



European Economic and Social Committee

REX/485

A Renewed Partnership with the African, Caribbean and Pacific Countries

OPINION

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Rapporteur: **Brenda KING**

Consultation	European Commission, 27/01/2017
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Section responsible	External Relations (REX)
Adopted in section	07/11/2017
Adopted at plenary	07/12/2017
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Outcome of vote (for/against/abstentions)	165/1/2

1. **Conclusions and recommendations**

- 1.1 The Cotonou Partnership Agreement (CPA) between the European Union (EU) and the African, Caribbean and Pacific (ACP) countries will expire in 2020. The CPA has been the basis of cooperation and dialogue regarding politics, the economy, trade, and development aid.
- 1.2 The EU and the ACP have separately launched discussions to identify the possible framework and basis of future relations. Priorities that are likely to be included are the reduction of poverty, trade relations, the management of migratory flows and the fight to counter global warming. The formal launch of discussions between the EU and the ACP States is to take place before August 2018 at the latest.
- 1.3 The European External Action Service (EEAS) and the European Commission launched a public consultation process, in 2015, to prepare the post-Cotonou framework and published a joint communication in November 2016, supporting an umbrella agreement defining common values and interests, with three distinct partnerships with each of the three regions.
- 1.4 The European Economic and Social Committee (EESC/Committee) welcomes the Joint Communication as well as the Commission's preferred option of an umbrella agreement with specific regional priorities that should be legally binding. The EESC believes that a new updated agreement is needed that takes account of the new realities such as the concern of European public opinion regarding the increased risk of terrorist attacks, perceived uncontrolled migratory flows, the risk of climate refugees due to the dramatic increase of the African population, the increasing influence of other regional powers, and the unpredictable actions of the current US president.
- 1.5 The EESC also calls for civil society to be better integrated in the next framework and provided with a stronger role that goes beyond consultation. This is important to ensure the Policy Coherence for Development (PCD) principle.
- 1.6 The EESC welcomes the plan to build on the UN's 2030 Agenda for Sustainable Development (SDGs), with specific features of the European Development Funds included. This compliments the new European Consensus for Development, which has the eradication of poverty as its main objective while also integrating the economic, social and environmental dimensions of sustainable development. However the Committee is disappointed that the 2030 Agenda is not placed at the core of the future Agreement reinforcing key principles such as universality, governance, and the inter-linkages and indivisibility of the SDGs.
- 1.7 The EESC believes that any future Partnership should be based on a political dialogue, rather than on a donor-recipient relationship. The Committee notes that the Communication is rightly aligned with the EU Global Strategy however it recommends that any future ACP-EU cooperation should also be aligned with any strategies and objectives of the ACP partners.
- 1.8 The EESC also recommends that the political dimension be strengthened and there should be a strong monitoring mechanism, which includes civil society. The EU acquis for civil society, including the private sector, (CSOs) involvement in all stages of the future partnership should

be kept and strengthened with CSOs included in an institutionalised framework within the political dialogue.

- 1.9 An EESC survey of economic and social actors in ACP countries revealed that 82% supported the participation of non-state actors in parliamentary meetings, and 78% supported participation in intergovernmental meetings, where they should also be able to present reports and make recommendations.
- 1.10 The EESC is disappointed that the Joint Communication does not reflect the importance of CSOs at either the umbrella level or in the three regions. The Committee recommends that the future Partnership should include a formal mechanism to include CSOs in the design, implementation, monitoring and review as well as during the upcoming negotiation stage. The EESC stands ready to play a central role in this process.
- 1.11 The EESC notes the absence of any mention of the European Development Fund (EDF) and assumes this will change following the outcome of the Multiannual Financial Framework (MFF) and the decision on the budgetisation of the EDF. The EESC recalls the recommendation from REX 455, which stated that all forms of development support that the EU gives to third countries should fall under the same legal framework and should be subject to the same democratic scrutiny by the European Parliament, while retaining the same positive aspects of the EDF. The EESC further believes that the African Peace Facility and new migration-related projects should be financed outside the EDF.
- 1.12 The Committee welcomes the focus on human development as a specific priority of the future Partnership and believes it should be a priority for all three regions and linked to the SDGs.
- 1.13 The EESC welcomes the Communication's statement to fully protect, promote and realise gender equality and empowerment of women and girls as well as its recognition of the key contribution women and girls make towards peace and state-building, economic growth, technological development, poverty reduction, health and well-being, culture and human development. However the EESC is disappointed that the Communication omits to detail how this will be facilitated.
- 1.14 The EESC welcomes that trade and the economic partnership agreements (EPAs) will be fully integrated into the new partnership. The EESC believes that trade agreements, including the EPAs, should use the UN's 2030 Agenda and the Paris (Climate) Agreement as their framework.
- 1.15 The EESC recommends that ACP-EU EPA negotiations should happen in a transparent way and involve civil society. The EPAs should contain an enforceable sustainable development chapter with civil society actively involved in the implementation, monitoring and review.
- 1.16 The EESC welcomes that climate is one of the main priorities but is concerned that the climate and environment priorities differ in the three regions. It is also concerned that the focus is on actions required by ACP countries with no reference to the EU's responsibility with regard to its footprint or impact on natural resources and ecosystems in these developing countries.

