

## Coherence and effectiveness: Challenges for ACP-EU relations in 2008

*James Mackie, Sara Erlandsson, Franziska Jerosch, Eleonora Koeb and Andrea Pettit*

This *InBrief* seeks to identify some of the headline debates that can be expected in 2008 and to sketch the backdrop against which these will unfold. The aim is not so much to predict outcomes, but to situate and frame the EU debates on development cooperation so as to enable as wide a group of stakeholders as possible to follow and participate in them.

For EU-watchers concerned with development and Africa, 2007 was dominated by two major debates which ultimately came together at the end of the year in the Africa-EU Summit in Lisbon. The objective of the event was nominally to reach final agreement on the new Joint Africa-EU Strategy that had gone through various steps of drafting and negotiation in the course of the year. But it was the other debate on trade that actually produced the Summit's most striking moments and strongest language. In so doing it perhaps also inadvertently signalled the start of the new era in Afro-Euro relations, as the Summit organisers had hoped, a new era marked by more forthright exchanges of views between leaders.

The spark for some of the sharpest exchanges was of course African disquiet with the Economic Partnership Agreements (EPAs), which many Africans feel are being forced upon them by Europe. The sub-text, was however also the fact that many African leaders feel stronger on the international stage than they have for some time. Growing international interest in African natural resources and energy, the advent of China as a major new international partner, other new donors that do not belong to the OECD-DAC club and have other ways of doing business, continuing G8 interest in African affairs, the now established international interest in the renewed African insti-

tutions and rising economic growth that is expected to reach 6% in 2007<sup>1</sup> all conspire to strengthen their hand. Of course many problems remain, but in the last seven years since the UN Millennium Summit the outlook for Africa has certainly improved and African leaders can therefore more readily permit themselves to deliver a few home truths to their European counterparts, even though the latter did not hesitate to reciprocate. As a result the Lisbon Summit may indeed mark the moment when these two old neighbours at last start to treat each other as partners with some shared views and some areas of disagreement, but nevertheless working together towards common goals in a manner less tainted with outdated paternalism and undue deference.

The Africa-EU Summit was a success in terms of re-establishing Afro-Euro relations at the highest level, with over 70 heads of state present out of a possible 80. The Brussels body politic will thus have to accept the reality that such continent-to-continent relations – as has been the case with Asia and Latin America for some years – will henceforth dominate the European Union's relations with developing countries, displacing the dominance of other traditional frameworks such as ACP-EU relations.

### 1. The EU agenda in its international context

#### *European preoccupations*

Thus to a large extent the Lisbon Summit sets the scene for 2008. Resolving the question of the EPAs will remain a high priority and promises to be a heated debate. Setting up processes to implement the eight Africa-EU partnerships of the new Joint Strategy approved at the Summit will get under way. A monitoring system will need to be established to measure progress. Discussions on how to fund the partnerships are already starting.

There are other major questions on the EU agenda as well. Chief amongst these is probably the run-up to the Third High-Level Forum on Aid Effectiveness in Accra, 2–4 September. There is also the Second Conference on Financing for Development to be held in Doha at the end of the year to look at progress towards the Monterrey commitments. Europe has a high-profile role in both these processes, so preparations for them are expected to preoccupy EU development ministries and the European Commission throughout the year. At the same time, regular business has to be kept going. In the area of ACP-EU relations, beyond the EPA discussions actors will be

keeping a wary eye on the usually slow-moving ratification process for the 10<sup>th</sup> European Development Fund (EDF), continuing to prepare for the date on which these funds come on-stream.

On the wider EU external affairs scene, ratification of the new Lisbon (Reform) Treaty will be a continuing point of interest, as it provides the basis for key institutional reforms in EU external relations from early 2009. 2008 is thus likely to be a period of preparation for a new order in EU external affairs. In any case, 2009 is one of those recurring moments of EU musical chairs, with European Parliamentary elections and the appointment of a new College of Commissioners. This time these changes will be accentuated by the first new positions provided for by the Lisbon Treaty. On the international side, the main novelty will be the newly created post of EU High Representative for Foreign Affairs and Security Policy (HRFASP), who will also be a vice-president of the Commission and will be supported by the prospective European External Action Service. However, the new full-time President of the European Council is also expected to represent the Union internationally.

To some extent the new shape of things to come has already started to unfold. The European Union's three major member states – Germany, France and the United Kingdom – now have leaders with a strong and proactive approach to international affairs and a willingness to work together. France will hold the EU Presidency in the second half of 2008.

Although France and the United Kingdom have traditionally been the two EU member states with the most proactive Africa policy, Angela Merkel has shown herself willing to take strong principled positions on African issues, most recently on Zimbabwe at the Lisbon Summit. Nicolas Sarkozy, for his part, has given some indications of wanting to change French policy on Africa, for instance by seeking to normalise relations with Rwanda. He has also argued for more permanent seats in the UN Security Council including one for an African state<sup>2</sup> and has

appointed the first French government to include ministers of African descent. Nonetheless, his speeches and actions on Africa have divided opinion on the continent, and the jury is still out on how much he really will change French policy and what the outcome might be. Gordon Brown has maintained the UK government's uncompromising stance on Zimbabwe, though in a more low-key manner than his predecessor, and has continued to take a direct interest in maintaining ODA levels and a focus on the Millennium Development Goals (MDGs). This level of interest and proactive engagement on Africa by the leaders of all three of the largest EU member states is unusual and could create a constructive framework for advances in EU policy towards the continent. At the same time, though Sarkozy clearly sees the African Union as one of Europe's key partners on the international scene, he has also proposed a Mediterranean Union that could prove a distraction from increased AU-EU cooperation.<sup>3</sup>

### Shifting international concerns

In the wider world, 2008 will see a number of changes with important repercussions for international affairs. Both Russia and the United States will hold presidential elections this year. While for the former this may not lead to major changes, in the latter a major shift in foreign policy seems likely. There have already been important shifts on US policy towards Africa over the past year and it will be interesting to see whether the new administration will seek to engage with the continent in a similar fashion.

Both the IMF and the World Bank got new leadership in 2007. Robert Zoellick, in office at the Bank since July 2007, has already indicated his ambition to see the institution, and indeed the whole IBRD Group, growing in strength and working faster and more efficiently. Some indications of progress on these priorities should start to emerge in 2008. Equally, Dominique Strauss-Kahn, at the IMF since November, should provide more details in 2008 on his pledges to reform and re-energise that institution, in particular reviewing its traditional role as

lender of last resort. Following the widespread disappointment in 2007 with the way both leaders were once again appointed in the usual *quid pro quo* manner by the United States and EU member states, both will be closely watched to see what moves they make to push their respective institutions and members to reform the selection procedures for their successors. That and the issue of reforming voting rights are among the most burning accountability questions for them to address.

The Doha Round of World Trade Organization (WTO) talks were to be concluded by 2005, yet members have so far been unable to bridge the major differences that have divided them for years. Since talks resumed last July some progress has been made but differences on agriculture and non-agriculture market access remain. The presidential election in the United States may further prevent US diplomats from making major concessions in 2008. The European Union, on the other hand, may use the interim EPAs to show that it is taking the WTO seriously and has solved its outstanding issues, arguing that now others should make a move. To reach an agreement in 2008 all parties will have to display strong commitment.

On the African continent, a new team of commissioners, headed by Jean Ping, the Gabonese Vice Prime Minister for Foreign Affairs, has been chosen to take over the AU Commission of Alpha Oumar Konaré before the middle of the year, and Tanzania has taken over the Presidency from Ghana. The start of the Commissioners will be closely watched as this is the first such change-over since the African Union replaced the Organization of African Unity in 2002. The nominations were delayed by six months so that the AU leaders could first consider the results of a thorough internal organisational audit conducted in late 2007. The new team can thus be expected to put reform and the streamlining of AU institutions fairly high on its agenda.

