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JOINT CONSULTATION PAPER

**Towards a new partnership between the European Union
and
the African, Caribbean and Pacific countries after 2020**

I. Introduction: A valued partnership

The purpose of this document is to initiate a broad public consultation, on the key questions pertaining to the partnership and relations after 2020, between the European Union (EU) and the members of the African, Caribbean and Pacific Group of States¹ (ACP). In this regard, it is important to take stock of the current Partnership Agreement, to explore the extent to which it remains valid for the future and offers a platform to advance joint interests. A thorough review is needed of the assumptions on which the partnership is based, of its scope, instruments and ways of working. The outcomes will form a major component of the analysis and as such contribute to evaluate the current Agreement and to set out policy proposals for the future relationship.

Relations between the EU and the ACP are longstanding, dating back to before 1975 and the first Lomé convention. The latter was a successor to the first Convention of Yaoundé in 1963 binding the then European Economic Community and former colonies of some of its Member States. Successive partnership agreements have shaped the relationship up to the present time.

The current ACP-EC Partnership Agreement was signed on 23 June 2000 in Cotonou, Benin – hence the name 'Cotonou Partnership Agreement' (CPA). It was revised in 2005 and 2010, in accordance with its provisions. It was concluded for a twenty-year period and will expire on 29 February 2020. The partnership is comprehensive; it includes a political dimension, economic and trade cooperation as well as development finance cooperation. It is mainly financed by the European Development Fund (EDF), an extra-budgetary multiannual fund composed of direct contributions from EU Member States and is complemented in parts by the external financing instruments sourced from the EU budget. The CPA is a legally binding agreement; it establishes joint institutions and provides a framework for dialogue with each of its members. In fact, the Agreements with the ACP have been a central piece of EU external policy for many years.

A rapidly evolving context

This review of ACP-EU relations is taking place in a fast-changing and increasingly multi-polar world. The forces governing the global transformation that started in the early 1990s are reshaping the world ever more strongly and rapidly. The world is becoming more populated, connected, interdependent, complex and with new security challenges. Global trade has increased and diversified tremendously. Asia's growing economic and political importance looks set to continue, together with the emergence of other economic powers in Africa and Latin America.

Over the last two decades the EU and the ACP Group of States have both evolved, and major developments have taken place within the relationship. The Group of ACP States has grown to 79, and the EU has increased its members to 28, together representing a majority of states within the United Nations and a total population of some 1.5 billion people. The relationship has long since expanded beyond development cooperation and trade. The partnership with the

¹ The African, Caribbean and Pacific Group of States was created by the Georgetown Agreement in 1975.

three regions that compose the ACP Group has been strengthened outside - although in synergy with - the Cotonou Agreement. This is reflected by the Africa-EU strategic partnership², the joint Caribbean-EU partnership strategy³ and the strategy for a strengthened partnership with the Pacific Islands⁴. Cooperation with regional and sub-regional organisations has been stepped up as well, particularly on economic matters and in the area of peace and security. Economic Partnership Agreements (EPAs) have been concluded, defining a new framework for trade relations with regional groups of ACP countries.

At the international level, a new global framework on Sustainable Development Goals (SDGs) and its financing has been adopted in September 2015, addressing at the same time the interlinked challenges of poverty eradication and sustainable development. It is underpinned by a new 'global partnership', mobilising all means of implementation and all actors. Intended to apply universally to all countries, it reflects a dramatic change in outlook on development and will impact on future ACP-EU relations.

As regards economic performance, the situation across the ACP Group is varied. All Caribbean countries, except Haiti, have reached middle- or high income status but still face major challenges, in particular related to their vulnerability to external shocks and natural disasters. Pacific states have experienced very diverse economic development and most face serious constraints due to their size and location. They are also facing similar vulnerabilities to the Caribbean countries. Africa overall has seen strong economic performance and a majority of countries have enjoyed ten or more years of high uninterrupted economic growth. The fight against poverty within the ACP countries has advanced, as reflected by the progress made towards the Millennium Development Goals (MDGs). Major challenges in regard to human development, poverty eradication, and inequality remain – which in some parts have spilled over into open conflict, increased fragility, protracted crisis and increased migration flows globally. Linkages with regional and global value chains have been limited, particularly for Least Developed Countries (LDCs).

