emigrant is repaying a debt, which induces appalling exploitation in back door sweatshops and can be comparable to that of the 19<sup>th</sup> century proletariat of the industrial revolution in Europe. But the emigrant also sends money to reassert his belonging to his reference group, and to access the matrimonial market with a view to his future return.
- Fourth, remittances from diasporas should not be forgotten. ACP-EU collaboration should aim at increasing their already important role in development.

### **Economic and social consequences of demographic, urbanisation and migration dynamics**

The demographic dividend and issues emanating from it:

- The “demographic dividend”, i.e. the relationship between demographic changes and economic development, is a concept that is currently receiving a lot of attention. Changing age structures play a key role in that framework: as young generations age, they enter the active population of working age (15 and above) and are no longer dependants but contribute to the labour force. Pressure on national budgets lessens progressively because health and educational needs become less acute. A “window of opportunity” of a few decades occurs before this active population retires from the labour market and enters the older age groups (65 and above), thus increasing again the number of dependants.
- However, a series of qualifications to this “demographic bonus”, as pointed out by several panellists, are particularly crucial in the case of ACP African countries. First, if fertility does not decrease, equally numerous new generations will replace those ageing and pressure on national

*Continued high population growth and poorly educated cohorts entering the labour market in most ACP countries in Africa will make it difficult for these countries to get anywhere close to benefitting from a demographic dividend in the next few decades.*

budgets will remain constant. Second, if the cohorts entering the labour market are poorly educated, it is likely that they will remain unemployed. Thus, even if jobs are available, young adults will be poorly qualified and the country may not be able to face international competition, due to a lack of capacity to position itself in strategic sectors with strong added value. Third, if the State has not anticipated the situation and if policies leading to job creation are not in place, there will be a risk of higher unemployment rates. The model advocated by the World Bank for African countries, whereby their economies should rely on services, was severely criticised by the panel. Finally, it was recognised that while in South-East Asia these conditions were met, allowing the demographic bonus to be harvested, in almost all Sub-Saharan African countries that was not the case.

#### Education and health:

Due to lack of time, the issue of education and the brain drain was unfortunately not discussed in depth during the Round Table. However, two points were stressed:

- First, it was agreed that investments in education were crucial, not only economically but also from a gender perspective as a key to women's empowerment.
- Second, the strategic choices made by some countries (India as early as Independence, the Philippines more recently) to promote market-oriented training (engineering, applied physics and maths in India, paramedics and nurses in the Philippines) were recalled. It was argued that such niches should be identified by ACP countries. For instance, in Africa, the strong family relationships and networks, imbued with the value of intergenerational solidarity and the respect to be paid to elders, provide an excellent cultural background to train people, especially women, to address the rapidly expanding labour market in the so-called care economy. As populations in the EU countries are increasingly ageing, it is foreseeable that they will badly need a labour force with such qualifications.

#### Potential new directions

The EU and ACP countries could collaborate in the fields of financial and fiscal policy to ensure that remittances contribute to the development of ACP countries, because the central question is that of the efficiency of the measures taken by States and thus the possibility of incorporating emigration income management as a development policy tool. Studies converge in emphasising the narrow margin of manoeuvre available to governments. That is why the only realistic and efficient policy consists of assisting the flow of transfers by implementing incentive measures: the authorisation of accounts in foreign currency, preferential exchange rates, the organisation of a service to remit money directly to the person, or the possibility of additional credit cards for members of the family of a worker so they can withdraw funds from any cash dispenser linked to a large network.

### ***The demographic dividend and employment***

Collaborative programmes between the EU and ACP countries should be set up to anticipate and reap the demographic dividend rather than face in the coming decades a disastrous situation on the labour market with large cohorts of youngsters entering it without proper training, with the ensuing foreseeable unemployment problems.

### ***Urbanisation***

Diversified policies to plan for and manage the spatial distribution of the population and internal migration are needed. Since policies aiming at restricting rural-urban migration are ineffective, attention should be focused on:

1. securing land rights in rural zones;
2. improving health, livelihoods and amenities in villages, organising access to credit in order to enhance the marketing of crops, etc.;
3. promoting middle-sized towns, where social dislocation is more rarely observed and where negative environmental impacts are less severe.

Middle-sized towns are unable to implement national decentralisation policies, as they are not granted the corresponding financial resources by governments. The EU might consider it advisable to implement the WHO Healthy Cities project in selected cities in ACP countries. This project engages local governments in health development through a process of political commitment, institutional change, capacity-building, partnership-based planning and innovative projects. About 90 cities are members of the WHO European Healthy Cities Network.

### ***The brain drain: education and health***

The EU might consider setting up innovative collaborative programmes to help ACP countries enhance the reintegration of their qualified nationals (research and scientific projects to strengthen universities, such as the former French CAMPUS Programme that associated French and French-speaking African Universities on an even basis. The ESTHER partnership (*Ensemble pour une Solidarité Thérapeutique Hospitalière en Réseau*), aimed at improving the quality of hospitals (training of medics and para-medics, reorganising departments, providing badly needed consumable medical equipment) by twinning a French and an African hospital, proved very successful and should be generalised.

### **Areas that could benefit from further analysis**

Demographic changes are very well documented thanks to existing international databases and a large corpus of evidence based research undertaken by academics and experts, whose results are available in scientific journals. The extent to which demographic developments raise further questions that require further analysis concerning the future development

cooperation between EU and ACP countries and/or issues to be included in the political dialogue remains to be determined in the context of the further preparations for a negotiating position.