2007			
September	High-Level UN General Assembly debate on Climate change (24 Sept)	October	UN High-level Dialogue on Financing for Development (23-25 Oct)
	EU Cohesion Forum (27-28 Sept)		9 <sup>th</sup> EU-Africa Ministerial Troika (31 Oct)
	First biennial EC report on progress made in PCD since 2005.		EU Aid for Trade Strategy (29 Oct)
November	14 <sup>th</sup> ACP-EU Joint Parliamentary Assembly, Kigali (17-22 Nov)	December	EU-Africa ministerial meeting, Sharm-el-Sheik (5 Dec)
	EU-ASEAN Summit, Singapore (22 Nov)		2 <sup>nd</sup> EU-Africa Summit, Lisbon adopted Joint EU-Africa Strategy
	EU-China Summit, Beijing (28 Nov)		European Council, Brussels (14 Dec)
	EU-India Summit, New Delhi (30 Nov)		All EDF 9 funds committed
	WTO Global Review on Aid for Trade		Expiry of WTO waiver
			Caribbean: full EPAs concluded
			Interim EPAs agreed for a number of other ACP countries/regions

**Treaty of Lisbon and EU external action**

Nicolas Sarkozy has made known his wish to reach a deal on the appointment of the top three posts in the European institutions during the French Presidency in the second half of 2008: the new full-time President of the EU Council, the President of the European Commission and the new High Representative for Foreign Affairs and Security Policy. Some members of the European Parliament would, however, like these appointments to be delayed so that the new Parliament can have a proper say after the elections.<sup>4</sup> In any case, the new treaty is expected to come into effect in early 2009, so there will be pressure to have the nominations for these key posts resolved by that time.

Perhaps of greater interest in development circles during 2008 will be the progress that can be achieved in designing the European External Action Service (EEAS), which is also provided for in the Lisbon Treaty.<sup>5</sup>

The practical side of the EEAS remains very much in the dark. Some preparatory work was done in 2005, and a joint progress report was prepared at that time by the Council Secretariat and the Commission.<sup>6</sup> This report is vague, however, on the big questions of the scope and size of the future EEAS. It does state that EEAS should be *sui generis* in nature, meaning that it should be a new hybrid service, probably functioning as an interface for the three staff sending parties (the Council, the Commission and the member states). Declaration 22 attached to the Lisbon Treaty reiterates that preparatory work should begin as soon as the new Treaty is signed and therefore in 2008. Key questions for development cooperation include the extent to which officials responsible for Commission development programmes will also be EEAS members and what their lines of reporting will be in relation to the, probably also *double-hatted*, heads of the new EU Delegations.

**Presidency programmes**

The two EU Presidencies for 2008 will be held by Slovenia, the first new member state from 2004 to hold this position, and France. Slovenia is the last of the tri-presidency countries, with Germany and Portugal being the other two, that have sought to ensure a coherent programme over 18 months. While their 2008 work programmes will be dictated largely by international debates on the Paris Declaration and on financing for development, as indicated in the European Commission's work programme for 2008,<sup>7</sup> and by internal EU processes such as operationalisation of EDF-10, they will also be adding their own specific interests. Slovenia is particularly keen on pushing forward improvements to the Union's operational response to the specific needs of children and women affected by armed conflict. To this end, it is working towards Council conclusions on this subject at the May General Affairs and External Relations Council (GAERC). It will also seek to promote EU cooperation on support to the Global Fund for Aids, Tuberculosis and Malaria and the drafting of an action plan to implement the Consensus on Humanitarian Action adopted under the Portuguese Presidency.


France's priority for its presidency is peace and security. Defence integration and independent EU crisis capabilities are at the top of its agenda, despite UK resistance to such developments. Other priorities are energy, environment and migration. The French also expect to have to follow up on the EPA negotiations and the Joint Africa-EU Strategy, for which the first annual progress report is due in December 2008. This will no doubt also prompt President Sarkozy to explain how his idea of a Mediterranean Union fits with both the new Africa-EU Strategy and the existing European Neighbourhood Policy (ENP). The Slovene prime minister has, for his part, expressed reservations about this initiative, arguing that the latter is perfectly adequate and the European Union should avoid duplication of institutions.<sup>8</sup>

**2. More, better and faster aid in 2008?**

**Financing for development**

For the ACP the most immediate financial issue is the ratification of the 10<sup>th</sup> EDF so that it can come into force as quickly as possible after the end of EDF-9 on 31 December 2007. The European Commission is hopeful that this will be completed in the first half of 2008, but by late 2007 only about half of both ACP and EU states had ratified, whereas the requirement is two-thirds of the ACP and all EU states. Ratification by late 2008 therefore seems more likely. So far only limited transitional measures have been agreed to cover the gap. These include funds to provide for the continued administration of the EDF and running costs of projects, as well as some funds for French Overseas Countries and Territories (OCTs) in the Pacific, where delays occurred due to *force majeure*. If the delay is prolonged, however, this will start to cause problems in authorising commitments under EDF-10 which could have serious long-term consequences for programme implementation schedules.

The other major factor is the overall volume of ODA available and whether EU member states are meeting their Monterrey commitments. Throughout 2007 the consensus emerging from various sources was that while 2005 was a record year for ODA increases, these were fuelled by high levels of debt relief, and increases tapered off in 2006. A World Bank MDG monitoring report<sup>9</sup> found that ODA levels reached a record level of US \$106.8 billion in 2005, but expected this to drop to \$103.9 billion in 2006. The UN Economic Commission for Africa reported that while ODA flows to Africa were indeed rising, donors were not meeting commitments. However, Africa's share of ODA did improve, from 32% to 40% pre- and post-Monterrey.<sup>10</sup> CONCORD, the confederation of European NGOs, argued that ODA from Europe has been inflated by as much as 30% with the inclusion of debt cancellation, funds for refugees and grants for foreign students studying in Europe.<sup>11</sup> A European Parliament resolution of June

<p><b>2008</b></p> <p>Full and Interim EPA agreements to be formally approved by the European Council and Parliament</p> <p>EPA negotiations continue</p> <p>Expected ratification of 10<sup>th</sup> EDF first quarter of 2008</p>	<p><b>January</b></p> <p>10<sup>th</sup> AU summit, Addis Ababa (25 Jan – 2 Feb) new Commission to be nominated</p> <p>Start of new ACP CSPs/RSPs</p> <p> <b>Slovenian EU Presidency</b></p>	<p><b>February</b></p> <p>International Forum on CSOs and aid effectiveness to prepare for Accra arranged by Advisory Group on Civil Society and Aid Effectiveness (AG), Ottawa (3-6 Feb)</p> <p>AU Trade Ministers meeting to adopt common position on EPAs</p> <p>High level EU-Africa meeting on EPAs</p>	<p><b>March</b></p> <p>European Council, Brussels (13-14 March)</p> <p>15<sup>th</sup> ACP-EU Joint Parliamentary Assembly, Ljubljana (15-20 March)</p> <p>2nd OECD Progress Report of the implementation of the Paris Declaration to be published</p>
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2008

2007<sup>12</sup> regrets that various EU-15 countries missed the EU interim ODA/GNI target of 0.33% in 2006 and called on member states to honour their promises.

In the run-up to the Second Conference on Financing for Development in late 2008, debate on this topic can therefore be expected to be heated. A progress report from the European Commission, which will probably take the form of a supporting working document to the communication on 'Delivering on our Commitments' mentioned above (footnote 6), is expected to set off the discussion.

While the question of progress towards targets is certainly crucial, another issue is starting to preoccupy member states that are increasing their ODA levels and that is of how in practice this aid will be channelled? This has two aspects, both of which relate to capacity. First is the question of delivery on the donor side, and second that of managing increasing levels of funding on the partner country side. During 2007 the European Commission and the Council took steps to tackle this first issue by increasing the flexibility of the various European development cooperation funding instruments (e.g. EDF-10, the ENP Instrument (ENPI) and the Development Cooperation Instrument (DCI))<sup>13</sup> to allow for what is known as co-funding. The new regulations now in place allow both co-funding between different instruments, which is a major improvement in internal flexibility, and co-funding between the European Commission and member-state funds. Such *co-funded* programmes could be managed by individual member states or by the Commission. Member states thus no longer have to wait until 2013 and the next EU budget and EDF-11 to start increasing the amount of ODA they channel through European Commission-led programmes. In addition, the 10<sup>th</sup> EDF financial regulations introduce 'annual action programmes' mirrored from the ENPI.<sup>14</sup> These introduce more harmonisation with other Commission external policies and are also intended to discourage the EDF Committee from getting involved in micro-management. It remains to be seen if this change in the project circuit can

increase efficiency, as it might create new bottlenecks in the Delegations.

### *Budget support as the preferred option*

The main solution the Commission has identified to the second question of how ACP countries will manage increased levels of funds on their side, is to increase the use of budget support. Some member states are also adopting this solution, but others remain wary, and the Commission is further ahead than most. This choice also has the great merit of being in line with the Paris Declaration call for *alignment*. The EU has declared it will go beyond the Paris target on channelling aid through government systems and seek to reach 50% by 2010. The Commission contribution to this target will be an important one in absolute terms, but in practice it still has some way to go. Although the Commission's use of budget support has been increasing it was still under 25% on average during the life of EDF-9.