II. Shared principles and common interests (the 'what')

The initial emphasis of the ACP-EU partnership was on development aid and trade matters, reflecting a donor-recipient relationship. As circumstances and the relationship have changed, the partnership has come to focus on pursuing common interests. The CPA signed in 2000 significantly strengthened the political pillar of the partnership through the inclusion of a substantive political dialogue with the ACP countries and regions. However, it has not been quite successful in bringing the EU and the ACP Group together as joint partners on the

² Based on the Joint Africa-Europe Strategy adopted by Heads of State and Government at the second EU-Africa Summit in 2007. The current Roadmap 2014-2017 was agreed at the 4th EU-Africa Summit in 2014.

³ In November 2012 the EU Council endorsed the Joint EU-Caribbean Partnership Strategy, which had been developed on the basis of the decision of the May 2010 EU-CARIFORUM Summit in Madrid. CARIFORUM Ministers endorsed the new Strategy at their annual ministerial meeting in November 2012.

⁴ COM(2006) 248 final

international scene. The CPA also introduced a peace and security dimension that has evolved fastest in the Africa-EU partnership, whilst the growing cooperation on citizen security with the Caribbean and on climate risk and gender equality in the Pacific, bears further testament to this evolution. The conclusion of EPAs with a majority of ACP States has transformed the trade pillar of the CPA into a multi-pronged relationship with a number of regional groupings.

The future relationship will have to adapt to the new realities of a multi-dimensional and multi-stakeholder partnership. Bearing in mind that best results are obtained when the agenda of the EU and ACP partners is truly shared, identification of strong common interests and shared values is crucial to the future direction of the partnership. A preliminary assessment points to the following main common interests and shared principles, requiring further consultation and reflection.

Common global interests in a multipolar world

Robust political alliances based on common interests and shared values form the basis of successful cooperation on global issues. ACP countries and the EU have a common interest in promoting sustainable management of global public goods and challenges such as climate change and water-, energy- or food security. Other global challenges with an impact across the board in EU and ACP countries include peace and security (including terrorism, extremism and international criminality), environment (in particular biodiversity), migration, health, and financial issues (including international financial architecture, financial flows and taxation).

Climate change provides a clear example of an area in which the EU is a world frontrunner and in which the ACP countries have a particular interest as its consequences will hit some of these regions hard. A new global agreement on climate change is expected to be adopted in December this year and the active involvement of ACP countries is crucial in this respect. At the same time, many ACP countries have great potential for renewable energy production and blue growth, areas where significant private sector investment will be required.

- 1. To which degree has the partnership been effective in tackling global challenges?*
- 2. What would be needed to strengthen results in this respect and on which global challenges could the partnership add most value in the future, in the context of the new SDGs framework and in relevant international fora?*

Human rights, democracy and rule of law, as well as good governance

Respect for human rights, democracy and the rule of law, as well as good governance constitute the foundation of the ACP-EU partnership. These values are crucial for a sustainable development model. Progress is being made, but many challenges remain. The CPA provides for different forms of political dialogue, including regular political dialogue (Article 8) as well as for intensified political dialogue and the opening of ad-hoc consultations if there is a breach of its essential elements (human rights, democratic principles and the rule of law) or in case of serious cases of corruption by a partner country. In this context, it

envisages the adoption of appropriate measures, including suspension of cooperation as a measure of last resort, if deemed necessary (Articles 96-97). Consultations in this regard have been opened in 24 cases since 2000, of which one in relation to corruption.

