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**ACP NEGOTIATING MANDATE  
FOR A POST-COTONOU PARTNERSHIP AGREEMENT WITH  
THE EUROPEAN UNION**

**Adopted on 30 May 2018 by the 107<sup>th</sup> Session of the ACP Council of  
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## TABLE OF CONTENTS

<b>PART I</b>	<b>CONTEXT .....</b>	<b>2</b>
<b>PART II</b>	<b>GUIDING PRINCIPLES FOR THE NEGOTIATIONS .....</b>	<b>6</b>
<b>PART III</b>	<b>OBJECTIVES OF A POST-COTONOU AGREEMENT .....</b>	<b>7</b>
<b>PART IV</b>	<b>CROSS-CUTTING THEMES.....</b>	<b>9</b>
	A. Capacity - Building.....	10
	B. Vulnerability and Resilience-Building .....	10
	C. Ocean and Seas .....	11
	D. Climate Change .....	12
	E. Gender Equality.....	12
	F. Health .....	13
	G. Youth and the Demographic Dividend .....	14
	H. Culture and Development.....	15
	I. Peace, Security and Democracy .....	15
<b>PART V</b>	<b>STRATEGIC THEMATIC PILLARS .....</b>	<b>17</b>
<b>PILLAR 1:</b>	<b>TRADE, INVESTMENT, INDUSTRIALISATION AND SERVICES.....</b>	<b>17</b>
1.	BACKGROUND .....	17
2.	SPECIFIC OBJECTIVES .....	18
3.	AREAS OF COOPERATION .....	19
	A. Trade in Goods and Services.....	19
	B. Investment .....	20
	C. Industrialisation.....	22
<b>PILLAR 2:</b>	<b>DEVELOPMENT COOPERATION, TECHNOLOGY, SCIENCE, INNOVATION AND RESEARCH.....</b>	<b>24</b>
1.	BACKGROUND .....	24
2.	SPECIFIC OBJECTIVES .....	24
3.	DEVELOPMENT COOPERATION .....	25
	A. The Benefits of Development Finance Cooperation .....	25
	B. Intra-ACP Cooperation .....	26
	C. Institutional Arrangement .....	26
	D. Main Areas of Development Finance Support .....	27
	E. Technology, Science, Innovation and Research .....	30
	F. Research and Innovation in Strengthening Health Systems.....	32
<b>PILLAR 3:</b>	<b>POLITICAL DIALOGUE AND ADVOCACY .....</b>	<b>33</b>
1.	BACKGROUND .....	33
2.	SPECIFIC OBJECTIVES .....	33
3.	GUIDING PRINCIPLES FOR POLITICAL DIALOGUE .....	34
4.	AREAS OF COOPERATION .....	34
	A. Political Dialogue and SDGs .....	34
	B. Peace and Security .....	35
	C. Political Dialogue Processes.....	37
	D. Political Dialogue and Migration .....	38
	E. Advocacy .....	39
	F. Actors of Political Dialogue .....	39
<b>PART VI</b>	<b>PROVISIONS FOR LDCS, LLDCS, SIDS, MICS AND HIMICS.....</b>	<b>39</b>
<b>PART VII</b>	<b>PARTIES/ ACTORS.....</b>	<b>40</b>
<b>PART VIII</b>	<b>INSTITUTIONAL FRAMEWORK.....</b>	<b>40</b>
<b>PART IX</b>	<b>FINAL PROVISIONS .....</b>	<b>41</b>

**ACP NEGOTIATING MANDATE FOR A POST-COTONOU PARTNERSHIP  
AGREEMENT WITH THE EUROPEAN UNION**

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## **PART I     CONTEXT**

1.     The Cotonou Partnership Agreement between the ACP Group of States and the European Union (EU) will expire on 29 February 2020. In accordance with Article 95 (4) of the Agreement, formal negotiations for a successor Agreement should commence by August 2018. In preparation for the negotiations, the highest level decision-making organs of the Summit of Heads of State and Government and Council of Ministers of the ACP Group of States have adopted the core principles, a common approach and a policy framework document to underpin preparations and execution of the negotiating process for a successor Agreement.<sup>1</sup> In pursuit of the implementation of the Council’s Decisions, the Committee of Ambassadors initiated a number of activities, to guide preparations for the negotiations. These include outreach missions to ACP and EU Capitals, engagements on joint programmes with United Nations (UN) agencies, the African Union (AU), Regional Economic Communities (RECs) and Regional Integration Organisations (RIOs), Parliamentarians, private enterprise and Non-State Actors (NSAs), consistent with provisions and the *acquis* of the Cotonou Partnership Agreement (CPA). As a result, the fundamental premise that underpins the preparations for the negotiations have confirmed a common position that the African, Caribbean and Pacific countries, as a unified entity, shall engage the European Union Member States and European Commission in a single undertaking for a successor Agreement.
  
2.     In this regard, the pursuit of a comprehensive successor Agreement requires that the ACP-EU partnership be reassessed in the context of today’s economic and geopolitical realities, which are significantly different from 1975, when the first Lomé Convention was signed between then 9 EEC States and 46 countries from Africa, the Caribbean, and the Pacific.

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<sup>1</sup> See the Waigani Communique of the 8<sup>th</sup> Summit of ACP Heads of State and Government, Port Moresby, Papua New Guinea, May 2016 [ACP/28/046/16 FINAL]; Towards the ACP We Want, Brussels, May 2017 [ACP/1/1/11/(Vol.1) 17 Rev. 3] and Decision No. 2 /CV/17 of the 105<sup>th</sup> Session of the ACP Council of Ministers, May 2017 [ACP/25/012/17] on the Three Strategic Pillars on which a Post-Cotonou Agreement should be based.

3. Since then, membership of the ACP Group has expanded to 79 countries, while that of the EU is currently 28, but to become 27 with the withdrawal of the United Kingdom (UK) by March 2019. These new members (on both sides) came with their own priorities, thus necessitating the adaptation of the ACP-EU Partnership Agreement from time to time in order to better respond to emerging priorities. At the same time, many ACP Member States are now categorized as Middle-Income Countries (MICs), while they remain burdened by serious structural challenges of inequality, poverty, underdevelopment and increasing vulnerability that also affect the Less Developed Countries (LDCs). However, the common thread binding ACP countries is their shared pursuit of sustainable development for their populations.
4. In the same vein, more recent EU Member States have not shared the historic and close economic and trading ties that the founding members of the EEC have with ACP Countries. The EU's enlargement eastwards has incorporated countries that have only recent ties with ACP countries, mainly as a result of their membership of the EU in the 1990s, and influence the direction of EU development policy in relation to the ACP Group. Compounding this is the expected withdrawal of the UK from the EU (Brexit) by March 2019, and the impact that this will have on the future trade relations of ACP countries with the UK outside the EU regime. The other fall-out from Brexit will be the loss of the UK's contribution to the European Development Fund (EDF) and possible alternative instruments that may be provided in the post-Cotonou Agreement, based on the EU's Multi-Annual Financial Framework 2021 - 2027. The implications of Brexit for ACP importers and exporters will need further elaboration and be taken into account in post-Cotonou negotiations.
5. ACP countries' engagement with each other and with the rest of the world has undergone considerable transformation. They now engage more in South-South cooperation and regional integration, as seen in initiatives on customs unions, free trade areas and regional infrastructure projects. ACP countries also engage more and more directly with emerging global powers in the pursuit of lofty national and regional development aspirations.
6. At the global level, there has been increasing acknowledgement of growing interdependence and the need for cooperation in addressing the challenges of poverty and underdevelopment in a multilateral framework. This is exemplified by the many Summits and Conferences held under the aegis of the UN over the past two decades on inter alia, development in general, the environment, climate change, health, migration, youth employment and women empowerment.