The planned shift towards more budget aid and the proposed 'MDG contracts'<sup>15</sup> will pose some challenges in terms of aid management, policy dialogue and coordination with member states. The choice of budget support as a preferred aid modality reflects, among the pragmatic considerations mentioned above, the increased recognition that domestic institutions and politics matter and are key for development. But the modality also makes demands on the capacity of donors first to assess carefully and support these institutional capacities and second to ensure the political commitment to poverty reduction really exists, especially in aid-dependent and fragile situations. Furthermore, as evaluations have shown, budget support puts a premium on harmonised donor approaches which are often lacking.


The EC's Governance Initiative enters its second phase in 2008. One of its key components is the incentive tranche mechanism with which €2.7 billion (25% of the A envelope of EDF 10) is distributed to ACP countries. Incentive tranches are provided to

partner countries in response to the levels of ambition and credibility of a 'governance action plan' provided by governments. The mechanism has been criticized from different quarters for its lack of transparency, for the lack of follow-through, and for the underlying assumption that governance reforms can be encouraged or bought through financial incentives, even though there is no mechanism in place for the monitoring of implementation. The GAERC meeting of October 2006 requested a joint Commission and Member States review of the Governance Initiative in 2008, so a report on this should be forthcoming during the first part of the year.

### *Effectiveness: all roads lead to Accra*

Preparations for the Accra High-Level Forum on Aid Effectiveness in September 2008 started already in 2007, but will intensify during the first half of 2008. The Forum is intended to serve as a mid-term review of progress on the implementation of the Paris Declaration. In addition to this stock-taking, it is hoped the event will provide an opportunity to broaden and deepen dialogue on aid effectiveness by giving space to new actors, including civil society organisations and non-DAC donors, and finally to identify required actions and bottlenecks that need to be overcome for successful implementation of the Paris Declaration. Many donors, the European Union included, are therefore not just preparing for the Forum itself, but planning longer term implementation actions up to 2010, on which they will report progress in Accra.

For Accra, the European Union as a group has decided to focus on two issues in particular: (i) division of labour, both in-country and cross-country, where its principal tool is the Code of Conduct agreed at the GAERC of May 2007 and (ii) improving the predictability of aid through the use of budget support and the proposed MDG contracts. Work on these two items will contribute to two of the five roundtables proposed for the Forum, respectively, on harmonisation and on alignment.

2008			
<b>April</b>	<p>OECD-DAC Working Party on Aid Effectiveness and Donor Practices meeting, (2-3 April)</p> <p>UNCTAD General Assembly, Accra</p> <p>Commission to produce report on progress on MDGs</p> <p>EC communication outlining the EU contribution to the HLF in Accra in September</p>	<b>May</b>	<p>10<sup>th</sup> EU-Africa Ministerial Troika</p> <p>5<sup>th</sup> EU-LAC summit, Peru (16-17 May)</p> <p>GAERC with development focus (26-27 May)</p> <p>ACP-EC Council of Ministers session</p> <p>Tokyo International Conference on African Development IV, Yokohama (28-30 May)</p>
		<b>June</b>	<p>European Council, stocktaking of report on MDG progress, Brussels (19-20 June)</p> <p>High Level Conference hosted by FAO on World Food Security and the Challenges of Climate Change and Bioenergy, Rome (3-5 June)</p>
		<b>July</b>	<p>OECD-DAC Working Party on Aid Effectiveness and Donor Practices meeting (2-3 July)</p> <p>11<sup>th</sup> AU summit</p> <p>G8 Summit, Japan (7-9 July)</p> <p>EuropeAid Annual Report 2008</p> <p> French EU Presidency</p>

Internally, of course, the European Union has agreed to supplementary targets in four areas above and beyond the targets set in the Paris Declaration.<sup>16</sup> These include three in the area of *alignment*: (i) to provide all capacity-building assistance through coordinated programmes, (ii) to channel 50% of government-to-government assistance through country systems and (iii) to avoid establishment of any new project implementation units. The fourth target contributes towards *harmonisation* and is (iv) to reduce the number of uncoordinated missions by 50%. As the figure in Box 1 shows, based on the OECD's 2006 performance survey,<sup>17</sup>

progress on the alignment indicators is mixed, with the European Union generally doing better than other DAC donors on issues such as budget support, predictability and the untying of aid but worse on the visibility of EU aid in partners' national budgets and the use of technical assistance. Yet these latter are precisely two of the areas where the European Union has set itself high targets.

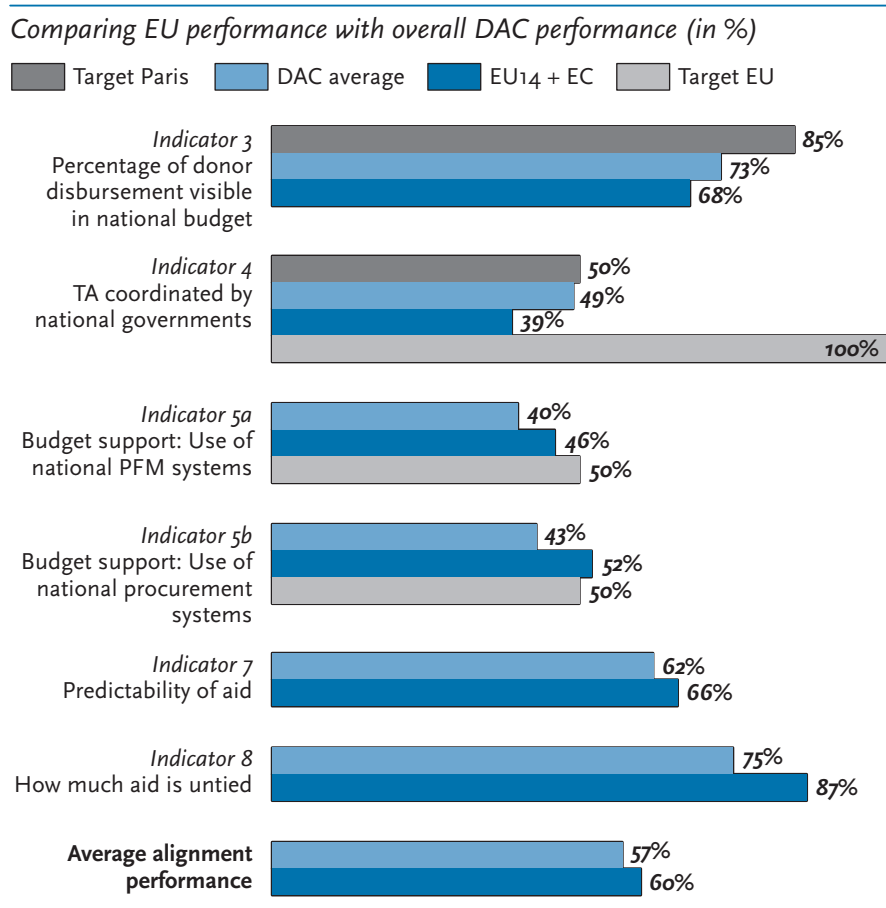
The European Union will hold several meetings in the run-up to Accra to assess progress and prepare its position for the Forum.<sup>18</sup> This is expected to be on the

agenda of the May 2008 meeting of the GAERC at which the member states will consider the communication on *EU Delivering on Our Commitments* (footnote 6).