3. Have the mechanisms provided for in the CPA (i.e. political dialogue, financial support, appropriate measures, suspension of the agreement) achieved meaningful improvements on human rights, democracy, rule of law and good governance, including the fight against corruption? Should the future partnership do more in this regard, and in what way?

4. Has the involvement of local authorities and non-state actors (i.e. civil society organisations, the media), national parliaments, courts and national human rights institutions in the partnership been adequate and useful to promote human rights, democracy and rule of law as well as good governance? Could they contribute more and in what way?

Peace and security, fight against terrorism and organised crime

As recognised in Article 11 of the CPA, peace and security are required for sustainable development and poverty eradication, and the reverse is equally true: fragile or conflict-affected countries have largely failed to meet the MDGs. Interstate violent conflict has been increasing. Addressing conflict and fragility requires a comprehensive approach combining diplomatic, security and development tools and a focus on conflict prevention, peace-building and state-building activities. Support for democratic processes is also widely assessed as contributing to peace and stability. These broad issues are an integral part of the political dialogue between partners under the CPA. In addition, the EU and ACP countries have been confronted in recent years with trans-regional security threats related to terrorism and violent extremism, all forms of trafficking, including of human beings, of weapons and of drugs, as well as piracy. These risks are heightened by strong population growth in Africa, combined with challenges such as rapid urbanisation, persistent or growing inequality, and high levels of unemployment, particularly amongst young people. Many of these challenges are interlinked across continents, and to address them effectively, the EU and the ACP countries have to draw on its variety of tools in a coherent way.

5. Are the provisions on peace and security in the CPA appropriate and useful and has the balance between regional and ACP involvement been effective?

6. Should the future partnership provide for more effective joint action on conflict prevention, including early warning and mediation, peace-building and state-building activities, as well as on tackling transnational security challenges? Should this be done in the EU-ACP context?

Sustainable and inclusive economic growth, investment and trade

Promoting *sustainable and inclusive economic growth* is crucial to long-term economic development and poverty reduction and vital for addressing the demographic challenges. Although results differ by country and over time, economic performance in the ACP region has been remarkable, creating larger domestic markets and providing for new economic opportunities. On the other hand, industrialisation, digitalisation and economic diversification

have been limited in many ACP countries. Poverty and inequalities have not been reduced as much as expected and underemployment and size of the informal economy have remained too high. Building resilience of the most vulnerable people is still a challenge. With its population set to double by 2050 and abundant natural resources, Africa's economic potential remains globally very significant. Sustainable use of the oceans, including the rich fisheries resources, aquaculture and mineral deposits can create important economic and investment opportunities. Countries such as Brazil, China and India are strategically positioning themselves in these regions with an increased presence, growing investment and trade relations, and a growing cooperation portfolio.

7. How effective has the partnership been in promoting sustainable and inclusive economic development?

8. Taking into account the new SGDs framework, should the future partnership do more in this respect, and what?

Maintaining **macroeconomic stability**, including financial system stability, is a prerequisite for sustained and inclusive development. Many ACP countries improved their macroeconomic framework during the last decade of high growth rates, enabling some to mobilise more international and domestic capital. The recent financial and economic crisis has highlighted the damage to living standards and spill-over effects that can result from macroeconomic instability. This is particularly relevant in the context of an increasingly interconnected economic and financial world, with many emerging economies and related financial markets.

Despite sustained growth rates and abundant natural resources, many countries have not been able to collect the domestic revenues that are needed for sustainable development. Putting in place fair and efficient tax systems and collection authorities sets the ground for sustainable revenues. However, substantial challenges such as tax avoidance, tax evasion and illicit financial flows remain.

9. How effective has the partnership been in supporting macroeconomic and financial stability? In which areas would there be added value in ACP-EU cooperation on macroeconomic and financial stability?

10. How effective has the partnership been in improving domestic revenue mobilisation, in promoting fair and efficient tax systems and in combatting illicit financial flows? Would there be added value and more efficiency in stronger ACP-EU cooperation on these matters?