7. The world's development priorities continue to evolve, with the UN's Millennium Development Goals (MDGs) being replaced by Agenda 2030 and the Sustainable Development Goals (SDGs). Global attention has also focused on the need to address the financing requirements and gaps to accompany the commitments made in the outcome documents of High-Level Conferences. The Addis Ababa Action Agenda of 2015 was the latest expression of determination to overhaul global financial practices and generate investments for tackling a range of economic, social and environmental challenges.
8. Some of the significant developments that are reshaping ACP Group dynamics and driving the need for change include: the rise of Africa in economic and political terms; significant changes in the Caribbean and Pacific regions; the shift in global economic and power relations; and changes in EU policy orientation.
9. The strengthening of African continental integration arrangements and their institutions has resulted in a heightened global interest in Africa (which currently has the largest number of LDCs in the Group). Its natural resource wealth, biodiversity and growth potential have made Africa the continent of choice for most investors. In addition to uninterrupted and rapid economic growth over the past two decades, (which has been second only to Asia's), a 1.1 billion labour force is projected to emerge in 2040, matching that of China and India. Improved economic performance has altered the manner in which its policymakers and partners view the continent. Nonetheless, significant economic challenges remain.
10. In the Caribbean, while there has been a general trend of economic growth and infrastructural improvements, largely anchored in an expansion of the services sector, significant societal challenges remain. Characterized by small open economies, diseconomies of scale, high levels of indebtedness, limited scope for further economic diversification, and increased exposure to environmental challenges, the region's inherent and exogenous vulnerabilities have become more pronounced. Despite gains in some areas of human development, poverty and income inequality persist, transnational crime complicates attempts to address citizen security, and youth unemployment remains at high levels. These challenges are especially true for Haiti, which has least developed country status. Graduation to middle-income and high-income status for most Caribbean states, while welcomed, is fragile and also complicates access to development financing. For the region, the ACP-EU partnership continues to be a valuable part of the ongoing efforts to advance national and regional development.

11. The Pacific Island countries have achieved real progress in the economic and social areas, but still face unique and shared development challenges shaped by their small size, remoteness and vulnerability to natural shocks. Their presence in the ACP Group continues to play a crucial role in giving them a voice at the ACP-EU level and in the global arena.
12. Shifts in global economic and power relations – including the rise of the BRICS, MINT, CIVETS<sup>2</sup> and other configurations of emerging economies - have opened new trade and investment opportunities and markets, as well as increased competition for ACP resources. Asia, South America, Africa and Eastern Europe are experiencing growth and becoming important components of the global economy, thereby making them potential partners for the ACP Group.<sup>3</sup>
13. Integral to the achievement of inclusive and sustainable growth is women’s empowerment and gender equality. The Cotonou Agreement in Article 31 considers gender equality among the key values of the cooperation. Post Cotonou will require commitment to mainstream gender in all operations and policies through a legal framework that would lead to justice and inclusion, economies that work for all, and sustaining a shared environment now and for future generations.

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<sup>2</sup> 1 BRICS (Brazil, Russia, India, China, South Africa); MINT (Mexico, Indonesia, Nigeria, Turkey); CIVETS (Colombia, Indonesia, Vietnam, Egypt, Turkey, South Africa)

<sup>3</sup> Paragraphs 5-12 are extracts from p.9 of the Final Report of the ACP Eminent Persons Group.

## PART II GUIDING PRINCIPLES FOR THE NEGOTIATIONS

14. The major policy orientations for the ACP Group are derived from the pronouncements of two previous Summits of the ACP Heads of State and Government: The Sipopo Declaration of the 7<sup>th</sup> Summit on the theme *'The Future of the ACP Group in a Changing World: Challenges and Opportunities* is "convinced that the strength, unity and solidarity among our States will sustain the future of our Group in a changing world of challenges and opportunities, and determination to create the necessary conditions to make our Group an influential player."
15. The Port Moresby Declaration of the 8<sup>th</sup> Summit whose theme was *'Repositioning the ACP Group to respond to the challenges of sustainable development'*, and the Waigani Communiqué on The Future Perspectives of the ACP Group of States, acknowledged and appreciated the important role that the Cotonou Agreement has played in promoting and sustaining ACP-EU relations, and in this regard, expressed determination to renew and enhance the ACP-EU partnership with a legally binding agreement building on the Cotonou 'acquis'.
16. The Vision of the ACP Group espoused in its policy framework document **Towards The ACP We Want** is *"to become the leading transcontinental organisation working in solidarity to improve the living standards of our peoples through South-South and North-South Cooperation"* and its Mission is *"to accelerate the political, economic and social advancement of our peoples through good governance, poverty eradication, promotion of trade, sustainable development and equitable integration into the world economy."*
17. The Vision and Mission of the ACP Group will guide and inform the ACP approach to the negotiations.
18. The guiding principle for the negotiations is the pursuit of a single Agreement which shall be legally binding, fair and balanced. The Agreement should maintain and build on the acquis of the Cotonou Agreement through a single negotiating framework and single undertaking, based on equality and mutual respect, inclusiveness and ownership of the development process by the Parties, as well as political and economic dialogue.
19. The main objective of ACP-EU cooperation stated in Part I of the Cotonou Agreement continues to be relevant and should be maintained, that is, the reduction and eventual eradication of poverty consistent with the objectives of sustainable development and the gradual integration of the ACP countries into the world economy.

### **PART III OBJECTIVES OF A POST-COTONOU AGREEMENT**

20. The principal objective of a Post-Cotonou Agreement would be to contribute to the attainment of sustainable development in all ACP countries, in line with the provisions of Agenda 2030 and the SDGs, through a strengthened and deepened political and economic partnership, with the ACP Group as a more effective global player.
21. The specific objectives that should underpin a post-Cotonou Partnership Agreement with the EU include the following:
  - a. Alignment to Agenda 2030 and the SDGs as the overarching development framework, while taking due cognizance of outcomes of the major UN Conferences and Summits such as the Addis Ababa Action Agenda, the Paris Agreement on Climate Change, the UN Declaration on the Right to Development, as well as continental and regional agendas such as Agenda 2063 in Africa, the deepening and widening regional integration in the Caribbean and the Pacific;
  - b. Commitment to democracy, peace and security, post-conflict reconstruction and rehabilitation, in recognition of the pre-eminence of these issues to sustainable development and vice-versa;
  - c. Promotion of regional integration, and respect for the principles of subsidiarity, complementarity, and proportionality in relation to regional and continental groupings, as well as maintaining the geographical and geopolitical character of the ACP Group;
  - d. Unequivocal support for multilateralism, and a fair and equitable rules-based world order for facilitating international dialogue on, and resolution of, global challenges and concerns, including the rejection of unilateral coercive measures contrary to international law and of the black lists and certifications that affect ACP States;
  - e. Promotion of preferential trading arrangements, including those among ACP countries as envisaged by the Caribbean Single Market and Economy (CSME) or the African Continental Free Trade Agreement (AfCFTA). While some countries have improved performance under the Economic Partnership Agreements (EPAs) with the EU, the new agreement should contain provisions to enable other signatory ACP States to also improve their trade performance;



- f. Increase the role of the private sector in the social and economic transformation of ACP Member States in particular by improving the business climate for private sector development; developing and strengthening entrepreneurship as well as micro, small and medium enterprises (MSMEs); increasing access to financing to MSMEs; and strengthening competitiveness and access for MSMEs to national, regional and global markets;
- g. Provision of a dedicated multiannual financial mechanism available to all ACP States, including those that have or will graduate to Middle-Income Status, delivering substantial and predictable resources for financing development objectives and incorporating the internationally-agreed principles of the Paris Declaration on Aid Effectiveness. This must take account of the needs of all categories of ACP States. In particular, development finance cooperation modalities should not be seen to penalise countries that graduate from low-to middle-income country status, but should, on the other hand, take account of their continued vulnerabilities;
- h. Inclusive policy formulation and program implementation with Non-State Actors and promoting cultural cooperation and
- i. Enhancement of the preferential trading arrangements, in both goods and services, and development cooperation provisions of EPAs/Interim EPAs, to ensure that ACP States, inter-alia, derive greater trade benefits and the developmental gains on which the EPAs are premised.

## **PART IV CROSS-CUTTING THEMES**

22. Cross-Cutting themes (CCTs) in the context of this Mandate are those issues that the ACP Group considers fundamental in the definition, elaboration, design and implementation of development policies and programmes. Cross-Cutting themes therefore, although they could be specific objectives in their own right, cut across all areas of development, and buttress all other goals or objectives of development. Cross-Cutting issues are also multi-dimensional and transboundary in nature and impact.
23. The post-Cotonou Agreement should ensure that all pillars have a positive impact on the Cross-Cutting themes. The list of Cross-Cutting themes proposed herein is not exhaustive; it reflects the issues that the ACP Group currently considers fundamental to the attainment of all the other themes.
24. For instance, while the pursuit of fairer terms of trade, market access or industrialisation are important, they all depend on the active participation of a healthy populations as producers and consumers.
25. Cross-Cutting themes also address how specific development objectives impact other global objectives. A clear example is industrialisation and its impact on the environment and climate change. This implies that while they are noble pursuits, industrialisation policies need to have as the overarching objective the promotion of the green economy, protection of the environment and reducing or reversing man-made climate change.
26. Cross-Cutting themes will also provide a forum/avenue for the ACP Group and the European Union to address key global issues, most notably climate change as well common property resources, such as oceans critical to the survival and sustenance of life on planet earth.
27. In view of the above, the Cross-Cutting themes that the ACP Group will include in the post-Cotonou Agreement are the following:
  - a. Capacity Building;
  - b. Vulnerability and Resilience Building;
  - c. Ocean and Seas;
  - d. Climate Change;
  - e. Gender Equality;
  - f. Health;
  - g. Youth and Demographic Dividend;
  - h. Culture and Development;
  - i. Peace, Security and Democracy.

