

Dossier

The new ACP-EU Agreement

Time for change

by Kenneth Karl



Many people predicted an uncertain future for ACP-EU cooperation. Some went so far as to call it moribund, obsolete - incapable of sufficiently absorbing the many changes of the dying years of this century to have any hope of effective renewal. The pessimists were wrong. The European Union and the ACP States have just embarked upon a new partnership, with a term of 20 years plus a five-yearly review clause. At the joint ministerial conference in Brussels on 2 and 3 February, the 71 African, Caribbean and Pacific States and the 15 Member States of the European Union succeeded in reaching agreement on the future terms of cooperation between them, to replace the Lomé Convention that had been in force since 1975.

Driven by the fruitful and wide-ranging debate prompted by the Commission's Green Paper, negotiations opened in September 1998 and ended only a few days before the expiry of the fourth Lomé Convention. These discussions - protracted, contentious and sometimes difficult - nevertheless took place in a constructive atmosphere that accurately reflected the determination of both groups of partners to deepen and improve relations between them by making the necessary - even unavoidable - adjustments. The negotiations, and the reshaping of the model of North-South partnership regarded as unique in the world, were based on a determination to safeguard the undeniable achievements of a quarter of a century of cooperation, implemented through four successive Conventions, and the

contrasting results of those Conventions. Despite the many comparative advantages offered by the Lomé system, the overall balance-sheet of ACP-EU cooperation has always been patchy, as the Green Paper itself concludes. Today, more than half of the ACP group members (39 of them) are ranked among the least-developed countries (LDCs). Although some countries in the group have made skilful use of the opportunities offered by Lomé, several of them have been unable to achieve economic lift-off. Not all the initial objectives of the Lomé Convention have been achieved, and the path towards efficient application of some of its provisions has been full of obstacles. It has become imperative, therefore, for the states bound by this agreement to come up with alternative paradigms.

Between adaptation and innovation

From Lomé I to Lomé IV - not forgetting the two Yaoundé Conventions, preceded by the Association system that followed on from the Treaty of Rome - the two groups of states have constantly looked for ways of improving cooperation between them as each has grown larger and been confronted by global geopolitical and economic changes. While the end of the Cold War that followed the fall of the Berlin Wall in 1989 brought a new framework and philosophy to North-South relations, it inevitably influenced relations between the European Union and the ACP States. The shift in the Union's priority issues towards other zones of political and economic involvement (Eastern Europe and the Mediterranean States), and the Union's desire to rationalise its external spending, hinted at a gradual abandonment of its historical partnerships.

The two groups of states have reaffirmed their commitment to maintaining relations between them by opting to pursue this cooperation despite their awareness of the need for

necessary adjustments. Furthermore, the changes in the global economy, highlighted by the acceleration of globalisation in recent years and the relative inability of the ACP States to take part in world trade or to derive the maximum possible growth and socio-economic development from it, have compelled the partners to redefine cooperation priorities. The agreement concluded in early February this year in Brussels, and signed in Cotonou in June, thus forms part of a very different philosophy. It envisages new alignments, the strengthening of sectoral strategies and implementing mechanisms geared to more efficient cooperation.

The dossier that follows, while by no means comprehensive, is an attempt to analyse the major changes underlying the new Agreement - changes based on five central pillars, which will govern cooperation between the EU and ACP States at the dawn of the third millennium.

One of the main innovations in this Agreement is the opening up of the partnership to include new actors, and more particularly non-state actors. The Lomé Convention had traditionally been based — in theory and in practice — on forms of consultation giving preference to inter-governmental relations. The emergence of civil society during recent years and the need to promote a genuinely participative form of development better suited to the involvement of local actors resulted in the negotiators looking beyond the simple governmental framework towards greater decentralisation of aid. This approach, however, requires both sides to accept the challenges, and to do so on several levels, both strategic and active. Gilles Desesquelles contributes a detailed analysis of the problems to this dossier.

The new Agreement also recommends a stronger political dimension to the partnership, to be achieved by the establishment of a continuing and open dialogue between the partners.

Although this theme did make its appearance in the last Lomé Convention, new subjects such as conflict prevention, management and resolution, together with issues associated with good governance, have been added on this occasion, thus boosting the political content of cooperation, as Sophie Da Camara of ECDPM explains. Furthermore, concentrating on reducing poverty is explicitly a central objective of the new partnership, as envisaged by the general provisions of the Agreement and the broad outlines of the Union's global development cooperation policy. In contrast to the earlier conventions, an integrated and coordinated strategic approach to combatting

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poverty has been defined, and special emphasis has been placed on social and human development, and also on regional integration and cooperation. Guggi Laryea of Eurostep, a network of more than 20 European NGOs, introduces us here to the various issues. The aim of eradicating poverty, and in particular the EU's determination to promote the gradual and harmonious integration of the developing countries into the global economy, as stipulated in Title XVII (Article 130 U) of the Maastricht Treaty, have also brought about changes in the trade framework. The system of trade preferences granted by the EU to the ACP States, with no duty of reciprocity, by way of derogation from the rules governing world trade, and measures which it was hoped would encourage them to diversify their exports and so increase their market shares, have had a limited impact. New trade agreements aiming at the

gradual introduction of regional trading partnerships compatible with WTO rules are planned following a preparatory period of eight years during which the various arrangements will be discussed. The new trade agreements discussed in this dossier by Peter Gakunu, form part of a global approach which closely involves support activities by the EU for the development of the private sector in the ACP States. Furthermore, the complex and cumbersome procedures for implementing the Lomé Convention, responsible for the mass of unused resources, persuaded the negotiators to reform the financial cooperation arrangements. Guiding principles were established, most notably more efficient cooperation instruments, and revision of the planning system and simplification of implementation procedures, as briefly outlined for us by Cecilia Eld-Thorffin. The financial resources, which will be better managed under the new Agreement, are allocated as follows: €13.5 billion to the 9th EDF, including €10 billion for the long-term arrangement, €1.3 billion for regional cooperation and €2.2 billion for the investment facility. The leftovers from the earlier EDFs, furthermore, are assessed at €9.9 billion, to which must be added the EIB's own estimated resources of €1.7 billion. The new Agreement also contains a compendium of reference texts with political and economic guidelines defined in the major objectives and strategic priorities to be adopted by the ACP-EU Council of Ministers. In the interests of flexibility - another striking innovation in comparison with the earlier Conventions - this compendium will be adapted and updated to meet the changing needs of cooperation. In view of this wide range of adjustments, the new Agreement is clearly looking to a different future, and the 86 partners have declared their determination to work together to ensure it is implemented more efficiently than it has been in the past.