

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

2005/0071(AVC) - 03/05/2005 - Initial legislative proposal

PURPOSE : to conclude the Agreement amending the Partnership Agreement signed in Cotonou on 23 June 2000 between the ACP States and the European Community and its Member States.

PROPOSED ACT : Council Decision.

CONTENT : by virtue of a decision of 27 April 2004, the Council authorised the Commission to open negotiations with the ACP States with a view to undertaking a revision of the Partnership Agreement between the ACP States and the European Community and its Member States. The negotiations took place between 6 May 2004 and 23 February 2005. The Commission considers that the revised Partnership Agreement conforms to the negotiating directives adopted by the Council on 27 April 2004.

The revised Agreement marks an improvement in the relationship between the ACP States and the Community and its Member States, while maintaining the *acquis* of the Cotonou Agreement.

The amendments relate to parts of the main body of the Agreement, Annexes I, II and IV and the new Annexes Ibis and VII.

Some components, such as the rules on the award of contracts and the modalities for implementation of the FLEX mechanism will be reviewed and adapted, if necessary, by the ACP-EC Council of Ministers.

The amendments cover a wide range of issues relating to the political dimension, development strategies, the Investment Facility and implementation and management procedures. Provisions have been inserted concerning the international fight against terrorism, prevention of mercenary activities, cooperation in countering the proliferation of Weapons of Mass Destruction (WMD), commitment to the International Criminal Court and modalities for a more structured and formal political dialogue.

With regard to development strategies, the Agreement has been revised to include a number of new elements relating to the Millennium Development Goals (MDGs), the social sector, ICTs, youth, traditional knowledge, island ACP states, Non State Actors (NSAs) and regional cooperation. A number of amendments were made to Annex II on the Investment Facility (IF). These include conditions relating to loans, interest rate subsidies, foreign exchange rate risks and Bank remuneration. The IF will be subject to a joint review of its performance at mid-term and at the end of the term of the

Financial Protocol. In order to improve efficiency and to promote harmonisation, a series of

proposals were incorporated into Annex IV regarding management procedures and implementation. The proposals aim, *inter alia*, to introduce greater flexibility in the allocation of resources and in financial management in crisis or conflict situations, promote further untying of aid, reformulate the

role of management and execution agents and, more generally, simplify the procedures in place.

Two changes were made to the Financial Protocol:

- 1) a provision on the financing of devolution was introduced into the existing Annex I;
- 2) a new Annex Ibis was added relating to the multiannual financial framework for cooperation under the revised Cotonou Agreement.

The revised Agreement negotiated by the Commission between the African, Caribbean and Pacific States, of the one part, and the European Community and its Member States, of the other part, should be signed on behalf of the European Community.