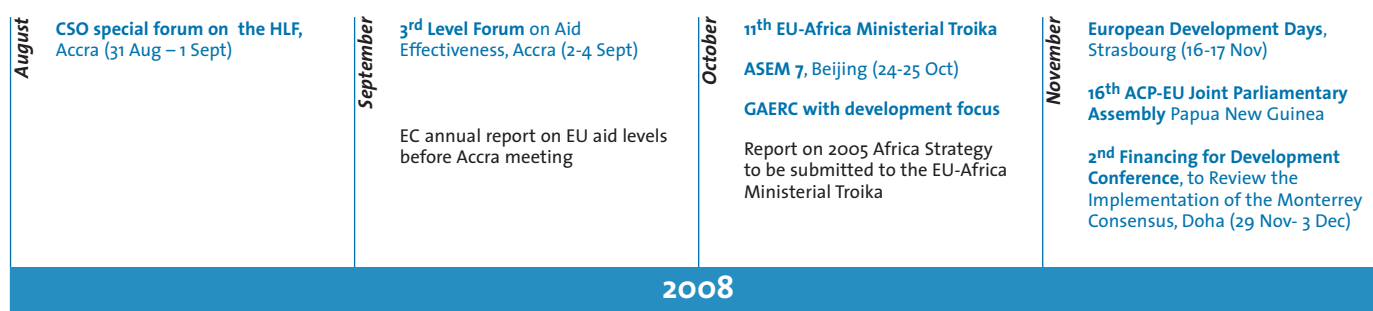
In addition to the internal EU debate on the Paris Declaration, the first semester of the year will see a series of preparatory meetings at which European parties, both official and civil society, will provide inputs. Chief amongst these will be two meetings of the Working Party on Aid Effectiveness (WP-EFF). This is the international representative group that takes the main decisions regarding the Accra Forum. The meetings are planned for 2–3 April and 2–3 July. In addition, there is a smaller Steering Committee that will be meeting more regularly. Within the WP-EFF there is also the Advisory Group on Civil Society and Effectiveness, which amongst other things is hosting a major international multi-stakeholder meeting in Ottawa in early February 2008 to look at the outcomes of a whole series of regional and national consultations that took place in 2007. Civil society organisations have been extensively involved in this process, but there is also a purely civil society process coordinated by an international steering committee that is organising a parallel civil society event in Accra just before the Forum. Furthermore, a second OECD-DAC survey of progress on the implementation of the Paris Declaration will take place in the first quarter of 2008, and the report from this is expected to be ready by end March.

The main output planned for the High-Level Forum on Aid Effectiveness will be the *Accra Agenda for Action (AAA)*, a first draft of which will be prepared by the WP-EFF between March and May 2008. This will be discussed at a number of regional meetings in April and May, and comments will be solicited from stakeholders. A fuller draft will then be prepared by the Working Party at its July meeting with a final draft ready in time for the September Forum, where it is expected to be endorsed at ministerial level. The second quarter of 2008 will thus be the key point in the debate on the content and main messages of the AAA.

**Figure 1. Progress against the Paris Declaration alignment indicators**



Source: OECD



The first biennial EU-wide report on policy coherence for development (PCD) was published by the European Commission in September 2007 and reviewed at the November GAERC. The meeting mandated the Council Secretariat to ensure that PCD-relevant issues are identified and discussed in relevant Council working parties. The Council Conclusions also invite all member states and the Commission to develop further mechanisms to promote PCD and to use them more systematically. Finally, the Council explicitly underlined the importance of maintaining an on-going dialogue with non-state actors on PCD, both within the European Union and in developing countries. As indicated earlier, the Commission is planning a further communication on PCD for the early part of 2008 and has launched a public consultation to gather input from civil society.

### 3. Africa-EU relations

#### *A framework for reducing fragmentation?*

The Joint Africa-EU Strategy provides a framework for future EU-Africa relations. It was endorsed at the Lisbon Summit in late 2007 and commits both the European Union and the African Union to a renewed long-term political partnership based on Euro-African consensus on values, common interests and strategic objectives. The holding of the Summit itself, seven years after the first Africa-EU Summit of Head of States and Governments in Cairo, was considered a success for the Portuguese EU Presidency and illustrates the political willingness on the European side to renew dialogue at the highest level, despite existing tensions over Zimbabwe. Unsurprisingly, the EPAs emerged as a subject of strong dissension and vocal statements on the African side, suggesting an Africa-Europe dialogue that seems to be on a more equal footing than in the past.

The Joint Africa-EU Strategy embodies the need for both parties to adapt their relationship to a context that has evolved since the Cairo Summit in 2000 with the emergence

of issues like security, migration and environment at the top of the international agenda. The birth of the African Union has provided Africa with political institutions geared towards continental integration; and it provides the enlarged European Union with a political counterpart in Africa.

The new Africa-EU strategic framework offers the possibility of two kinds of shifts compared to the relationship existing so far. First, the framework encompasses all policy issues that govern the relationship between the two continents, thus going beyond 'traditional' development cooperation. The challenge here is to ensure that development cooperation is not diluted by the proliferation of other external action objectives and does not simply become a tool of the latter. Second, the joint strategic framework offers the possibility to overcome fragmentation and to enter into a continent-to-continent relationship.<sup>19</sup> While one cannot expect the ENP to simply disappear as a consequence of the Joint Africa-EU Strategy, it will be a challenge for Europe to fulfil its commitment to adapt its instruments and policies in order to start 'treating Africa as one'. Ideally this should imply something like the creation of a pan-African financial envelope<sup>20</sup> and the programming of a pan-African RIP.

In practice, however, the other regional agreements have also been enhanced. For instance, 2007 saw the strengthening of the ENP as a core priority within EU external action. The European Commission promised to intensify the ENP in 2008 and to focus especially on the facilitation of visas for ENP citizens and setting up a neighbourhood investment facility that would help to more effectively mobilise funds for partners.<sup>21</sup> In addition, the South Africa-EU Strategic Partnership was initiated in 2006, and a related joint action plan signed in May 2007, providing a framework for intensified relations and more structured dialogue between South Africa and the European Union. Both parties to this strategic partnership agree that it should be supportive of the Joint Africa-EU Strategy, but it is still unclear how this will work in practice.<sup>22</sup>


#### *Implementing the Joint Africa-EU Strategy*

In order to better implement the new commitments, the Joint Strategy's first Action Plan translates them into eight 'priority partnerships' on key issues (see box). The Action Plan covers an initial three years, but is intended to be rolled forward as time advances. The first objective is that implementation of all the priorities set be initiated within this first three-year period. The level of detail required varies between the different partnerships. In some, like the partnership on migration, joint priorities and action plans have already been drafted<sup>23</sup> and efforts will need to focus on their implementation. Peace and security is another area where joint AU-EU work has developed, this in the context of the collaboration for the Africa Peace Facility. Here a relatively clear agenda already exists for joint work over the years ahead, for instance, on building up the Africa Peace and Security Architecture. In other areas, such as the partnership on climate change, a common agenda still needs to be built.

According to the Joint Strategy, progress will be reviewed continuously until the next summit in 2010<sup>24</sup> at which a new action plan will be approved. Between summits, the biannual Africa-EU ministerial troika meetings will play a central role in reviewing and monitoring implementation. At the next troika meeting, planned for May 2008, a first assessment is to be made. In addition, the AU and EU Commissions and the EU Council Secretariat will – on an annual

#### **Box 1. Priority partnerships of the new Joint Africa-EU Strategy**

1. Peace and security
2. Democratic governance and human rights
3. Trade and regional integration (includes partnership on infrastructure)
4. Millennium Development Goals
5. Energy
6. Climate change
7. Migration, mobility and employment
8. Science, information society and space

<p><b>December</b></p> <p><b>ACP Council of Ministers session</b></p> <p>Pacific and ESA scheduled to conclude full EPAs</p> <p>Suggestions on improvement of the implementation of the European Security Strategy to be adopted by European Council.</p>	<p><b>January</b></p> <p><b>12<sup>th</sup> AU summit</b></p> <p>EU's revised GSP system to come into force</p> <p> <b>Czech EU Presidency</b></p>	<p><b>February/March</b></p> <p><b>3<sup>rd</sup> OECD Global Forum Plenary Meeting (spring 2009)</b></p> <p><b>DAC High Level Meeting (spring 2009)</b></p>	<p><b>April/May</b></p> <p><b>GAERC with development focus (April or May)</b></p> <p><b>ACP-EC Council of Ministers session (May)</b></p>
<b>2008</b>		<b>2009</b>	

basis and in cooperation with the AU and EU Presidencies – coordinate preparation of a joint progress report on implementation, ‘using clear indicators and concrete benchmarks and timetables to ensure that implementation is on track’.<sup>25</sup> Finally, there is a commitment to involve civil society actors in the monitoring process, and the modalities to do this are to be defined during the months ahead.

Key challenges to be addressed in 2008 regarding the implementation of the Joint Strategy will be: (i) to clarify existing implementation arrangements that are or should be put in place, (ii) to ensure that regional economic communities and member states on both sides are involved in implementation and take the lead on some aspects, and (iii) to design a proper monitoring mechanism both within each Union and jointly.

At a very practical level in 2008 in Addis Ababa there will be changes in the way the EU group relates to the African Union as a result of the appointment of the first EU Ambassador to the African Union. To start with, the existing EU Delegation to Ethiopia will be split in two with all affairs related to the African Union being moved to a separate office under the leadership of this new EU Ambassador. The EC Head of Delegation will thus focus purely on relations with Ethiopia and manage the country’s EDF programme.