2. **Background**

- 2.1 The European Union (EU) and the 79 countries of Africa, the Caribbean and the Pacific (ACP) have a comprehensive and legally binding international cooperation agreement that has united more than half of the world's nation states. Named the Cotonou Partnership Agreement (CPA or Cotonou), it was signed in Benin in 2000, and aims to strengthen the long-standing cooperation in politics, trade and development between the EU and the ACP countries. This agreement has led to the creation of a range of institutions that facilitate ACP–EU cooperation among governments, public officials, members of Parliament, local authorities and civil society, including the private sector. It builds on a historic relationship between the EU and its former colonies, which has since evolved through a succession of agreements: from the association agreements of Yaoundé I and II Conventions between the European Economic Community and former French colonies in Africa (1963-1975), to the successive ACP-EU Lomé Conventions (1975-2000), and the latest Partnership Agreement signed in Cotonou (2000).
- 2.2 The Lomé Conventions granted ACP countries legal status, allowing them to create a development model and claim privileged access to the Common Market. This framework gave greater weight to Caribbean and Pacific countries, which were unlikely to have benefited from this type of development model in bilateral agreements. Although poverty declined, the share of the ACP countries in the internal market decreased from 6.7% in 1976 to 3% in 1998.
- 2.3 The Cotonou Agreement aimed to strengthen the partnership and is comprised of three pillars - political, commercial and sustainable development. This all-encompassing agreement's initial objective has been to help development in the ACP countries while encouraging the diversification of their economies by creating an environment for entrepreneurship and investment.

3. **General Comments**

- 3.1 The CPA is due to expire in 2020 resulting in the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy issuing a Joint Communication Paper, dated 22 November 2016. This communication put forward three options based on the results of the public consultation launched on 6 October 2015. The first option suggested renewing the CPA with the ACP countries. The advantage of this is that it would retain the ACP format; however, it would not have led to an agreement that took on board the specific priorities identified by the parties involved. In addition, it would not have taken into account significant changes since 2000 such as EU enlargement, the divergent priorities in the ACP countries and the increasing importance of regional organisations such as the African Union.
- 3.2 The second option consisted of a total regionalisation of relations between the EU and the ACP countries. This approach, although reflecting the variations between the three regions, would have ignored the ACP countries' stated wish to remain united, as well as the mutual desire to use the EU-ACP format to influence international institutions.

- 3.3 The preferred option is the third one, which appears to have found consensus on all sides. Revision here implies the conclusion of a "common framework agreement with three regional pillars": "the third option is an agreement with the partner countries, comprising three distinct regional partnerships with Africa, the Caribbean and the Pacific, with the possibility of close involvement with other countries as part of a common framework. This framework would define common values, principles, vital details and interests, which implies cooperation between those involved, by using the ACP's longstanding "acquis". It would also provide for specific cooperation mechanisms in the world arena. The three regional partners would use and integrate those that already exist (for example the common EU-ACP strategy) and would establish priorities and actions focused on specific details in the partnership programme in each of the three regions." This institutional arrangement proposed by the Commission consisting of three separate regional partnerships with Africa, the Caribbean and the Pacific, under an umbrella arrangement, retains the acquis and the advantages of the EU-ACP format whilst allowing for differentiated development initiatives according to the region. In addition, according to this preferred option there is the possibility of allowing for the involvement of other countries outside of the ACP, such as the other least-developed countries (LDCs), or those in North Africa, in the future.
- 3.4 The EESC welcomes the European Commission's aim of making the partnership legally binding while remaining flexible and responsive so that it can adapt to a regularly changing environment. The EESC recommends that "legally binding" be clearly defined in the post-Cotonou Agreement and that it should include consultation and sanction procedures, in the event of violations of human rights, democratic principles and, in particular, the rule of law. The EESC notes that the ACP countries support the binding nature of the future agreement¹ and believes this would guarantee predictability, transparency and mutual responsibility.
- 3.5 There is an opportunity provided by recently adopted international frameworks – the 2030 Agenda for Sustainable Development, the Paris Agreement on Climate Change, the Addis Ababa Agenda for Action, the Sendai framework and the UN Urban Agenda – to include these in a new agreement, putting the partners to the agreement on the path to sustainability for the benefit of people, prosperity and the planet. The future partnership should be based on these international frameworks and commitments, implementing them in an integrated, inclusive and sustainable way.
- 3.6 The future agreement should prioritise human development, noting the twin impacts of exponential demographic growth and climate disruption that ACP countries face. This will present challenges for nutrition and food security, environmental protection, and achieving prosperity for all.
- 3.7 The Policy Coherence for Development (PCD) should be a key element of the future Partnership, ensuring that all EU internal and external policies reinforce sustainable development within the EU and globally.

