Opinion

Title

DG DEVCO – Impact assessment on the future relations between the European Union and the African, Caribbean and Pacific countries after 2020

(version of 29 July 2016)*

(A) Context

Relations between the EU and the ACP date from before 1975 when the first Lomé convention was agreed. The current EU ACP Partnership Agreement (CPA) was signed on 23 June 2000 and will expire on 29 February 2020. According to Article 95, negotiations between the Parties 'in order to examine what provisions shall subsequently govern their relations' are mandated to start 'eighteen months before the end of the total period of the Agreement', i.e. in August 2018 at the latest.

The CPA is built on shared principles and objectives grounded in a comprehensive partnership encompassing three pillars: (i) political cooperation, (ii) development cooperation, and (iii) economic and trade cooperation. It is a wide-ranging agreement that covers many policy areas under broadly defined pillars. It is mainly financed by the European Development Fund (EDF), an extra-budgetary multiannual fund composed of direct contributions from EU Member States, complemented in parts by the external financing instruments sourced from the EU budget. The agreement has a comprehensive scope, joint management arrangements and is legally binding.

The central objective of the CPA is 'reducing and eventually eradicating poverty consistent with the objectives of sustainable development and the gradual integration of the ACP countries into the world economy'. The CPA also aims at promoting and expediting the 'economic, cultural and social development of ACP States, with a view to contributing to peace and security and to promoting a stable and democratic political environment'.

(B) Overall opinion: POSITIVE

The Board gives a positive opinion, on the understanding that the scope of the resubmitted report remains limited and with a recommendation to further improve it in a number of key aspects.

The revised report has generally been improved in line with the Board's recommendations. Global trends, the policy context, the evaluation findings and the intervention logic of the initiative have been further developed, supporting a clearer description of the policy choices available and of their implications.

* Note that this opinion concerns a draft impact assessment report which may differ from the one adopted.
However, the Board notes that the scope of the report remains relatively limited, as it does not cover all the strategic and financial challenges of the EU's future cooperation with the ACP countries. The Board also recommends further adjustments in the following areas:

1. The presentation of the overall context and objectives should be further improved by describing more extensively the characteristics of the current CPA and clarifying the link with the elements of context that triggered its obsolescence. Also, with a view to a negotiation mandate, the presentation of objectives could usefully elaborate further on the ACP countries' own priorities and needs.

2. The description of the baseline and of the actual content of the policy options should be further refined. Differences between the baseline and option 2.1 should be more clearly spelled out.

3. The future role of the EDF and its relevance in the different options should be treated consistently.

4. The analysis of impacts should be further strengthened and the specificities of the various options should be set out more precisely, in order to allow a clear comparison of their respective strengths and weaknesses.

The lead DG shall ensure that these recommendations are duly taken into account in the report prior to launching the inter-service consultation.

(C) Main recommendations for improvements

1. **Policy context and objectives.** The introduction has been substantially revised to position the CPA into its broader EU external policy context. It should however further describe the current functioning and structure of the CPA along the political, trade and development pillars, as well as the content and limitations of the existing regional strategies with Africa, with the Caribbean or with the Pacific Islands. While presenting the EU's strategic interests, the report could also usefully highlight areas of convergence and potential divergence in interests, needs and priorities between the different parties in the perspective of a negotiation mandate.

2. **Options.** Both the baseline and the option of a discontinued partnership should better describe the likely developments under these scenarios. They could further elaborate on the work of regional organisations of the Caribbean, Pacific and in Africa, and explain what the general approach of the EU towards NGOs and local authorities entails and could deliver in the absence of a renewed partnership.

The presentation of suboptions under the renewed partnership should focus on their key differentiators (e.g. as recommended in the Board's first Opinion, in terms of regionalisation, geographic coverage or adjustments to the institutional and administrative framework), making the decision on the actual number of agreements ancillary to these different elements. This would enhance the analysis of impacts which could be more clearly measured and compared along these dimensions. In the case of a single agreement (option 2.1), the report should further spell out the fundamental changes introduced in this new agreement, as compared with the baseline scenario. Under a regional approach, the revised report should further explain what would remain in the overall ACP agreement and what would be part of the individual regional agreements. This differentiation should stem from clear regional specificities that should translate into tailored partnerships.
If deemed relevant, "specific features" should either be integrated in the design of the options (rather than in the analysis of impacts) or be presented as modalities for the implementation of the preferred option (in section 6.3). In this respect, it appears also that, the relevance of discussing aspects such as the legally vs non-legally binding nature of the agreement is unclear, since no arguments are provided in favour of a non-binding agreement and no stakeholder seems to be supporting such an approach. Finally, since all the discarded options are variations of a "no-CPA follow-up agreement" scenario, they could also be addressed under option 1.

(3) **The role of the EDF.** The future role of the EDF and its bearing on the impacts of the various options should be treated consistently. Even though the report makes clear from the outset that financing is not dealt with within this framework, the EDF is actually mentioned or assumed occasionally and its role or relevance for the assessment of the various options is not always clear. For instance, the possibility of its discontinuation is mentioned under option 1, but the impacts of option 2 seem to assume that financing under the EDF will continue.

(4) **Impacts.** The analysis of impacts remains to a large extent a description of the content of the options rather than an analysis of their expected outcomes and implications. Costs and benefits (of regionalisation, of a lighter structure etc.) should be further substantiated and the comparison of options should better justify to what extent (and based on which criteria) the options reach their objectives. In order to support an informed decision making, it would be useful to further elaborate, in a comparable manner, on the relative costs and benefits of the different options (e.g. considering the actual implications of widening the geographic scope to additional countries or broadening the partnership to other types of actors).

Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report.

(D) **Procedure and presentation**

The findings from the evaluation and the problems associated with the current approach should be regrouped in the introduction/problem definition, rather than scattered throughout the description of options and analysis of impacts.

(E) **RSB scrutiny process**

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<td>External expertise used</td>
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<td>Date of RSB meeting</td>
<td>Written procedure (an earlier version of this report was discussed by the Board on 8 June 2016, for which an opinion was issued on 10 June 2016)</td>
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