The EU Ambassador to the African Union will be responsible not only for the political relations between the European Union and African Union, but also for management of the financial and other support provided by the European Union to the AU Commission. Some of this involves management of EDF funds to support the African Union’s peace and security work or the institutional development of the AU Commission. But there is also the more delicate question of enhancing coordination between the various EU member-state initiatives in support of the African Union and those of the European Commission. As the *double-hatted* servant of both the Commission (Michel) and the Council Secretariat (Solana), and by extension therefore of the member states, this

new EU Ambassador will be in a unique position to liaise and coordinate between all of the different European parties involved. This position will also play a useful role in the coordination between the two Unions on joint responses to political crises that may emerge on the continent. Lastly, the African Union will expect to use this ambassador as a conduit to seek EU support for African initiatives in international affairs.

**Alternative partners**

However, the past year has also shown clearly that Europe is not alone in seeking closer relations with Africa. In the context of the international commodity price boom and the search for new oil suppliers, international interest in Africa is rising. During 2007 it became abundantly clear that both China and the United States are increasingly interested in relations with the continent. In the light of such interests, it will be a challenge for the EU to maintain leverage in political dialogue and to distinguish itself as an attractive cooperation partner.

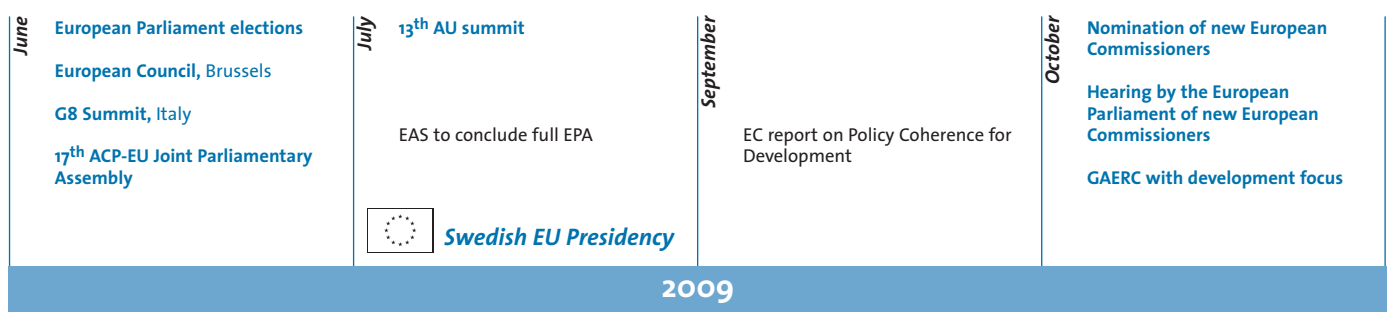
The United States now imports more oil from Africa than from Saudi Arabia. More than US \$50 billion in foreign investment in African oil is expected over the next three years from the United States alone.<sup>26</sup> 2008 will also reveal whether the economic slowdown in the United States will affect African growth, or if impacts will be offset by ever-increasing demand for African natural resources from China and other global investors. The newly established US military command, AFRICOM, which many regard as a move to ensure US energy security, is expected to unfold its activities in 2008, supporting African military capacities through training and equipment.

Over the past year it has become clear the increasingly proactive role that China seeks to play as a new donor in international cooperation – and nowhere more so than in Africa. This was already evident at the Africa-China Beijing Summit of November 2006 at which China announced major assistance programmes for Africa and where the Beijing Action Plan covering 2007–09

was agreed. What this might mean for Europe was a focus of a conference held in Brussels on 28 June 2007 which discussed ideas on a triangular relationship between the European Union, Africa and China. In March 2008 Commissioner Michel is expected to visit China seeking to take this discussion further, and the Commission is proposing to issue a communication on the subject during the course of the year.<sup>27</sup> So far China and the EU have been seen more as competitors than as partners in Africa, and it is hard to see why China might seek to change this. A lot will no doubt depend on the position adopted by the African Union in this triangular relationship and the degree to which it prefers having such major partners working in consort rather than in competition.

To name just one area where competition between the EU and China is already intense, China has proposed spending US \$20 billion on infrastructure in Africa over the next three years, which is more than twice the €5.6 billion (\$8.3 billion) in EDF funds that Europe announced in October 2007 for its new Africa-EU Partnership on Infrastructure. Even though EU member states are expected to add funds to this initial EDF contribution to the partnership, it is clear that China is going to fast outstrip the EU as the major external funder of infrastructure on the continent. This also illustrates a major advantage China has over the EU in its foreign relations: its ability to act as a single entity rather than having to wait for an internal consensus to be constructed.

The role played by emerging donors in general surfaced as a major issue in 2007 with frequent references to new donors that are not DAC members and are beginning to offer serious alternative sources of support to developing countries disillusioned by traditional western donors. India, Brazil, Turkey, Korea in addition to China are the names most mentioned. The Indian government for instance is establishing an aid agency. It will be interesting to see this coming year whether and how these donors develop their aid programmes and perhaps also become more integrated in the global dialogue on international development coop-



eration at such global events as the Accra High-Level Forum.

#### 4. ACP-EU relations & trade

With the incomplete EPA negotiations trade, more than aid, can be expected to be the major topic of discussion at all ACP-EU gatherings this year. The ACP institutional programme in 2008 will be marked by the Sixth Summit of ACP Heads of State and Government, to be held in Accra in October. On the agenda as well as EPAs will be the question of strengthening the ACP group following the ACP Secretariat's 2006 study on the subject and internal discussions since then. Given the rise in prominence of the African Union in European minds this subject is certainly topical. The Summit will also be an occasion to discuss the coming into force of the 10<sup>th</sup> EDF if the ratification process has not been completed by then.

As usual, there will also be two ACP-EU Joint Parliamentary Assembly sessions in 2008. The 15<sup>th</sup> session will be held in Ljubljana, Slovenia, 17–24 March and the 16<sup>th</sup> in Port Moresby, Papua New Guinea, in November. Again the Joint Parliamentary Assembly has proven to be a key forum for raising EPA-related concerns, and it is expected to continue pursuit of this topic in 2008.

##### *The focus on trade*

By the 31 December 2007 deadline set by the expiry of the WTO waiver for the ACP-EU's long-standing preferential trade arrangements, 35 of the 77 ACP countries had signed a new interim agreement with the EU covering mainly trade in goods. The Caribbean is the only region to have signed a comprehensive regional EPA. In West Africa and the Pacific, only two countries from each region had initialled an interim agreement. In Central Africa only one country had initialled an agreement. In the Southern African Development Community (SADC) and Eastern and Southern Africa (ESA) interim agreements were initialled at sub-regional and country level (see table in Box 3).<sup>28</sup>

Signatory countries of comprehensive or

interim EPAs will benefit from quota- and duty-free access to the EU market, with transitional measures for sugar and rice from 2008.<sup>29</sup> They did therefore manage to secure and even improve their EU market access.

The new trade agreements however also bear risks and pose challenges for ACP regional groups and countries. Those that concluded negotiations on either a full or an interim agreement, must provisionally apply, implement and ratify the agreement in 2008. While most ACP countries will benefit from a moratorium for the first years, and thus not be compelled to open their markets right away, the immediate challenge will be to start implementing policies and actions in preparation for implementation.

All parties except the Caribbean will thus have to continue talks in 2008 with the aim of concluding comprehensive EPAs at the regional level. Indeed, one of the core objectives of EPAs is to build on and strengthen regional integration. In Africa and the Pacific no EPA region has as yet uniformly signed an agreement.<sup>30</sup> In some regions signatory countries have submitted national market access offers which may severely undermine regional integration. The key task for the next year will therefore be to restore regional coherence. EPAs were further conceptualised and negotiated as trade and development agreements, going beyond pure market access, as both sides have agreed that trade is not enough to stimulate ACP economic development. Through rendezvous clauses in the interim agreements, parties have committed themselves to negotiating outstanding areas (e.g. service, development cooperation and investment). The European Commission expects to conclude 'full' regional EPAs by the end of 2008. However, in the absence of legal pressure to conclude comprehensive agreements, both parties will have to show strong commitment to reach agreements on controversial and complex areas and bring back to the negotiation table those countries that so far have been reluctant to sign an agreement.

