



For better for worse...

CHALLENGES for ACP-EU relations in 2009

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This *InBrief* seeks to identify some of the headline debates that can be expected in 2009 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.

Introduction

The year 2009 is set to bring major changes in the context in which the European Union (EU) conducts its international affairs, and these changes will inevitably affect Europe's relations with Africa, the Caribbean and the Pacific (ACP). First, the year is one of the EU's periodic moments of institutional change when many key figures leave their posts and move on to other tasks. European Parliament (EP) elections will be held in June 2009 and a new set of European Commissioners will take office in November 2009. Moreover, changes are expected in the way the Council of Ministers is run, though these continue to be obscured by the lack of a solution to the future of the Draft Treaty of Lisbon. Further changes seem likely to emerge from the new US administration, one aware of the need to rebuild bridges in international affairs and reconnect with popular aspirations around the world. Equally the rise of China and other emerging powers is driving changes in the international order. Closer to home, 2009 brings the second review of the ACP-EU Cotonou Partnership Agreement (CPA). In this, a clearer place will be sought for the African Union (AU), recognising the increasing importance of this institution in Africa-European relations.

1. The EU institutional context

The most visible institutional change in 2009 will be the appointment of a new set of European Commissioners. This happens every five years. The EU member states will first agree to a new President of the European Commission (EC) to replace Jose Manuel Barroso. Then, the appointed person will choose their team from a selection of candidates proposed by the member states. The final choice is then approved by the Council of Ministers and European Parliament.

Some commissioners are likely to be renominated. Barroso himself may do a second term as his political party has given informal support for his nomination. The external relations commissioners all seem likely to change. The question remains how the post of Commissioner of External Relations will be handled. Under Lisbon this post would have been amalgamated with that of Javier Solana at the Council Secretariat. Without the Lisbon Treaty, European leaders will still be wondering what they can do to enhance the consistency of EU external action, which this fusion of the two top jobs was intended to promote.

There is also a question about the number of seats in the next EP. The Draft Lisbon

Treaty would reduce the number from the current 785 to 751. However, the Nice Treaty, which in the absence of Lisbon is still in force, requires an even larger reduction to 736 members of parliament. In December 2008, the Council in a bid to appease Irish concerns, proposed that providing the Lisbon Treaty was approved in a second referendum probably in October 2009, the size of the Parliament could be increased to 754 seats in 2010. In the meantime the June 2009 elections would be fought on the Nice Treaty basis of 736 seats. The new parliamentarians will take office in July 2009, and one of their first tasks will be to hold hearings for the new commissioners.

The EP elections will be closely watched. Voter turnout will say much about the supposed 'democratic deficit' and popular disinterest that has come to characterise EU-level politics. It is now 30 years since the EP was first elected directly by the European public. Turnout at that first election was 63% but has since dropped steadily to below 50%. The political complexion of the EP will also be watched. Since the last elections, the political balance among EU governments has moved to the right. Thus, the new Commission will almost certainly be more centre right than the current one. The parliamentary elections will confirm or counter-balance this shift, perhaps leading

to more intense debate among the EU institutions during the next legislature.

The failure to ratify the Treaty of Lisbon leaves open the question of what will happen to the rotating EU presidency. The idea was to improve continuity by appointing a President of the EU Council for a two-year term. Bridging arrangements discussed at the Council at the end of 2008 would extend the Swedish Presidency until the treaty comes into force. The Spanish Presidency would oversee the transition to the Lisbon arrangements. If agreed, the search will intensify for a political figure with a European profile that all member states can agree on.

EU Presidency programmes

Even with a longer serving EU President, the system of six-monthly rotating 'presidencies' is intended to remain at the lower levels. Thus, the Czech Republic and then Sweden will preside over ministerial and official meetings for six months each in 2009. In the development sector, the main themes for the period are carried over from 2008: implementation of the Joint Africa-EU Strategy (JAES); follow-up to the Accra Agenda for Action on aid effectiveness; policy coherence for development and promotion of cross-cutting efforts in development programmes. The French in 2008 added climate change to these, as well as a debate on EU responses to the global food crisis. The Czechs will retain these two points while encouraging more discussion on migration.

The French used their presidency to promote a geographical concern close to their hearts, the Union of the Mediterranean, which has had to be accommodated within the existing framework of the European

Neighbourhood Policy (ENP). The Czechs are likely to do much the same with their interest in Europe's eastern neighbours. Early indications of the Swedish presidency programme suggest that it will deviate less from the mainstream of EU development policy debates and focus strongly on issues such as effectiveness, policy coherence for development and democracy and human rights. Further, the Swedish presidency is expected to work on proposals to 'climate-proof' official development assistance (ODA). The Swedes have set up the international Commission on Climate Change and Development (CCCCD),¹ which will deliver its report in spring 2009, in time for the Swedes to follow up recommendations under their EU Presidency.

2. International relations and development policy

Global financial and economic crisis

At the end of 2008, ACP leaders and governments were very concerned by the turmoil in the global economy. Clearly the ongoing crisis will affect North-South relations, the question is how rapidly and radically the EU is prepared to respond with adapted policies.

In past years, many ACP countries experienced record economic growth, averaging up to 6.1% per capita in Sub-Saharan Africa in 2007.² Africa's dependence on foreign aid has continuously dropped since 2000. In 2007, Ghana became the first highly indebted poor country (HIPC) to issue a heavily oversubscribed government bond to finance infrastructure investment (750 million), after the international financial institutions declined to support the expenditure.