### **A. Capacity - Building**

28. Human resource capacity development is critical for all development interventions. The ultimate objective of the ACP Group is that all its development interventions and engagements should be people-focused, that is, equip ACP peoples with the understanding, skills and access to information, knowledge and training that will enable them to perform effectively, and develop the attitudes needed to bring about the desired developmental change. This process, apart from targeting specific segments of populations such as youth, women, people with special needs, etc. should encompass organisational, institutional and legal frameworks development, to enable countries at all levels and in all sectors to enhance their capacities.
29. Sustainable Development Goal Target 17.9 of the 2030 Agenda for Sustainable Development is the dedicated target of capacity- building and aims to *"Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South and Triangular Cooperation"*. Within the 2030 Agenda for Sustainable Development, capacity-building is also mentioned by target 17.8 in the context of ensuring full operationalization of the "technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017".

### **B. Vulnerability and Resilience-Building**

30. Structural factors make many ACP States, many of them low-income countries, subject to a wide variety of exogenous shocks, such as sharp swings in their terms-of trade and export demand, natural disasters, political instability/crises and volatile financial flows. Any or a combination of these factors can reverse gains in other sustainable development endeavours, because countries may not have the resources, instruments and policy buffers needed to absorb or mitigate shocks, or they may not have the institutional capacity to manage them.
31. The post-Cotonou Agreement needs to establish implementation and financing mechanisms for the attainment of objectives enumerated in several High-Level Conferences, such as the Addis-Ababa Action Agenda for the financing of the SDGs, as well as the SAMOA Pathway and the Paris Agreement on Climate Change.

### C. Ocean and Seas

32. The oceans and marine resources are imperilled by, inter alia, overfishing, climate change, acidification, pollution and declining biodiversity, and require the collective and urgent attention of partners cooperating and acting at the international, regional and national levels. The new Agreement will have provisions to strengthen the implementation of the ocean governance frameworks in order to more effectively address the increasing pressures on the oceans, in accordance with SDG 14. This will include, inter alia:
  - i. Combatting maritime crimes, in particular the prevention of Illegal, Unreported and Unregulated (IUU) fishing and piracy through strengthening the capacity of Member States for maritime domain awareness and enforcement;
  - ii. Promoting cooperation within relevant regional fisheries management organizations and other relevant international fora, in particular in relation to improving the sustainable management of fisheries stocks, the conservation of endangered species, and the protection of vulnerable marine ecosystems; and
  - iii. Combatting marine pollution.
33. The new Agreement will also acknowledge the centrality of the Law of the Sea Convention and other related ocean governance agreements. Therefore, Parties will agree to enhance the capacity for implementation at regional and national levels to support the sustainable use of oceans.
34. In order to address gaps in ocean governance frameworks, the Agreement will reinforce modalities for collaboration at the international level, especially with respect to the conservation and sustainable use of marine biodiversity in areas beyond national jurisdiction (BBNJ) and other emerging issues, such as the threats of sea levels rise on the baselines of maritime boundaries of coastal states.
35. The Agreement will have provisions to ensure alignment and coordinated implementation of actions at international, regional and national levels in order to enhance complementarity and generate synergies.
36. High-level consultations, including at ministerial level, may be held to advance and strengthen cooperation in fisheries, blue economy and ocean governance.

#### **D. Climate Change**

37. The adverse impacts of climate change and climate-related phenomena such as coastal erosion, cyclones, droughts, floods, hurricanes, and extreme weather events, continue to inflict severe damage to the lives and livelihoods of millions of people in ACP countries, and have affected negatively the economies of many vulnerable ACP States, in particular Small Island Developing States, low lying coastal states, forest countries, Least Developed Countries and Land Locked Developing Countries in Africa. Thus, the impact of climate change has become a serious global environmental challenge and a threat to the achievement of the UN 2030 Agenda on Sustainable Development, particularly Goal 13 – *“Take urgent action to combat climate change and its impact”*.
38. The post-2020 Agreement shall support and enhance the capacity of ACP countries to implement the Paris Agreement, adopted in December 2015, focusing on adaptation, mitigation, disaster risk management, capacity building, mainstreaming climate change into development strategies, improving weather and climate information services and adequate and predictable financial resources for the implementation of Nationally Determined Contributions. Enhancement of political profile and creation of awareness of climate change and its impact, through appropriate policy dialogue, shall also be supported by the Agreement.
39. As the current aggregate effects of Nationally Determined Contributions are not yet sufficient to chart a pathway towards the global long-term goal of holding the increase in the average temperature to well below 2°C above pre-industrial levels and pursuing efforts to 1.5°C limit, the new Agreement will strengthen and support efforts to achieve the global average temperature limit ambition in accordance with the Paris Agreement.

#### **E. Gender Equality**

40. SDG Goal 5 acknowledges the existence of gender inequality, that women are deprived of their basic human rights and opportunities and that legal frameworks are required to empower women and girls as well as to confront and tackle deeply rooted gender based discriminatory practices that usually emanate from patriarchal social structures and norms. A post - 2020 ACP-EU framework on Gender should directly provide a basis for addressing issues related to, inter-alia, sexual and reproductive health, development cooperation programs, domestic violence, lack of social, economic and political opportunities, trafficking in persons and smuggling of migrants, political dialogue and the role of women in the private sector, in particular, micro-enterprises.

## F. Health

41. Improving health systems, in particular equitable access to comprehensive and quality health care services, continue to be a major development challenge to a majority of ACP countries.
42. The last two decades have been marked by an increasing international appreciation of the importance of well-functioning national health systems, as well as of the implementation of international health regulations. Better trained and motivated health workers, appropriate and adequate policies, sufficient funding, operational infrastructure and technologies and effective logistics, are all vital, not only in order to realise the unfinished Millennium Development Goals (MDGs) in health, but also in order to achieve universal, equitable coverage of the Sustainable Development Goals (SDGs). As such, interventions in the health sector necessitate a multi-sectoral approach in accordance to SDG 3.
43. Two developments have drawn particular attention to the challenges health systems face. The first is the West African Ebola outbreak of 2014-2015. The epidemic's duration and devastating consequences revealed the shortcomings of the region's national health systems and health regulations. However, the despairingly inadequate early response to the epidemic gave impetus to the appreciation of the importance of Health Systems Strengthening (HSS) at international level.
44. The second development is the emerging challenge of non-communicable diseases (NCDs), such as cardiovascular illness and diabetes, which threaten the well-being of ACP populations. If left unattended, NCDs are likely to overwhelm health systems and their financing in the next two decades. Ultimately, this may cause serious harm to the economies of these countries.
45. The new Agreement therefore, should further address the equitable access to healthcare and the pursuit of Universal Health Coverage (UHC) in all ACP countries, building on strong and efficient health systems that are able to prevent and address communicable and non-communicable diseases.

## **G. Youth and the Demographic Dividend**

46. According to the 'World Population Prospects: The 2017 Revision,' the current world population of 7.6 billion is expected to reach 8.6 billion in 2030, 9.8 billion in 2050 and 11.2 billion in 2100. Most of this population increase will occur in least developed, developing and middle-income countries, most of which are ACP countries. With roughly 83 million people being added to the world's population every year, the upward trend in population size is expected to continue, even assuming that fertility levels will continue to decline. Providing for this young population will be the most pressing challenge for governments in many ACP States for many years.
47. The UNFPA has stated that "sustainable development cannot be achieved without assuring that all women and men, and girls and boys, enjoy the dignity and human rights to expand their capabilities, secure their reproductive health and rights, find decent work, and contribute to economic growth". Developing policies and investments to secure that future requires that governments know the size, sex, location and age structure of their present and future populations.
48. Countries with the greatest demographic opportunity for development are those entering a period in which the working-age population has good health, quality education, decent employment and a lower proportion of young dependents. Smaller numbers of children per household generally lead to larger investments per child, more freedom for women to enter the formal workforce and more household savings for old age. When this happens, the national economic payoff can be substantial. This is a 'demographic dividend.
49. SDG 8 calls for the promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Within this context, a post-2020 ACP-EU Agreement should aim to establish, support, maintain and sustain structural reforms in economic and social systems to create decent employment opportunities for an emerging young population.
50. The post-Cotonou Agreement must therefore also provide for frameworks to positively support consultative processes with representatives of youth on ACP-EU development cooperation programmes at the all-ACP and at the regional levels, on issues such as migration, climate change, cultural entrepreneurship, political dialogue, and entrepreneurship, particularly in relation to existing challenges in trade, services and micro-enterprise sectors.