¹ "Sipopo Declaration: the future of the ACP group in a changing world". 7th Summit of the ACP heads of state and government: challenges and opportunities", 13-14 December 2012.

4. Specific Comments

4.1 Involvement of civil society in the future ACP-EU Partnership

4.1.1 The EESC welcomes the fact that Article 6 of the CPA supports the involvement of non-state actors (NSAs) by acknowledging that they are essential players in the partnership. However it is disappointed that cooperation has remained so government-oriented despite the recognition that political dialogue is important for fostering civil society participation in the development process. There are some exceptions, the ACP-EU Joint Parliamentary Assembly and the Cariforum-EU Parliamentary Assembly, the Cariforum-EU Consultative Committee and the Cariforum-EU Trade and Development Committee. These however can be further enhanced going forward.

4.1.2 The EESC reiterates the crucial role of non-government stakeholders in ACP-EU relations, throughout the sustainable development process and in the monitoring of the EPAs. The UN 2030 Agenda recognises the role of civil society as it states the "scale and ambition of the new Agenda requires a revitalised Global Partnership to ensure its implementation...It will facilitate an intensive global engagement in support of implementation of all the Goals and targets, bringing together governments, the private sector, civil society, the United Nations system and other actors and mobilising all available resources."

4.1.3 The EESC notes with disappointment that a number of ACP, and recently EU, countries are introducing restrictive legislation to curtail the work of NSAs, which in some cases has had detrimental implications for the active participation of CSOs. The 2016 CSO Sustainability Index² highlights that in many countries in sub-Saharan Africa, CSOs—particularly those focused on advocacy and human rights—are facing increasing restrictions or threats of restrictions on their work.

4.1.4 The EESC recommends that the new framework agreed should reinforce the legitimacy of CSOs in particular, and NSAs in general, as much-needed stakeholders in policy processes by including CSOs, from both the ACP and EU, in the legally binding principles of the agreement. This should include a structured framework between CSOs and all joint ACP-EU institutions. It therefore calls for stronger technical and financial commitments to encourage and bolster the active participation of CSOs.

4.2 Trade and Sustainable Development

4.2.1 Under Lomé IV, ACP countries benefited from non-reciprocal preferences granted unilaterally by the EU, so that they could export their production to the Common Market, together with a system to compensate them for the loss of export revenues in the event of fluctuation in exchange rates or natural disasters. This set-up was ruled to be against the World Trade Organisation's "most favoured nation" principle, so to make the new Cotonou agreement compliant with WTO rules, Economic Partnership Agreements (EPAs) were designed to overcome this with the aim of allowing the ACP countries to integrate into the world economy.

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<https://www.usaid.gov/africa-civil-society>.