### **Questions for the public consultation**

The public consultation is a good forum to address global challenges as they are less technical than other issues, and closer to the interest of individuals, civil society organisations and businesses.

Cross-border challenges and the rapidly-changing demographic impact on the EU and ACP countries are interlinked. The Round Table discussions highlighted that an interest-based partnership would be a good forum for the negotiation of win-win situations, where all or most parties to the partnership could benefit from common actions.

- Given the heterogeneity of demographic issues in the three A/C/P regions, would a future ACP-EU agreement be the right framework to address them, or would bilateral and regional agreements be more effective?
- How could an ACP-EU partnership address the issue of migration?
- In view of the foreseeable shortage of manpower on the EU job markets due to ageing, should the EU States look for gender-, age-, qualification-specific labour from ACP countries?
- How could an ACP-EU agreement best encompass the challenges of rapid urbanisation, in order to reduce extreme urban poverty, related health problems (infectious and chronic diseases, pollution) and address the needs of high risk social groups?
- How could the EU and ACP countries strengthen their collaboration to integrate the diaspora and channel both formal and informal remittances towards development?

### 3. RECOMMENDED QUESTIONS FOR PUBLIC CONSULTATION

The present section aims to present the European Union with recommended questions to be raised in the public consultation.

The public consultation scheduled for the end of 2015 will be open globally to any individual, group of individuals or organisation that can access the internet. Towards this end, a Green Paper will be drafted by the European Commission building on the findings of the present report.

#### What kind of agreement or partnership do we want?

This part examines questions relative to the very essence of the partnership and to its objectives. Most Round Table participants insisted on the need to **base the partnership** – or the agreement if there is to be one - on **shared values or on mutual interest**. The issue of the desirability of creating an “**interest-based partnership**” in a post-Cotonou framework was raised by several Round Tables. Participants highlighted that frank and open reflection on the EU’s own interests should be part and parcel of the public consultation including on trade issues. It will therefore be essential for the EU to reflect upon and define its own interests in preparation for the consultation. Participants commented that the EU needs to be clearer as to its agenda as this will also help it reinforce its position with regard to the increasingly strong role played by China and other emerging economies in many ACP countries.

Questions that could be raised in the public consultation on this issue include:

- Around which shared universal values do you think the partnership between the EU and ACP countries should be built? Please give examples.
- Around which mutual interests do you think the EU and ACP could build a partnership?
- What should the objectives and political aims of a revised agreement be? Which sectors should the new partnership focus on, and why?
- Should a future partnership be based on a legally binding agreement and if so, why? Could a non-legally binding agreement be as effective?
- What Cotonou Objectives and goals do you think had a positive impact on the ACP-EU relationship and are worth preserving? Which aspects should be radically changed in the case of a new agreement?
- Do you think there should there be an agreement at all between the EU and the ACP Group of States? If not, do you think that a set of regional multilateral agreements or partnerships would be a better way to implement a relationship between the EU and ACP countries?
- Do you think a revised agreement, if there were to be one, should cover a specific timeframe?

### Setting a future partnership in a changing policy framework

This section encompasses the Round Tables' reflections regarding the opportunity offered by a post-2015 framework for establishing a more efficient and innovative international cooperation and development.

- How could the partnership between the EU and ACP countries go beyond a donor-recipient relationship and focus on a partnership-based approach?
- Through which channels should development cooperation be delivered? Would a joint fund to which all contribute according to their capacities be desirable for example?
- How could knowledge and experience transfers between the EU and ACP be better included and implemented in a potential future agreement?
- Would the ACP-EU partnership Agreement be the right place to support the implementation of the Sustainable Development Goals? Should they be included and monitored in an EU-ACP agreement, or should they be left outside of an agreement?
- How do you think that the potential successor to the EDF could better support the unique development opportunities in ACP countries whilst also addressing global developmental priorities?

### Towards a more inclusive financial model

This section raises the issues of the means of implementation of the Agreement, in regard to the type of partnership which is wanted by both the EU and ACP group. In particular, the question of the legally binding form of the Agreement was discussed at a majority of Round Tables and seemed to be a key point for further reflection on a renewed agreement.

An additional important point is that the European Commission and EEAS should decide if a specific question on the principle of self-financing/joint-financing should be included in the public consultation. As mentioned during the Concluding Round Table, such a question would be at the heart of what the “nature” of any future desired partnership is and would allow EU citizens, stakeholders and tax-payers to reflect on a question that touches them directly.

- How could the European Union increase the visibility of its actions and of the EDF on the ground?
- What would be the advantages and disadvantages of “budgetising” the EDF?
- How could **institutions** and collaboration mechanisms become more effective?
- What could be improved to ensure that political, policy and technical dialogue are supported, invested in and better monitored in implementing the partnership?
- What do you think is the best way to further encourage political dialogue?



## With whom do we want a partnership?

The question of who should be party to a future agreement was present in all Round Tables, at two levels: at a macro-level with the issue of regionalisation, and at a micro-level with the issue of stakeholder engagement.