## **H. Culture and Development**

51. Between 2007 and 2017, the ACP Group of States and the European Union supported the ACP cultural sector within the framework of 3 programmes implemented by the ACP Secretariat and financed by the intra-ACP funds of 9th and 10th EDF to the tune of €44.3 million. The external evaluation of the programmes conducted in 2016 highlighted the fact that the intra-ACP dimension of the programmes made it possible to strengthen links and exchanges between operators in different countries, pooling of resources, promoting cultural diversity and expanding audiences and markets to cultural material in ACP countries. Moreover, the tools developed within the framework of the ACP Cultural Observatory made it possible to address both policy-makers and cultural professionals, as well as sharing of experiences beyond the usual geographical and linguistic configurations of the ACP Group, which demonstrates the importance of South-South cooperation.
52. In the Declaration of the 4th Meeting of ACP Ministers of Culture held in Brussels in November 2017, Ministers called, inter-alia, for the preservation of the ACP States' multiculturalism and rich cultural heritage given their contributions to social cohesion and peace, as well as to the Group's unity, solidarity and integration processes. Ministers also expressed determination to make culture a strategic vehicle for the attainment of the objectives of the 2030 Agenda for Sustainable Development. Ministers further called for the integration of culture into national development strategies and sectoral policies, in particular those relating to gender, employment, education, trade, tourism, environment, climate change and natural disaster risk reduction.
53. In keeping with the outcome of the 4<sup>th</sup> Ministerial Meeting the new Agreement should give priority to capacity-building, as well as support for regulation, harmonisation, job creation for youth and women, protection of tangible and intangible cultural heritage, the development of entrepreneurship, and the consideration of new information and communication technologies (ICTs) as vehicles for cultural development.

## **I. Peace, Security and Democracy**

54. In its Sipopo Declaration, the ACP Group recognizes that sustainable development can only be achieved in an environment of peace, stability, security, good governance and respect for human rights, democratic principles and the rule of law. It also acknowledges the need to address the deep-rooted causes of some of the conflict and instability in our States and regions.



55. By way of the Port Moresby Declaration, the ACP Member States commit to continue working towards embedding a culture of peace and democracy, and in this regard, they underscore the central role of regional integration organisations and the importance of intra-ACP cooperation in promoting architectures for regional peace and security, as well as dialogue and reconciliation mechanisms.
56. It is accepted that good governance is vital to the realisation of development objectives and the eradication of poverty, and accordingly, the ACP Group will seek within its partnership, to continue to strengthen democratic institutions with a view to promote a more transparent and a more responsible management of human, natural, economic and financial resources for equitable and sustainable development.
57. While significant progress had been made in conflict resolution and prevention, as well as in the consolidation of democratic practices and the rule of law, the ACP Group will remain committed to enhancing its efforts, through intra-ACP cooperation. This approach also requires the development and strengthening of general principles and a systematic implementation framework for enhanced intra-ACP Political Dialogue, as well as in its engagement with third parties, undertaken on the basis of mutual respect.
58. The new Agreement should support ACP efforts to advance Peace, Security and Democracy in accordance to SDG 16.

## **PART IV STRATEGIC THEMATIC PILLARS**

### **PILLAR 1: TRADE, INVESTMENT, INDUSTRIALISATION AND SERVICES**

#### **1. BACKGROUND**

59. The ACP Group reaffirms the importance of trade and investment as well as industrialization and services in the economic growth and development of its Member States. Although trade covers the movement of goods, services and people (as service providers), a greater focus on services would deepen the integration of ACP States into the global economy. Similarly, a dedicated focus on industrialization would facilitate increased attraction and retention of domestic and international investments for greater output and more jobs, especially among the youth and women. Both ACP and EU should seek to cooperate in formulating and implementing policies in various key areas, including supporting agro-processing, manufacturing, mineral beneficiation and down-stream processing in the ACP countries.
60. Accordingly, the overall objective of this Pillar is to implement trade, investment, industrialization and services policies that would positively address the challenges associated with inequality, poverty, underdevelopment and vulnerability in our shared pursuit of sustainable development.
61. Trade negotiations should aim at securing favourable terms of trade for ACP countries and regions, in so doing enhancing the effectiveness of the Economic Partnership Agreements (EPAs) and other trade arrangements and trade cooperation frameworks that exist between the EU and ACP regions, as well as within and between ACP regions such as the CARICOM Single Market and Economy (CSME) and the African Continental Free Trade Agreement (AfCFTA).
62. Trade, investment, technological advancement and innovation hold the key for the sustainable and inclusive growth of the green economy for ACP States, including Least Developed Countries and developing countries without coastlines, and particularly the Small Island Developing States (SIDS), in the case of both green and blue economies. In addition, they play a significant role in the development of the sectors of importance to ACP States such as fisheries, agriculture, tourism, and maritime transport. Furthermore, geo-strategic considerations are opening new frontiers for marine resource development, notably in areas such as aquaculture, bioprospecting, deep-sea mining and energy sources.

63. The ACP Group will also promote measures and policies geared towards trade facilitation, including infrastructure development which is critical for trade and industrialization.
64. The ACP Group will promote measures and policies to deepen private sector growth and development as a principle driver for economic development of its Member States.

## **2. SPECIFIC OBJECTIVES**

65. The objectives under this Pillar in the Post-Cotonou Agreement will be the following:
  - i. Deepening intra-ACP trade integration and investment cooperation taking advantage of the ACP's huge and growing population, notably women and youth, through improved participation in the global, regional and national value and supply chains;
  - ii. Supporting the development of productive capacities, improved productivity and competitiveness thereby facilitating the diversification of products and export markets reach;
  - iii. Strengthening institutional arrangements necessary to build and scale up the capacity of the private sector and governments to take advantage of trade arrangements, including the Economic Partnership Agreements (EPAs), as well as other ACP regional and continental trade arrangements such as the CARICOM Single Market and Economy (CSME) and the African Continental Free Trade Agreement (AfCFTA);
  - iv. Providing support to further tap into the potential of trade in services among ACP countries, between ACP regions and with the EU by, inter alia, promoting sustainable development initiatives such as the digitalization of the public sector in order to enhance service delivery, productivity and Private Sector Development (PSD);
  - v. Supporting measures aimed at addressing vulnerabilities and building economic resilience;
  - vi. Promoting policy measures that will encourage ACP financial institutions (including development banks) to develop instruments to expand access to finance and improve payment systems for trade and investment including for micro, small and medium enterprises (MSMEs); and
  - vii. Improving the leveraging of industrial opportunities associated with natural resources and the green and blue economies.
66. To meet the above objectives, the Parties will cooperate in the areas outlined below in advancing the structural transformation of ACP economies.

### **3. AREAS OF COOPERATION**

#### **A. Trade in Goods and Services**

67. The ACP reaffirms its resolve to create an enabling environment to improve productivity and facilitate value creation and addition to ACP products and services, to foster trade competitiveness and encourage investment expansion. In this regard, the new Agreement will aim at:

- Trade in Goods
  - i. Facilitating the movement of goods and capital among ACP countries, between ACP regions and the EU, to achieve trade expansion, strengthened regional integration and inter-regional cooperation;
  - ii. Enhancing market access for goods, including cultural products, to the regional and EU markets, in order to maximise the benefits of existing trade agreements;
  - iii. Supporting initiatives that reduce Non-Tariff Barriers and other measures, notably Sanitary and Phytosanitary Measures (SPS) and Technical Barriers to Trade (TBT) as well as other public and private standards, metrology and conformity assessment issues applied to ACP export products including agricultural products; and
  - iv. Supporting initiatives that reduce ACP dependence on raw materials and promote value addition.
- Trade in Services
  - v. Facilitating trade in services including the movement of natural persons between ACP regions and the EU, to pave the way for greater investment, strengthened regional integration and inter-regional cooperation;
  - vi. Enhancing market access and development of ACP services sectors, as well as implementing trade agreements in line with World Trade Organization's General Agreement on Trade in Services (GATS);
  - vii. Improving regulatory and institutional frameworks for various modes of services supply; and facilitate trade in other sectors such as creative industries and products from traditional knowledge, in line with existing international agreements;

- viii. Identifying strategic services sectors which have a fast-growing trade potential and when liberalized, could potentially generate large benefits and thereby unlock growth potential and industrial performance of ACP States; and
  - ix. Increasing advocacy and awareness of the important role that the services sectors play in development.
68. The new Agreement should also aim at addressing issues that affect trade, investment and industrialization including climate change, natural disasters, fiscal and monetary measures, illicit financial flows and BREXIT. Initiatives to support and undertake reforms should be transparent, inclusive, balanced and constructive for all states.

