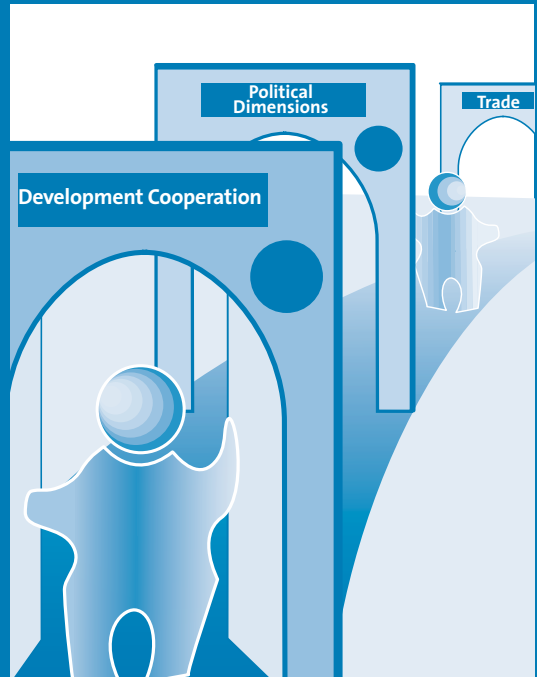


4

- 4.1 Participation: a learning process
- 4.2 Participation in development cooperation
- 4.3 Participation in trade policies
- 4.4 Participation in the political dimensions of partnership

Participation in practice



We now turn to the practice of participation. This chapter starts with a note of caution by pointing to factors that may complicate the effective implementation of participatory approaches. It then explains the different forms that participation can take (according to the text of the Cotonou Agreement) in each of the three pillars of ACP-EC cooperation (development cooperation, trade and political dimensions), and provides both examples of innovative practices and tips.

'The participation of non-state actors should be seen as a process ... and we're just at the beginning of that process. The rules of the game will be clarified as we move on.'
ACP official

'The political space for participation has increased in our country, but as non-state actors we have not yet been able to fully use it.'
Caribbean civil society actor

'We're keen to apply a multi-actor approach in managing our focal sector programme. But how should we do this in practice? We may need to bring all the actors (including the EC) together to sort out new modalities for such joint management.'
Pacific NAO official

4.1 Participation: a learning process

The Cotonou Agreement provides a legal framework for the participation of non-state actors (see chapter 3), but this does not mean that implementation will quickly follow in all ACP countries and regions. In the first few years in particular, there is likely to be a gap between the possibilities offered in the Agreement and the reality on the ground.

The following paragraphs highlight some of the factors that may complicate the effective implementation of the Agreement.

Participation amounts to a 'cultural revolution'

Decades of centralised management of development processes and cooperation will not be erased with the stroke of a pen. Participation is a 'new thing' for all parties involved in ACP-EC cooperation. It will take time to adapt attitudes, roles and working methods to the requirements of participatory development approaches. However, there is much good will on all sides.

There are no 'blueprint' approaches

There can be no standard model of how to cooperate with non-state actors. The national contexts of the 77 ACP countries are simply too different for uniform approaches. The Cotonou Agreement spells out the basic rules, but each country

and region will have to find the most appropriate way to implement participation. As a result, some countries may move faster than others.

Politics may interfere in the process

Participation of non-state actors can be a sensitive matter. This holds particularly true for countries with fragile democratic traditions, where the government may consider non-state actors as 'opposition forces' rather than as 'partners' to be consulted and supported. But non-state actors can be part of the problem as well. In some cases, civil society can be misused as a forum for political purposes, thus creating tensions with (elected) governments.

The legitimacy, governance and capacity of non-state actors

In most ACP countries, the world of non-state actors is highly diversified, dynamic and fragile. The rapid increase in donor funding has often had perverse effects, including fierce competition among non-state actors, or the creation of 'fake' civil society organisations. All this means that the official parties should not rely on 'quick fixes' in organising the participation of non-state actors. If the process is to be genuine, time will be required to understand 'who's who' – i.e. to identify legitimate non-state actors that can provide real added value. It will also take time to put in place support programmes to improve the governance structures and capacity of non-state actor organisations.

Prerequisites for participation are often missing

In most ACP countries, the institutional conditions necessary for the effective participation of non-state actors - including adequate information flows, structured mechanisms for dialogue, functioning platforms of non-state actors, capacity support programmes, etc. - are not (yet) in place. The existence of these implementation bottlenecks was confirmed by the non-state actors consulted in the preparation of this guide (*see box below*).

Clearly, the promotion of participatory approaches will be a challenging learning process for all parties involved.

Against this background, it can be useful for non-state actors to better understand what forms of participation are possible (and which are not) in the practice of the Cotonou Agreement. The following sections are intended to provide such guidance for non-state actors involved in each of the three pillars of ACP-EC cooperation: development cooperation, trade and political dimensions.



Participation in practice: the concerns of non-state actors

- *Governments may pay only lip service to participation.*
- *The obligations of the parties are so vaguely defined that even a superficial involvement of a few compliant non-state actors could suffice to fulfil the legal requirements.*
- *Official parties may 'hand-pick' a limited number of 'trusted' non-state actors.*
- *The space for non-state actors promoting political change (e.g. human rights associations) is often limited.*
- *Ad hoc approaches to consultations with non-state actors still largely apply.*
- *There is a danger of creating an artificial, top-down structure that claims to represent all groups of non-state actors, which may be used by official parties as the preferred interlocutor.*
- *The absence of direct funding for non-state actors may result in a dependency on the 'goodwill' of the National Authorising Officer (NAO) and the EC.*
- *There is a risk that non-state actors will be 'instrumentalised' as subcontractors.*
- *The lack of information and capacity support may prevent genuine participation.*
- *Political and technical support from the Delegation of the European Commission could turn out to be limited.*
- *Effective mechanisms to ensure compliance are lacking.*

4.2 Participation in development cooperation

According to the Cotonou Agreement this is the first major area where the participation of non-state actors needs to be promoted. It relates to the EC support (aid) provided to each ACP country or region through the National and Regional Indicative Programmes (NIPs and RIPs).

As mentioned in Chapter 3, the basic principles for involving non-state actors in development cooperation are spelled out in the Cotonou Agreement:

- non-state actors are invited to participate in all aspects of cooperation (formulation, implementation, review and evaluation); and
- non-state actors can play a dual role (they can participate either as partners in dialogue processes or as implementing agencies, or both).

In order to understand what this means in practice, development cooperation between the EC and a country (or region) can be conceived as a process that goes through a number of stages. Where appropriate, there are opportunities for participation of eligible non-state actors at each of these stages, as shown in the box.

These avenues for non-state actor participation are briefly discussed in the following paragraphs.



Six possible avenues for participation in development cooperation

1. the formulation of national/regional development policies and strategies;
2. the preparation of Country Strategy Papers (programming);
3. the definition of sector strategies;
4. the implementation of programmes and projects included in the National Indicative Programme (NIP);
5. the implementation of specific programmes in support of non-state actors; and
6. the reviews of progress achieved in implementing the Country Strategy Paper (annual, mid-term and end-of-term), as well as evaluations of projects and sector programmes.

1 Participation in the formulation of national/regional development policies and strategies

EC cooperation is not provided in a vacuum. Both the text and the spirit of the Cotonou Agreement make it clear that EC aid is there to support national/regional development strategies.

This is consistent with the principle of promoting ownership of the development process (and of external support programmes).

However, if cooperation is to be based on national/regional policies, these policies should also reflect the concerns and aspirations of ordinary citizens. This explains why the participation of non-state actors in broader processes of formulating national/regional development strategies has become an important matter for ACP-EC cooperation as well.

What form can non-state actor participation take?

The forms of non-state actor participation will depend on country conditions and the type of processes used to formulate national/regional development strategies:

- **Poverty Reduction Strategy Papers* (PRSPs).** Many ACP countries are involved in donor-supported processes to define comprehensive PRSPs through broad-based consultations between state and non-state actors. The actual modalities of non-state actor participation will be defined through the PRSP process itself.
- **National development plans.** Other ACP governments do not have a PRSP, but have taken initiatives to formulate coherent national development strategies. In the process, they usually also involve a wide range of non-state actors.

- **Regional development strategies.** Also at the regional level, the idea of formulating comprehensive regional development strategies through consultative processes with non-state actors has recently gained momentum. Several regional bodies, including CARICOM (for the Caribbean), the CEDEAO/ECOWAS (for West Africa) or the South Pacific Forum (for the Pacific) have made efforts to involve non-state actors in the formulation of their strategy for development.

Ideally, these national or regional development strategies, whether designed in a participatory manner through PRSPs or otherwise, should serve as the basis for identifying the most relevant EC support (*see box, page 45*).

2 Participation in programming

'Programming' is the next stage in the cooperation process. By definition, EC aid resources are limited. They need to be targeted at specific priorities, taking into account existing national/regional development strategies (see above), as well as the efforts of other donor agencies.

Programming thus refers to the formal process of consultation and decision making on the substance of the development cooperation, i.e. 'what will we do with the available resources?'



This is a critical stage of the cooperation cycle, as it determines the nature and implementation strategies of EC assistance to a given ACP country/region. Non-state actors have an obvious interest in influencing the programming process, not least to ensure that it includes specific support programmes for non-state actors.

Before addressing the question of the form participation of non-state actors can take, it may be useful to say a word about the **programming process** itself. **Two main activities** have to be carried out at this stage of the process:

- **Preparation of a Country Strategy Paper (CSP)** based on the country's own medium-term development objectives and strategies. The CSP also contains the EC response strategy ('what contribution can the EC provide?').
- **Preparation and adoption of a National Indicative Programme (NIP)**. This is in fact a kind of roadmap showing how the CSP will be implemented with EC funds. It specifies the focal and non-focal sectors of assistance and the (indicative) allocation of resources. In principle, it should also explain what kind of support will be provided to non-state actors. This indicative programme is to be adopted by common agreement between the official parties and annexed, as a binding document, to the CSP.

Non-state actor involvement in national policies The case of education in Tanzania

In Tanzania, the programming for the 9th EDF took its cue from the Poverty Reduction Strategy Paper (PRSP), in which basic education was highlighted as a key area for support. The indicative EC allocation of EUR 43.5 million will be provided in the form of sector-specific budget support for the implementation of the Education Sector Development Programme (ESDP) which receives assistance from a wider group of donors.

Although transferred via the government budget, a part of the basket funding is earmarked for civil society. The National Policy Forum, a group of NGOs that have organised themselves to participate in national policy processes, have representatives in the working groups for implementation and monitoring of the Poverty Reduction Strategy. Non-state actors are also represented on the steering committee for the ESDP. Advocacy groups and networks, such as the NGOs HakiElimu and the Tanzania Education Network (TEN/MET) play a critical role in disseminating information to a broader group of non-state actors and school committees in order to broaden participation. (www.hakielimu.org)

It is not yet clear whether the participating non-state actors will be able to enjoy capacity building support through the NIP agreed between the Tanzanian government and the EC.

What form can non-state actor participation take?

According to the Cotonou Agreement, the CSP shall be prepared by the ACP State and the EC 'following consultations with a wide range of actors in the development process' (Annex 4, Article 2).

In practice, this means that non-state actors can participate in the debate on the priorities of the cooperation between their country and the EC. They can express their opinions and comment on the directions sketched out by the official parties or on the use of the funds set aside for their country by the EC. In particular, they can report on the specific needs of non-state actors and make suggestions as to the type of support programmes that would be most relevant for them. However, they can neither decide nor impose specific directions: the final decision rests with the official parties. The only thing they can do is to *influence* these choices through constructive participation in the programming process.

Emerging lessons from experience

The programming exercise for the 9th EDF has been largely completed for the different ACP countries and regions. What lessons can be drawn from this first experience of programming under the new framework of the Cotonou Agreement as far as the participation of non-state actors is concerned?

A **first way to draw lessons** is to look in some detail at a specific country experience. The example of Jamaica (*see box*)

highlights the process followed to ensure participation, and the practical difficulties that were encountered.

A **second way to draw lessons** is to make qualitative assessments of the participation of non-state actors in programming. Such analyses have recently been conducted by several organisations, including the following:

- the European Commission, covering most ACP countries (*for a summary of the main findings, see Annex XIV*);
- the Cotonou Monitoring Group of CONCORD (the European Federation of Development and Relief NGOs) for a selected number of ACP countries (*see Annex X*);
- the Friedrich Ebert Foundation, also for a selected number of countries;¹ and
- the World Confederation of Labour (WCL) for a particular set of actors (trade unions) through a questionnaire sent to its affiliates in some ACP countries.²

Not surprisingly, the reports produced by non-state actors tend to be more critical of the quality of participation than the assessment by the EC. However, almost all of these assessments identified some key implementation challenges. In particular, **improvements were needed** in:

- (i) the timely flow of relevant information;
- (ii) the methods and transparency of procedures for selecting non-state actors;
- (iii) the feedback to constituencies; and
- (iv) the mechanisms for dialogue (less ad hoc) and follow-up.

3 Participation in the definition of sector strategies

The focus here is on the policies defined by ACP governments for key development sectors such as health, education, natural resource management, transport, etc. These sector strategies occupy a central position in the cooperation process between ACP governments and the EC because:

- under the Cotonou Agreement, the idea is not to fund a multitude of projects in all kinds of sectors (as was often the case in the past), but to support sector strategies, properly designed and 'owned' by the ACP country; and
- it is now a general rule that EC support to a given ACP country will be concentrated on a limited number of sectors (a maximum of two or three). This also means that these sectors will attract a fairly large proportion of the funds from the NIP.

Against this background, it is clear why non-state actors have a stake in participating in the formulation of sector strategies and in the design of related EC support programmes.

What form can non-state actor participation take?

Article 4 of the Cotonou Agreement provides the legal basis for the participation of non-state actors at this stage of the cooperation process. Sector strategies are



Non-state actor participation in programming EC development cooperation in Jamaica

Key features of the process

The participation of non-state actors in Jamaica was facilitated in several ways, including through the organisation of a national conference on the Cotonou Agreement. A series of technical meetings with EC advisors and consultants in the preparation of the Country Strategy Paper (CSP) were also held, as well as two consultation workshops with non-state actors to discuss a draft version of the CSP.

The government's perceptions

On the whole, the government is supportive of the new, participatory approach to programming. But the novelty of the approach has brought its own complications, including the identification of actors to be consulted, the scope of their participation, time and funding constraints, as well as capacity bottlenecks (e.g. to ensure a proper information flow).

The perceptions of non-state actors

The opportunity to participate in programming acted as a trigger for many non-state actors. It helped to increase their awareness of the Cotonou Agreement and to kick off new forms of collaboration between non-state actors on policy issues. Yet many non-state actors also recognise their own weaknesses, including the lack of structures for joint advocacy work, the difficulty in arriving at united positions, and their limited capacity to disseminate the results of the dialogue process to their own constituencies.

clearly cooperation priorities that concern or directly affect a wide variety of non-state actors. In an ACP country that has decided to focus EC aid on the education sector, for example, the strategy will be of interest to parent-teacher associations.

What else do non-state actors need to know about the modalities of participation in formulating sector strategies?

First, non-state actors are not supposed to play a role in the selection of the two or three priority sectors that will be included in the National Indicative Programme of their country, or the Regional Indicative Programme of their region. As it stands now, this decision is taken during the programming process (*see point 2*) by the official parties alone. In some ACP countries this may cause tensions, as non-state actors may disagree with the choices made by their government and the EC. But there is not much that can be done about this.

Second, while in consultation processes on national development strategies (or PRSPs) the aim is to follow an inclusive approach to participation, a different story prevails in sector policy consultations. Whether non-state actors will be invited to participate in sector policy making will depend on the specific expertise they may be able to contribute to the process.

Third, the sectors that have been included in a country's NIP still have to be trans-

lated into concrete programmes. In practice, this means deciding on the objectives of the EC sector support programme, defining priority areas for funding, or agreeing on the most appro-



Non-state actors and the design of a rural education strategy in Fiji

In Fiji, it was decided to focus almost all the resources of the NIP (9th EDF) on just one focal sector - rural education. Within this sector, 15% of the resources will be allocated to non-state actors.

In order to work out a concrete implementation strategy for this focal sector, a team of consultants was recruited to carry out an identification study. This should help to define clearly the objectives, priorities and management modalities of the programme, including the non-state actor component.

The study was carried out using a participatory approach, which enabled the non-state actors to provide inputs at an early stage of the process, and to comment on the first draft. They were also successful in defending the need for decentralised management of the 15% allocated for non-state actors, contrary to the initial proposal by the consultant to centralise management at the level of the Ministry of Education.

appropriate forms or 'modalities' of implementation. In principle, relevant non-state actors should be invited to participate in this process, as illustrated in the case of sector planning in Fiji (see box, page 48).

4 Participation in the implementation of programmes and projects

Implementation is the next stage of the cooperation process. It comes logically after the formulation of a Country



Some practical tips on how to get involved in sector strategies

- Check if any sector dialogues are currently taking place between the official parties and non-state actors in your country. If not, for when are they foreseen, and who do you need to link up with to participate? Your umbrella organisation or thematic network may have the latest information.
- Is anyone representing your interests in such a dialogue? If not, try to find out what issues and programmes they are discussing and see whether you have an added value to bring to the discussion. Then see if there are other non-state actors or umbrella networks with similar concerns to link up with.
- Contact your non-state actor representative best suited to represent your interest and views in sector consultations, or the official parties directly to express your desire to get involved.
- Find out about information networks on your topic of interest and how to stay informed on future opportunities to participate.
- Check whether there is any support programme from the government and/or donors for non-state actors who want to get involved (e.g. capacity building support).
- Link up with the structures and mechanisms in place for non-state actor participation in sector strategies, (e.g. working groups, dialogue platforms, information distribution channels, intermediary organisations with a networking mandate).
- Don't forget that the donor community as a whole has moved in the direction of supporting sector programmes. In the framework of the OECD's Development Assistance Committee* (DAC), donors have recently agreed upon a new set of guidelines. One of the key recommendations of the DAC guidelines is that non-state actors should be systematically included as development partners (see www.oecd.org/dac). If your sector has not been identified as a focal area in the CSP for EC cooperation, you may want to explore what other donors are doing to support the participation of non-state actors in the sector of your expertise.

Strategy Paper (CSP), the elaboration of a National Indicative Programme (NIP) specifying the focal and non-focal sectors, and the identification of concrete programmes (like the identification study for the rural education programme in Fiji, *see box on page 48*).

What form can non-state actor participation take?

The legal basis for participation is again Article 4 of the Cotonou Agreement: non-state actors shall 'be involved in the

implementation of cooperation projects and programmes in areas that concern them or where these actors have a comparative advantage'.

In practice, this means **non-state actors can participate in the implementation of development programmes** by:

- **providing added value** in terms of knowledge, skills or legitimacy;
- **delivering services**.



Two forms of non-state actor participation in implementation

Providing added value

The implementation of a NIP programme may be entrusted to a non-state actor organisation if the official parties feel it is best placed to do the job, perhaps because of its knowledge, skills or legitimacy. In Malawi, for instance, the execution of a civic education programme (8th EDF) was initially left to a network of church organisations as they were considered to be able to reach out to the grassroots level. However, as the political climate in Malawi became more tense and churches became more involved in advocacy work, it was decided to entrust the second phase of the programme to a more neutral executing agency.

Government agencies and non-state actors can also agree to jointly implement a programme and to divide up the roles and responsibilities

according to their respective comparative advantages. An example is the 'Public-Private Partnership project' in Suriname, where private sector associations and the government have joined forces to create an environment that will be conducive to private sector development.

Service provision

Non-state actor organisations could participate in the implementation of programmes or projects involving the provision of services (e.g. road building under EC support to the transport sector, or delivering health care services for AIDS victims). Market rules (e.g. tender procedures) will usually be used to determine which non-state actors will be awarded contracts.

5 Participation in the implementation of specific support programmes for non-state actors

There are **two main types of support** programme specifically intended for non-state actors:

- Programmes to support **development initiatives** conceived and implemented either wholly or partially by non-state



Some practical tips for participating in implementation

Non-state actors could consider the following for enhancing their participation:

- Maintain regular contacts with the official parties to obtain up-to-date information on the status of implementation of the programmes and projects.
- If official parties cannot provide this information, find out if there are other umbrella networks or platforms that could.
- Form strategic alliances. For example, non-state actors could choose to link up with a European partner that can help in carrying out the necessary administrative procedures around tendering for contracts.

actors. A well-known example is the micro-projects programme. However, several NIPs include support for broader local development programmes (sometimes called 'decentralised cooperation'), which generally seek to promote collaboration between non-state and local governments (*see example of Madagascar in section 5.2*).

- Programmes to support **capacity building** in critical areas in order to reinforce the capabilities of non-state actors to participate effectively in ACP-EC cooperation.

Clearly, in some countries the NIP may include support programmes that combine these two objectives of supporting development initiatives and capacity building.

What form can non-state actor participation take?

There are different opportunities for non-state actors to participate in the design and implementation of development programmes or capacity building initiatives, specifically intended for them:

- **Programming process.** If non-state actors are associated with the programming process (*see point 2*), they can advocate the inclusion of a support programme on their own behalf in the National Indicative Programme. They can also influence the overall orientation and the level of funding.

- **Identification phase.** Like any project funded by the EC, the support programmes for non-state actors also have to be properly identified in order to decide how the resources will actually be used. This identification stage is a very important moment for non-state actors. Ideally, they should be fully involved in the design of the programme, including the choice of the most suitable institutional arrangements for implementation. Mali offers a good example of non-state actors participating in the identification process at an early stage (*see box*).
- **Decision-making and management.** Decisions on the allocation and management of funds are taken by the National Authorising Officer and the EC. Different modalities can be agreed between the NAO and the EC to manage the funds reserved for non-state actors. In some countries, this may lead to a situation where the Delegation of the European Commission is in the driving seat when it comes to administering the support programme (*for more details see section 5.5, point 3*).
- **Implementation.** Depending on the institutional arrangements adopted, non-state actors can play an important role in the implementation of the programmes intended for them. Both the micro-projects scheme and the decentralised cooperation approach are based on the principle of delegating management responsibilities to the non-state actors involved. (*for more details see section 5.5, point 6*)



Elaborating the terms of reference for an identification study The case of Mali

In Mali, the National Authorising Officer (NAO) and the Delegation of the European Commission have adopted a participatory approach in the design of the non-state actors support programme (EUR 15 million under the 9th EDF). An 18-month preliminary programme is in the process of being identified, with a team of consultants recruited to carry out the identification study.

Non-state actors have been involved at a very early stage in the design of the programme through a consultation process to draw up the terms of reference (TORs) for the identification study. Two meetings with non-state actors have been held to discuss the TORs, which were amended by the official parties taking into account the contribution of the participants.

6 Participation in reviews and evaluations

Reviews and evaluations are the processes whereby cooperation is assessed throughout its implementation. The purpose is to check whether cooperation is being implemented in accordance with the commitments made, and whether it is effective.

Depending on the results of these processes, the content of cooperation may be revised to respond more effectively to the needs and constraints of the country (or region) concerned. The quality of participation is one of the criteria used in the reviews. Non-state actors can contribute to an assessment of their own participation.

What form can non-state actor participation take?

According to the Cotonou Agreement, non-state actors shall, where appropriate, be consulted on cooperation policies and priorities (Article 4) and in the elaboration of Country Strategy Papers (Annex 4, Article 2).

The reviews are part of the overall (rolling) programming process. They can be used to modify cooperation strategies. Quite logically, this implies that non-state actors should also be involved in the review process.

First, we look in some detail at what the various reviews entail, in order to help clarify where non-state actors could be involved.

The Cotonou Agreement distinguishes **three types of review**:

- **Annual review.** In order to promote smooth and efficient implementation, it is foreseen that the NAO and the Head of the Delegation of the European Commission will undertake an annual operational review of the National or Regional Indicative Programme. In practice, this will be a joint assessment of implementation progress achieved. Note that one of the issues to be covered in the annual reviews is 'the use of resources set aside for non-state actors' (Annex 4, Article 5).
- **Mid-term review.** Since each NIP is adopted for a period of five years, the mid-term review takes place, in principle, two and a half years after the NIP is signed. The mid-term review is a key moment, for it allows an overall review of cooperation with the country concerned, in terms of its performance in implementing the programme (*see box*).



The mid-term review

The mid-term review (MTR) involves a systematic examination of programme implementation. The purposes of the MTR are:

- *to review and adapt, if needed, the Country Strategy Paper (CSP);*
- *to introduce new objectives into the CSP to reflect changing conditions in the country; and*
- *to reallocate funding, if necessary.*

- **End-of-term review.** The final review takes place at the end of the five-year period of the NIP. It has the same purposes as the mid-term review.

As in the case of programming, responsibility for carrying out these reviews lies with the National Authorising Officer and the EC. The official parties may (or may not) decide jointly on the need to adapt the CSP (e.g. to reallocate funds from one programme to another).

In contrast, it is up to the EC alone to revise the overall resource allocation to a given ACP country following the completion of the mid-term and end-of-term reviews.

What roles do the non-state actors play in all this? Where appropriate, they should be consulted during the mid-term and end-of-term reviews. This implies that they need to be properly informed on the issues to be discussed. It also requires a mechanism to ensure efficient dialogue.

The official parties are currently working out concrete modalities for the upcoming mid-term review (due to take place mid-2004), and will provide more details on how non-state actors will be associated with the process.



Some practical tips for participating in reviews and evaluations

- Ensure that there is a mechanism in place for the systematic gathering and analysis of information on the implementation of the Cotonou Agreement as seen from the perspective of non-state actors. Such a mechanism would preferably be created in collaboration with national or sectoral platforms and jointly with official parties.
- Initiate a discussion with official parties around the development of simple, realistic evaluation indicators, especially in relation to monitoring the quality of non-state actor participation.
- Use the reviews to propose new projects and support programmes. The reviews can be used to start a dialogue on needs that may not have been properly identified or taken into account at the initial programming stage.
- Try to work out, together with official parties, joint learning mechanisms that can ensure that non-state actors are systematically involved in monitoring and evaluation on an ongoing basis rather than in an ad hoc manner during reviews.

4.3 Participation in trade policies

Trade cooperation is the second pillar of ACP-EC cooperation. It is linked to the key development objective of ensuring the smooth and gradual integration of ACP countries into the world economy. Yet trade is a policy area that is subject to major changes, as a result of globalisation processes and worldwide trends towards liberalisation.

The ACP Group and the EC are negotiating among themselves a radically new trade regime within the framework of the Cotonou Agreement (*see chapter 2*). The aim is to conclude Economic Partnership Agreements (EPAs), which are both development-oriented and compatible with the requirements of the WTO. Needless to say, the outcome of these negotiations is likely to have a major impact on the economies of ACP countries and the lives of its people.

Hence, it is important to ensure the efficient, relevant and coherent involvement of non-state actors. This section focuses specifically on non-state actor participation in the trade negotiations under the Cotonou Agreement.

What form can participation take?

The Cotonou Agreement foresees that non-state actors should be consulted on 'cooperation policies and strategies, on priorities for cooperation especially in areas that concern or affect them directly'

(Article 4). Trade policies clearly fall under this legal definition, as they constitute a building block of national or regional development strategies.

Several opportunities for the participation of non-state actors in trade policies have emerged in recent years (*see box 'Avenues for non-state actor engagement in trade policy', page 56*).

Addressing the capacity gap on trade matters

Trade is a very complex, technically demanding policy area. The formulation and negotiation of trade policies takes place through processes at different levels (global, regional and national), involving a wide range of institutions and actors with different interests, and spread over a long period of time.

For many non-state actors it is not clear how they would be able to participate in these kinds of trade policy processes, for a number of reasons:

- inadequate information flows on the trade issues involved (for each ACP country or region);
- the overall fragility of existing structures for representing the interests of non-state actors;
- their limited analytical skills to prepare inputs and position papers on crucial trade issues; and
- the lack of resources to participate in a systematic and coherent way in trade meetings at different levels.



Avenues for non-state actor engagement in trade policy

National consultations on trade

Governments can decide to organise broad-based consultations on trade policies prior to engaging in trade negotiations. South Africa provides an interesting example. The National Economic Development and Labour Council (NEDLAC), through its Chamber of Trade and Industry, brought together government, labour and the private sector in a tripartite dialogue on trade.

Participation in negotiating teams

Several ACP countries (e.g. Guyana, Jamaica and Mauritius) have built up a tradition of including non-state actors (particularly from the private sector) as observers in country delegations attending trade negotiations.

Structured dialogue at the regional level

Future EPAs will be primarily defined at the regional level. This has pushed several regional organisations from the ACP to put in place mechanisms to allow structured dialogue with non-state actors from the region.

All-ACP level

As mentioned in section 3.2, the ACP Group has been working on a set of guidelines to promote the effective involvement of non-state actors in the EPA negotiations with the EC.

DG Trade initiatives

The European Commission's DG Trade is the department responsible for trade policies. In recent years, it has made efforts to promote the timely flow of information on trade policy issues, including through a 'Civil Society Dialogue' on the web. (http://europa.eu.int/comm/trade/issues/global/cds/dcs_proc.htm)

DG Trade also supports the execution of so-called sustainability impact assessments (SIAs). These studies assess, using a participatory approach, the likely impacts of newly proposed trade arrangements with a view to informing the negotiating process. (http://europa.eu.int/comm/trade/issues/global/sia/index_en.htm and <http://www.sia-ACP.org/ACP/uk/news.php>)

European Economic and Social Committee (EESC)

This institution has also been highlighting trade issues, and especially EPA negotiations, in its consultation with economic and social partners in ACP countries. The EESC organises regularly workshops and conferences with the ACP partners on both the all-ACP level and the regional level.

In addition, one should not forget that trade issues are of interest not only to the formal private sector. They also concern other non-state actors such as trade unions, farmers, the informal sector as well as civil society organisations. Each of these actors may face different capacity constraints when engaging in trade talks, and may also be defending competing positions.

Against this background, it is not surprising that non-state actors are often unable to fully use the space available for participation in trade talks. This 'capacity

deficit' can lead to a situation in which official parties (e.g. the EC or a regional ACP body) may actively seek to involve non-state actors, yet do not receive substantial inputs from them.

All of these factors mean that capacity support to non-state actors is a prerequisite for their successful participation in the area of trade. Initiatives to tackle this capacity gap on trade matters can be taken by different actors, as the examples presented in the box '*Initiatives to tackle the capacity gap on trade issues and economic development*', (page 58).

4.4 Participation in political cooperation

Compared with the successive Lomé Conventions, the Cotonou Agreement attaches much more importance to the political dimensions of cooperation (see chapter 2). Non-state actors clearly have a stake in the political agenda of the Cotonou Agreement, both in their capacity as citizens, and as potential agents of change.

What form can participation take?

The *principle* of non-state actor participation in political dialogue processes between the ACP and the EC is clearly enshrined in Articles 4 and 8 of the Cotonou Agreement. However, as in other areas of cooperation, the *modalities* of participation are not spelt out in any

detail. This means that practice, as it evolves over time, will clarify the terms of engagement of non-state actors.

So how should non-state actors envisage meaningful participation in this domain? A number of avenues for participation exist.

Designing and implementing political cooperation programmes

A growing number of National Indicative Programmes across the ACP include programmes to support ongoing democratisation processes or governance reforms (e.g. support to improve the rule of law). These programmes provide a first opportunity for non-state actor participation. Different



Initiatives to tackle the capacity gap on trade issues

Jamaican Trade and Adjustment Team (JTAT)

In January 2001, the Jamaican Ministry of Foreign Affairs and Foreign Trade created the Jamaican Trade and Adjustment Team (JTAT), which consists of trade experts, researchers, civil servants from the Ministry and Advisory Group leaders. The team's mission is, among other things, to assess sectoral and national plans in order to guide trade policy and negotiation strategies. These efforts should help to increase Jamaica's competitiveness during the period of adjustment provided under the Cotonou Agreement. Since it was set up, JTAT has made various attempts to initiate a national discussion on the coming changes in the global trade regime, for instance by organising meetings at the parish level or with various non-state actors. JTAT also consults with a Civil Society Advisory Group to exchange information and perspectives on trade issues with grassroots organisations. For more information on JTAT, visit the Ministry's website:

www.mfaft.gov.jm/Ministry/Departments/Foreign%20Trade/JTAT.htm

The Kenya Private Sector Alliance (KEPSA)

This new initiative in Kenya seeks to develop a common voice on cross-cutting concerns of an inclusive private sector. The focus is economic development through the active participation of the private sector. This initiative is the culmination of a process which started in December 2000, during the launch of the private sector consultations on the Poverty Reduction Strategy Paper (PRSP). These consultations were carried forward through private sector participation in the formulation of the Economic Recovery Strategy for Wealth and Employment Creation, which was launched in June 2003. These consultations solidified the formation of KEPSA as a structured mechanism for private sector engagement in public policy dialogue.

KEPSA brings together existing private sector groupings from various interests under one common umbrella with an established mechanism for regular consultations. It also includes members and private sector foundations with more social concerns to have more of a 'development outlook' for the country. It is an interesting example of how

existing private sector organisations can overcome sector differences to participate under a common umbrella body for a more coherent approach and stronger development impact. The newly formed Alliance also intends to engage on ACP-EC cooperation issues related to private sector development and trade, and is seeking linkages with other similar platforms at the regional and international levels.

Capacity Building Initiative

The ACP and the EC have set-up a EUR 20 million facility to promote capacity building of ACP actors (e.g. national governments; regional organisations, non-state actors) in trade matters. The facility provides project funding for a wide range of capacity building activities related to the trade negotiating process. Under this programme, EUR 150,000 was granted to the Senegalese NGO ENDA to organise national and regional workshops of non-state actors in West Africa to discuss their role and interests in the EPA negotiations. A second programme of this type, for an amount of EUR 50 million, should be operational by early 2004.

Information networks: the ACP-EU trade website

Easy and timely access to relevant information is a precondition for effective non-state actors participation. Information networks can help in this. The ACP-EU trade website, for example, is a joint initiative of several organisations – including the ECDPM, the EU-LDC Network and ODI – that aims to be a non-partisan source of information, documents and links on ACP-EU trade matters (www.acp-eu-trade.org).

CTA's support to trade capacity building

In addition to Agritrade (CTA's web portal on ACP-EU agricultural trade), CTA co-organises and funds meetings and consultations in Brussels and ACP regions on ACP-EU agricultural trade issues. The Centre can also fund the participation of international experts to ACP meetings on trade issues and support e-consultations and websites (e.g. www.cotton-forum.org) to increase awareness of ACP stakeholders on ACP-EU initiatives and exchange of information on progress in trade negotiations. Finally, CTA publishes a number of key reference documents on trade issues (<http://agritrade.cta.int>).

groups of non-state actors could usefully contribute to the design and implementation of these political cooperation programmes. Such involvement would be consistent with the general principles of non-state actor participation (Article 4).

Monitoring budget support

As EC aid increasingly takes the form of budget support to governments, there is a growing need for a new set of accountability mechanisms. Non-state actors could play a useful role in monitoring how the government manages budget aid. They could, for instance, work together with parliament to assess whether the agreed pro-poor expenditure targets in social sectors (linked to the provision of budget support) are being effectively met. In several ACP countries, networks of non-state actors are already performing such roles in the framework of assessing the implementation of the PRSPs.

Non-state actors in difficult partnerships

Several ACP countries are experiencing conflicts, collapsing state structures or major political instability.

If there is no development cooperation with the Government, specific solutions are required. If it is not possible to use EDF finance, use of the EC budget lines should be considered (*see further chapter 5.4*). All this has implications for non-state actors as well. In difficult partnerships, a specific **set of opportunities** for participation exist:

- Aid suspension affects cooperation with the government. It does not exclude the continuation of support programmes for non-state actors. Thus, in Zimbabwe, the Zimbabwe Decentralised Cooperation Programme (ZDCP) has not been halted and has even been expanded (despite the sanctions).
- In countries where aid has been suspended, priority programmes can be redirected away from government agencies to non-state actors. This is the case, for instance, with food aid or humanitarian assistance, which are financed from EC budget lines and which can be channelled through NGO.
- In extreme cases, where the state has ceased to function (as in Somalia, for example), the EC directly manages aid to the country, using non-governmental channels.
- The importance of associating non-state actors in political dialogue processes is increasingly being recognised (as foreseen in Article 8 of the Cotonou Agreement). The case of Sudan offers an interesting example, as described in the box on page 60.

Political dialogue at the global ACP-EC level

Political cooperation between the official parties to the Cotonou Agreement also takes place at global level, through a set of joint ACP-EC institutions responsible for the overall management of the partnership (*see Annex III*).

Two such institutions are worth mentioning here, as they increasingly provide opportunities for non-state actor participation on political matters.

- The **ACP-EC Council of Ministers** is the key political body of ACP-EC cooperation. It meets once a year to review the overall health of the partnership, to discuss political issues or to formulate new policies. For example, during the meeting of the ACP-EC Council of Ministers in Punta Cana, Dominican Republic, in June 2002, there was a vivid political debate on the type of eligibility criteria that should apply to non-state actors.
- The **ACP-EC Joint Parliamentary Assembly (JPA)** also monitors the implementation of the Cotonou Agreement, including issues related to the participation of non-state actors.

In both cases (the Council and JPA), the participation of non-state actors is at an early stage. Yet significant progress has been made to ensure the involvement of non-state actors at this global level. Both parties to the Cotonou Agreement have agreed to a standard procedure to invite civil society representatives to the ACP-EC Council of Ministers and the Joint Parliamentary Assembly meetings. It is therefore important for non-state actors to organise themselves to ensure that they have truly representative structures at national, regional and global levels.

Notes

- 1 R. Traub-Merz and A. Schilberg, *Consultation of Non-State Actors under the New ACP-EU Partnership Agreement: Empirical survey of 17 countries in sub-Saharan Africa*, Friedrich Ebert Stiftung, Africa Department, Bonn (www.fes.de/cotonou).
- 2 G. Fonteneau, 'Trade unions are development stakeholders!', *The Courier ACP-EU*, No. 199 (European Commission, Brussels), pp. 29-30.



Sudanese non-state actors contribute to the in political dialogue

Sudan has been affected by civil war for decades. EC aid was suspended in 1991 as a result of the poor human rights situation. In recent years, however, the prospects for a comprehensive peace settlement have improved. In order to support this, the EU has been involved in political dialogue with the Sudanese authorities. The resumption of cooperation is being used as a tool to exercise leverage on the success of the peace process.

These political debates are vital for the country as well as for future cooperation. The EU has regularly invited selected groups of non-state actors in the north and the south of the country to discuss items on the agenda of the political dialogue. These bilateral talks between the EU (in this case, the European Commission and the EU Member States present in Sudan) are rather informal, but the Sudanese government is kept informed about the meetings and is briefed on their outcomes.