- Should a future agreement continue to include the three current regional blocs, namely Africa, the Caribbean and Pacific, in one single framework, or should it move towards continental, regional or sub-regional partnerships?
- What would be the advantages and disadvantages of a continental, regional, or even sub-regional approach? Would such regionalisation help each region or sub-region to pursue their respective agendas with the EU?
- What would be the added value or benefits of keeping an agreement with the three A/C/P regions?
- How could a differentiated and flexible approach be implemented with different countries or regions? To which extent do you think differentiation and preference (systems, clauses, processes) should be applied? How could LDCs better benefit from such differentiation and preferences? How could OCTs be taken into account?
- How could the EU and ACP countries identify and engage a broader range of relevant stakeholders, in particular civil society, in a renewed agreement? How could the partnership move away from a government to government focus and include a broader range of stakeholders?
- What other stakeholders could be involved in a future partnership? For example, should the EU consider working directly with cities in the ACP region (e.g. help megacities address the significant population and urbanisation challenges they face)? Or should the EU help business networks, local networks and education and learning networks tackle the huge skills development needs of Africa's rapidly expanding youth population? Or should the EU work with new communication technologies and local actors to prevent conflict or help manage areas at risk of conflict?
- Can new technologies be used in a new partnership structure to involve stakeholders in a more direct and timely manner? And to involve more types of stakeholders and in different ways?
- How would you integrate the role of diasporas in a revised agreement?
- What kinds of institutions would be required to facilitate efficient and transparent stakeholder engagement?
- Would you recommend any stakeholder engagement best practices that could be used by the EU and ACP countries in the case of a future agreement?

## Trade policy for an improved strategic partnership

Economic exchanges between the ACP countries and the European Union are making headway, but to a lesser extent than with other regions. On the EU side, the negotiation of the EPAs was for twelve years the main vehicle to foster trade with the ACP group (along with the introduction of EBA and GSP/GSP+ reform). Outcomes are mixed, for the time being confined to trade in goods (with the exception of the Caribbean) and opinions on the likely impact of the EPAs diverge.

A large minority of ACP countries still remains outside EPAs. Against this backdrop, the key issue here seems to be to know how trade policy could be best leveraged with EPA groups, across EPA groups and with non-EPA countries to make EPA implementation a true exercise in partnership, and as a consequence convince some non-EPA countries to join and consensually re-enlarge the agenda beyond mere trade in goods.

On top of this, third country effects from comprehensive North-North trade and investment partnerships which the EU is currently negotiating are a legitimate concern for ACP countries. Creating a platform for the joint assessment of such impacts and deepening the scant scientific evidence in order to do no harm to ACP partners whenever possible, will also help further a more strategic ACP-EU partnership.

On the other hand, the mixed reality of regional economic and political integration among ACP partner countries raises the question of how cooperation could become more effective and more strategic, and echoes strategic questions on political choices and commitments. Input from the public consultation should be sought regarding the ways to reconfigure the bi-regional political dialogue on the intertwined topics of regional integration and trade, with the aim of deepening political and economic relations along the lines drawn. In both form and substance, this represents a tall political order and should thus generate lively debate in public consultations.

- How can it be assured that non-EPA countries remain in trade dialogue with the EU?
- How can postponed services, investment, competition and IPR issues selectively be reintroduced into trade talks, with EPA and non-EPA countries, in the best interest of our ACP partners?
- How can an overall framework for EPA implementation across the different EPA groups be established, including insightful joint monitoring of practical experience with the new rules and speedy adaptation to EPA country needs?
- Would there be issues from the thematic areas of “Regional Integration” or “Trade & Investment” that could be suitably addressed on a post-Cotonou platform – and is this possibly better than in other multilateral, bi-regional or bilateral bodies?
- Which public goods and which regional policies do you think are crucial for sustained development and thus need EU support?

- How can evidence of and confidence in third country effects of planned North-North trade and investment treaties best be incorporated into the trade policy dialogue with ACP countries?
- How can political dialogue on the future of ACP regional and global integration become substantially more inclusive than at present?

### **The ACP EU Partnership as a complementary tool to address global and demographic challenges**

The public consultation is a good forum to address global challenges as they are less technical than other issues, and closer to the interest of individuals, civil society organisations and businesses. Cross-border challenges and a rapidly-changing demographics impact on the EU and ACP in an interlinked way. The Round Table discussions highlighted that an interests-based partnership would be a good forum for the negotiation of win-win solutions, where all or most parties to the partnership could benefit from common actions.

- Given the heterogeneity of global challenges (such as food, water and energy security, global environment, climate change, raw materials) and demographic issues in the three A/C/P regions, would a future ACP-EU agreement be the right framework to address them, or would bilateral and regional agreements be more effective?
- Can you think of any win-win situations in which the EU and ACP countries would target specific global challenges together and both benefit from it?
- How could the future ACP-EU partnership address the issue of migration?
- In view of the foreseeable shortage of manpower on the EU job markets due to ageing, should the EU States look for gender-, age-, qualification-specific labour from ACP countries?
- How could an ACP-EU agreement best encompass the challenges of rapid urbanisation, in order to reduce extreme urban poverty, related health problems (infectious and chronic diseases, pollution) and address the needs of high risk social groups?
- How could the EU and ACP countries strengthen their collaboration to integrate the diaspora and channel both formal and informal remittances towards development?