### **B. Investment**

69. The growing economic, social and environmental challenges ACP countries face today highlight the critical role of investment as a driver of equitable economic and social growth. The overarching objective of investment policymaking is to promote investment for inclusive growth and sustainable development, with a focus on business enabling legislation, regulation and policy as well as the reduction of administrative barriers, including through Public Private Dialogue (PPD).
70. The ACP Group will negotiate investment with the EU guided by the following principles:
- i. Investment policies should be developed involving all stakeholders, and embedded in an institutional framework based on the rule of law, that adheres to high standards of public and private governance and ensures predictable, efficient and transparent procedures for investors;
  - ii. Investment policies should be regularly reviewed for effectiveness and relevance and adapted to changing development dynamics;
  - iii. Investment policies should be balanced in setting out rights and obligations of States and investors in the interest of development for all;
  - iv. Each country has the sovereign right to establish entry and operational conditions for foreign investment, subject to its international commitments, in the national interest;

- v. In line with each country's development strategy, investment policy should establish open, transparent, stable and predictable entry conditions for investment;
- vi. Promote the effective utilization of the digital economy as a tool to facilitate investment;
- vii. Investment policies should provide adequate protection to established investors. The treatment of established investors should be non-discriminatory in nature;
- viii. Policies for investment promotion and facilitation should be aligned with sustainable development goals and designed to minimize the risk of harmful competition for investment; and
- ix. Investment policies should promote and facilitate the adoption of and compliance with best international practices of corporate social responsibility and good corporate governance.

71. In this regard the new Agreement will aim at:

- i. mobilizing investment and ensuring that it contributes to sustainable development objectives;
- ii. supporting ACP countries to develop investment policies that are grounded in a country's overall development strategy and that are coherent and synergetic at both the national, regional and international level;
- iii. creating the necessary conditions to attract investment (domestic and foreign) in high value-added sectors;
- iv. facilitating movement of persons and capital among ACP States and regions and between ACP regions and the EU in order to pave the way for increased investment;
- v. encouraging and facilitating the participation of ACP countries in the international and regional investment fora, through information exchange, logistics support, and technical expertise;
- vi. supporting ACP countries to improve regulatory frameworks for business facilitation and to streamline investment approval procedures;
- vii. building capacity of ACP countries and regions by bridging infrastructure gaps, enhancing investment in human capital development and fostering services; and
- viii. promoting technological innovation, transfer and dissemination, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, in line with the TRIPS Agreement.

### C. Industrialisation

72. The overall objective of industrialization is to address the major challenges facing ACP States in transitioning from commodity dependent economies to value-adding, knowledge intensive and industrial economies. To create knowledge - based and self-sustaining economic structures, ACP countries will need to draw on national and regional endowments as sources of prosperity. In the post-2020 framework, the ACP Group will increase its focus on scaling up industrial opportunities, notably through the creation of linkages and value-added activities in various sectors including agriculture and extractive industries, and through support to manufacturing activities.
73. The post-Cotonou Agreement should pursue targeted industrial policies aimed at creating conditions for higher rate of investment by the public and private sectors, thereby enabling the growth of value-adding manufacturing.
74. The ACP Group's '*New Approach on Support for the Development of Agricultural Value Chains*' will facilitate the identification and development of sustainable value chains to enhance the production of value-added products and foster diversification which is lacking in most primary commodity-producing ACP States.
75. The Approach therefore aims at addressing these challenges and to facilitate integration into the regional and ultimately global value chains. This is viewed as a key priority to boost competitiveness of ACP products thereby enabling the maximization of benefits derived from investments as well as from current and future trade agreements. Access to information is critical in this process.
76. In this regard, the Agreement will include provisions aimed at:
  - i. addressing the bottlenecks that hamper industrial development, by supporting productivity enhancement through, *inter-alia*, overcoming supply-side constraints, promoting technological innovation, transfer and dissemination, improved business and investment climates;
  - ii. improving competitiveness by addressing trade-related measures that increase the cost of doing business; and by seeking technical and financial support/instruments to improve industrial capacity of firms, including Micro, Small and Medium Enterprises (MSMEs);
  - iii. strengthening private sector development, including formalisation of the informal sector;

- iv. creating linkages through greater value-addition for, among others, agriculture and mineral rich countries, notably through scaling-up the capacity of domestic suppliers; and through support to downstream activities;
- v. facilitating frameworks, instruments and institutions to facilitate innovation as well as technology transfer, dissemination and absorption through Foreign Direct Investment (FDI);
- vi. addressing Sanitary and Phytosanitary (SPS) issues and Technical Barriers to Trade (TBT) issues;
- vii. developing and implementing of strategies for building regional and national capacity for competitiveness in medium- and high-tech manufacturing and exports;
- viii. developing a framework for encouraging and supporting industrial clusters to facilitate MSMEs development;
- ix. supporting policies for the development of entrepreneurship among the youth and women, in the context of their economic empowerment and promotion of inclusive development;
- x. facilitating industrial development by removing barriers to trade in goods and services, especially in cross-border trade, trade logistics and financial markets.
- xi. promoting the effective utilization of the digital economy as a tool to facilitate industrialisation; and
- xii. facilitating the establishment of innovation hubs and industrial development research centres.



## **PILLAR 2: DEVELOPMENT COOPERATION, TECHNOLOGY, SCIENCE, INNOVATION AND RESEARCH**

### **1. BACKGROUND**

77. As the ACP–EU Cotonou Partnership Agreement (CPA) approaches its sunset period, it is vital to underscore that an array of unfinished business remains on the commitments undertaken by the Parties to the CPA. This includes the need for development finance cooperation to be more targeted, flexible and predictable and that it respects the principles of co-management and joint decision-making. It should also be underlined that development cooperation contributes to the socio-economic benefits produced by increased investments in science and technology, as well as from the growth dynamics emanating from enhanced research and innovation capacity.
78. The main objective of the African, Caribbean and Pacific Group of States is the achievement of sustainable economic growth and sustainable development in a peaceful, secure, and stable political environment. Sustainable development and poverty alleviation remain the primary objectives of the partnership and constitute a basic human right.

### **2. SPECIFIC OBJECTIVES**

79. In the new Agreement the objectives of development finance cooperation shall be, through the provision of adequate and predictable financial resources and appropriate technical assistance, to support and promote the efforts of ACP States to achieve the objectives set out in the Agreement on the basis of mutual interest and in a spirit of partnership.
80. While the ACP Group subscribes to the principles underpinning the current ACP-EU partnership, the new Agreement must also strengthen the partnership's effectiveness with regard to development finance and predictability of financial flows, ensure that Official Development Assistance (ODA) does not become characterised by erroneous conditionalities, and facilitate the implementation of these principles both in their spirit and intent.
81. The provisions of the new Agreement in relation to development finance cooperation must be strengthened. The ACP Group supports the current fundamental principles of equality of partners and ownership of development strategies.

### **3. DEVELOPMENT COOPERATION**

#### **A. The Benefits of Development Finance Cooperation**

82. The ACP Group is strongly in favour of maintaining the European Development Fund (EDF) as the main financial instrument in support of ACP-EU development cooperation. One of its unique features is the fact that it is managed outside of the general EU budget.
83. By financing long-term development projects, the EDF has embedded into the partnership the principle of resource predictability, which is critical to long-term development. No other development cooperation instrument has established such elaborate, concrete, and positive relations.
84. By making the financial allocations earmarked for development programmes available to ACP countries in the form of grants, and supporting the ACP Secretariat's operating costs, as well as financing technical assistance, the EDF has fostered a particular culture that has made the ACP-EU partnership a unique development cooperation model.