To ensure a development-friendly outcome of EPAs, an additional major task for the European Union is to provide appropriate

support to address the required adjustments and accompanying measures that will strengthen the capacity of the ACP countries and regions to realise the potential benefits of EPA-related commitments and reforms.<sup>31</sup> The European Union has repeatedly confirmed its commitment to assist ACP countries, and it has been agreed that the main financing instrument will be the 10<sup>th</sup> EDF. With its Aid for Trade (Aft) Strategy, the European Union has further reaffirmed its commitment to increase its trade-related assistance to €2 billion per year by 2010 (with the Commission and member states each contributing €1 billion).<sup>32</sup> It has also pledged to allocate 'in the range of 50% of the increase' of the member states' trade-related assistance to ACP countries. This implies that about €300–400 million per year in additional financing can be expected for trade-related assistance to the ACP. Further, the European Union will provide support in the framework of the wider Aft agenda covering the building of productive capacities, trade-related infrastructure and trade-related adjustments. The ACP sees these as key areas for EPA-related support. However, no precise quantitative commitments exist on this, nor is there a commitment on how the share of trade-related assistance dedicated to ACP countries will be translated into practice. Although the Aft Strategy sets out principles and objectives for the delivery of Aft, it remains vague on concrete modalities to deliver the assistance.

For 2008 it will thus be essential for the European Union to deliver on its promises and translate goodwill into concrete measures to support EPA-related adjustments. This support should be aligned to the trade priorities set by ACP countries and regions and rooted in their overall national and regional development plans. To ensure effective and timely assistance, both parties will need to identify optimal modes of delivery in line with the Paris Declaration.

Furthermore, to ensure that the EPAs do indeed deliver on their stated objectives, an effective and workable monitoring mechanism has to be put in place to follow implementation as well as the EPA outcomes and impacts. Establishing a regular dialogue process among stakeholders in the ACP countries and regions, as well as between the ACP and EU countries, to clarify important operational aspects of an EPA monitoring mechanism, will be a key task for 2008.

During the last months of negotiations, many ACP countries objected to the harsh approach of the European Union, its unwillingness to compromise and its threats to impose tariffs on countries reluctant to

November	New European Commission team takes office (1 Nov)	December	European Council, Brussels
	18 <sup>th</sup> ACP-EU Joint Parliamentary Assembly		
2009			



## Box 2. Interim agreements

Although all parties remain committed to comprehensive EPAs, by October 2007 it became apparent that most regional blocs would be unable to reach an agreement by the end of the year. In an effort to provide a legal framework to maintain preferential market access to the EU for ACP exports, Europe proposed WTO-compatible interim agreements covering trade in goods only. The EU argued that the only other WTO-compatible option for non-least developed countries that do not benefit from free market access under the Everything but Arms Initiative (EBA), is the General System of Preferences (GSP), which is less generous than the Cotonou preferences. For those countries that did not see themselves in a position to sign a full EPA, concluding a goods-only agreement was therefore beneficial, as it averted a disruption of trade in 2008 and gave more time to negotiate sensitive issues without the pressure of the year end deadline.

The table below shows the types of texts initialled by the various countries in the six EPA negotiation regions. Non-LDCs (least-developed countries) are in bold.

EPA Region		
<b>CARIFORUM</b>	Comprehensive EPA initialled by the region	
	<b>interim agreement initialled</b>	<b>countries that did not sign*</b>
<b>CENTRAL AFRICA</b>	<b>Cameroon</b>	Central African Republic, Chad, Equatorial, <b>Gabon</b> , Equatorial Guinea, <b>Republic of Congo</b> , Sao Tome and Principe, Democratic Republic of Congo (DRC)
<b>WEST AFRICA</b>	<b>Ghana, Cote d'Ivoire</b>	Benin, Burkina Faso, <b>Cape Verde,**</b> Gambia, Guinea-Bissau, Guinea-Conacry, Liberia, Mali, Niger, <b>Nigeria</b> , Senegal, Sierra Leone, Togo,
<b>EAST AND</b>	EAC ( <b>Kenya</b> , Uganda, Tanzania, Burundi, Rwanda), Comoros, Madagascar, <b>Mauritius</b> , <b>Seychelles</b> , <b>Zimbabwe</b> , (Zambia)	Djibouti, Eritrea, Ethiopia, Malawi, Sudan
<b>PACIFIC</b>	<b>Papua New Guinea, Fiji Islands</b>	<b>Cook Islands</b> , the <b>Federated States of Micronesia</b> , Kiribati, <b>Nauru</b> , <b>Niue</b> , <b>Palau</b> , <b>Republic of the Marshall Islands</b> , Samoa, Solomon Islands, <b>Tonga</b> , Tuvalu and Vanuatu
<b>SADC</b>	BLNS ( <b>Botswana</b> , Lesotho, <b>Namibia</b> , <b>Swaziland</b> ), Mozambique	Angola, <b>South Africa***</b>

\* In the absence of a decision to the contrary, the regime available to the ACP countries that did not conclude an EPA by the end of 2007 is the EU GSP for non-LDCs and the EBA for LDCs.

\*\* Cape Verde is a non-LDC as from 2008 but will continue to benefit from EBA for a transitional 3 years.

\*\*\* South Africa will continue to export under the Trade and Development Cooperation Agreement (TDCA).

sign an EPA. This created an atmosphere of mistrust and frustration which undoubtedly has soured relations between the European Union and some ACP countries. In 2008, it is crucial that both parties seek to rebuild a constructive and trusting relationship in order to find common solutions for outstanding issues so as to make EPAs real partnerships, as they were originally envisioned.

Another related initiative that the European Commission intends to take according to its work programme for 2008 is the issuance of a communication on economic development and regional integration in the ACP. This 'will look at how best to foster economic development and regional integration in the

ACPs (including trade) with a strong focus on private sector development. The objective will be to develop a strategy to ensure complementarity of actions and instruments existing at EU and Member States level.<sup>33</sup>

## 5. EU external relations

### *Security and development*

In terms of other external affairs debates that will impinge on development cooperation in 2008, two areas of policy are particularly noteworthy: security and devel-

opment policy and the European response to situations of fragility. Both of these were the subject of important policy documents in 2007.<sup>34</sup> For the former, an action plan and evaluation report on previous European Security and Defence Policy (ESDP) missions is due in 2008. The implementation plan for the latter is to be delivered by 2009, but the Commission is already working on more flexible implementation procedures to be applied in situations of fragility.

Debates on these policy areas will take place in the context of growing ambitions for the EU Common Foreign and Security Policy and ESDP. Work on a possible revision of the EU Security Strategy is expected under the French Presidency. France will work for more defence integration, including a Brussels-based EU planning staff, exchanges between professional soldiers and a harmonisation of military education. Moreover, a revision of the EU Military Rapid Response Concept should be concluded by mid-2008, including procedures to rapidly generate forces and additional voluntary force contributions by member states.<sup>35</sup> The EU also aims to bolster its civilian crisis management, which includes establishing public order, strengthening the rule of law, setting up civilian administration and providing civil protection, through the civilian capability planning process under the ESDP.<sup>36</sup> This is one area in which the Union will have to ensure coherence with community cooperation mechanisms, such as the new Instrument for Stability. This will provide short-term aid to respond to a crisis or emerging crisis as well as long-term aid where stable conditions allow implementation of Community cooperation policies.

EU support for strengthening the capacity of the African Peace and Security Architecture has already been mentioned, but there is also a very practical operational side to EU involvement in this area. At the start of 2008, the Union, working in consort with the African Union and United Nations, was involved in several ongoing operations on the continent.

In Darfur the AU peacekeeping force AMIS formally became a hybrid AU/UN force known as UNAMID at the start of 2008. The European Union continues to support the force financially through the African Peace Facility, but at the request of the United Nations the mandate of the EU advisers to AMIS was ended on 31 December 2007 to coincide with the transition. Though this transition did formally take place, uncertainties still surround the composition of the force, and UNAMID is unlikely to be fully operational well into 2008.

There are also three ESDP missions in Africa with ongoing mandates into 2008. The first is the EU Police Mission to the Democratic Republic of Congo (EUPOL RD Congo), which is concerned with reform of the police and has a one-year mandate up to June 2008. The second is the EU Security Sector Reform Mission in the DRC (EUSEC DR Congo), in place since June 2005, with an already once extended mandate up to July 2008. It provides advice and assistance to the Congolese authorities in charge of security while promoting policies compatible with human rights and international humanitarian law, democratic standards, principles of good public management, transparency and observance of the rule of law. As the mandates of both these missions expire soon, they will need to be renewed in the first part of the year if their work is to continue.