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## ANNEXES

### 1) List of participants

Last name	First name	Organisation	Round Table
Alexandrescu	Anca	EEAS	Brussels
Asche	Helmut	EPRD, Cluster Leader	Luxembourg
Askola	Erja	COM DG TRADE	Brussels
Avani	Christina	Permanent Representation to the European Union, Cyprus	Paris
Bachtikova	Ivana	Embassy Councillor, Justice and Home Affairs, Slovakia	Riga
Barth	Friedrich	EPRD, Cluster Leader	London
Bas	Luc	IUCN European Union Representative Office, Belgium	London
Berthomiere	William	Centre National de la Recherche Scientifique (CNRS), France	Riga
Beynon	Jonathan	Department for International Development (DFID), United Kingdom	Luxembourg
Bochu	Claude	EEAS	Luxembourg
Boidin	Jean-Claude	COM DEVCO	Brussels
Bordallo Sainz	Alvaro	EEAS	Luxembourg
Bossuyt	Jean	European Centre for Development Policy Management (ECDPM), the Netherlands	Paris
Boto	Isolina	CTA Brussels office, Belgium	Luxembourg
Bouyé	Mathilde	World Resources Institute, Washington D.C., USA	Paris
Bučar	Maja	University of Ljubljana, Slovenia	Bonn
Bué	Charlotte	COM DEVCO	Paris
Burke	Seán J.	EPRD, Cluster Leader	Hague
Cardoso	Fernando	Instituto Marquês de Valle Flôr (IMVF), Portugal	Paris
Carpenter	Douglas	EEAS	Bonn
Ca'zorzi	Antonio	Senior Analyst, consultant (formerly IADB), France	Bonn
Charbit	Yves	EPRD, Cluster Leader	Riga
Cherif	M'Hamed	ACP Business Climate Facility (BizClim), Belgium	Luxembourg
Clarke	Tim	International Institute for Environment and Development, United Kingdom	Brussels
Coast	Ernestina	London School of Economics (LSE), United Kingdom	Riga
Cocchi	Giorgio	COM DEVCO	Luxembourg
Coyette	Etienne	COM DEVCO	London
Crabtree	Robert Andrew	Copenhagen Business School, Denmark	Paris
Craig-McQuaide	Peter	COM DEVCO	Brussels, Paris,

			The Hague, Luxembourg
de Bergh	Marie-Laure	Ministry of Foreign Affairs and Development, France	Brussels
de Peyron	Kristin	EEAS	Paris, Brussels
Dimier	Veronique	Université Libre de Bruxelles, Institut d'Etudes Europeennes, Belgium	Brussels
Doens	Koen	COM DEVCO	Brussels
Ellmeier	Michaela	Ministry of Foreign Affairs, Development Directorate, Austria	Paris
Ellyne	Mark	University of Cape Town, South Africa	Bonn
Farrell	Mary	Plymouth University, United Kingdom	Hague
Feld	Serge	University of Liege, Belgium	Riga
Forester	Stefan	EEAS	London
Gad	Marie	BUSINESSEUROPE, Belgium	Hague
Gilbert	Antoine	EEAS	Brussels
Grenier	Paola	Copenhagen Consensus Center, Denmark	Paris
Grobicki	Ania	Ramsar Convention, Switzerland	London
Haritos	Leonidas	Hellenic Ministry for Foreign Affairs, Greece	Hague
Higgins	Elizabeth	Ministry of Foreign Affairs and Trade, Ireland	London
Hoebink	Paul	University of Nijmegen, The Netherlands	Brussels
Hofmohl	Jan	Ministry of Foreign Affairs, Poland	Bonn
Honwana Welch	Gita	Chatham House, Africa Programme, United Kingdom	Brussels
Ionete	Denisa	COM DEVCO	London
Junker	Reinhard	Federal Ministry for Economic Cooperation and Development (BMZ), Germany	Bonn
Keijzer	Niels	German Development Institute (DIE), Germany	Bonn, London
Keinanen	Mikko	EEAS	Hague
Khakee	Anna	University of Malta, Malta	Paris
Kingham	André	Planet Resilience, The Netherlands	London
Kovats	Stephen	Agency for open culture and critical transformation gGmbH, Germany	Hague
Krylova	Petra	Center for Global Development (CGD) Europe	London
Lamin	Maria	EEAS	Paris
Laporte	Geert	European Centre for Development Policy Management (ECDPM), The Netherlands	Brussels
Leonescu	Stefan	Jesuit Refugee Services (JRS), Romania	Riga
Lingnau	Hildegard	OECD	Paris
Lodge	Junior	International trade expert	Luxembourg
Mackie	James	European Centre for Development Policy Management (ECDPM), the Netherlands	Hague