#### **(i) Co-management of Development Cooperation**

85. Co-management is another unique feature of the EDF and should be maintained. This allows the executing agents to share responsibilities in the discharge of their mandate (European Commission, National, Regional, and Intra-ACP Authorising Officers and the Head of the EU Delegations in ACP countries)
86. The ACP Group recognises and supports the central place of joint decisions in making development finance cooperation more effective and efficient, and thereby reinforce and strengthen the principle of partnership inherent in ACP-EU relations.

#### **(ii) Predictability of Resources**

87. Aid predictability is a key element in the programming process and it contributes significantly to ensuring sustainability of implementation actions at national, regional and all ACP level. To this end, this aspect of development finance must be strengthened.
88. Setting a definitive period for each financial envelope is a positive step towards more accurate projections and planning which are critical to support sustainable development efforts. This is one of the more positive features of the EDF and ought to be retained.

89. The advantages of budget support are acknowledged and supported and every effort must be made to simplify the process of eligibility so as to allow all ACP countries to benefit from this instrument, which has been pivotal in achieving the development aspiration of ACP countries.
90. It must be ensured that the mid-term and end-term reviews do not undermine the efforts that countries have made, by changing the development strategy and the core sectors agreed upon during the National Indicative Programming (NIP) and Regional Indicative Programming (RIP) processes, through unilateral decisions by one party.

### **B. Intra-ACP Cooperation**

91. Over time, intra-ACP programmes have become very important and integral instruments in the ACP-EU partnership.
92. Intra-ACP Cooperation has helped to finance many projects and programmes that are consistent with the MDGs and contribute to strengthening cooperation amongst and between ACP regions. It must evolve in order to give greater focus to the SDGs.
93. Intra-ACP Cooperation is important to the ACP Group because it is based on the fundamental principles of ownership and co-management, through the role of the ACP Committee of Ambassadors as Authorising Officer.
94. The external assessment conducted demonstrated its relevance and ability to meet the needs of ACP countries in the focal areas that have been jointly adopted.
95. The future Agreement must also ensure that Intra-ACP Cooperation plays an effective role in South-South and Triangular Cooperation to complement North-South cooperation.

### **C. Institutional Arrangement**

96. The role of joint institutions at Ministerial and Authorised representative's levels, remain valid and strategic in the management of EDF resources within the framework of high level dialogue on matters of mutual interest and/or specific interest. However, negotiations should also explore the strengthening of institutions at the regional and continental levels, especially it relates to decision-making and representation during implementation.

97. The strategic application of political dialogue provided for under Article 8 of the CPA should play a central role in securing common understanding and commitments on both sides in the effective implementation of national, regional and intra-ACP resources.
98. The ACP-EU Development Finance Committee, at the level of the Authorized Representatives, makes the preparations for Ministerial meetings and ensures the proper implementation of cooperation in-between Ministerial meetings. It is the body that collaborates with the European side to jointly make decisions regarding the amendment of the provisions of the Agreement as well as those regarding reallocations of resources.
99. The role of Authorising Officer assigned to the Committee of Ambassadors is an element that strengthens ownership and transparency when identifying projects and programmes to be financed using intra-ACP resources
100. The ACP side must ensure that it safeguards the role of Committee of Ambassadors as Authorising Officer of Intra-ACP funds, and in the new Agreement, it must enhance the ownership and visibility of the actions financed using intra-ACP funds.

#### **D. Main Areas of Development Finance Support**

101. By adopting a holistic and innovative approach to finance, the Addis Ababa Action Agenda (AAAA) laid down the framework for financing the Sustainable Development Goals (SDGs). In light of the substantial financing needs, it also created a paradigm shift in development finance, whose architecture offers a wide range of financing options.

##### **(i) Official Development Assistance**

102. Official Development Assistance (ODA) is a critical development finance pillar. It has an important role to play in development finance and, at the same time, should help support efforts to mobilise and channel financial resources from other sources to achieve the SDGs.
103. The ACP Group and its Member States commend the EU's decision, which reaffirms its collective commitment, in the AAAA, to allocate 0.7% of its GNI to ODA by 2030, on the one hand, and to allocate 0.15% to 0.20% of its GNI to Least Developed Countries (LDCs) and vulnerable countries, on the other. They also commend ODA providers who have met these aid goals and call on all the other providers to redouble their efforts to increase ODA, in order to achieve the relevant goals.

104. The SDGs seek to eliminate poverty and achieve sustainable development in all countries. Middle-income ACP countries (MICs) continue to face inherent vulnerabilities and sustainable development challenges, which must be taken into account in any future agreement. In this respect, the continuity and predictability of ODA remain necessary and are of critical importance for all ACP Member States. It is important that new loan financing instruments be designed and effectively implemented in ways that take on board the debt management and debt sustainability challenges faced in ACP countries.
105. Many ACP countries are set to be graduated in the years to come. The ACP Group recognizes that GDP per capita cannot be the sole basis for measuring development and does not always accurately reflect issues such as structural gaps, vulnerability, inequality, regional disparities or the capacity of public institutions to effectively deliver public goods. The new Agreement should recognise this and also take account of performance achieved by Member States and allow for new transparent and multidimensional methodologies to measure development, beyond per capita income.

#### **(ii) Domestic Resource Mobilisation**

106. Domestic resources are a major source of development finance and ownership for States. As they are more stable and can be mobilised directly, they are critical to the financing of public policies. Increasing and mobilising these resources is an important priority area of action, for financing the Sustainable Development Goals.
107. In the new Agreement, the ACP Group and its Member States should work towards increasing and strengthening domestic resource mobilisation for development. In this respect, ACP countries are committed to cooperating as responsible and transparent tax jurisdictions at the international level. They recognise that there is a need for closer dialogue and cooperation on tax matters in order to improve international tax cooperation, especially on the issues of tax transparency and management, and all forms of tax avoidance. Consequently, initiatives to undertake reform should be carried out in a transparent, inclusive, and constructive manner for all countries.

#### **(iii) Mobilisation of Private Resources**

108. Public resources are insufficient and sometimes adapted to ensure effective development finance. In this context, privately-sourced resources help to supplement national development efforts to meet financing shortfalls.

109. The ACP Group and its Member States, as well as the EU, recognise the potential of private development finance, and contend that private interests and public policies are not always mutually exclusive. In a new Agreement, provisions should be agreed to provide policies and incentives that are conducive to mobilising private development finance using innovative financing instruments, while ensuring risk management, with the support of ODA.
110. Some ACP countries have inherent vulnerabilities which make them high-risk and not attractive to private and commercial finance. Therefore, the new Agreement should contain provisions to enable continued concessional financing for the countries and regions concerned. It may also consider provisions for mechanisms such as blending.

**(iv) Remittances from the Diaspora**

111. Remittances from the Diaspora have shown continued growth and have attained high volumes in recent years. Prospects remain positive, which make them one of the major sources of external financial flows for poverty reduction and development finance in ACP countries.
112. The new Agreement must promote more secure and less costly remittances, in both the countries of origin and the destination countries, as well as inclusive regulatory frameworks that facilitate money transfers via licit and official channels of remittances.

**(v) Public Debt Management and Sustainability**

113. The economic environment is more uncertain and unstable than ever. Budget deficits and exchange rate depreciation make the prospect of more expensive debt in ACP States (interest rates, private debt) even more daunting. Public debt sustainability is a challenge, especially in cases of deteriorated conditions for access to global capital and vulnerability.
114. The ACP Group and its Member States hold the view that support mechanisms are needed to ensure long-term debt sustainability by adopting appropriate debt financing, relief, restructuring, and management policies. This should include, on the one hand, middle - and high-income ACP Members that have accumulated a great quantum of disaster-linked public debt, and on the other hand, ACP countries facing the challenges of terrorism and migration, which tend to increase public debt.

#### **(vi) South-South and Triangular Cooperation**

115. ACP countries have many cost-effective development solutions because of their development experiences.
116. South-South and Triangular Cooperation have the potential to transform the policies and approaches of ACP countries, by providing effective, locally-driven development solutions. They complement North-South Cooperation. In the new Agreement, the parties should use South-South and Triangular Cooperation, when there is a comparative advantage, to implement programmes and projects under ACP-EU cooperation.

#### **E. Technology, Science, Innovation and Research**

117. The ACP States recognise that science, technology and innovation are fundamental tools for the implementation of the 2030 Sustainable Development Agenda. They could also be considered as cross-cutting means to achieve several sectoral goals and targets in the SDG framework.
118. Transforming the lives of the populations of the ACP States will continue to be driven by the pursuit of excellence in standards of higher education, science, technology, research and innovation. It is well recognised that a well-educated and skilled workforce contributes directly to raising overall productivity, enhancing economic growth, eradicating poverty and ultimately improving the living standards of the populations of ACP States. The new Agreement should ensure that improving the quality of learning and innovation is and will remain paramount in achieving the desired inclusive sustainable development and economic growth in the respective ACP States.

