

## Relations between the EU and the African, Caribbean and Pacific States (ACP) after 2020

Tancrède Voituriez, Julie Vaillé (IDDRI), Hélène Vanvolsem, Jean Bossuyt (ECDPM)

The Cotonou Partnership Agreement between the African, Caribbean and Pacific (ACP) countries and the 28 members of the European Union (EU) expires in 2020. How should it be renewed? In its recommendation to the European Council, the European Commission (EC) takes stock of the current CPA and outlines a new agreement. It proposes giving greater importance to regional cooperation processes, while maintaining a common foundation of principles and priorities shared by the ACP and the EU.

Our analysis of the Agreement, of its evaluation and of the positions expressed by different parties has led us to identify two areas of strategic compromise for the development of a new partnership, as well as two areas of vigilance that should be taken into account in the negotiations that will begin in September 2018 at the latest.

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### KEY MESSAGES

- 1. The different evaluations of the Cotonou Partnership Agreement converge on the need for reform.** According to the EC, progress has been recorded in the political dialogue at the regional and national levels, as well as in terms of economic and social development. The objectives nevertheless need to be reviewed in light of current challenges and opportunities, and the institutional architecture needs to be revised to make it more coherent and streamlined. Finally, the ACP Group has not been the strategic global player that it planned to become when the previous Agreement was negotiated.
- 2. The Commission’s proposal recommends making the regions the “centre of gravity” of the Agreement.** According to this proposal, the next Agreement must be open to different degrees to the adhesion or involvement of other countries, particularly in order to strengthen cooperation with the African continent as a whole (“Africa as One”), while allowing for bilateral association agreements with the North African countries.
- 3. A first area of vigilance is the role given to the regional and sub-regional organisations in the negotiations** and in the implementation of the provisions of the next Agreement. The EU urgently needs to define the regional partner with which it intends to agree on the priorities and provisions specific to the regional protocols. The regional partners need to be stakeholders in the Agreement and actors in their own right in its negotiation, provided of course that they express a wish for this.
- 4. Priority should be given to the institutional and financial empowerment of the regional partners** within the Agreement. Between the position of the ACP countries wishing to increase the Group’s resources and international influence and the Commission’s more moderate approach, there is a risk of achieving only a half measure that pointlessly replicates existing and new institutional structures—those deemed necessary by the ACP to enhance the Group’s activity on the one hand, and those required by the regional protocols on the other. If a choice has to be made, the ACP Group’s diplomatic activity and institutional endowment should be a secondary negotiating priority for the EU.

## 1. THE POLITICAL RESULTS OF THE EU-ACP PARTNERSHIP FALL SHORT OF OBJECTIVES

Were the Agreement to be judged on its text alone, few people would criticise its ambition. It places the European Union and the ACP countries in a contractual relationship between equal partners (Article 2), in order to “promote and expedite the economic, cultural and social development of the ACP States, with a view to contributing to peace and security and to promoting a stable and democratic political environment” (Article 1). The scope of the partnership is very broad and, some 15 years ahead of time, it anticipated the 2030 Agenda for Sustainable Development, adopted in 2015.

However, while the intention was good, the results are not wholly convincing: none of the parties are in favour of extending the Agreement in its current form.

In its recommendation for a Council decision authorising the opening of negotiations, the European Commission summarises its evaluation of the Agreement.<sup>1</sup> Progress has been recorded in the political dialogue at the regional and national levels. The Agreement has increased cooperation on security issues and has initiated cooperation on migration, which continued with the Valletta process. Moreover, major progress has been noted in human and social development, as well as in macroeconomic stabilisation in ACP countries. But the Commission also identifies shortcomings: the objectives need to be reviewed in light of current challenges and opportunities, and the institutional architecture needs to be revised in order to make it more coherent and streamlined.

The study by ECDPM (European Centre for Development Policy Management), “The future of ACP-EU relations”,<sup>2</sup> gives a more nuanced picture, highlighting the limits of the partnership in its political dimension and revealing limited joint political commitment and a lack of results on major subjects linked to global challenges. This is particularly true for the negotiations on the 2030 Agenda for Sustainable Development and climate change targets (COP21 and subsequent events).