Magnusson	Lars Jörgen	COM DG BUDG	Bonn
Martinez Origone	Cristina	EEAS	Riga
Matić	Dalibor	Ministry of Foreign Affairs, Croatia	Brussels
May	John	Population Reference Bureau and Georgetown University, in Washington, D.C., USA	Riga
Mezs	Ilmars	International Organization for Migration, Riga office, Latvia	Riga
Monterisi	Sara	Permanent representation to European Union, Italy	Riga
Negre	Mario	World Bank and German Development Institute (DIE), Germany	Hague
O'Riordan	Alexander	EPRD, Cluster Leader	Bonn
Pallum	Priit	Ministry of Foreign Affairs, Estonia	Luxembourg
Pape	Elisabeth	COM DEVCO	All
Peralta	Jorge	Spanish Agency for International Cooperation (AECID), Spain	Brussels
Petrie	Belynda	Climate, Energy and Water Expert, OneWorld, South Africa	Bonn
Pougin de La Maisonneuve	Axel	COM DG TRADE	Luxembourg
Rabe	Patrick	EEAS	Paris
Ramdoos	Isabelle	European Centre for Development Policy Management (ECDPM), the Netherlands	Luxembourg
Ramirez Risk	Alan	EPRD, Cluster Leader	Luxembourg
Rijnhout	Leida	European Environmental Bureau, Belgium	Paris
Rosa	Domenico	COM DEVCO	Brussels, Bonn, Hague, London, Riga
Rossetti	Emilio	EEAS	Hague
Ruettgers	Heike	European Investment Bank (EIB)	Bonn
Saelaert	Alex	Independent Development Practitioner	Bonn
Schmieg	Evita	German Institute for International and Security Affairs (SWP), Germany	Luxembourg
Seppänen	Maaria	EPRD, Cluster Leader	Paris
Sherriff	Andrew	European Centre for Development Policy Management (ECDPM), the Netherlands	Bonn, London
Sohet	Karine	ACT Alliance EU, Switzerland	Hague
Steninge	Anne-Maria	Ministry of Foreign Affairs, Denmark	Paris
Stocchetti	Marikki	Finnish Development Policy Committee, Finland	Luxembourg
Svitojus	Arunas	Heifer Baltic Foundation, Lithuania	London
Synachopoulou-Svarna	Aneta	EPRD, Cluster Leader	Brussels
Szentvári	Beata	Ministry of Foreign Affairs and Trade, Hungary	London
Taylor	Nick	COM DEVCO	Riga
Teague	Johanna	Ministry for Foreign Affairs, Sweden	Brussels
Tonnar	Manuel	Ministry of Foreign Affairs, Luxembourg	Luxembourg

Van Bellinghen	Marc	EEAS	London
Van Dijk	Robert	Ministry of Foreign Affairs, The Netherlands	Hague
Vanheukelen	Marc	COM DG TRADE	Brussels
Vermaerke	Pieter	Ministry for Foreign Affairs, Foreign Trade and Development Cooperation, Belgium	Bonn
Vetter	Wolfram	EEAS	Bonn
Wharton	Gina	IPPF European Network	Brussels
White	Veronica	EPRD, Team Leader	All
Zelgalve	Ilze	ACP working party in the Council, Latvia	Riga
Ziller	Bernard	European Investment Bank (EIB)	Luxembourg



## 2) Terms of Reference

### SPECIFIC TERMS OF REFERENCE (LOT 1)

#### The renewal of the ACP-EU partnership agreement: Issues for the EU in consultation phase 1

**Type of product:** study

**Title:** EU Partnership with ACP countries: Post-Cotonou

### 1. BACKGROUND INFORMATION

#### 1.1. The Cotonou Partnership Agreement (CPA)

The Cotonou Partnership Agreement (CPA) is the latest milestone in the EU's relations with the African, Caribbean and Pacific (ACP) countries. Originating in the Yaoundé Convention adopted in 1964, these relations reflected the European Communities (EC) Member States' determination to maintain strong and special links with a group of former overseas territories or colonies of several of the founding Member States, which had become independent after the Treaty of Rome of 1957. With the accession of the United Kingdom to the EC in 1973, the time was ripe to formalise these relations in a more institutionalised partnership. The 1975 Georgetown Agreement gave legal personality to the ACP Group, thus paving the way for the ratification of the first Lomé Convention the same year.

After a series of revisions on a five-year schedule from LOME I to the revised LOME IV Convention in 1995, reflecting socio-economic and political changes on both sides, 2000 heralded a new era in EU-ACP relations with the signing of the CPA. It is considered by many a ground breaking agreement due to its depth (the agreement revolves around four pillars: partnership, political dialogue, development, and trade). The legally binding nature of the ACP-EU partnership, its degree of institutionalisation, and the large number of countries – now 78 on the ACP side and 28 on the EU side - it encompasses, set it apart from any other North-South Agreement outside the UN. The CPA expires in February 2020 and negotiations on a revised Cotonou agreement are mandated to start in August 2018 at the latest.

#### 1.2. Evaluation of the CPA

A global evaluation of the CPA does not appear to be a very promising undertaking given the broad nature of the agreement. It would require weighing against each other costs and achievements in separate areas such as trade, political relations and economic relations and development. As a consequence, evaluations of the CPA have first and foremost focused on the development part of the agreement, while the trade and political aspects of the partnership have been subject to less frequent and less systematic assessments. Furthermore,

the trade dimension is lagging behind, most EPAs having been signed very recently. A plethora of studies and workshops has, naturally, come to mixed conclusions.

### **1.3. Current situation between the parties**

A number of issues have been raised concerning the status of the EU-ACP relationship. Those include, but are not limited to:

- i) **The evolving nature of the partnership**, also in view of the different political and economic partnerships which have been established within the last 10 to 15 years between the EU and sub-groups of the ACP group (AU/Africa, CARIFORUM and PIF);
- ii) **The coherence of EU development policy and the ACP-EU partnership;**
- iii) **The institutional and management structures of the CPA**
- iv) **The degree of commitment on both sides**
- v) **The purpose of the partnership**
- vi) **Trust among the parties involved**

Strategic thinking has started on both sides to reflect upon a revised CPA.