There is increased recognition of the significant potential of **private sector engagement**, together with social, traditional and cooperative forms of economy, for poverty reduction and sustainable development. Private financial flows, like remittances, foreign investments and finance from institutional investors, are already larger than all public resources combined. To fully capitalise on the potential of the private sector it is necessary to create enabling conditions for private initiative, trade and finance, for sustainable investments and decent employment creation, and to bring informal activities into the formal sector. It also requires a

strong commitment by companies to catalyse private sector investment in areas where market gaps exist and to engage in responsible practices as part of their core business strategies.

Official development assistance (ODA) can act as a catalyst to unlock private finance for sustainable development. For this purpose new instruments such as blending, debt and equity investments and other forms of innovative financing have been developed, in particular in transport and energy infrastructure. A sustainable energy sector is crucial for sustainable development.

The information and communication technologies sector could play a major role to leapfrog development, to bridge the digital divide and to develop knowledge societies, as does scientific and technological innovation across a broad range of areas.

Specific attention must be paid to the ***agricultural and livestock sector*** which in many ACP economies employs a majority of the population. As such, it represents a sector with a major multiplier effect for growth and employment, and for reducing rural poverty. However, the development of the agriculture sector faces major challenges, such as climate change, price instability and meeting trading standards, such as for food safety.

11. Has the partnership been able to contribute substantially to mobilising the private sector and attracting foreign direct investment?

12. How could the potential of the EU and ACP private sector be better harnessed? What should be the main focus of EU and ACP private sector cooperation in a post-Cotonou framework, and what might be the role of ODA in this?

13. In this setting, what opportunities do you see for the new, digital economy?

14. To what extent has the partnership been able to contribute to increase agricultural development and trade?

Trade and the integration of the ACP countries in the world economy have a huge potential effect on sustainable development. At the international level the Doha Round of trade liberalisation has stalled. The ACP as a whole has maintained a trading surplus with the EU in the last decade, and the EU remains the main trade and investment partner of most ACP countries. However, trade diversification and trade between ACP countries has been limited. Emerging economies are rapidly expanding their presence. Within the context of the CPA, the ACP-EU trade relations have been set on a new footing with the negotiation of the reciprocal – but asymmetric – EPAs with a majority of ACP countries. The EPAs are fully compatible with the rules of the World Trade Organisation. The CPA remains the framework agreement for EPAs, which refer to the objectives and essential elements of the CPA. Beyond defining EPAs as the new ACP-EU trading arrangements, the CPA also contains provisions on trade cooperation, including on trade in services and trade related areas, which concern all ACP States. For ACP countries that are not party to EPAs, trade with the EU is governed by the Generalised Scheme of Preferences, including Everything But Arms for LDCs, or under Most Favoured Nation treatment (upper middle income countries and higher).

15. What has been the contribution of the partnership trade preferences to the integration of ACP countries in the world economy and to its development goals?

16. Is there still a need for specific provisions on trade cooperation in the post-Cotonou framework, also taking into account the ACP countries which have not signed an EPA? If so, what could/should they cover?

Human and social development

The world today is facing the key interrelated challenges of eradicating poverty, which is central to the CPA and the main objective of development cooperation under the Treaty on the Functioning of the European Union, and achieving sustainable development in its three dimensions. Progress is being made towards the eradication of poverty, but results differ greatly by region and country. In many countries, gender inequalities persist and violence against women and girls continues to undermine efforts to reach all goals.

Recurring crisis and fragility, as well as a variety of possible external shocks, remain inherent factors in annihilating or reversing development gains. The link between development assistance and humanitarian assistance has therefore become stronger. Not only the poorest are vulnerable, but also those at risk of poverty or even the new middle classes in emerging countries remain vulnerable, and the resilience of these groups needs to be strengthened. Furthermore, inequality of wealth and income is increasing worldwide. There is a negative relationship between inequality (i.e. in income; in access to health and social services; in gender; amongst groups) and human development, undermining social cohesion and contributing to political instability and unrest. Rapidly growing challenges such as climate change, strong population growth, youth unemployment, urbanisation, migration and human mobility will have to be tackled to avoid regression and maintain progress. Policy coherence at all levels will thus be necessary to foster sustainable human development.