The third ESDP mission is the EU military mission to Chad and the Central African Republic (EUFOR Tchad/RAC), which was agreed by the Council in October 2007. This is the largest EU military mission in Africa so far and is planned as a one-year bridging operation within the framework of UN Security Council Resolution 1778 (2007). The mission will be complemented by funds from the Stability Instrument for training and equipping 850 Chadian police officers.<sup>37</sup> The Head of Mission was appointed in late 2007 and planning is still under way. After difficulties in assembling the 3700 troops, the GAERC of 28 January officially launched the mission and initial operational capability is planned to be reached in March 2008. However, the planned troop numbers are seen as grossly insufficient given the continuing poor security situation in Chad and the Central African Republic along the border with Darfur and the danger that the force could get entangled in this complex web of conflicts.<sup>38</sup> There has also been criticism of the mission, which some, such as the rebel groups in the area in question, perceive as largely a French force with a European label.<sup>39</sup>

In addition, the European Union is considering an ESDP advice and assistance mission in support of security sector reform in Guinea-Bissau. This action would be part of a coherent EU approach and complementary to the EDF and other Commission activity.<sup>40</sup>

### Climate change, energy and migration

Among the other subjects on the EU's external relations agenda in 2008, climate change is the one likely to receive most prominence. In the framework of a global climate change alliance with developing

countries, Africa and the EU will institutionalise regular dialogue and targeted cooperation, taking into account African initiatives such as the Climate for Development in Africa Programme (ClimDev Africa). The objective is to complement the Kyoto protocol which is only relevant for industrialised countries and to help the many severely affected poor countries to adapt to climate change. For its part, the joint ministerial troika has stressed the importance of mainstreaming climate change into development cooperation and has made this a PCD commitment to be reported on in September 2009.<sup>41</sup>

In the closely related area of energy security, the European Union will review the strategic objectives agreed in its energy package of March 2007. Europe is expected to continue to bolster the internal market and expansion to the neighbourhood, to review the internal emissions trading scheme and to raise its target for the share of renewable energy and biofuels to 20% as from 2010. The Union's take on energy in Africa is expected to concentrate on development – promoting renewables and developing Africa's internal energy market – and governance issues. It remains to be seen if Europe can exert leverage on the governance of natural resources while China and the United States are increasingly conducting energy politics as the central aspect of their foreign and security policy towards Africa.

Migration continues to be a priority concern for the EU and will be addressed in the framework of the Africa-EU Partnership on Migration, Mobility and Employment under the EU Strategy for Africa. The aim is to provide holistic responses to these issues both within Africa and between Africa and Europe. The Commission has until September 2009 to show results of the attention it promised to give to the interrelationship between migration and development in its next report on PCD. This should also contain information on the treatment of migration within the development agenda and on development elements in EU migration policies.

### A busy year ahead

While the EU development agenda for 2008 is likely to be dominated by international policy processes related to aid effectiveness and financing for development, both of which have important threshold events in the latter months of the year, two more EU-specific debates, on the EPAs and the Joint Africa-EU Strategy, will continue. The discussion on EPAs is expected to remain heated

in 2008, while for the Joint Strategy, attention will now shift to operationalisation and the practical issues of implementation modalities and monitoring mechanisms. In terms of the European Union's credibility vis-à-vis its Southern partners, especially the ACP and even more so amongst African states, these latter two debates are clearly key. At the Africa-EU Summit in December 2007 there was a ground swell of opinion among African leaders who were losing patience with the European Union's hard line on the EPAs. They remain unconvinced that the EPAs as proposed, really are development friendly, and they feel the European Union needs to take a much more sympathetic line. While the more positive messages of the Joint Africa-EU Strategy may do something to assuage this, in the end a joint strategy is only useful if it enables both parties to find satisfactory solutions to the issues that divide them.

By the second half of the year, and the French Presidency, EU attention will also be turning to internal questions and the institutional changes due to take place in 2009. For development cooperation one key issue relates to the appointment of the High Representative for Foreign Affairs and Security Policy, whom the French hope to have nominated by the end of their term in the presidency. A second key issue is the composition and *modus operandi* of this post's new diplomatic service, the EEAS. Preparations will also get under way for the election of a new European Parliament and the nomination of a new Commission by mid-2009.

### Notes

- 1 African Development Bank, *Africa Records Highest Growth in Two Decades*, Press release, 14 May 2007.
- 2 'Sarkozy to push for five new UN Security Council members', *Agence France-Presse*, 8 January 2008.
- 3 Sarkozy foreign policy speech, August 2007.
- 4 'MEPs want new EU high level positions filled after EP elections in 2009', *European Voice*, 18 October 2007.
- 5 *Treaty of the European Union (TEU)*, Article 27, paragraph 3.
- 6 *Council of the European Union (2005) Joint Progress Report by the Secretary-General/High Representative and the Commission on the European External Action Service*, Brussels, 9 June, 9956/05, CAB 24, RELEX 304.
- 7 *According to its work programme for 2008, the Commission intends to issue a communication covering both these subjects and policy coherence. The communication, due in March 2008, has the preliminary title EU Development Aid: Doing More, Better and*