## **2. OBJECTIVE, PURPOSE & EXPECTED RESULTS**

### **2.1. Overall objective**

The overall objective of the project is to gather a critical mass of expertise to stimulate a wider discussion on post-Cotonou issues, and define issues at stake notably for the time horizon 2020-2030. This will be done in the form of expert roundtables around a set of clusters as described in more detail below.

#### **Cluster 1: What kind of partnership do we want?**

The EU and the ACP countries have built a strong relationship over the past 50 years. 2020 is an opportunity to reflect on what the EU wants to achieve with its partner countries. The aspiration is to combine a thorough understanding of the EU's strategic partnerships, the historic relationship with the ACP countries and the Cotonou *acquis*.

#### **Cluster 2: Future framework for international cooperation and development policy**

The post-2015 international development agenda, a framework that is intended to be universal, will obviously impact on the post-2020 EU-ACP relationship. Taking into account international commitments and objectives, what is the scope for a revised CPA to provide added value?

#### **Cluster 3: Means of implementation**

What resources are required for a revised Cotonou agreement, for what purpose and what could be their source? What would be the implications of a "budgetisation" of the EDF? How

can the predictability of funds continue to be secured? The international debate on financing for development should also be kept in mind.

#### **Cluster 4: Stakeholders and institutions**

Building on a thorough understanding of the current stakeholders and institutional framework, its strengths and weaknesses, the cluster will assess the political economy of the partnership. What lessons are to be learned from the performance of current arrangements? What might be the best institutional architecture for a revised partnership with a specific group of developing countries?

#### **Cluster 5: Regional integration and trade**

Trade relations between the EU and ACP countries now fall within the remit of the EPAs and are dealt with by regional groupings. Regional integration is indeed prolific among the ACP countries, with several regional fora and an overarching ACP group. The EU also has distinct relationships (based in two cases on strategies) with each of the three geographical regions (Africa, the Caribbean and the Pacific). Choices need to be made to streamline the sets of relations the EU has with all these interlocutors.

#### **Cluster 6: Global challenges**

What are the global challenges that affect both the ACP countries and the EU? Is there a role for the partnership to act together on a number of selected global issues, both locally and/or at global level?

#### **Cluster 7: Demographic developments**

Demographic developments in ACP countries and in the EU are leading to massively different age structures and population dynamics. Forecasts predict that urbanisation and people's mobility will remain long-lasting phenomena. Innovative provisions should be sought to tackle these issues effectively and ensure that the new cooperation framework between the EU and ACP countries addresses the real drivers of development.

This contract is part of a wider EU effort to prepare negotiations for a revised Cotonou Partnership Agreement. As such, the expertise gathered is intended to shed light on the issues at hand so as to launch a two-stage consultation.

Firstly, a targeted consultation is expected to take place in 2015 on the basis of the expertise gathered in each cluster. This consultation will be held as a series of roundtables, either in Brussels or in EU Member States.

Secondly, a public consultation will then be launched to broaden the scope of the undertaking and give anybody who wishes a chance to take part in the process. This second-stage consultation will be based on a Green Paper underpinned by a comprehensive conference report summarising all the findings presented during the roundtables of the targeted consultation.

## 2.2. Methodology and purpose of the project

The purpose of this specific contract is to recruit expertise to plan, prepare, conduct, evaluate and document expert roundtables related to a revised Cotonou agreement. Each expert roundtable will agree on policy proposals to the European Union in its area of expertise and the questions to be put to the public in a subsequent open consultation. No further specification of the methodology is foreseen.

## 2.3. Assignments

This specific contract consists of the six following assignments:

### I) Identification and selection of the participants/speakers for the thematic roundtables

It will be the task of the experts working under this contract to come up with a list of speakers to take part in the seven thematic roundtables. The Contracting Authority will assist in finding those participants as far as it is possible, especially on the first two categories mentioned below.

Each cluster will be discussed at one roundtable session, and each roundtable is expected to comprise the following speakers:

- 3 participants from the European institutions (Commission + EEAS HQ)
- 2 participants from the EU delegations
- 3 participants from the EU Member States
- 3 participants from civil society organisations and businesses ☐
- 4 participants from leading think tanks/academic institutions

Those participants/speakers proposed must have relevant professional experience, as demonstrated by their CVs, as well as written and oral contributions in the areas relevant to the cluster they are taking part in.

### II) Drafting of the scoping papers

The scoping papers are short studies providing background information on their corresponding cluster. They will motivate and guide the work of the expert roundtables on the different clusters identified above. They should be clear, concise, and thought provoking with a view to steering the discussions during the targeted consultation. Each paper should follow the same structure:

- The relevance of the cluster for and/or in a revised Cotonou framework;
- The current state of affairs;
- The main challenges;
- Potential new directions for the EU-ACP partnership in the given cluster.

### III) Organisation of the targeted consultation

As mentioned above, the targeted consultation will be held as a series of seven thematic roundtables revolving around the clusters and based on the scoping papers. Those roundtables are independent from each other but must be organised on different days to allow the team leader to attend all of them (see section 3.2).

#### **IV) Drafting of the roundtable reports**

A roundtable report must be drafted for each cluster after the discussions have taken place.