Other coalitions—the African Group,<sup>3</sup> the Small Island States, the G77 and the LDCs—were the key players in this process. The ACP Group itself admits this: “The ACP Heads recognised that, as it is currently structured and operates, the ACP is not the effective global player that they require”, even though cooperation and influence at the international level are some of the fundamental justifications for the ACP’s commitment to the Agreement.<sup>4</sup>

The ACP countries’ position<sup>5</sup> is critical about the way in which the political dialogue was conducted: “Various assessments have highlighted shortcomings of political dialogue under the Cotonou Agreement. [...] the observation has been that the outcomes remain unilateral (...)”.<sup>6</sup>

“The support of shared values of respect for human rights, the rule of law and democracy are important and valuable benefits of the ACP-EU partnership, however the extent of its focus on conflicts, and the suspension of financial assistance to ACP States can overshadow and distract from its full potential”, they add further on, before concluding that “The ACP will need to ensure that [...] lessons of its political dialogue and development cooperation experience are learned and applied in order to inform a complete makeover towards a more modern and mature partnership”.<sup>7</sup>

The ACP Group sees the trade preferences it was granted under the GATT and then the WTO as a success that reflects on the Agreement. In the original convention (the Lomé Convention, signed in 1975), trade between the EU and the ACP took the form of asymmetric agreements granting the ACP countries preferential access to the Community market, without reciprocity. The WTO rules meant these provisions had to be reviewed.

The EU then opted for regional free trade agreements: the Economic Partnership Agreements (EPAs). The ACP countries have never shown any real enthusiasm for the EPAs. The least developed countries (LDCs) have expressed limited interest in them due to the asymmetric duty-free and quota-free access to which they are entitled by virtue of their “LDC” status under the EU “Everything but Arms” initiative.<sup>8</sup> After tough nego-

1. European Commission (2017). Recommendation for a Council decision authorising the opening of negotiations on a Partnership Agreement between the European Union and countries of the African, Caribbean and Pacific Group of States. COM (2017) 763 final 12 December 2017.

2. Bossuyt, J., Keijzer, N., Medinilla, A., de Tollenaere, M. (2016). The future of ACP-EU relations: A political economy analysis. (*Policy Management Report 21*). Maastricht: ECDPM. pp. 59-71, 94-102.

3. Carbon Brief (2015). “Paris Climate Talks: who are the negotiating groups?” <https://www.carbonbrief.org/interactive-the-negotiating-alliances-at-the-paris-climate-conference> 27 November 2015.

4. ACP (2017). Towards the ACP we want. ACP/1/1/11/ (Vol.1) 17 Rev.3

5. See note 4.

6. See note 4.

7. See note 4.

8. [http://europa.eu/rapid/press-release\\_IP-00-1034\\_en.htm](http://europa.eu/rapid/press-release_IP-00-1034_en.htm)

tiations, the signing process gathered pace from 2014 onwards, though not all ACP countries have yet agreed to sign an EPA. More popular with the EU than with the ACP, the EPAs have revealed the effective imbalance in the partnership and undermined the unity of the ACP Group, which was cemented by the pursuit of a common goal—maintaining preferential access to the EU market—that is now obsolete.

## 2. THE COMMISSION'S RECOMMENDATIONS TO THE COUNCIL

In their communication of November 22, 2016, the European Commission and the European External Action Service proposed a new “political partnership” with the ACP countries, based on a hybrid formula combining an umbrella agreement at ACP level and three separate regional partnerships<sup>9</sup> with each of the A, C and P components of the Group.<sup>10</sup> On the basis of this document, on December 12, 2017 the Commission published its “recommendations for a Council decision authorising the opening of negotiations”.<sup>11</sup>

The Commission’s proposal to the Council is for an Agreement comprised of two parts: the “foundation”, concerning all ACP countries and setting out the overarching objectives and principles, the shared strategic priorities, the institutional framework, and the means of cooperation; and the regional compacts, added in the form of protocols to the Agreement, including the priorities and objectives specific to each of the A, C and P components. The recommendations specify that the “centre of gravity will be on the regional compacts”. The strengthened role of the regional and sub-regional organisations “will have to be recognised and catered for within the Partnership”. This must be open to the adhesion or involvement of other countries, particularly in order to strengthen cooperation with the African continent as a whole (“Africa as One”), while allowing for bilateral association agreements with the North African countries.

The Commission’s proposal is a compromise. For some Member States, including France, the foundation plays a fundamental role: it sets out shared values and guarantees the political existence of a group in which all ACP countries must be represented without regional differences.

Like the previous Partnership, the new one must be legally binding. The risk of institutional chaos associated with an exclusively regional approach explains the French position, in addition to the importance given to the promotion of values and to the creation of alliances to address global challenges.

For other Member States, especially Germany with the position of the Ministry for Economic Cooperation and Development (BMZ), the future of EU-ACP relations will be determined at the regional level, and primarily through a partnership with continental Africa. The regional preference has been expressed on different occasions, especially in the “Marshall Plan with Africa”.<sup>12</sup> The foundation is only secondary, as is, ultimately, the existence of an ACP Group.

