

# EC/ACP agreement: revision of the partnership agreement with the African, Caribbean and Pacific States

2005/0071(AVC) - 28/04/2008 - Final act

**PURPOSE:** to amend the Cotonou Agreement between the European Community and its Member States, on the one hand, and the ACP countries, on the other.

**LEGISLATIVE ACT:** Council Decision 2008/373/EC concerning the conclusion of the Agreement amending the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, on the one hand, and the European Community and its Member States, on the other, signed in Cotonou on 23 June 2000.

**CONTENT:** the Cotonou Agreement, signed on 23 June 2000 for a period of twenty years, builds on the acquis of thirty years of experience. It is designed to promote and expedite the economic, social and cultural development of the ACP States, contribute to peace and security and promote a stable and democratic political environment.

The revision process has been handled in accordance with Article 95 of the Cotonou Agreement, which allows for the content of the agreement (except those provisions concerning economic and trade cooperation) to be adapted every five years. It is in this context that an amended agreement is approved on behalf of the European Community with the following objectives:

- 1) reinforcement of the political dimension of relations between ACP countries and the EU;
- 2) promotion of participatory approaches, involvement of civil society, the private sector and other non-State actors in the definition and implementation of actions;
- 3) strengthening of the framework for 'poverty reduction' and the establishment of a new framework for economic and trade cooperation;
- 4) reform of financial cooperation by proposing a new financial framework.

**Strengthened political dialogue:** the revised agreement puts greater emphasis on political dialogue between the European Union and the ACP States. Additional provisions have therefore been established in terms of:

- peace-building policies and conflict prevention and resolution;
- respect for human rights, democratic principles based on the rule of law and transparent and accountable governance (a new procedure has been developed for cases of violation of these elements, stressing the responsibility of the country in question, see below);
- good governance (a new procedure has also been drawn up, to be applied in serious cases of corruption, see below);

- expansion of political dialogue to include security issues, countering the proliferation of **weapons of mass destruction**, a provision on the International Criminal Court and the **Statute of Rome** and the **fight against terrorism**.

As for the **procedural part of political dialogue**, additional provisions have been established in order to place greater emphasis on the arrangements for consultation set out in articles 96 and 97 of the Cotonou Agreement as well as on the applicable procedure in such instances: it is therefore clearly established that if, after having conducted a strengthened political dialogue, one party considers that the other has failed to fulfil an obligation stemming from essential elements of the Agreement (respect for democratic principles and the rule of law but also good governance and respect for international treaties on the non-proliferation of weapons of mass destruction, including respect for control measures for the export of goods linked to weapons of mass destruction or dual-use items), that party may invite the other to hold consultations and take appropriate measures, including, where necessary, the **partial or full suspension of the Agreement**. Furthermore, for the first time it has been established that, in serious cases of corruption in an ACP State, the same procedure shall be applied, which may lead to the unilateral suspension of the Agreement. The mechanism established by the consultation procedure is to act gradually: the first stage involves promoting dialogue, then, where necessary, partially suspending the Agreement, following a Council Decision by qualified majority. In the event of total disagreement between the parties, the Agreement may be suspended in full following a unanimous decision by the Council. The European Parliament shall be immediately and fully informed of a decision for the partial or full suspension of the Agreement. The suspension decision may be reviewed every 6 months.

**Civil society:** in order to strengthen the ‘civil society’ section of the Cotonou Agreement, the revised Agreement provides for greater participation of non-State actors in the design and implementation of development strategies and programmes. These actors shall be increasingly involved in the definition of indicative programmes defined by the Commission in direct cooperation with the relevant ACP States. Local authorities shall also be invited to play a greater role in the implementation of programmes.

**New forms of cooperation:** the revised Cotonou Agreement includes new provisions on the Millennium Development Goals (MDGs) in the preamble of the Agreement. Additional provisions have also been provided for in terms of:

- the promotion of the fight against poverty-related diseases (fight against AIDS, malaria and tuberculosis) and the protection of sexual and reproductive health and rights of women;
- the strengthening of regional cooperation (in particular, the simplification of procedures to request intra-ACP financing and facilitation of cooperation between ACP States and other developing countries on the basis of reciprocity);
- the development and use of local content for ICTs;
- the emphasis on local communities;
- the protection of children, particularly in societies exposed to post-conflict situations;
- the promotion of the participation of young people in public life and encouragement of exchanges and interaction between ACP and EU youth organisations;
- the promotion of traditional knowledge as part of sectoral economic development;
- the strengthening of existing provisions on island ACP States, emphasising their increased vulnerability brought about by new economic, social and ecological challenges.

**New framework and financial protocol:** additional provisions are established in terms of funding. This concerns two sections of the Agreement:

- 1) **EDF balance:** an amount of **EUR 90 million** is transferred to the intra ACP envelope under the ninth European Development Fund (EDF). This amount can be allocated to finance devolution for the period 2006-2007, and is managed directly by the Commission;

- 2) commencing 1 March 2005, the **new multi-annual financial framework for cooperation** shall cover commitments starting from 1 January 2008 for a period of five or six years. For this new period, the European Union will maintain its aid effort to ACP States at least at the same level as that of the 9th EDF, not including balances. To this should be added, based on Community estimates, the effects of inflation, growth within the European Union and the 2004 enlargement. The new financial provision includes specific provisions on interest rate subsidies for infrastructure projects in the Least Developed Countries, in post-conflict countries and post-natural disaster countries (the interest rate of the loan shall be reduced by 3%). Other types of interest rate subsidies are established for projects with social or environmental benefits. Lastly, a specific facility is established to support investment in private and commercially run public sector entities, including revenue generating economic and technological infrastructure.

Note that, when an ACP State faces a crisis situation as the result of a war or other conflict, or exceptional circumstances, the Commission may itself manage the resources allocated to the State in question and use them for special support. Special support may concern peace-building policies, conflict management and resolution, post-conflict support, including institution-building, economic and social-development activities, taking particular account of the needs of the most vulnerable sections of the population.

Lastly, the annexes to the Agreement are revised so as to review the technical arrangements for intra-ACP cooperation, requests for financing and procedures for implementation of programmes and projects for cooperation (in particular, tender procedures, eligibility for participation in procedures for the awarding of public procurement contracts, review of the system of preferences, management and implementation of the EDF).