- 4.2.2 Europe has therefore negotiated EPAs with the six regions that comprise the 79 ACP countries, with the aim of creating joint partnerships in terms of trade and development, supported by development aid. From 2000 to 2008 access to the European market was achieved by means of non-reciprocal national preference, which comprised a system of derogations from the WTO's rules. From 2008 free trade agreements were signed under the EPAs; however, the required signatures and subsequent implementation proved to be an ongoing challenge. Although to date six EPAs have been established, the ratification process for most was impeded. In 2007 Europe signed the first of these agreements with 15 Caribbean States, which provisionally came into force in December 2008. In Africa the result was more mixed. In 2014 16 States from Western Africa, as well as two regional organisations, ECOWAS and WAEMU, and the East African Community have reached an agreement, but signatures are still ongoing. The countries of the South African Development Community signed the EPA in 2016. Finally the interim EPA between Europe and the Pacific States was signed by Papua-New-Guinea and by Fiji in 2009, since these two countries account for most of the trade between Europe and the Pacific.
- 4.2.3 The Cotonou Agreement therefore comprises a significant dimension in terms of trade. Indeed, in 2012 the EU was the second-biggest trade partner of the ACP after the USA. The EU takes the lead over Venezuela, China, Brazil, Canada and India. It represents 12.1% of the ACP countries' trade, which is less than the USA (35.7%) but more than China (6.9%)³.
- 4.2.4 According to the International Trade Centre, between 2003 and 2012 the market share of the ACP countries in the world economy rose from 1.4% to 1.7% while the EU-28 market share in the ACP market rose from 10.9% to 11.5% over the same period. However since 2010, the ACP countries have been affected by the consequences of the 2008 economic crisis with the total value of their merchandise trade declining. In 2015 exports represented USD 320.7 billion (compared with USD 495.1 billion in 2011), and imports represented USD 439.6 billion (compared with USD 500.2 billion in 2014).
- 4.2.5 The EESC recommends that the revision of the Cotonou Agreement should aim to reconcile the ACP countries with the expansion of trade, given that 80% of the least developed countries still belong to the ACP group. The Committee also notes that agriculture represents 90% of ACP exports, employing the majority of the working population. On average 20% of the national wealth comes from agricultural revenues with extreme variations between ACP countries. For example, half of Chad's GDP comes from agricultural production, compared to 1% on average in the Caribbean⁴.
- 4.2.6 **Trade and regional integration:** The EPA aims to foster regional integration and is premised on the logic that greater regional integration boosts trading capacities and in turn, boosts growth, employment and economic development. To facilitate intra-ACP trade, investment in infrastructure – including clean energy – is needed to help the ACP move towards the production and export of intermediate and finished goods, thereby moving up the global value

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<https://www.robert-schuman.eu/en/european-issues/0440-post-cotonou-the-modernisation-of-the-acp-partnership>

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Press release ACP secretariat: The new ACP policy highlights the transformation of the products from the agricultural sector, 15 June 2017.

chain (GVC). This will also require an efficient shipping industry. The EESC therefore recommends that shipping should be included in the EU trade and development policy agenda.

4.2.7 Trade and sustainable development: The Future Partnership should place trade and the EPAs within the framework of the 2030 Agenda and Paris Agreement. The EPAs should contain an enforceable sustainable development chapter with a formal and structured framework for CSO inclusion. Future ACP-EU negotiations should take place transparently, involving CSOs in the monitoring of the negotiations and the implementation and monitoring of the agreement.

4.3 Development cooperation

4.3.1 The cooperation tools and methods are meant to operationalise the CPA's principles by focusing on results, partnership and ownership. The programming and implementation of the European Development Fund (EDF) are therefore designed as a joint responsibility.

4.3.2 The **EDF** is directly financed through voluntary contributions by EU MS outside of the EU budget, but it is negotiated in parallel with other EU external financing instruments to ensure consistency. It is managed by the European Commission and the European Investment Bank (EIB). The EIB manages the Investment Facility and provides loans, guarantees and funds from both the EDF and its own resources, for private companies in ACP countries for short and long-term private and public sector projects.

4.3.3 The **EDF's total allocations have increased, but are likely to decrease following Brexit**, while retaining its inter-governmental character and governance structure, which has allowed it to become the largest element in EU development cooperation aside from the Multiannual Financial Framework (MFF). Based on the EDF's unique history and legal status, as well as its inter-governmental basis, the European Parliament (EP) has no co-decision power over it. The EP Development Committee does engage in general policy discussions and is an important CPA stakeholder. The Joint Parliamentary Assembly (JPA) also has the power to carry out parliamentary scrutiny over EDF allocations of the National Indicative Programmes (NIPs) and Regional Indicative Programmes (RIPs).

4.3.4 The **EDF** and budgetisation: The EP, through the special discharge procedure, grants discharge to the European Commission for its management and implementation of EDF. Budgetisation – inclusion of the EDF in the EU's budget – remains a source of friction between the EP and the Council, although the Commission has suggested that the EDF be included in the EU budget on several occasions.

4.3.5 The EESC believes that all forms of support that the EU gives to third countries should fall under the same legal framework and be subject to the same democratic checks of the EP. It therefore calls for the integration of the EDF into the EU budget while preserving the positive aspects of the EDF (e.g. reciprocity and mutual responsibility). This will result in a more coherent EU development policy.

Brussels, 7 December 2017

Georges Dassis
The president of the European Economic and Social Committee