#### **(i) Science and Technology**

119. Education and training are central to the achievement of the 2030 Agenda, particularly in the promotion of Technical and Vocational Education and Training (TVET). The ability to access, adapt and disseminate knowledge generated elsewhere is an important prerequisite for technological progress in ACP countries. However, access to knowledge, technology and innovation remains limited, particularly in the case of the Least Developed Countries (LDCs) and the lack of country-ownership of appropriate innovations.

120. Having access to knowledge platforms will continue to facilitate transfer of existing knowledge, technology, replication, and adaptation of innovative solutions, particularly as ACP countries transform to knowledge-based economies. The new Agreement should enhance the support for capacity-building interventions in ACP countries, including the integration of the available digital tools in their national and regional development strategies, as one of the means to accelerate progress towards the attainment of sustainable development. Indigenous and Local knowledge (ILK), in alliance with science as an enabler of sustainable development, should play critical roles in closing knowledge and technology gaps, and directing their powers of innovation towards the eradication of poverty and inequality in the world.
121. The 2030 Sustainable Development Agenda provides a framework for aligning indigenous and local knowledge with national strategies and planning for inclusive and sustainable development. The new Agreement should support the protection and integration of indigenous and local knowledge, as well as intellectual property rights, in the relevant sectors of national development in ACP countries, in particular assisting the youth and adults to develop the appropriate skills they need for employment, decent work, and entrepreneurship.

**(ii) Research and Innovation**

122. The creation, development and dissemination of new technologies, knowledge and innovations, and the associated skills, are powerful drivers of inclusive and sustainable socio-economic development. As such, investments in Research and Innovation (R&I) capacities including the development and commercialisation of innovations are considered instrumental to the implementation of the 2030 Development Agenda. Their role and significance go beyond the objective of economic success, since Research & Innovation (R&I) are critical to addressing a whole range of societal problems, such as climate change, health issues, poverty and unemployment (SDG 9.5).
123. The new Agreement should support the efforts for collaborative research between R&I institutions, industry and academia, including the exploitation of the rich biodiversity in ACP countries, in pursuit of building a critical mass of skilled people.
124. It is also acknowledged that the ability of women to access, benefit from, develop and influence the R&I sector can directly impact the sustainable development objectives. The empowerment of women and gender equality are closely linked and can serve to enhance progress in science, technology and innovation, and vice-versa. The new Agreement should enhance the commitments to scale up the investments in science, technology, engineering and mathematics (STEM), with due regard to gender balance.



## **F. Research and Innovation in Strengthening Health Systems**

125. The strengthening of national health systems in ACP States remains pivotal in addressing the prevention and control of communicable and non-communicable diseases, and to ensure equitable access to health services as well as a rapid response to epidemics. Only a healthy and skilled population can drive the necessary innovations to lift a country out of poverty and put it on track for sustainable and inclusive development.
126. Improving health systems, in particular equitable access to comprehensive and quality health care services and access to quality and affordable medicines, continue to be major health development challenges to a majority of ACP countries. There is, therefore, a need for well-functioning national health systems, with better trained and motivated health workers, appropriate and adequate policies, sufficient funding and operational infrastructure and appropriate technologies.
127. Integrated regional health systems can support national health systems, particularly in the area of early warning systems needed to detect, prevent and manage health emergencies. Increasing health security is needed to detect, prevent and manage health emergencies.
128. Further international cooperation continues to be needed to stimulate Research and Development (R&D) and technology transfer in the health sector, with a view to promoting country-ownership of appropriate innovations.
129. The new Agreement should further support the efforts for equitable access to healthcare, and the building of resilient and effective health systems that are able to prevent and address communicable and non-communicable diseases, and epidemics in ACP countries.

## **PILLAR 3: POLITICAL DIALOGUE AND ADVOCACY**

### **1. BACKGROUND**

130. Political dialogue and advocacy are essential elements that are complementary and supportive of national political ambitions. Political dialogue comes in various forms: these can be political, economic, social or cultural and can be initiated and facilitated by various actors. Its purpose is to achieve practical and peaceful solutions to global challenges faced by the ACP Group. Its role remains one that strengthens policy framework, legitimacy of institutions, development strategy, and provides an opportunity for exchange of views that define common actions and commitments on areas that have major impact on development.
131. In the Sipopo Declaration, the ACP Heads of State and Government underscored the importance of the development–security nexus, that is, sustainable development can only be achieved in an environment of peace, stability, security, good governance and respect for human rights, democratic principles and the rule of law. These remain fundamental elements of political dialogue.
132. In its strategic policy framework document ‘Towards the ACP We Want’ the ACP Group of States has clearly stated that Political Dialogue and Advocacy remain one of the avenues for strengthened partnerships towards the implementation of the 2030 Sustainable Development Agenda.

### **2. SPECIFIC OBJECTIVES**

133. The objectives of Political dialogue shall be to<sup>4</sup>:
- a. Exchange information;
  - b. Foster mutual dialogue;
  - c. Facilitate the establishment of agreed priorities and shared agendas, including recognising existing links between the different aspects of the relations between the Parties and the various areas of cooperation as laid down in the Agreement;
  - d. Promote human rights, democratic principles and the rule of law, and fundamental elements regarding good governance;

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<sup>4</sup> Article 8 of Cotonou Partnership Agreement.

- e. Contribute to countering the proliferation of weapons of mass destruction and their means of delivery through full compliance with and national implementation of their existing obligations under international disarmament and non-proliferation treaties and agreements and other relevant international obligations;
- f. Prevent situations arising in which one Party might deem it necessary to have recourse to the consultation procedures.

### **3. GUIDING PRINCIPLES FOR POLITICAL DIALOGUE**

134. The ACP Group's negotiations with the EU under this pillar should be guided by the following principles:

- i. The need for an enhanced, balanced and reinforced political dialogue without conditionalities;
- ii. political dialogue that is mutually agreed-upon with shared values relating to mutual respect, equality, reciprocity, complementarity, subsidiarity, proportionality, sovereignty; regional and national specificities;
- iii. political dialogue with a wide range of stakeholders such, state actors; Non-State Actors, including the private sector and academia, Parliamentarians as well as regional organisations;
- iv. the need for a broader political dialogue that addresses new global challenges at a multilateral level; and
- v. dialogue that goes beyond exchange of ideas but leads to commitments by the Parties to specific outcomes along with mechanisms that will advocate for and advance the common goal of promoting human development.

### **4. AREAS OF COOPERATION**

135. The new Agreement should seek to address the following areas:

#### **A. Political Dialogue and SDGs**

136. In the Port Moresby Declaration, ACP Heads of State and Government recognised that the Sustainable Development Goals (SDGs) are vital to poverty eradication, reducing inequalities, and achieving growth and sustainable development.

137. Political dialogue necessitates regular multi-faceted, multi-leveled dialogue processes through collaboration and partnerships that complement other processes. The SDGs have provided a mechanism for such partnerships and will therefore remain the bench-mark for post-2020 ACP-EU relations.
138. The new Agreement should focus on initiatives that support national and regional efforts in their implementation of SDGs that are linked to Political Dialogue.

## **B. Peace and Security**

139. The Waigani Communique of the 8<sup>th</sup> ACP Summit reaffirmed the unequivocal commitment to the principles and objectives of peace and security for all nations, as well as solidarity among the global south. The ACP Group considers global peace, security and stability as preconditions for socio-economic development, growth and progress.
140. The new Agreement should call upon partners to adhere to the United Nations Charter and avoid taking unilateral actions not authorised by the United Nations Security Council, that threaten global peace and security.
141. The following shall be addressed under peace and security:
  - i) Organized and drug related crimes
142. Organized crime significantly contributes to instability and weak rule of law, leads to violence, and is further entrenched in tandem with other forms of crimes, such as corruption and money-laundering. It threatens the safety and security of communities, violates human rights and undermines economic, social, political and cultural development of societies. The struggle against organized crime, drug and related crimes cannot be addressed in isolation, and therefore calls for intense cooperation and collaboration at regional, institutional and international organisations level.
143. The new Agreement should address organized crime and drug-related crimes through an ACP-EU mechanism that specifically addresses the following areas: cyber-crime, including training in areas of cyber-crime investigations and digital forensics, drug trafficking, trafficking in persons, money laundering and abuse of crypto currencies.