The ACP Group’s position reflects a centre of interest and ambition that is significantly different from the two previous ones. Its goal is not to modernise and streamline the Agreement, nor to restructure it according to a new geography, but to increase the level of ambition and influence. “The current global environment provides a unique opportunity, and indeed, provides a clear-cut imperative for the ACP Group to make the transition from its role of being mainly an interest aggregating body—primarily in regard to relations with the European Union—to one of active global leadership” it writes.<sup>13</sup> The Group also proposes extending the responsibilities and duties of the ACP Secretariat beyond EU relations; the ACP Parliamentary Assembly and the Committee of Ambassadors should play a greater role.

The outcome sought is a positive way out, which retrospectively attributes certain past ACP Group performances deemed unsatisfactory to a lack of resources. To end the “heavy financial dependence of the ACP Group on the EU”, the Group “needs to continue the search for predictable and sustainable resources to assure its existence and its effective role as a global player”,<sup>14</sup> especially through the creation of an endowment fund, regular contributions from ACP Member States, and the private sector.

9. It is important to note that the joint communication refers to regional “partnerships” rather than “pillars”. The choice of wording suggests that the EU is willing to give greater political importance to regional relations than in the current Cotonou Agreement.

10. JOIN (2016) 52 Final (22.11.2017)

11. See note 1.

12. Federal Ministry for Economic Cooperation and Development (2017). *Africa and Europe – a new partnership for development, peace and a better future, cornerstones of a Marshall Plan with Africa*, BMZ, Bonn, 34p.

13. See note 4.

14. See note 4.

### 3. AREAS OF VIGILANCE DURING THE NEGOTIATIONS

The Commission's compromise, which preserves the existence of the ACP Group while giving the new regional compacts considerable importance within the Agreement, is useful in advancing the negotiations. The balance it proposes between compacts on the one hand and the ACP foundation on the other should not, however, fuel the idea that all priorities can be pursued simultaneously and with the same degree of importance. We highlight two priorities here, which are areas of vigilance for the negotiations.

If we accept that the political geography of the cooperation process is now regional and sub-regional, as advocated by the Commission, priority must be given to the institutional and financial empowerment of the regional partners. In the Cotonou partnership spirit, and if we take the example of the EU-Africa regional protocol attached to the next Agreement, the EU urgently needs to define the regional partner with which it intends to agree on the priorities and provisions specific to the regional partnership, the "centre of gravity" of the new Agreement. This or these partners cannot be the ACP Group. By virtue of the principle of subsidiarity, the Group has less competence than the regional and sub-regional partners—the African Union and the Regional Economic Commissions—to determine priorities and methods of action. This is a first choice of priority in the Commission's position, from which lessons must be drawn. The decision to place the centre of gravity at the regional level requires a review of the governance of the Agreement. It implies correcting what should be seen as an understatement in the Commission's recommendations: the strengthened role of the regional and sub-regional organisations does not simply need to be "recognised and catered for". This strengthened role already exists for issues pertaining to peace, security and migration. It makes the regional organisations legitimate stakeholders in the Agreement that are henceforth required for its negotiation, provided of course that they express a wish for this.

The second priority choice concerns the relative importance of the support the EU must provide to the ACP Group as an institution, in relation to the other structures that ensure the proper functioning of the Agreement. Here, it is important that the Agreement clarifies an order of priority. The ACP countries aim to make the ACP Group a priority partner of the EU, capable of addressing global challenges (migration, security, climate, human rights) and becoming a global political ally, with effective institutions and financial resources that are protected outside the EU budget, the EDF. This goal is a challenge, or even a gamble, if we examine the empirical elements available. Against the findings of the evaluations of its diplomatic influence mentioned above, the ACP Group has adopted a similar position to the one described in finance as "gambling to survive" or "gambling for resurrection".<sup>15</sup> If stock prices fall and its financial position deteriorates, an investor will need to take risky positions on markets—positions which, if they fail, will not change the decline in its reputation and profits, but if they succeed, will enable it to recover. At stake in the next Agreement is the eventual disappearance of the ACP as a Group, and the ACP is fully aware of this. Faced with this choice of priority, our proposal is as follows. As soon as it is shown that its existence as a Group is of no real added value in the regulation of contemporary problems, that the outcomes of the EU-ACP partnership in international forums remain limited and that other competing frameworks now exist, then the Group's diplomatic activity and institutional endowment should not be a negotiating priority for the EU. ■

15. See, for example, Brealey, R. *et al.* (2001). *Financial Stability and Central Banks: A global perspective*. Routledge: London and New York.