#### **V) Organisation of the concluding roundtable**

When all the thematic roundtables have taken place, a concluding one will be organised so as to sum up the main findings and for the experts in charge of the thematic roundtables to exchange their views.

#### **VI) Drafting of the final report**

Following the targeted consultation (i.e. seven roundtables), an extensive and comprehensive report is to be produced. This should be done by the team leader in cooperation with the seven senior experts responsible for the scoping papers and acting as chairs during the roundtables. The report should summarise the discussions of the seven roundtables, integrating them into a single framework. In addition, it should lay out the recommendations to the EU with a view to preparing more focused policy proposals and subsequent pre-negotiating position proposals for a revised Cotonou agreement.

### **2.4. Requested services for the roundtables**

Assignments II and IV require specific services related to organisational matters.

#### **2.4.1. Badges and roundtable kits**

The roundtable kit to be prepared by the Contractor shall consist of a roundtable folder containing the participants' name badge, the list of participants (to the relevant roundtable), a notepad, a pen, and the agenda (of the relevant roundtable). The roundtable kits have to show the Commission's logo, the roundtable title, the location and date of the roundtable, and be in accordance with the EU visibility guidelines for external actions<sup>20</sup>.

#### **2.4.2. Video recording & conference equipment**

For each roundtable, the Contractor will provide the necessary equipment to project the slides of the speakers (a video projector and a wide projection screen). All roundtables are to be video-recorded. Those recordings will be the basis upon which the cluster leaders/chairs will write the roundtable reports. Selected passages of the roundtables will be used to

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<sup>20</sup> [http://ec.europa.eu/europaid/work/visibility/index\\_en.htm](http://ec.europa.eu/europaid/work/visibility/index_en.htm)

animate the internet based consultation process, which will comprise a follow-up phase to this study.

### **2.4.3. Catering**

For each roundtable, the Contractor will organise (a) two coffee breaks and (b) one lunch. For the lunches, the Contractor will make the necessary reservations only for the speakers, meaning 17 persons per roundtable (one team leader, one chair, and 15 experts, i.e. 119 persons in total – see section 3).

For the purpose of those requested services, the Contractor is free to use the services of a subcontractor. Should that be the case, this would need to be clearly mentioned in the offer, together with the implementation plan of the assignment.

## **3. EXPERTS**

### **3.1. Experts profile**

One team leader will coordinate the overall project. He/she will ensure coherence between the work in the different clusters. He/she will provide guidance to the seven cluster leaders/chairs of the expert roundtables.

These will be senior experts from leading European think tanks/academic institutions (or equivalent background) and will be responsible for the clusters. These seven senior experts will be responsible for the drafting of the scoping paper for their corresponding cluster. At a later stage, they will act as chairs during the thematic roundtables for the targeted consultation.

#### **1 Senior Expert: Team Leader**

He/she should have a minimum of 10 years' professional experience in development policy with a strong focus on ACP-EU relations, and/or the Cotonou Partnership Agreement, documented by relevant publications. Proven ability to manage a team, and capacity to synthesize a wide diversity of information are essential.

#### **Education**

Master's degree in development studies, political science, economics, law, international relations, European Studies or a related area. A PhD would be an advantage. In absence of the afore-mentioned degrees, equivalent professional experience (e.g. 5 years) in a relevant field will also be considered. Language skills

Excellent working knowledge of English is required, and working knowledge of French would be an advantage.

#### **7 Senior Experts: Cluster leaders/Chairs of expert roundtables**

They should have a minimum of 10 years' professional experience in development policy broadly speaking (in an NGO, the private sector, or a political institution). Those 10 years should encompass specific experience in the field relevant to the cluster that the expert is

chairing. Strong knowledge of EU activities related to that field would be an asset. Proven ability to work under time constraints is important.

#### Education

Master's degree in development studies, political science, economics, law, international relations, European Studies or a related area. A PhD would be an advantage. In absence of the afore-mentioned degrees, equivalent professional experience (e.g. 5 years) in a relevant field will also be considered.

#### Language skills

Excellent working knowledge of English is required, and working knowledge of French would be an advantage.

#### **Division of work between the experts (and the Contracting Authority)**

Not all experts are expected to participate in each assignment. The following division of work is foreseen:

<b>ASSIGNMENT</b>	<b>EXPERTS NEEDED</b>
I) Identification and selection of the participants/speakers for the thematic roundtables	- team leader and seven cluster leaders/chairs with the support of the Contracting Authority
II) Drafting of the scoping papers	- seven cluster leaders/chairs under the supervision of the team leader
III) Organisation of the thematic roundtables	- team leader (attending the seven roundtables) - one cluster leader/chair per cluster (7 in total) - 15 participants (per cluster) as defined in section 2.3 (assignment I)
IV) Drafting of the roundtable reports	- seven cluster leaders/chairs under the supervision of the team leader
V) Organisation of the concluding roundtable	- team leader - seven cluster leaders/chairs
VI) Drafting of the final report	- team leader with the support of the seven cluster leaders/chairs

#### **4. PROJECT MANAGEMENT**

DG-DEVCO is the contracting authority. Hence all issues that touch upon the Terms of Reference, the budget or any other administrative issues, have to be addressed to DG DEVCO.