144. The new Agreement will facilitate the development of national capacity programmes to support national authorities in effectively preventing and countering money laundering.

ii) Terrorism and extremism

145. Terrorism poses a direct threat to the security of ACP and EU countries and to international peace, stability and prosperity. It also endangers the social fabric and economic development of ACP States. Addressing this threat should remain a priority for the ACP-EU partnership. The Agreement will therefore address the following issues:

- a. Establishment of an ACP-EU counter-terrorism mechanism with a legal framework that will ensure full implementation of commitments;
- b. Improving awareness of terrorism threats and exchanges of good practices of the counter-terrorism measures that will provide for an ACP-EU unified initiative; and
- c. Engagement with international partners on capacity measures to prevent, prepare for and respond to terrorism.

iii) Proliferation of Small Arms and light weapons

146. The proliferation of small arms and light weapons poses a threat to international peace and security.

147. The recent crises and their continued effects have amply demonstrated their impact on stability in the ACP States, regions and transit countries, especially in the Eastern, Western, Central region of Africa including Sahel and the Horn of Africa.

148. In order to address this new challenge, the relevant provisions of Article 11B of the Cotonou Agreement should be expanded to combat the proliferation of small arms and light weapons, including the strengthening of capacities, the fight against the actors of diffusion and the cross-border trade, the international cooperation, and the ratification of the relevant and implementation international treaties.

## **C. Political Dialogue Processes**

### **i) Intra-ACP Political dialogue**

149. The experience of political dialogue under the Cotonou Agreement forms the basis of the new thinking on the nature of intra-ACP Political dialogue to provide for strengthened Intra-ACP cooperation.
150. The new Agreement will reaffirm the ACP Group's commitment to further strengthen Intra-ACP Cooperation with an ACP mechanism for enhanced monitoring, reporting and dissemination for best practices.
151. The new Agreement should mainstream the principle of subsidiarity and recognise the capacity and competence of Regional Economic Communities (RECs) and continental bodies in intra-ACP and ACP-EU Political Dialogue, particularly in Article 96 Consultations

### **ii) Enhanced engagement through the ACP-EU Joint Parliamentary Assembly**

152. The role of the ACP-EU Joint Parliamentary Assembly as the platform for on-going political dialogue remains essential to the post- Cotonou Agreement. The lessons learnt from the current operations of the Assembly, highlight challenges experienced such as the consultative nature of the JPA; dependence on the collaboration of multiple stakeholders; differences in ACP and EU institutional arrangements and capacity; different Co-Secretariats; accountability mechanisms for executive bodies; the role of national and regional parliaments, frequency of meetings; and agenda setting. While these challenges remain critical, they should be taken as opportunities presenting themselves for a new approach in Post Cotonou Agreement.
153. In the new Agreement, the role of the ACP Secretariat should be strengthened to provide the requisite technical and administrative support to the ACP Parliamentary Assembly to enable it to operate effectively. In its efforts to achieve its objectives, the ACP Parliamentary Assembly needs to complement its work with that of the regional parliamentary bodies.

iii) ACP-EU Political Dialogue at All-ACP level on Small Island Developing States (SIDS), Least Developed Countries (LDCs) and Landlocked Developing countries (LLDCs).

154. Small Island Developing States (SIDS), Least Developed Countries (LDCs) and Landlocked Developing Countries (LLDCs) are considered to be the countries in the world most vulnerable to the impacts of climate change, because of multiple existing stresses, from low adaptive capacity to intrinsic exposure to climate change due to geographical conditions. Existing stresses include poverty, political conflicts, population growth, distance from markets and ecosystem degradation. Climate variability and change is projected to severely compromise human health, ecosystem services and agricultural production, including access to food.
155. In view of the above and with further regard to institutional and capacity characteristics of the SIDS, LDCs and LLDCs, the successor agreement should have a targeted Political Dialogue that is formulated to address SIDS, LDCs and LLDCs issues and peculiarities.

**D. Political Dialogue and Migration**

156. The global flow of refugees and migrants poses challenges, opportunities and obligations for ACP States. Under the Cotonou Agreement, Article 13 paid less attention on the impact of intra- ACP migration. It is therefore imperative that more focus be placed on this in the successor agreement, creating the conditions to promote legal migration and the right of movement of persons, sharing skills and experiences which could be portrayed as the positive side of migration.
157. Remittances are recognized as a potentially important source for inclusive growth and sustainable development in countries of origin, transit and destination. However, as stated in the Addis-Ababa Action Agenda, remittances cannot be equated to other international financial flows, such as foreign direct investment, ODA or other public sources of financing for development. They contribute to development bearing in mind (i) its private nature and (ii) the role financial institutions can play to facilitate the financial transfers at reasonable and affordable costs.
158. Article 13 of Cotonou Agreement acknowledges the ACP and the EU member states commitments under International Law to fully respect the principles of human rights and to eliminate all forms of discrimination. Within this context, it is proposed that the 'Return and Readmission processes to the country of origin' should be on a voluntary basis.

159. The new Agreement should include Political Dialogue that addresses migration, taking into account the different interests and needs to be addressed within a strong rights of migrant’s framework, and preclude the use of development aid for negotiating of restrictive border control.

**E. Advocacy**

160. The objective under this point is to fully harness the ACP Group’s potential leveraging its numerical strength and competencies to promote the collective cause of its membership at the global level, with a view to achieving sustainable development. To this end, the focus should be on:

- facilitating consultations and strengthening cooperation between the Parties within international fora, as well as promoting and sustaining effective multilateralism;
- using the ACP identity to build a recognizable brand in international fora;
- building the capacity to support brand identity; and
- developing concrete initiatives to ensure visibility of the ACP Group at the national, regional and international levels.

**F. Actors of Political Dialogue**

161. The new Agreement should aim to have an inclusive approach in the dialogue process, where State Actors, Non-State Actors and regional and continental organisations play a key role in political dialogue.

**PART VI PROVISIONS FOR LDCS, LLDCS, SIDS, MICS AND HIMICS**

162. The geographical, geopolitical, and economic character of individual, as well as groups of ACP States, will be taken into consideration in the new Agreement. In this regard, the Agreement should have specific provisions for Landlocked Developing Countries (LLDCs), Least Developed Countries (LDCs), Small Island Developing States (SIDS), Middle-Income Developing Countries (MICs) and Highly Indebted Middle-Income Countries (HIMICs).



## **PART VII PARTIES/ ACTORS**

163. Individual ACP and EU States will be the parties to the Agreement. Consideration may be given to other actors playing a significant role in implementation of the new Agreement. These could include continental and regional bodies, Non-State Actors such as those articulated in Article 6 of the Cotonou Partnership Agreement.
164. Finally, the interrelations among the various parties will be articulated, within the overarching principles of complementarity, subsidiarity, and proportionality.

## **PART VIII INSTITUTIONAL FRAMEWORK**

165. The ACP-EU post-Cotonou Agreement needs to have a joint institutional framework to provide for formal structures of cooperation, rules, co-decision making, adoption of common positions and joint proposals for international fora as well as working methods for the implementation of the Agreement. The joint institutions of the Agreement will ensure respect for the principles of parity, equality of the partnership and co-ownership of the development cooperation process.
166. The institutional framework will provide the basis for regular and continued political and economic dialogue in a coherent, efficient and consultative manner on areas of cooperation. The design of the institutional framework needs to take account of the institutional asymmetry between the ACP Group and the EU in order to ensure appropriate levels of representation and authority.

## **PART IX FINAL PROVISIONS**

167. As in the past, the ACP States and the EU are called upon to conclude a new Agreement to formalize the framework of their cooperation beyond the year 2020. The Agreement may include the guidelines and objectives defined previously. Regarding its duration and nature, the ACP Group should seek consensus on securing a legally-binding Agreement of a long-term duration which will include the concrete objectives, principles and modalities for concluding future specific and regional agreements, where provision must be made for:
- i. periodic reviews at the request of any one party; and
  - ii. financial protocols every seven years in keeping with the European Union Multi-annual Financial Framework.
168. The ACP States recognise that the effective realisation of the benefits to be derived from the cooperation arrangements provided for in the new Agreement would be intrinsically linked to its early ratification and entry into force. Thus, in addition to a requirement that ratification by two-thirds of the ACP States would be sufficient to trigger the provisions of the new Agreement, the ACP and the EU should impose upon themselves a time-frame not exceeding twelve months for the expeditious completion of the constitutional formalities for ratification.