17. Has the partnership delivered on its human development objective in an effective and efficient way, in particular on poverty eradication, and also concerning gender equality and empowerment of women? How could it be improved?

18. Taking into account the new SDGs framework, what are the main challenges related to human development that the future partnership should focus on?

Migration and mobility

Migration and mobility are extremely important, both within and between the ACP and the EU. The EU applies a comprehensive approach addressing migration-related issues.

Challenges related to irregular migration need to be tackled, as well as the root causes of migration, which include , poverty, conflict, demographic pressure, climate and environmental challenges, violations of human rights, fundamental freedoms and rule of law as well as the lack of decent work opportunities and basic social protection schemes. Due to

the unprecedented scale of forced displacement, systematically addressing this issue from a developmental angle alongside humanitarian aid is key.

Supporting third countries in their efforts to develop effective migration policies is also important. Migration opportunities should be harnessed through enhanced legal migration and mobility, especially for educational, scientific, cultural, training and professional purposes, which have a positive effect on economies and societies alike.

Article 13 of the CPA provides for an ACP-EU dialogue on migration that is ongoing. Addressing more efficiently irregular migration is particularly important, including the fighting of related criminal networks and return and readmission of persons with no rights to stay in the EU. Ensuring the protection of refugees and asylum seekers, with particular attention to vulnerable groups, is critical.

19. Has the partnership been a useful vehicle for discussing migration issues and has it positively contributed? Has Article 13 CPA been fully applied?

20. Should a future partnership do more in this regard, and on which particular aspects should it focus (legal migration and mobility, addressing root causes of migration, return and readmission, tackling human trafficking and smuggling, international protection)?

III. Towards a more effective partnership (the 'how')

This section draws further on the lessons learned from the long-standing relationship, and particularly the implementation of the CPA. The questions raised here seek to explore how the partnership can become a more effective vehicle for promoting both EU and ACP interests.

A stronger political relationship

The CPA provides a strong framework of shared fundamental principles, enshrined in a legally binding agreement. It forms the basis for engagement with the members of the ACP Group of States as a whole and with each country or (sub)-region separately. Its implementation is built on a broad political dialogue taking place at different levels, both national and regional, and through the ACP – EU joint institutions. EU Member States are party to the CPA, which means that their bilateral relations with ACP countries are also framed by the Agreement.

21. How effective has the political dialogue been and at which level is it the most effective: national, regional and through the joint EU-ACP institutions? Should the scope of political dialogue be widened or narrowed?

22. Would a stronger involvement of EU Member States, associating their bilateral policies and instruments to the political dialogue at national level, enhance the dialogue's effectiveness and efficiency?

23. Has the fact that the agreement is legally binding been instrumental to its implementation as compared to other regional partnerships based on political declarations?

Coherence of geographical scope

The geographic coverage of the ACP-EU partnership has expanded considerably over time. For reasons of coherence and efficient cooperation, it might be of interest to bring other countries with similar challenges within the overarching framework. The strengthening of the African continental agenda led in 2007 to the establishment of the Africa-EU Partnership. It includes the Northern African countries, which are not contracting parties to the CPA. South Africa is a contracting party, but one to which not all the provisions apply. Most of the world's LDCs are members of the ACP Group of States and the move towards a more 'universal agenda' of Sustainable Development Goals supports a unified approach to this group of countries. In that context, the review should also consider the current geographical coverage and whether a wider coverage of the partnership at ACP level combined with more regional anchoring could be beneficial for the parties. The balance and division of labour between the EU's relations with the ACP States as a whole and those relations with the constituent regional groupings is one of the core issues to be explored. The regional context may involve in some cases neighbouring countries outside the ACP framework. The Caribbean countries are for instance members of the Community of Latin American and Caribbean States.