#### **5. LOGISTICS AND TIMING**

### 5.1. Duration of the Contract

The contract has to be signed in December 2014 and should start the second week of January 2015. The following timing is foreseen:

Activities	January 2015				February 2015				March 2015				April 2015				May 2015			
Inception meeting/ report																				
Selection the participants																				
Draft scoping papers																				
Final scoping papers																				
Thematic roundtables																				
Roundtable reports																				
Concluding roundtable																				
Final report (draft)																				
Final report																				

### 5.2. Location and logistics

For the written assignments (scoping papers, roundtable reports, and final report), experts are expected to work at their home location. Two one day trips to Brussels are foreseen for the experts in charge of those assignments (i.e. the team leader and the seven cluster leaders/chairs). These trips are planned to discuss the draft versions of assignments II (scoping papers) and V (final report).

For the participation in the seven thematic roundtables, the venue remains to be decided, whereby Brussels is the default location. Alternative locations could be chosen for one or several of the roundtables should some Member States come forward with offers for a venue. Some of these could for instance be organised in Paris, Bonn, Oxford, Alicante, Warsaw, Riga, Luxemburg, Lisbon, Rome, or the Hague (those are only indicative locations). In the latter case, one day trip to the location of the roundtable would be foreseen for all experts and participants/speakers (except from those coming from the EU institutions and the EU delegations whose expenses are taken care of by the Commission). Roundtables are indeed not expected to last longer than a day. The concluding roundtable will be hosted in Brussels. Thus, one additional one day trip to Brussels is foreseen for the team leaders and the seven cluster leaders/chairs.



It is not the task of the Contractor to find and rent the places where the roundtables will be hosted. Contact with the EU Member States willing to host the events will be established by DEVCO.04.

## 6. REPORTS

### 6.1. Reporting requirements

The Contractor will submit the following reports in English in one original and 3 copies:

- **Inception report** of maximum 10 pages to be submitted within 2 weeks from the start of the contract; it should outline in details the Contractor's understanding of the task and the planned way forward;
- **Draft version of the scoping papers** of maximum 10 pages each to be produced within three weeks after the start of the contract;
- **Final version of the scoping papers** of maximum 10 pages each within 8 days after receiving comments from the Contracting Authority;
- **Reports from Expert Round Tables** of maximum 60 pages each; the last report should be handed out 14 days after the last roundtable;
- **Draft version of the final report** of maximum 100 pages within 4 weeks after the last roundtable;
- **Final version of the final report** of maximum 100 pages within 14 days after receiving comments from the Contracting Authority; it should be edited by a fluent English speaker.

## 7. ADMINISTRATIVE INFORMATION

### 7.1. Reimbursable expenses

Travel expenses (return tickets, economy class fare) to Brussels (to discuss the draft version of the scoping papers and of the final report, as well as for the concluding roundtable) will be reimbursed for the team leader and the clusters leaders/chairs. Likewise, travel expenses (under the same conditions) to the location of the roundtables will be reimbursed for all the experts. Should some experts and/or participants need to arrive the day before a roundtable or a meeting to discuss the draft version of the papers, per diems will be paid to them.

All the materials needed for the organisation of the roundtables and of the concluding roundtable, i.e. catering, rental of video equipment, badges and kits (see section 2.4) will also be reimbursed.

### 7.2. Budget

The tenderer should be aware that the contract award criteria are based on the most economically advantageous tender. The price offer of the tender must be complete. The tenderer must not include in the price offer expenses for items that cannot be itemised and specified as requested, otherwise his tender will be rejected.

In accordance with the terms of the Commission Framework Contract, the Commission shall not reimburse any administrative costs such as translation costs or database management necessary to carry out the tasks of the contract (offices, secretarial assistance, communications, printing costs of documents, dispatch costs, etc.). Therefore, the tenderer is requested to take into account all the costs when preparing the offer.

### **7.3. Payment**

Payment shall be made in EUR (€) and on services rendered (and time spent) based on the submission to, and acceptance by, the Commission of the scoping papers, the roundtable reports, the final report, and duly established invoices (attendance lists for each roundtable will need to be signed by all experts and participants).

30% of the funds corresponding to the offer will be made available when the contract is signed. The remaining funds will be disbursed upon completion of the contract.

Request for payment by the Contractor shall be made according to the provisions of Article 8 of the general conditions of the Framework Contract (Lot 1) on the basis of the original invoice and the paper copy of the approved final version of the final report.

### **7.4. Content of the offer**

The offer must include:

- Financial offer.
- Description of the team of experts proposed (including CVs and statement).

### **7.5. Quotation of prices**

Prices must be quoted in EUR (€) corresponding to the accepted unit prices. Prices shall be quoted free of all duties, taxes and other charges, including VAT, as the EU is exempt from such charges under Articles 3 and 4 of the Protocol on the Privileges and Immunities of the EU annexed to the Treaty of the European Union and to the Treaty on the Functioning of the EU. Exemption is granted to the Commission by the governments of the Member States, either through refunds upon presentation of documentary evidence or by immediate exemption. The successful Contractor shall be given the necessary instructions by the Commission.

### **7.6. Other issues**

During contacts with any stakeholder, the Contractor will clearly identify himself as an independent Consultant and not as an official representative of the European Union.

The experts are also responsible for their own working tools and space such as laptop, printing and internet connection. The Contractor must note that the European Union cannot offer any computer equipment for the purposes of this specific contract.

Participants of the Round Table came from the following organisations and initiatives:



