

## Delivering the goods: Challenges for ACP-EU relations in 2007

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This *InBrief* seeks to identify some of the headline debates that can be expected in 2007 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.

*'2005 was a year of powerful gestures.  
2006 will have to be the year  
of practical implementation.'*

This quote from the European Parliament's Development Committee's report on aid effectiveness<sup>1</sup> accurately reflects the sentiments of many stakeholders in the European development sector this past year. After the grand promises of the *European Consensus on Development*<sup>2</sup> and the *EU-Africa Strategy*<sup>3</sup> published in late 2005 in particular, expectations are raised and the EU must now deliver the goods. However, it is not possible to implement ambitious programmes in just one year. As it was, the policy debate continued in 2006, producing a series of new landmark statements in the process. **So what's the outlook for 2007?**

### 1 Key debates in 2007

For the European Commission in particular, 2007 represents a quiet but important threshold. The European Commissioner for Development, Louis Michel, and his colleagues will be halfway through their mandates as Commissioners. In the development sector at least, many of the big policy decisions that were expected to fall during their term in office have already been taken.

The accent now is on what they can actually deliver in practice before they leave office in 2009.

Further progress was made in 2006 on both the two key policy statements made by Michel in 2005, the *European Consensus* and the *EU-Africa Strategy*. Nevertheless, there is still a long way to go before they can really be said to have had a practical impact on the ground. The *Consensus* document has helped to promote debates on aid effectiveness and complementarity that have featured prominently in the Council agenda in 2006. Although the *EU-Africa Strategy* has proved a useful basis for further dialogue with the African Union, it has not – as had been hoped – led to the formulation of a *Joint AU-EU Africa Strategy* during the year, nor has it produced any more clarity on how the Strategy should engage the whole EU and not just the Commission. For these two debates alone, 2007 will be an interesting year.

But there are other big issues. On the financial front, 2007 will be the last year in which all the funds in the EDF 9 financial protocol can be formally committed to projects.<sup>4</sup> It will also be the first year of operation of the new-style EU Budget (the multi-annual financial framework 2007-2013) with its streamlined budget lines for external actions. In other words, it will be a

year of change for both the EU's major packages of finance for development.

Perhaps most important of all is the trade and development debate. With 2007 being the final year in which Economic Partnership Agreements (EPAs) may be negotiated before the WTO waiver falls and with a lot still left to do on this front, the year is set to be a tense one that will in all likelihood build up to a grand cliff-hanger finale.

As always, the programmes of the German and Portuguese EU Presidencies for the two halves of the year are important because they will play a key role in setting the agenda for all the policy work in Council working groups and meetings. The German and Portuguese governments have in fact agreed on a common programme with Slovenia on development cooperation for the three Presidencies, stretching right through until mid-2008. This reflects a preoccupation with the follow-up and implementation of the *European Consensus*, the *EU-Africa Strategy* and the EPA negotiations. Aid effectiveness and a more rational EU division of labour will figure prominently in the list of priorities. In addition, however, the 18-month Presidency programme also highlights a desire to refine the EU's communication strategy on development cooperation so as to improve understanding and build ownership.

## 2 The international backdrop

These debates will be taking place against a backdrop which – in European terms at least – should not involve many major institutional changes. There are of course elections expected in various countries<sup>5</sup> and Sweden and Netherlands, two important EU donors, entered the year with new governments. There are also key leadership changes in two major European countries, France and the UK. Although these changes in government will influence the direction of European development policy in due course, the effects are unlikely to be felt immediately in 2007. Where the two new leaders in France and the UK will very quickly be important, however, along with German Chancellor Angela Merkel, will be in setting the tone in achieving the promised rises in ODA levels over the next few years. If these three leaders of the biggest EU donor countries do not collectively show the political will to reach the 0.7% target by 2015, the EU will not achieve the target it has set itself. More immediately, the first six months of the year will be Angela Merkel's first EU Presidency. Her biggest challenge will be how to handle the revival of the Draft EU Constitution.

2007 will also see the further enlargement of the Union with the accession of Bulgaria and Romania, two countries which do not have a long history of development cooperation. This will bring the total membership of the EU to 27. The current Treaty does not allow any further enlargement until the Union's administrative and institutional structures have been adapted. This places European leaders under greater pressure to find a solution to the rejection of the draft Constitution by French and Dutch voters in 2005.

The Draft EU Constitution is relevant to development cooperation because of the changes it proposes in the organisation of the EU's external actions. These include the creation of a post of a European Foreign Minister, who would be part of both the European Commission and the Council Secretariat and would therefore be well

placed to bring greater coherence to the EU's overall external policy. This could potentially be of major value in ensuring that development policy is better coordinated with security policy, for example, or political dialogue. Another change included in the Draft Constitution is the establishment of an EU diplomatic service, the European External Action Service, that would comprise EU civil servants as well as an increasing number of member states' civil servants working together in a single structure that again should improve the internal consistency of the EU's external action.

It will be interesting to see whether any of these potentially useful features of the Draft Constitution can be salvaged. A lot will depend on the debate on the legality of resurrecting only some parts of the Constitution and not others, when 18 EU Member States (including the two prospective members, Bulgaria and Romania) have ratified the whole document and only two have said 'no', i.e. France and Netherlands. In other words, it is not a debate simply about which parts are generally seen as useful and which are not. It is also a debate about how to handle the package as a whole.


The German government has also decided to place Africa at the top of the agenda for the G8 Summit to be held in Heiligendamm in June 2007, which it will be chairing simultaneously with the EU Presidency. The focus for this Summit will be the *global economy and the development of Africa*, which of course raises expectations of a sequel to the Gleneagles Summit in 2005. The question is whether the promises made in Gleneagles on ODA and support to Africa are being kept.

On a wider international level, two appointments are likely to have a big political impact. The first is the changing of the guard at the UN, when the current Secretary General, Kofi Annan, gives way to Ban Ki-moon of South Korea. The second is the election of a new Chair of the African Union Commission when President Konaré's term ends at the AU Summit in July 2007. Both of these posts have a strong bearing on

the future of the EU's external actions, given the EU's commitment to and strong backing for the UN and the African Union. President Konaré's successor and his or her attitude to the EU will be one of the factors shaping the progress of the EU-Africa Strategy. In the USA, the fact that the Democrats now control both houses of Congress should also impact on US foreign policy. A more multilateralist approach should start to re-emerge during the two-year run-up to the presidential elections in 2008. This could well provide a welcome boost to such international debates as the increasingly urgent global challenge of climate change.

Another issue that came to prominence in 2006 and which will certainly prompt more debate in 2007 is the growing importance of new donors. China, India, Brazil and Venezuela are all attracting attention in this respect and China in particular is very active in Africa. This has raised concerns among Western donors about their divergent approaches to issues such as human rights and democracy.

The scale of Chinese offers of soft loans and credits to Africa (with USD 5 billion pledged by President Hu Jintao at the Sino-African summit in Beijing in November 2006)<sup>6</sup> is enormous and has raised fears of a new round of unsustainable debt. China's plans to double its aid to the continent by 2009 could also soon mean that the EU is no longer the predominant donor on the continent. China is also planning to double its trade with Africa to USD 100 billion by the end of this decade. A key question is how to engage these new donors in a dialogue on approaches and standards in external assistance. One possibility would, of course, be to invite them to join the OECD Development Assistance Committee, where such issues are currently discussed by the traditional donor group. However, the EU's own trade with China, investment policy and relations with countries such as North Korea, Iran and Iraq, rather than aid modalities and conditionality, will be the main priorities of the EU's burgeoning dialogue with this rapidly emerging superpower.<sup>7</sup> A high point for this dialogue will be a visit to China by External Relations Commissioner Ferrero-

December	EU Africa Strategy adopted	January	6 <sup>th</sup> AU Summit (Khartoum)	March	April	GAERC with development focus
	Financial Perspectives 2007-2013 agreed		 Austrian EU Presidency			EU Caribbean Strategy issued
	EDF 10 agreed					
	European Consensus on Development					
2005			2006			

Waldner early in 2007 to formally launch a new EU-China Partnership.

Given that cooperation on peace and security is a core part of the EU-AU relationship, concern about conflicts in Africa, such as in Darfur, is likely to continue to weigh heavily on the debate on EU external action in 2007. The EDF 10 replenishment of the African Peace Facility (APF)<sup>8</sup> and the continuing ambivalence of the Sudanese government towards the UN taking over the AU peacekeeping operation in Darfur mean that the question of EU funding and support to the AU force will continue to dominate the security and development debate for some time to come. The Horn of Africa and the Democratic Republic of Congo and its neighbours are two other areas of simmering tension that observers will continue to watch closely in 2007 for signs of new armed conflicts.

### 3 EU aid management

If delivery is to be the name of the game in 2007, the debate must focus on the issue of improving the effectiveness of EU aid. This is not headline material, nor can progress be fast. Rather, it is in day-to-day practice and in arrangements in the field that advances must be made. Complementarity, joint programming, policy coherence and the transition from old to new financial packages are all part of this debate.

#### *The effectiveness of the EU's external assistance: a shift in emphasis*

Since 2000, EU ministers of development cooperation have conducted an annual Orientation Debate on the effectiveness of EU external assistance. At first, these debates centred on how European Community aid, i.e. aid managed by the European Commission, was administered and looked at various potential reforms and improvements. These included the establishment of EuropeAid as a single agency for managing all EU aid, the devolution of decision-making to EC Delegations in the field, changes in financial procedures and the introduction of more

systematic procedures for programming aid, ensuring quality, monitoring and evaluation, reporting and reviewing progress. In the past couple of years, however, as more and more people recognise that genuine improvements have been made in the way EC aid is managed, the focus of these debates has started to shift. Whilst there is always more that can be done, the point is that we are now witnessing a shift in emphasis, towards the need for making EU aid as a whole more effective.

To a certain extent, this has been prompted by the Declaration of the Paris High Level Forum of March 2005,<sup>9</sup> with its emphasis on harmonisation and alignment. However, it also stems in part from a growing recognition of the value of joint EU action. Since the EU's preparations for the Monterrey conference on the Financing for Development in 2002, there has been a slow but discernible growth in acceptance of the idea that the EU can achieve more on development issues and can be a global leader if it is prepared to act as one. Consensus on the Millennium Development Goals and the Paris agenda has seemingly served to further cement this belief.


#### *Complementarity and joint programming*

By late 2006, the talk in the Orientation Debate was thus more of 'complementarity<sup>10</sup> and division of labour', with the Member States and the European Commission committing themselves to seeking greater sector and geographic complementarity in their work and encouraging partner countries to help them find the best solutions in this respect.<sup>11</sup> In terms of implementing this decision, they identified a need to look at implications for improving resource utilisation and recommended that public communication '... should increasingly present the collective EU contribution in a particular country...'<sup>12</sup> The next step in this debate is for the European Commission to submit proposals by February 2007 which would then normally lead to a further Council discussion in May 2007.

Another practical aspect of the complementarity debate is the agreement reached in Council in late 2005, and further cemented with conclusions drawn at the April 2006 Council, on the subject of joint programming.<sup>13</sup> At the April meeting, the European Commission proposed, as requested, an updated Common Framework for Country Strategy Papers (CSPs).<sup>14</sup> These were to be based on a number of guiding principles, including the objectives of the *European Consensus* and the Paris principles of encouraging ownership and alignment. By and large, this agreement was reached too late for it to enable much joint programming of Member States' and EU assistance in conjunction with the European Commission's own programming exercise for the CSPs for EDF 10 (for the ACP countries), which was largely completed in 2006. However, some joint programming was apparently nevertheless possible in a few partner countries. An opportunity missed therefore, but to some extent this was to be expected as, in practice, joint programming can only really be introduced step by step in different places as the opportunities arise at country, sector or programme levels. The key will be to monitor progress, see what has been achieved by the end of 2007 and draw lessons from this initial experience.<sup>15</sup>

#### *Policy coherence for development*

The Council meeting in October 2006 also discussed policy coherence for development (PCD) and considered how this might best be taken into account in Council decision-making. Twelve policy areas had been identified previously as areas in which progress needed to be made on PCD.<sup>16</sup> So at this meeting, all EU Member States were invited to consider how they might also support this by improving on PCD in their national decision-making processes. The meeting also welcomed a European Commission proposal to prepare (in 2007) the first in a series of biennial reports on the application of PCD in the EU. The Council suggested this report should include feedback from the Parliament, civil society and partner countries, which implies that this will be an important focus of public

<p><b>May</b></p> <p>6<sup>th</sup> EU-Africa Ministerial Troika (Vienna)</p> <p>4<sup>th</sup> EU-LAC Summit (Vienna)</p> <p>Inter-Institutional Agreement on Financial Framework 2007-2013</p> <p>EU Pacific Strategy issued</p>	<p><b>June</b></p> <p>31<sup>st</sup> ACP-EU Council of Ministers (Port Moresby)</p> <p>11<sup>th</sup> ACP-EU JPA (Vienna)</p> <p>AIDCO Annual Report 2006 published</p>	<p><b>July</b></p> <p>7<sup>th</sup> AU Summit (Banjul)</p> <p>G8 Summit (St Petersburg)</p> <p>Suspension of Doha Development Round</p> <p> Finnish EU Presidency</p>	<p><b>August</b></p> <p>Governance Communication issued</p>
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2006



debate in 2007.<sup>17</sup> The Commission also undertook to review its own PCD mechanisms, such as its policy impact assessment system, to see how these might be enhanced.

These steps should therefore also contribute to European preparations for the next follow-up meeting on the Paris Declaration. This is to be a High-Level event in Ghana in 2008, as reflected by the EU joint Presidencies' programme.

### Progressing from EDF 9 to EDF 10

The end of December 2007 has been set as the deadline for final commitments under EDF 9. The European Commission has confirmed<sup>18</sup> that it is on target and intends to use up all the funds available under EDF 9, as well as the remaining balances from previous EDFs. This would be a major breakthrough as the last three EDFs, at least, were not fully committed within the allotted period. However, this could then pose a question for 2008, depending on the speed with which the financial protocol for EDF 10<sup>19</sup> is ratified by all the EU Member States. If ratification again takes nearly three years to complete, no EDF funds will be available for commitment in 2008 and possibly even in 2009. This means that an interim solution will have to be found. If some EDF 9 funds are nevertheless still unused by the end of the year, a decision is still required as to whether these can be rolled forward into EDF 10 or not.

Apart from these questions on the commitment of EDF funds, 2007 should also allow for an assessment of the effectiveness of the first full five-year cycle of rolling programming and performance-based reviews introduced under the Cotonou Partnership Agreement. The end-of-term reviews of EDF 9 are supposed to be completed by the end of 2006, allowing one last year for any further adjustments to spending before the December 2007 deadline. Although it is already evident that the system has helped to ensure that all EDF funds can be committed in the period of the financial protocol, the system was also expected to deliver improvements in

performance. This has been more difficult to judge as the cycle has progressed, because any judgement depends on the availability of monitoring data: the ROM system (Results Oriented Monitoring) was introduced in 2001 shortly before EDF 9 came on stream and there was therefore no historical basis on which to judge trends. Now that we have reached the end of the EDF 9 cycle, however, a full five-year set of data is available, as was evident from the 2006 Annual Report<sup>20</sup>, in which the European Commission made more use of this information than in the past. The results for the ACP countries are among the lowest for all the EU's external assistance programmes, so with the five-year cycle of EDF 9 now complete and the results of an end-of-term review also available, 2007 will be an important year in which to carry out an in-depth review of progress.

A growing feature of EDF management during the latter years of the 9th EDF has been proposals, primarily emanating from the European Commission, to create a number of facilities and initiatives for specific purposes that ACP countries can draw on, over and above their country allocations. The first of these was the African Peace Facility, which is of course available only to African states. However, this first Facility has since been joined by the ACP-EU Water Facility, an ACP-EU Energy Facility,<sup>21</sup> a Natural Disasters Facility, a Migration Facility and a Governance Initiative (see below). In addition, the European Commission plans to contribute EUR 5.6 billion from EDF 10 to an EU-Africa Infrastructure Partnership (from EDF national and regional resources). The indications, therefore, are that EDF 10 will confirm this trend, with fairly large amounts of money being earmarked for specific

purposes from the outset. Although all these purposes clearly correspond to specific needs in ACP countries, cumulatively they also point to a far more proactive style of fund management by the European Commission, moving away from the traditional and much applauded joint management spirit of the past. Exactly how this will work and how it will also marry with the European Commission's commitment to the Paris Declaration's precepts of alignment will become evident in the next couple of years.

Following the agreement on the new EU Budget, or the 'Financial Perspectives 2007-2013' as it is technically known, the December 2005 Council also put to rest the subject of the possible *budgetisation of the EDF*, i.e. its inclusion in the EU Budget, for several years. However, the Council did accept the European Commission's point that the mid-term review of the Financial Perspectives in 2008-2009 could be a suitable moment to look at the question again. EDF budgetisation is thus clearly off the agenda until 2008. However, given that both the European Parliament and the European Commission have supported such a change for many years now, one can expect the debate to be resumed in that year.

### New EU budget and instruments for external action

The new EU budget<sup>23</sup> is expected to be fully approved just in time as 2007 starts. For the EU's external assistance, Heading 4, this new budget heralds a real revolution with over 100 budget lines being reduced to just eight.<sup>24</sup> The significance of this change lies in the shift of management responsibility towards the Commission. In the past, the

Facilities, Initiatives & Partnerships: indicative amounts in EDF 10<sup>22</sup>

	EDF 9	EDF 10
Africa Peace Facility	€ 300 million	€ 300 million
ACP-EU Energy Facility	€ 220 million	?
ACP-EU Water Facility	€ 500 million	?
EU-Africa Infrastructure Partnership	€ 60 million	€ 5,600 million
ACP Governance Initiative	n.a.	€ 2,700 million
ACP-EU Natural Disasters Facility	€ 12 million	?
ACP-EU Migration Facility	€ 25 million	?
<b>Total</b>	<b>€ 1,117 million</b>	<b>&gt; € 8,600 million?</b>

**September**  
ASEM 6 Summit (Helsinki)  
UN High Level Dialogue on Migration and Development (New York)

**October**  
Meeting of AU and EU Commissions (Addis Ababa)  
7<sup>th</sup> EU-Africa Ministerial Troika (Congo, Brazzaville)  
GAERC with development focus: Orientation Debate  
New EU-China Strategy proposed

**November**  
Sino-African summit (Beijing)  
European development days (Brussels)  
12<sup>th</sup> ACP-EU JPA (Bridgetown)  
EU-African Ministerial Conference on migration (Tripoli)  
Africa-South America Summit (Abuja)

**December**  
5<sup>th</sup> Summit of ACP Heads of State and Government (Khartoum)  
End of Term Review of EDF 9 to be completed  
EPA review scheduled to be completed  
Collective EU ODA level to reach 0.39% ODA/GNI

2006

European Parliament has been able to influence budget spending by pushing the creation of budget lines dedicated to specific purposes. The new arrangement heralds a much more rational structure which clearly identifies the main lines of EU assistance. For MEPs, it now means that, in their control and scrutiny of expenditure, they will have to depend far more on well defined overall policies such as the *European Consensus* for development cooperation and on ensuring that the European Commission effectively reports on the implementation of these policies.

In 2007, the main concern for officials and external users of the budget such as non-state actors will be the need to get used to the new system. It is only after the end of year, once the expenditure reports are compiled, that the Commission itself and the institutions responsible for budgetary scrutiny, i.e. the European Parliament, the Council and the Court of Auditors, will be able to judge whether the new system is working.

In essence, the new budget for external action (Heading 4) is relatively simple. There are four geographic budget lines or instruments, the first corresponding with the developing countries (the DCI or Development Cooperation Instrument), the second for the potential future members of the EU (the IPA or Instrument for Pre-Accession), the third for neighbouring countries not expected to become EU members (the ENPI or European Neighbourhood Policy Instrument) and finally the fourth for cooperation with industrialised countries. There are four other budget instruments dubbed 'horizontal' that deal with four major areas of EU external assistance on a global basis: Macroeconomic Assistance, the European Instrument for Democracy and Human Rights (EIDHR), the Stability Instrument, and the Humanitarian Aid Instrument. The first and last of these instruments already existed in the previous budget.

One final feature is the continuation of five development programmes, which will be part of the DCI. However, these will available

for programmes in all developing countries, including those covered otherwise by the ENPI and indeed also in the large group of developing countries for which funds are still kept outside the EU Budget, i.e. the ACP Group which are supported from the separate EDF. These five programmes cover:

- non-state actors
- food security
- human and social development
- the environment
- asylum and migration

One other important instrument not included in the above description because it is not spent by the European Commission but by the Council Secretariat is the Common Foreign and Security Policy (CFSP). This covers Community expenditure on foreign policy and security initiatives aside from the African Peace Facility.

The overall allocation to external assistance under Heading 4 of the budget is € 49.46 billion. Of this amount, just over € 6 billion is to be spent in the first year, 2007. The annual allocation then gradually rises over the seven years to € 8 billion by 2013.<sup>25</sup> The amounts allocated to each of

these new instruments and programmes are given in the attached table. The CFSP will get about 4% of this amount.

**Rising ODA levels: on track to meet the target?**


The Monterrey consensus commits the EU and its member states to increasing their ODA levels to 0.7% of GNI (Gross National Income) by 2015. This commitment was reaffirmed at both the Council meetings in May 2005 and April 2006, when the General Affairs and External Relations Council noted that the EU is well on track to meeting this target by raising its collective ODA level to the annual target of 0.39% of GNI in 2006, and reaffirmed its commitment to reach 0.56% ODA/GNI by 2010.<sup>26</sup> According to EU Commission President Barroso, the EU is even likely to surpass the 2006 target and reach 0.42% in 2006.<sup>27</sup>

Two questions arise from this plan, which observers will be watching closely in 2007. The first has already been alluded to above: do the EU heads of state and finance ministers have the collective political will to

The EU's external action instruments (2007-2013)

Global coverage	Horizontal Budget Instruments	EIDHR (€ 1.1 bn)					
		Instrument for Stability (€ 2.1 bn)					
		Humanitarian Aid Instrument (€ 5.6 bn*)					
		Macro-financial assistance (€ 0.8 bn*)					
		CFSP (~ € 2 bn*, managed by the Council)					
Geographic coverage	Geographic Budget Instruments	Cooperation with industrialised and high income countries					
		IPA (€ 11.5 bn)					
		ENPI (€ 11.2 bn)	Non State Actors	Food security	Human and Social Development	Environment	Migration and asylum
		DCI (€ 17 bn)					
		EDF 10 (€ 22.7 bn)					

\* Proposed allocation, not final

<p><b>2007</b></p> <p>1<sup>st</sup> biennial monitoring report on PCD to be issued</p> <p>Joint Aid for Trade Strategy to be drafted</p>  <p><b>German EU Presidency and G8 Presidency</b></p>	<p><b>January</b></p> <p>8<sup>th</sup> AU summit (Addis Ababa)</p> <p>EU accession of Bulgaria and Romania</p> <p>Financial Perspectives 2007-2013 come into force</p> <p>Public Consultation on Joint EU-Africa Strategy to start</p>	<p><b>February</b></p> <p>EC to publish communication on complementarity</p>	<p><b>March</b></p> <p>Informal meeting of EU development ministers and ACP-EU ministerial meeting to discuss EPA review (Bonn)</p> <p>International Conference on Good Governance (Brussels)</p> <p>50 years of Treaty of Rome (Berlin)</p>
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support their development ministers in this pursuit and can they sustain this will over such a long period? A lot will depend on the leadership shown by the new generation of EU political leaders and there is no clear indication of what they will do on this score as a group. There are few countries in Europe like Sweden where high ODA levels command cross-party and widespread public support. In the UK the prospect of a Gordon Brown premiership holds out some hope in that, as finance minister, he has a track record of supporting this goal. However, he is only one among many and he may well see things differently if and when he becomes prime minister. The G8 Summit in June 2007, shortly after the French presidential elections and (probably) after the UK change in leadership, will be a key moment in this respect.

The other issue is how these funds will be channelled to the developing countries and to Africa in particular. With both the EU Budget and EDF 10 now set until 2013 and showing only marginal increases, the big rise in funding will probably have to be channelled through the Member States' bilateral aid packages. This, of course, implies a proportional reduction in the amount of EU aid relative to the aid supplied by individual EU Member States. Alternatively, some advances may be made in 2007 in terms of finding new ways of moving towards European co-financing schemes in which EU Member States agree to pool funds for specific forms of external assistance in different types of common funds, and ask the European Commission or one of their number, to administer these funds on behalf of the whole group. The Financial Fund for Infrastructure, a trust fund launched in February 2006 as an instrument of the EU-Africa Partnership on Infrastructure, is a first such attempt to enable the European Commission, interested Member States and the European Investment Bank (EIB), as well as other European and African financial and development institutions, to co-finance projects. It has already been allocated € 60 million from EDF 9 by the European Commission, plus € 260 million worth of loans from the EIB.<sup>28</sup>

### **Annual Report on EU external assistance: ensuring accountability**

At the request of the Member States, the 2007 Annual Report that EuropeAid is due to publish in June 2007 should focus more on the Millennium Development Goals and be more analytical than it was in the past. It should clearly link programmes and the effectiveness of their impact in terms of achieving the Millennium Development Goals. The Member States also want the Report to show clearly what progress has been achieved against the Paris agenda. The second, European Community part of the *European Consensus* should be used as the prime basis on which to report. This request to report on progress against policy is likely to become increasingly important for both the Council and the Parliament in the next few years, now that the EU Budget has a new structure and the number of budget lines in the external actions chapter has been pared down. The *quid pro quo* for reducing the control exercised by the Council and the European Parliament of the way funds moved through multiple budget lines in the past, is more detailed and analytical reporting against policy goals if adequate levels of accountability are to be maintained in the new Budget system.

In considering the EuropeAid Annual Report the EU Member States and European Parliament will also be aided by the publication in July 2007 of the periodic OECD Development Assistance Committee Report of the Peer Review of European Community Aid. This review focuses primarily on effectiveness issues and will look specifically at such questions as PCD.


Finally the European Commission and the EU Member States are also planning an additional and joint annual 'European development report', to be published for the first time in early 2008. This will be more future-looking in outlook and will seek to analyse, raise issues and encourage debate. Preparations for this publication will begin in 2007.

## **4 The EU-Africa Strategy**

In December 2005, the European Council adopted a European strategy for working with Africa, set out in a document entitled *'The EU & Africa: Towards a Strategic Partnership'*.<sup>29</sup> This strategy document comes on top of the long-standing ACP-EU Cotonou Partnership Agreement. In 2006, the EU approved strategies for the other two ACP regions, i.e. the Caribbean and Pacific regions. While it recognises certain differences between the regions and ensures there is a strategy for all countries in each of these geographic regions, whether or not they are members of the ACP group, it has also raised questions. Not least, the approach departs from the traditional Cotonou-based system of joint consultation leading up to a commonly agreed framework. Others argue that this further undermines the unity of the ACP at a time when it is also under strain from negotiations on the conclusion of Economic Partnership Agreements.

### **A joint AU-EU Strategy for Africa?**

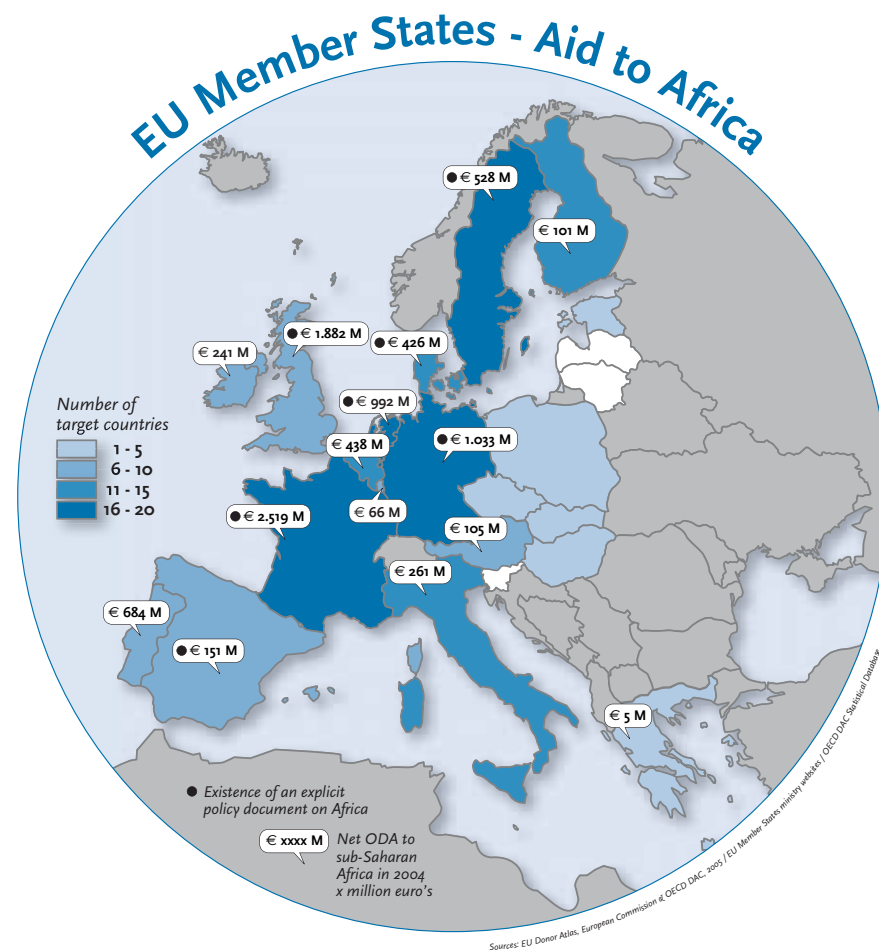
A month before it was approved by the European Council, representatives of the African side also discussed the EU-Africa Strategy at a joint ministerial troika meeting in Bamako. It was agreed here that it would be a good idea to move towards a joint AU and EU strategy. The idea was that this would ultimately be approved at a future EU-Africa Summit. Further discussions on the preparations for this Joint Strategy moved forward slowly in 2006, but real progress is now only expected to be made in 2007. The goal is to hold the Summit in Lisbon, as planned since the first Summit in Cairo in 2000, and ideally during the Portuguese Presidency. The timetable is therefore tight and the consultation process will have to move relatively fast in the first part of the year if it is to be respected. Of course, there is also a high likelihood that the Summit will again be delayed unless a solution is found to the EU-Zimbabwe dispute that might allow sanctions imposed on Zimbabwean leaders to be lifted and in turn make it possible to invite them to meetings on European soil once again.

<b>April</b>	1 <sup>st</sup> OECD Global Forum on Development Plenary Meeting and DAC High Level Meeting (Paris)	<b>May</b>	8 <sup>th</sup> EU-Africa Ministerial Troika GAERC with development focus	<b>June</b>	32 <sup>nd</sup> ACP-EU Council of Ministers (Brussels)  G8 Summit (Heiligendamm)  European Council (Brussels)  13 <sup>th</sup> ACP-EU JPA (Wiesbaden)  AIDCO Annual Report 2007 to be published	<b>July</b>	Global forum on migration and development (Brussels)  9 <sup>th</sup> AU Summit (Accra): new AU Commission to be appointed  EDF 10 programming to be completed   Portuguese EU Presidency
<b>2007</b>							

One of the questions that need to be answered at an early stage is what the African institutions would want such a joint Strategy to look like. The EU's wishes are relatively clear, as there already is an EU Strategy for Africa. However, no such preparatory work has recently been done in Africa. Obviously, pointers may be found in past exchanges: the NEPAD document<sup>30</sup> gives a good and relatively recent indication of what African leaders expect from the donor community. There are also regular troika communiqués from the joint ministerial troika meetings of what the EU and AU sides see as the current agenda for their relations. However, it is to be hoped that the African member states of the AU will be consulted specifically on the joint strategy, just as much as there has been such a discussion in Europe.

**A strategy for the whole of Europe?**

On the European side, there was certainly some debate in Council working groups during the preparations for the 2005 Council meeting. There was also considerable public debate on the issue of support for Africa's development following the publication of reports such as *Our Common Interest*, by the Blair Commission on Africa, in March 2005.<sup>31</sup> However, only limited progress has since been made in binding the various Africa programmes of the EU Member States into some form of common programme to back up this Strategy and turn them into a genuine 'strategy for the whole of Europe', as is promised in the introductory paragraphs. So far only half a dozen EU Member States have specific policies for their support to Africa and there is virtually no discussion about rationalising the geographic coverage of EU bi-lateral aid to Africa. This, therefore, is very much something for the 2007 agenda and is a key area in which the EU member states can take forward their commitments to achieving greater complementarity in their work. A first report on what the EU is doing collectively to put the Strategy into practice will be presented to the European Council in December 2006. This should provide a good basis for further debate over the following months.



In practice, of course, the agenda for EU collaboration with Africa will be set primarily by the big issues that are already preoccupying the international community: security, migration, governance and trade negotiations. European development cooperation with Africa is affected by all these debates. The value of the EU-Africa Strategy lies partly in the political momentum it has built up in Europe. However, it also resides in the fact that it is multifaceted, provides a strong basis for policy coherence for development and should enable European actors to achieve an effective mix of policies at different levels on Africa.

**Security and development**

Peace and security is one of the areas in which the AU has been most effective in the past few years. The EU has been closely involved in supporting its efforts both financially and technically. A decision to replenish the Africa Peace Facility<sup>32</sup> with further funds from both EDF 9 and EDF 10 was taken in 2006. While the bulk of this money<sup>33</sup> is likely to be spent on peacekeeping operations such as in Darfur, some of these funds are reserved for capacity-building work and for meeting the longer term needs of the AU's *African peace and security architecture* at both continental and sub-regional levels. This capacity-

Month	2007	2008
October	<ul style="list-style-type: none"> <li>UN High-level Dialogue on Financing for Development (New York)</li> <li>9<sup>th</sup> EU-Africa Ministerial Troika</li> <li>GAERC with development focus: Orientation Debate</li> </ul>	<ul style="list-style-type: none"> <li>ACP Heads of Government and State summit</li> <li>5<sup>th</sup> EU-LAC summit (Peru)</li> <li>First annual <i>European development report</i> to be published</li> <li>Commission to report on <i>Governance Initiative</i></li> </ul>
November	<ul style="list-style-type: none"> <li>Second European development days (Lisbon)</li> <li>EU-Africa Summit planned (Lisbon)</li> <li>14<sup>th</sup> ACP-EU JPA</li> </ul>	
December	<ul style="list-style-type: none"> <li>UN Conference on Climate Change</li> <li>European Council (Brussels)</li> <li>All EDF 9 funds to be committed</li> <li>EPA negotiations scheduled to be finalised</li> </ul>	



building only really started to move late in 2006, so it should be a major feature of 2007. The November 2006 General Affairs and External Relations Council approved joint Council Secretariat and Commission plans for supporting this work both technically and financially. At the same time, the European Commission is also funding work in this area in the form of conflict prevention projects of different types at sub-regional level, through the Regional Indicative Programmes, and even at the national level. It is to be hoped that synergies can also be found between these initiatives. The outcome of the EDF 10 programming exercise that began in 2006 and is due to be completed in July 2007 is an ideal opportunity for generating such synergies. The EU Member States also do a lot of work on the issues of conflict prevention and peace and security, so these are other areas in which there is a need to secure complementarity.

### Migration and development

Migration is another area where there is widespread interest both at official level and in the public domain in cooperation between Africa and Europe. The policy debate in this area has moved forward fairly rapidly in the past couple of years, both in international terms and in terms of direct talks between AU and EU actors, with a number of conferences being devoted to the issue in 2006. There is now growing acceptance of the link between migration and development. What is less clear are the tangible programmes arising from this debate. This really is the challenge for the next few years: is it really possible to run programmes that help manage migration in ways that are both supportive of national development in Africa and respond to frequently contradictory popular demands on both continents? Again, the outcome of the EDF 10 programming will indicate what type of programmes might be supported. The potential importance of the role played by diasporas in development and of remittances as a major source of foreign earnings has been underlined. However, the best examples of the benefits of such cases have been seen in Asia and Latin America rather than in Africa, and it is not really clear

whether the same formulae can be made to work elsewhere.

### The challenge of good governance

The *Governance Initiative* launched by the European Commission in 2006 is an incentive mechanism for encouraging democratic governance reform programmes. Funding of € 2.7 billion is available from EDF 10, which ACP countries will be able to draw on in addition to their national EDF allocations.<sup>34</sup> This will probably be used to provide European financial support to the African Peer Review Mechanism<sup>35</sup>, among other things.

Some dissatisfaction was expressed in 2006 with the first steps taken by the European Commission in setting up the process for allocating funds from the Governance Initiative. The bulk of the criticism was levelled at the manner in which *governance profiles* for each ACP country were prepared and at the system of indicators that is being used to inform decisions on resource allocation. ACP commentators also point to the need for Europeans to look at donor governance of aid as this has a knock-on effect on good governance in their countries.

Two major implementation issues have already drawn the attention of ACP governments and other observers, and will become more critical as soon as EDF 10 funds become available. First, the policy dialogue on governance and the triggers for this 'incentive tranche' financing will have to be harmonised with other donors so as to ensure compatibility with existing aid modalities and not undermine country ownership. Second, in order for the Governance Initiative to gain credibility and be effective, the European Commission still needs demonstrate how it will enhance mutual accountability in line with the Paris Agenda.

## 5 Regional strategies for the Caribbean and the Pacific


The issue of the EU-Africa Strategy should not overshadow the fact that the EU also

adopted regional strategy papers for the two other ACP regions, i.e. the Caribbean and the Pacific, during the course of 2006.<sup>36</sup> These have been used as one framework for guiding the programming of the 10th EDF in these two regions, but certainly in the Caribbean the interest is far more on the trade relations with Europe than on the development cooperation. In the Pacific, EU development assistance assumes greater importance, because the Union is one of the largest donors in the region, although this could change with the rise of China as a donor.

At a political level, representatives from both regions have also underlined the importance of the relationship with the EU as a counterweight to other large, powerful neighbours in their regions. Last but not least, the two regions share a geographical characteristic: between them, they include the vast majority of the world's small island states. Climate change and the EU's willingness to push this issue in international fora are thus crucial. As 2006 draws to a close, there are signs that the issue of climate change may well be making a comeback on the international agenda. With the prospect of the Bush Presidency coming to a close in 2008, the issue may well gather momentum in 2007.

## 6 Trade and development

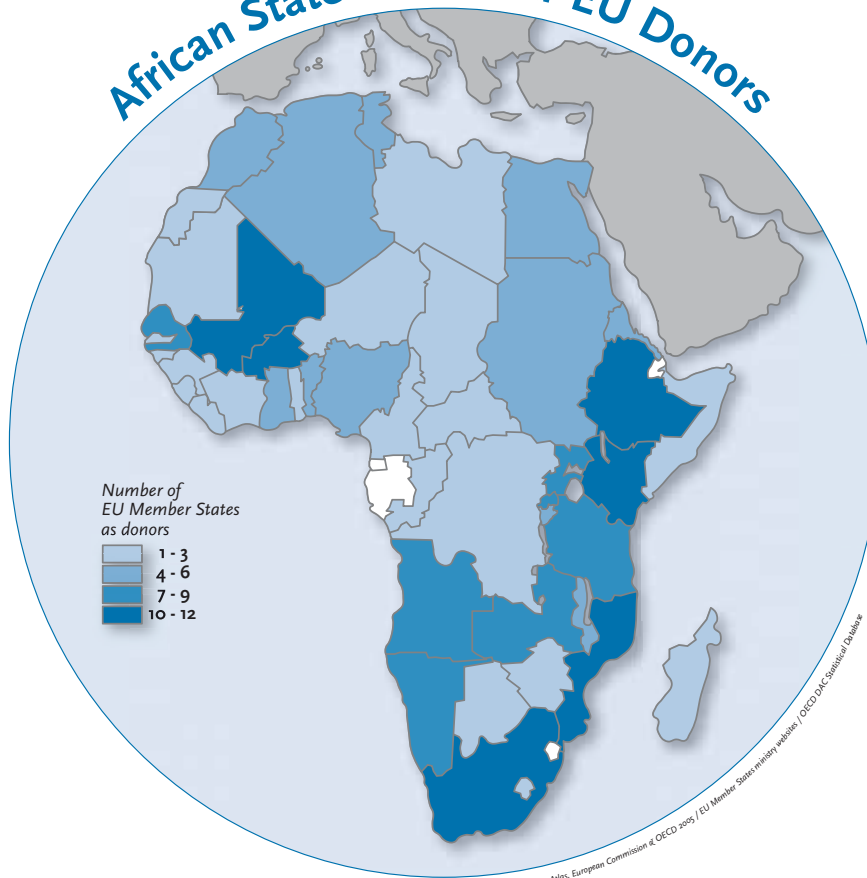
One of the most important and potentially politically divisive debates for ACP-EU relations in 2007 is the EPA negotiations as this is the final year to conclude them and the WTO waiver for the past ACP-EU preferences system runs out in 2008. The Cotonou Partnership Agreement refers explicitly to the need for EPAs to be compatible with WTO rules. The thinking at the time was that EPAs would build upon the outcome of multilateral talks. However, now that the Doha *development round* of WTO talks collapsed in July 2006, there is no such foundation on which to build. The question, therefore, is whether the EPAs, or any alternative, can be turned into genuinely development-friendly trade agreements and concluded by the end of 2007.

<p>January</p> <p>10<sup>th</sup> AU summit</p> <p>EPA implementation scheduled to start</p> <p> Slovenian EU Presidency</p>	<p>April</p> <p>2<sup>nd</sup> OECD Global Forum on Development Plenary Meeting and DAC High Level Meeting (Paris)</p> <p>GAERC with development focus</p>	<p>May</p> <p>10<sup>th</sup> EU-Africa Ministerial Troika</p>	<p>June</p> <p>33<sup>rd</sup> ACP-EU Council of Ministers</p> <p>15<sup>th</sup> ACP-EU JPA</p> <p>G8 Summit (Japan)</p> <p>AIDCO Annual Report 2008 to be published</p>
<b>2008</b>			



The Cotonou Partnership Agreement (Art. 37.4) provides for regular reviews of the progress of EPA negotiations. Such a review should have been held in 2006, but was only just getting under way at the end of year, when six regional studies were commissioned. The review is intended to be 'all-inclusive and consultative' and is therefore open to all stakeholders. Among other aims, it is intended to assess the degree of preparedness for concluding EPAs. The results of these six studies will be published early in 2007. Thereafter, a period of debate will ensue, including an ACP-EU ministerial meeting in March 2007 and ending, for the ACP countries in any event, with a Council of Ministers in June 2007. The subject is also likely to figure prominently on the agendas of the AU Summits in both January and July 2007, as the AU has been liaising with the African negotiating groups with a view to seeking some consistency in approach. The early part of the year will therefore see official bodies, parliamentarians and non-state actors pursuing an intense argument on the feasibility of concluding EPA negotiations by the end of the year. Criticisms of the EPA negotiations voiced by ACP parties and by both ACP and European non-state actors gained strength throughout 2006 and are likely to become even more biting in 2007. This means that 2007 will probably be a very difficult year for ACP-EU relations, in any event in relation to trade.

## African States and their EU Donors



The prospects for actually completing the negotiations in time seem slim and, even if they are concluded, the EPAs will still need to be ratified, a process which will take time in all ACP regions and in the EU itself. Consequently it seems likely that an extension to the WTO waiver beyond 2008 will be necessary or some other transitory measure found and by late 2006 suggestions were already being advanced as to how this might be argued. The failure to conclude the Doha round figures prominently on the list of possible grounds to be cited.

2006 saw an upsurge in commitments for *Aid for Trade (AfT)*, i.e. money made available by donors to help developing countries make

the necessary regulatory, production and market adjustments so as to create a level playing field for them to compete in liberalised trade regimes. The EU member states and the European Commission have pledged to step up their trade-related development assistance and have promised € 2 billion (50% from the European Commission of which much is already available, and 50% in the form of bilateral aid), although they have also said that these resources will not be specifically EPA-related. Exactly how these funds are going to be used and how effective they can be in helping ACP countries make these changes should become plain in 2007.

Beyond the EPA negotiations but with clear implications for them, the EU will also be working in 2007 on 'a more comprehensive, integrated and forward-looking external trade policy' that would help boost Europe's competitiveness.<sup>37</sup> In line with this ambitious strategy and while remaining committed to a strong multilateral trading system, the EU has set out to conclude a series of far-reaching Free Trade Agreements (FTAs) that would better serve its main trading interests (as opposed to its neighbourhood and development objectives), notably but not solely in Asia. For instance, the Association of South East Asian Nations (ASEAN), Korea and Mercosur (the South American trade group) have been

<p>July</p> <p>11<sup>th</sup> AU summit</p>	<p>September</p> <p>Third High Level Event on aid effectiveness (Ghana)</p>	<p>October</p> <p>11<sup>th</sup> EU-Africa Ministerial Troika ASEM 7 (Beijing) GAERC with development focus: Orientation Debate</p>	<p>November</p> <p>16<sup>th</sup> ACP-EU JPA</p>
<p>French EU Presidency</p>			
<p>2008</p>			

identified as priority target areas for such FTAs. Agreements with India, Russia and the Gulf Cooperation Council would also be of interest to the EU, while China has been given special attention in a comprehensive partnership strategy proposed in October 2006.<sup>38</sup>

More importantly, through these new FTAs, the EU would be tackling issues 'which are not ready for multilateral discussion' but can be addressed through FTAs. The EU will be giving careful consideration to the impact of these new FTAs on the preferential access enjoyed by its neighbouring and developing partners and on the sustainable development objective of its bilateral trade relations, notably in the context of EPAs. However, should they be concluded during the course of the present EPA negotiations, such agreements would most probably set precedents and provide stronger grounds for the EU's call for comprehensive EPAs that would also include issues that the ACP countries decided to omit from the WTO talks.

## 7 Conclusion

Symbolically, 2007 is important for the European Union as the 50th anniversary of the Treaty of Rome falls on 25 March. As things stand, though, it is not likely to be a milestone in the development of the Union. No major inter-governmental conference has been scheduled at which a new treaty will be signed. Nor are any major changes likely to affect the EU institutions. Even the Draft Constitution does not hold out much prospect of being easily revived during the course of the year. Yet as we have seen, a good number of less visible changes in development cooperation and broader external actions could nevertheless mark critical new departures.

The EPA negotiations on new ACP-EU trade regimes and the increasingly intense public debate surrounding them are likely to be the most controversial aspect of EU external relations with the developing world in 2007. Potentially, these could prove to be a major disruption to the smooth running of ACP-EU

relations and indeed possibly the cause of one of the most severe disagreements between the two parties since the start of their relationship nearly 50 years ago.

Otherwise, and providing EPA negotiations do not have a negative impact, the year should see further progress being made in building up AU-EU relations. The July AU Summit and the choice of a new Chair for the AU Commission will be two important milestones, but the key issue will be the amount of progress that is made in developing a joint AU-EU strategy for the development of Africa.

Financial concerns will be high in the minds of many of those involved in EU development cooperation, with major changes taking place in both the Union's main financial packages, i.e. the budget and the EDF. The new EU budget, with its completely revamped and drastically streamlined structure for external actions under Heading 4, will take effect on 1 January. For the EDF, 2007 is the final year of EDF 9 and all funds must be committed by the end of the year. Preparations for EDF 10 will gather pace during the year.

However, some of the changes with the greatest potential impact on development will take place more quietly and at a more mundane level. We are referring to the gradual improvements in aid effectiveness and the step-by-step implementation of the major policy statements agreed in late 2005, the *European Consensus* and the *EU-Africa Strategy*. After a honeymoon in 2006, when everyone pondered the implications of these two landmark documents for EU development cooperation and began cautiously putting them into practice, there needs to be tangible evidence of positive benefits by the end of the second year. The real challenge for 2007, therefore, is that of delivering the goods.

## Notes

- <sup>1</sup> *European Parliament, Report on More & Better Cooperation: the 2006 EU Aid Effectiveness Package, Committee of Development. Rapporteur: Alain Hutchinson (A6-0270/2006), 12 September 2006.*
- <sup>2</sup> *European Consensus on Development, Joint statement by The Council and the Representatives of the Governments of the Member States meeting within the Council, the European Parliament and the Commission. Brussels, 20 December 2005.*
- <sup>3</sup> *Council of the European Union, The EU and Africa: Towards a Strategic Partnership. 15961/05. Brussels, 19 December 2005.*
- <sup>4</sup> *ACP-EU cooperation from 2008 to 2013 is to be funded through EDF 10, as agreed by the European Council in December 2005.*
- <sup>5</sup> *Elections are due in the first part of 2007 in at least Belgium, Estonia, Finland, France and Ireland.*
- <sup>6</sup> *Financial Times, Sino-African summit ends with swipe at critics. 5 November 2006.*
- <sup>7</sup> *European Commission, EU-China: Closer Partners, growing responsibilities, COM(2006)631 final, Brussels, 24 October 2006. European Commission, A policy paper on EU-China trade and investment: Competition and Partnership, COM(2006)632 final, Brussels, 24 October 2006 (Commission Working Documents accompanying COM(2006)631 final: Closer Partners, growing responsibilities).*
- <sup>8</sup> *The April 2006 General Affairs and External Relations Council (GAERC) agreed that EDF10 will continue funding the APF for three years from 2008 with a total amount of € 300 million. It also proposed that a review in 2010 should look into the sources of funding. See: Council of the European Union, Council Conclusions –General Affairs, Luxembourg, 10 April 2006. Page 13.*
- <sup>9</sup> *OECD/DAC. Paris Declaration on Aid Effectiveness: Ownership, Harmonisation, Alignment, Results and Mutual Accountability. 2 March 2005.*
- <sup>10</sup> *Complementarity as a term in the EU development sector refers specifically to the EU member states and the European Commission moving towards development programmes that are 'complementary' to each other. It is one of the '3Cs' of the 1992 Maastricht Treaty, the other two being*

2009 European Parliament elections  
New European Commission to be appointed

Mid Term Review of Financial Framework 2007-2013 (2008/2009)

2009

- coordination (again, among member states and with the European Commission) and coherence (between development and other policies, i.e. PCD). For further information on the 3Cs, see the relevant reviews at [www.three-cs.net](http://www.three-cs.net).
- 11 Council of the European Union, Council Conclusions – External Relations, Luxembourg, 16-17 October 2006. Page 14; and Council of the European Union, Council Conclusions on complementarity and Division of Labour: preparations for the Orientation Debate on Aid Effectiveness, General Affairs Council Meeting, Luxembourg, 17 October 2006.
  - 12 Council of the European Union, Council Conclusions on complementarity and division of labour: preparations for the Orientation Debate on Aid Effectiveness, External Relations Council Meeting, Luxembourg, 17 October 2006. (Ref: 13654/06 and 13654/06+COR 1)
  - 13 Council of the European Union, Financing for Development and Aid Effectiveness: Delivering more, better and faster, Council Conclusions, (8388/06), Luxembourg, 11 April 2006, p.12-3.
  - 14 European Commission. Increasing the impact of EU aid: A common framework for drafting country strategy papers and Joint multiannual programming. COM (2006)88. Brussels 2 March 2006.
  - 15 The Joint Programming Framework is to be reviewed by 2009.
  - 16 These are trade, the environment, security, agriculture, fisheries, the social dimension of globalisation, employment and decent work, migration, research and innovation, the information society, transport, energy, and climate change (Council of the European Union, Council Conclusions – External Relations, Brussels, 24-25 May 2005, page 26).
  - 17 Council of the European Union, Council Conclusions on Integrating Development Concerns in Council Decision-making, External Relations Council Meeting, Luxembourg, 17 October 2006. (Ref:13735/06)
  - 18 European Commission, European Development Fund (EDF): Estimates of commitments and payments and of contributions to be paid by the Member States for 2006 and 2007, and Forecast of commitments and payments for 2008 to 2011. COM(2006)612, Brussels, 18 October 2006.
  - 19 The Financial Protocol for EDF 10 was agreed on 2 June 2006 during the 31st ACP-EU Council of Ministers in Port Moresby, and established the 10th EDF with an amount of € 22.682 billion.
  - 20 European Commission, Annual Report 2006 on the European Community's Development Policy and the Implementation of External Assistance in 2005. COM(2006)326. Brussels, 22 June 2006.
  - 21 The ACP-EU Water Facility (agreed in 2004) and the ACP-EU Energy Facility (agreed in 2005) are designed to support the EU Water Initiative and the EU Energy Initiative respectively. These were launched at the World Summit for Sustainable Development held in Johannesburg in 2002.
  - 22 Not all the amounts for each of these facilities had yet been announced at the time of going to print.
  - 23 The multi-annual financial framework 2007-2013 was formally adopted on 17 May through the Inter-Institutional Agreement on budgetary discipline and sound financial management signed by the European Parliament, the Council and the Commission. (OJEU, Interinstitutional Agreement (2006/ C 139/01), 14 June 2006)
  - 24 The financial instruments for external relations were agreed on 26 June 2006. See: Agence Europe, Agreement on new financial aid instruments for 2007-2013, Brussels, 27 June 2006.
  - 25 See: [http://ec.europa.eu/budget/prior\\_future/new\\_t\\_fin\\_framework\\_en.htm](http://ec.europa.eu/budget/prior_future/new_t_fin_framework_en.htm), consulted 22 November 2006.
  - 26 Council of the European Union, Financing for Development and Aid Effectiveness: Delivering more, better and faster, Council Conclusions, (8388/06), Luxembourg, 11 April 2006, p. 4.
  - 27 Commission President Barroso stated in July 2006 that the EU was likely to surpass the 2006 target and reach an ODA:GNI ratio of 0.42% this year. He reaffirmed the commitment to reach a 0.56% ODA:GNI ratio by 2010 (Barroso, J-M. Letter to President Putin, Pres(2006) D71306, Brussels, 11 July 2006)
  - 28 European Commission; Interconnecting Africa - the EU-Africa Partnership on Infrastructure; COM(2006) 376 final; Brussels, 13 July 2006 and European Commission, The European Commission and the EIB launch a Trust Fund to finance infrastructure in Africa, IP/06/146, 9 February 2006.
  - 29 Council of the European Union, The EU and Africa: Towards a Strategic Partnership. 15961/05. Brussels, 19 December 2005.
  - 30 NEPAD (New Partnership for Africa's Development) Framework Document, October 2001 [http://www.nepad.org/2005/files/document\\_s/inbrief.pdf](http://www.nepad.org/2005/files/document_s/inbrief.pdf)
  - 31 Commission for Africa. Our Common Interest – Report of the Commission for Africa. 11 March 2005. <http://www.commissionforafrica.org/english/report/introduction.html>
  - 32 The Africa Peace Facility was set up in 2003 as a mechanism to support African-led peace-keeping operations.
  - 33 EDF 10 will fund the APF with € 300 million during the period 2008-2010. The short-term replenishment for 2006-2007 from EDF 9 amounted to € 50 million, in addition to the € 250 million already provided. Council of the European Union, Council Conclusions-General Affairs, Luxembourg, 10 April 2006. Page 13.
  - 34 European Commission: Governance in the European Consensus on Development: Towards a Harmonised Approach within the European Union, COM(2006)421 final. Brussels, 30 August 2006.
  - 35 The APRM is the Africa Peer Review Mechanism established under AU/NEPAD. About half the member states of the AU now belong to this home grown and voluntary governance peer review system.
  - 36 European Commission, An EU-Caribbean Partnership for growth, stability and development (COM (2006) 86), Brussels, 2 March 2006; and European Commission, EU Relations with the Pacific Islands - A Strategy for a strengthened partnership, COM(2006) 248 final, Brussels 29 May 2006.
  - 37 European Commission, Global Europe: Competing in the World – A contribution to the EU's Growth and Jobs Strategy'. COM(2006)567 final. Brussels, 4 October 2006.
  - 38 European Commission, EU-China: Closer Partners, growing responsibilities, COM(2006)631 final, Brussels, 24 October 2006, and European Commission, A policy paper on EU-China trade and investment: Competition and Partnership, COM(2006)632 final, Brussels, 24 October 2006 (Commission Working Documents accompanying COM(2006)631 final: Closer Partners, growing responsibilities).

### Information sources

Further information related to this paper, including a more detailed version of the timeline

<http://www.ecdpm.org/Challenges2007>

Information on ECDPM's work on ACP-EU cooperation

<http://www.ecdpm.org>

Key EU and ACP Debates Impacting on ACP-EU Relations

<http://www.dgroups.org/groups/cool/index.cfm>

European Commission, DG Development

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

European Commission, EuropeAid Cooperation Office

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

European Commission, DG External Relations

[http://ec.europa.eu/comm/external\\_relations/index.htm](http://ec.europa.eu/comm/external_relations/index.htm)

European Union Development Policy

<http://www.europe-cares.org/africa/>

European Union Trade Issues

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

Information on ACP-EU trade issues

<http://www.acp-eu-trade.org/>

Council of the European Union

[http://www.consilium.europa.eu/cms3\\_fo/index.htm](http://www.consilium.europa.eu/cms3_fo/index.htm)

Germany's EU Presidency (January-June 2007)

<http://www.eu2007.de>

Finland's EU Presidency (July-December 2006)

<http://www.eu2006.fi>

European Parliament, Committee on Development

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

ACP-EU Joint Parliamentary Assembly

[http://www.europarl.europa.eu/intcoop/acp/10\\_01/default\\_en.htm](http://www.europarl.europa.eu/intcoop/acp/10_01/default_en.htm)

ACP Secretariat

<http://www.acpsec.org/>

African Union

<http://www.africa-union.org/>

The three Cs initiative (coordination, complementarity and coherence)

<http://www.three-cs.net>

### List of acronyms

<b>ACP</b>	African, Caribbean and Pacific countries	<b>DCI</b>	Development Cooperation Instrument	<b>IPA</b>	Instrument for Pre-Accession Joint Parliamentary Assembly
<b>AFP</b>	African Peace Facility	<b>EDF</b>	European Development Fund	<b>JPA</b>	Joint Parliamentary Assembly
<b>AfT</b>	Aid for Trade	<b>EIB</b>	European Investment Bank	<b>LAC</b>	Latin American and Caribbean Countries
<b>AIDCO</b>	EuropeAid Cooperation Office, European Commission	<b>ENPI</b>	European Neighbourhood Policy Instrument	<b>MEP</b>	Member of European Parliament
<b>ASEAN</b>	Association of South East Asian Nations	<b>EIDHR</b>	European Instrument for Democracy and Human Rights	<b>NEPAD</b>	New Partnership for Africa's Development
<b>ASEM</b>	Asia-Europe Meeting	<b>EPA</b>	Economic Partnership Agreement	<b>ODA</b>	Official Development Assistance
<b>AU</b>	African Union	<b>EU</b>	European Union	<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>CFSP</b>	Common Foreign and Security Policy	<b>FTA</b>	Free Trade Agreement	<b>PCD</b>	Policy Coherence for Development
<b>CSP</b>	Country Strategy Paper	<b>G8</b>	Group of 8	<b>ROM</b>	Results Oriented Monitoring
<b>DAC</b>	Development Assistance Committee	<b>GAERC</b>	General Affairs and External Relations Council	<b>UN</b>	United Nations
		<b>GNI</b>	Gross National Income	<b>WTO</b>	World Trade Organization

*'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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