24. Could a future framework be usefully opened up to other countries than the current members of the ACP Group of States? Which countries would that be?

25. What kind of framework should govern EU and ACP relations? How could an ACP-EU successor framework relate to the more recent EU regional partnerships with Africa, Caribbean and Pacific States? Could a future ACP-EU framework include distinct partnerships with regional partners?

26. Is there scope for building in more structured relationships with Asia, Latin America, the Middle East and North Africa?

Cooperation tailored more towards groups of countries with similar development level

To ensure that EU development assistance is targeted where it is most needed and has the greatest impact on poverty eradication, the EU has recently reinforced the principle of differentiation. This has led a number of the EU's partner countries to graduate from bilateral development aid. The last two decades have shown that the ACP Group faces a growing diversity development patterns, in particular between 'booming' middle-income countries and least developed and fragile states. Around half of the 79 ACP countries remain today LDCs, whereas a number of them have advanced to lower middle income (11), upper middle income (23) or high income status (4). Given this evolution, graduation from bilateral development assistance should be considered for more developed ACP countries. High degrees of inequality and poverty remain within countries, including those in the higher economic categories. More tailored types of cooperation, such as through technical assistance, transfer of knowledge and research, allowing for co-creation and co-development of solutions, are needed to match the different challenges ACP partners face depending on their development stage.

27. Is the current system of allocation of development resources, based on need and capacities as well as performance, sufficient for channelling funds towards those countries where the highest impact can be obtained? Should allocation of resources continue to prioritise countries most in need, including fragile states?

28. What kind of cooperation could help to cover the specific needs of more developed ACP countries with a view to attaining more equitable and sustainable growth?

Strengthen the relationship with key actors

The CPA provides a framework for a broad and inclusive relationship that goes beyond national governments, by recognising the role of parliaments, local authorities and non-state actors (civil society, private sector, trade unions) in development. It has formalised their role both in the conduct of political dialogue and in the programming and implementation of cooperation programmes. Still, real involvement of several of these actors has been limited and their potential has not been fully realised.

29. Has the current model of stakeholder engagement been conducive to attaining the objectives of the partnership in an efficient way? Which actors could play a more significant role in the implementation of the partnership? How could this be addressed?

30. What could be done to promote effective and efficient involvement of both international and domestic private sector, civil society, social partners and local authorities in the partnership?

A number of new actors have become very active in the ACP region in the economic and development fields; these include emerging economies like Brazil, China, India or Indonesia, as well as the Arab states of the Persian Gulf and private foundations. In addition, some ACP countries, while still facing major development challenges, now have higher GNI per capita than some EU Member States. Some are themselves providing development support to other ACP countries.

31. Should the partnership be open to new actors as referred above?

32. In this regard, should the possibility of opening up the partnership to 'associated members' or 'observers' be considered?

33. How could a new framework promote triangular and South-South cooperation, including the increased involvement of ACP States as development actors in support of other ACP countries?

Streamline the institutional set-up and functioning of the partnership

The review of the partnership should also look at the institutional set-up and functioning in terms of more effective decision-making at the appropriate level. An elaborated set of joint institutions has developed over the years, including those created by EPAs. Moreover, the review should take into account the fact that institutions such as the African Union and

regional organisations in Africa, the Caribbean (CARIFORUM) and the Pacific (Pacific Island Forum) have strengthened their position in the global arena and in particular regarding their relations with the EU.

34. Has the joint institutional set-up (with the ACP-EU Council of Ministers, the ACP-EU Committee of Ambassadors, and the Joint Parliamentary Assembly) been effective in debating and promoting common views and interests and in providing political guidance and momentum to the EU-ACP partnership and the implementation of the CPA?

35. What is the added value of the joint ACP-EU institutions as compared to more recent regional and regional economic community frameworks for dialogue and cooperation?