- Faster – Delivering on Our Commitments and should include a 'Roadmap to Accra'.
- 8 'Slovenia criticises French Mediterranean Union proposal', *EU Observer*, 17 January 2008.
  - 9 World Bank (2007) *The 2007 Global Monitoring Report on the Millennium Development Goals (MDGs): The Challenges of Gender Equality and Fragile States*. Washington, D.C.: World Bank.
  - 10 Economic Commission for Africa (2007) *The Monterrey Consensus and Development in Africa: Progress, Challenges and Way Forward*, August, Addis Ababa, Ethiopia.
  - 11 CONCORD (2007) 'Hold the applause! EU governments risk breaking aid promises', May, European NGO confederation for relief and development.
  - 12 *The Millennium Development Goals at the Midway Point*, ref. INI/2007/2103, legal basis REG 045, dossier of the committee DEVE/6/49116, based on the own-initiative report drafted by Glenys KINNOCK (PSE, UK).
  - 13 For the EDF these changes are in Council Regulation (EC) no. 617/2007, 14 May 2007, on the implementation of EDF10 under the ACP-EC Partnership Agreement (Official Journal of the EU, OJ L 152, 13 June 2007).
  - 14 Council Regulation (EC) no. 617/2007, 14 May 2007, on the implementation of the 10th EDF under the ACP-EU Partnership Agreement (Official Journal of the EU, OJ L 152, 13 June 2007: 1).
  - 15 The 'MDG contract' will be a distinctive implementation modality for general budget support which will allow provision of a minimum, virtually guaranteed level of support for a minimum timeframe of six years. It entails annual monitoring with a focus on results, performance assessment in a medium-term multi-annual framework and reinforced dialogue instead of immediate suspension of disbursement. It will target strong performers (some 10 countries for now). A final version of the MDG contract proposal and supporting guidelines is expected in spring 2008 in time to shape general budget support arrangements for eligible countries under EDF-10 (Technical Discussion Paper on an 'MDG Contract': A Proposal for Longer Term and More Predictable General Budget Support, European Commission/ACPI-General Affairs, Economic Governance and Budget Support, 19 June 2007).
  - 16 Paragraph 32 of the EU Consensus on Development.
  - 17 OECD (2007) 2006 Survey on Monitoring the Paris Declaration: Overview of the Results. Paris: Organisation for Economic Co-operation and Development. The data used for figure 1 is for the EU 15 minus Greece, for which there was no data.
  - 18 EU technical meetings are planned for early February and March 2008. The Slovenian Presidency will launch a debate on coordination and division of labour with a view to hosting two important conferences, on development and on efficiency in development aid
  - 19 The Africa-EU relationship has historically been fragmented into three agreements and policies: the Euro-Mediterranean Partnership with Northern Africa, the Cotonou Partnership Agreement for sub-Saharan Africa and the Trade, Development and Cooperation Agreement with South Africa.
  - 20 While the regulatory texts for both the EDF and ENP have been amended to allow for co-funding of pan-African work, this is still a far cry from the Commission being able to prepare jointly with the AU Commission a regional strategy paper and associated regional indicative programme as it would with other smaller regional organisations.
  - 21 Benita Ferrero-Waldner, Slovenia's Upcoming Presidency, SPEECH/07/522 Speech at Ambassadors' Conference of the Republic of Slovenia, Brussels, 11 September 2007 and European Commission (2007) Communication from the Commission to the Council and the European Parliament on a Strong European Neighbourhood Policy, Brussels, 5 December COM(2007) 774.
  - 22 The Council of the European Union (2007) *The South Africa-European Union Strategic Partnership: Joint Action Plan*, Council Press Release 9650/07, Brussels, 15 May.
  - 23 Within the partnership on migration, mobility and employment three priority actions have been identified: (i) to implement the declaration of the Tripoli ministerial conference on migration and development; (ii) to implement the Africa-EU plan of action on trafficking of human beings; (iii) to implement and follow up the 2004 Ouagadougou declaration and action plan on employment and poverty alleviation in Africa.
  - 24 African Union and European Union (2007) *Lisbon Declaration: Africa-EU Summit*, 8–9 December.
  - 25 The Africa-EU Strategic Partnership (2007) *A Joint Africa-EU Strategy*, 9 December, p. 21.
  - 26 'Untapped: The scramble for Africa's oil', Interview with book author John Ghazvinian, 17 May 2007.
  - 27 The communication 'Towards Trilateral Dialogue and Cooperation on Africa's Peace, Stability and Sustainable Development' is intended to 'spell out an innovative agenda for a trilateral dialogue and cooperation as a response to major new developments in the EU's relations with both partners and South-South cooperation. The impacts on security, stability, sustainable development in Africa and on global governance, notably of China's emergence as a leading partner for Africa in the last few years require a policy response by the EU and an effort to improve coherence of our agendas regarding both Africa and China.'
  - 28 Except South Africa, Nigeria, Gabon and the Republic of Congo, all African non-LDCs have initialled an agreement. In the Pacific all countries except Fiji and Papua New Guinea (both of which initialled an agreement) and Vanuatu have little or no trade with the European Union. The loss of preferences will thus affect these countries only marginally. South Africa will export to the European Union under its own Trade and Development Cooperation Agreement (TDCA). Nigeria, which is ECOWAS' biggest economy, has so far been reluctant to sign an agreement, but most of its exports are oil and gas which will be unaffected by a change to GSP preferences.
  - 29 Council of the European Union, Council conclusions on the economic partnership agreement, 20 November 2007.
  - 30 In the Southern African Customs Union South Africa has so far refused to sign an agreement. An EPA may therefore even be unenforceable, as the SACU treaty forbids its signatories from agreeing individual trade deals.
  - 31 As a consequence of EPAs, ACP countries are likely to face losses in public funds due to reduced tariff revenues. Also, while liberalising trade, ACP countries will incur adjustment costs in restructuring their economies, and they will require support to bolster their productive capacities in order to take full advantage of new export opportunities.
  - 32 Council of the European Union, *EU Strategy on Aid for Trade: Enhancing EU Support for Trade-related Needs in Developing Countries*, Brussels, 11 October 2007, 13070/07.
  - 33 *Commission Legislative and Work Programme 2008*, COM (2007) 640 final, Brussels, 23 October 2007.
  - 34 Council of the EU, GAERC, *Conclusions on Security and Development*, Brussels, 19–20 November 2007, p. 6.; *Towards an EU Response to Situations of Fragility: Engaging in Difficult Environments for Sustainable Development, Stability and Peace (SEC(2007) 1417)*, European Commission, COM (2007) 643 final, Brussels, 25 October 2007.
  - 35 Council of the EU (2007) *Council Conclusions: External Relations*, Brussels, 14–15 May, p. 22.
  - 36 Council of the EU (2007) 2830th Council Meeting, *General Affairs and External Relations*, Council Conclusions: *General Affairs*, Brussels 19 November, 15238/07 (Presse 261), p. 21.
  - 37 *From Early Warning to Early Action: Developing the EU's Response to Crisis and Longer-term Threats*, EU Press Release, ref. IP/07/1668, 9 November 2007
  - 38 Seibert, Bjoern H. (2007) *African Adventure? Assessing the European Union's Military Intervention in Chad and the Central African Republic*, MIT Security Studies Program Working Paper.
  - 39 'Chad: A peacekeeping puzzle for Europe. A small European force runs into big problems in central Africa', *The Economist*, print edition, 13 December 2007.
  - 40 *Council Conclusions on Guinea-Bissau*, GAERC meeting, Brussels, 19–20 November 2007.
  - 41 *Communiqué, 9th Africa-EU Ministerial Troika Meeting*, Accra, 31 October 2007, pp. 12–13.

## Information sources



[www.ecdpm.org/infocentre](http://www.ecdpm.org/infocentre)

Further information related to this paper, including a more detailed html version of the timeline  
[www.ecdpm.org/Challenges2008](http://www.ecdpm.org/Challenges2008)

Information on ECDPM's work on ACP-EU cooperation  
[www.ecdpm.org](http://www.ecdpm.org)

Information on the implementation of the Joint Africa-EU Strategy  
<http://europafrica.org/>

Joint Action Aid and ECDPM Project "Wither EC Aid"  
<http://weca-ecaid.eu/>

The three Cs initiative (coordination, complementarity and coherence)  
[www.three-cs.net](http://www.three-cs.net)

Information on ACP-EU trade issues  
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[www.dgroups.org/groups/cool/index.cfm](http://www.dgroups.org/groups/cool/index.cfm)

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[http://ec.europa.eu/trade/issues/index\\_en.htm](http://ec.europa.eu/trade/issues/index_en.htm)

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[www.europarl.europa.eu/committees/deve\\_home\\_en.htm](http://www.europarl.europa.eu/committees/deve_home_en.htm)

Council of the European Union  
[www.consilium.europa.eu/cms3\\_fo/index.htm](http://www.consilium.europa.eu/cms3_fo/index.htm)

Slovenian EU Presidency  
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The Trio Presidency – Germany, Portugal, Slovenia  
[www.eu2007.de/en/The\\_Council\\_Presidency/trio/index](http://www.eu2007.de/en/The_Council_Presidency/trio/index)

## List of acronyms

<b>AAA</b>	Accra Agenda for Action	<b>ESA</b>	Eastern and Southern Africa	<b>MDG</b>	Millennium Development Goals
<b>ACP</b>	Africa Caribbean Pacific	<b>ESDP</b>	European Security and Defence Policy	<b>ODA</b>	Official Development Assistance
<b>AfT</b>	Aid for Trade	<b>EU</b>	European Union	<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>AMIS</b>	African Union Mission in Sudan	<b>EU-15</b>	EU member states before the expansion in 2004	<b>PCD</b>	Policy Coherence for Development
<b>AU</b>	African Union	<b>G-8</b>	Group of Eight	<b>SADC</b>	Southern African Development Community
<b>DAC</b>	Development Assistance Committee	<b>GAERC</b>	General Affaires and External Relations Council	<b>TDCA</b>	Trade and Development Cooperation Agreement
<b>DCI</b>	Development Cooperation Instrument	<b>GNI</b>	Gross National Income	<b>UN</b>	United Nations
<b>EBA</b>	Everything But Arms	<b>GSP</b>	General System of Preferences	<b>UNAMID</b>	United Nations- African Union Mission in Darfur
<b>EDF</b>	European Development Fund	<b>HRFASP</b>	High Representative for Foreign Affairs and Security Policy	<b>WP-EFF</b>	Working Party on Aid Effectiveness
<b>EEAS</b>	European External Action Service	<b>IBRD</b>	International Bank for Reconstruction and Development	<b>WTO</b>	World Trade Organization
<b>ENP</b>	European Neighbourhood Policy	<b>IMF</b>	International Monetary Fund		
<b>ENPI</b>	European Neighbourhood and Partnership Instrument	<b>LDC</b>	Least Developed Country		
<b>EPA</b>	Economic Partnership Agreement				

*'InBrief' provides summarised background information on the main policy debates and activities in ACP-EC cooperation. These complementary summaries are drawn from consultative processes in which the European Centre for Development Policy Management (ECDPM) engages with numerous state and non-state actors in the ACP and EU countries. The Centre is a non-partisan organisation that seeks to facilitate international cooperation between the ACP and the EC. Information may be reproduced as long as the source is quoted.*

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European Centre for Development Policy Management  
Onze Lieve Vrouweplein 21  
NL-6211 HE Maastricht  
The Netherlands

Tel +31 (0)43 350 29 00 Fax +31 (0)43 350 29 02  
[info@ecdpm.org](mailto:info@ecdpm.org) [www.ecdpm.org](http://www.ecdpm.org)

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