36. What institutional arrangements would most effectively help address common challenges and promote joint interests?

37. Should a higher degree of self-financing of this functioning (ACP-EU Joint institutions and ACP secretariat) by the ACP States be required?

Better adapted and more flexible development cooperation tools and methods

The cooperation tools and methods are meant to operationalise the Cotonou principles of focussing on results, partnership and ownership. The programming and implementation of the EDF are thus designed as a joint responsibility. Procedures and systems have been developed to allow ownership and alignment with government policies, with a heavy reliance on the National/Regional/Intra-ACP Authorising Officer (NAO/RAO) function. The NAO is a senior government official appointed by each ACP State to represent it and be jointly responsible for all EDF financed operations. This has ensured that the government/regional organisation can assume full ownership, but as shown by evaluations, it has not always provided for the expected efficient sector dialogue and smooth implementation, and may require updating.

The EDF is being implemented through National, Regional and Intra-ACP programmes. It also includes special and flexible measures for development and humanitarian interventions in cases of emergencies and unpredictable events.

In addition, ACP partner countries are benefiting under the Union's budget from the Pan-African Programme or thematic programmes financed under the Development Cooperation Instrument.⁵ Furthermore, the Instrument contributing to Stability and Peace⁶, as well as the European Instrument for Democracy and Human Rights⁷ are financing numerous projects in the ACP countries. This multiplicity of instruments has created challenges in relation to concentration, coordination and complementarity of EU development aid. The expansion of

⁵ Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020

⁶ Regulation (EU) No 230/2014 of the European Parliament and of the Council of 11 March 2014 establishing an instrument contributing to stability and peace

⁷ Regulation (EU) No 235/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for democracy and human rights worldwide

joint programming of the EU and Member States assistance aims at enhancing EU impact and aid effectiveness.

38. Is there added value in having a dedicated financing instrument in support of the ACP-EU partnership? If so, what are the reasons and how would it differ from other external financing instruments funded by the general budget of the Union? Is this instrument flexible enough, especially to address crisis situations? Can this instrument be deployed differently?

39. What is the added value of the EDF's co-management system involving national authorities in the programming and management of aid programmes, as compared to other EU cooperation instruments in non-ACP countries?

40. Does the current set-up of the programming process and implementation of activities lead to real ownership by the beneficiaries? What could be improved? How can the EU and Member States maximise the impact of joint programming?

In terms of implementation, EU cooperation has taken various forms ranging from project approach to budget support, with a recent increase in blending operations and the emergence of EU trust funds, as well as delegated cooperation in favour of EU development and international agencies. In considering the new partnership, it is appropriate to reflect on the right mix of implementation modalities (including giving loans rather than grants or providing guarantees for investment) as well as to strengthen an enabling environment for efficient and effective financial control and accountability.

The relative importance of ODA in their Gross National Income has diminished for many ACP countries. The financial cooperation toolbox therefore has to evolve, allowing the EU's ODA funds to contribute in the most efficient manner to the overall purpose of development cooperation. Synergy with other sources of funding, mobilisation of other means of implementation (including private initiatives and private investments) or new instruments, for example a twinning⁸ or TAIEX⁹ instrument in the field of transfer of knowledge, could be considered.

41. Does the variety of existing tools adequately support the EU and ACP common principles and interests and are there gaps that should be addressed? How do you assess the effectiveness and efficiency of various implementation modalities?

42. Should a higher degree of self-financing from the ACP States be required for activities to ensure ownership? Would this apply to all countries? On which principles should this be based?

⁸ It brings together public sector expertise from EU Member States and beneficiary countries with the aim of enhancing cooperative activities.

⁹ TAIEX is the Technical Assistance and Information Exchange instrument of the European Commission in enlargement and neighbourhood countries. It supports public administrations with regard to the approximation, application and enforcement of EU legislation and facilitates the sharing of EU best practices.

43. How can the expertise of the EU and its Member States be better mobilised, particularly in the middle-income countries?