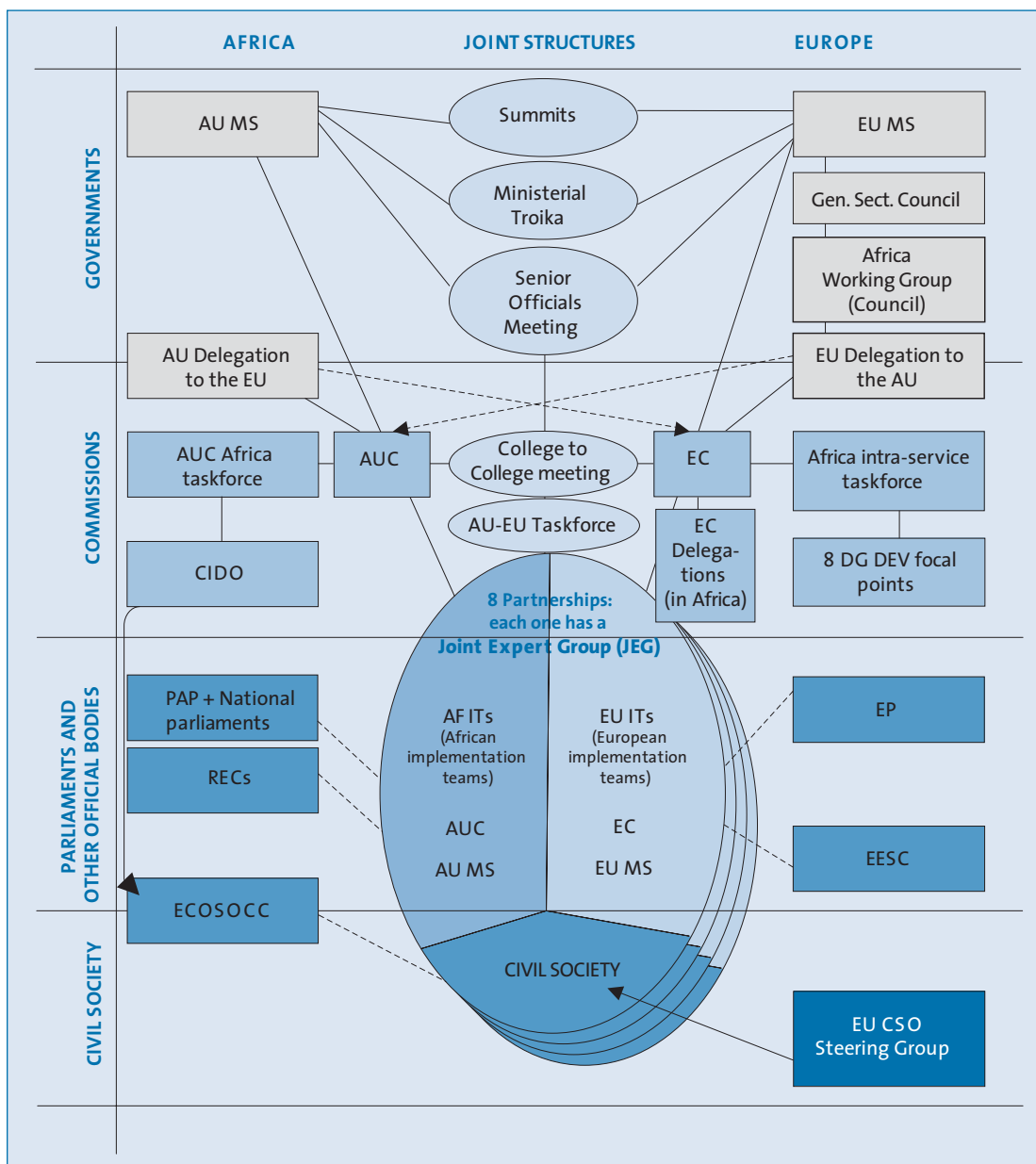
Remittances in some countries overtook not only aid but also foreign direct investment (FDI) as the main financial inflow.

Suddenly many of these positive developments seem threatened. The food and fuel crises climaxed in mid-2008, and many countries raised the alarm about the combined disastrous effects of rising inflation and prices for agricultural inputs and grain, lack of food on the international markets and climate change. The poor are most affected, and many fear that higher prices will increase the number of malnourished people around the world by 44 million, to over 960 million, before end 2008.³

By November 2008 the financial crisis had provoked a global economic slowdown, inducing a recession in the US and the EU. While resource and oil exporting countries, affected by the drop in commodity prices, cut government expenditure to balance their budgets, food prices remain well above pre-2007 levels, and even the partial declines have generally been insufficient to offset inflation. Cereal production rose in response to shortages in 2008, yet continuing price volatility could lead to a new price surge in 2009-10. According to the FAO, this could cause 'more severe food crises than those that sparked riots and protests worldwide' in early 2008.⁴ 'Fiscally vulnerable' economies with high current account deficits, rising or high inflation and extensive fuel/food subsidies,⁵ have limited capacity to absorb the shock.⁶ Even as the ACP is relatively insulated from the global banking and financial crisis, the first signs of the slowdown of global demand are affecting financial inflows, including remittances, and growth estimates for Africa are being radically cut.

		2008	
Events	September	<p>3rd Level Forum on Aid Effectiveness, Accra (2-4 Sept): Endorsement of AAA</p> <p>ACP Summit (30 Sept-4 Oct) Debate on EPAs, Food Crisis, Climate Change and future of ACP</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">October</p> <p>4th AUC-EC College to College Meeting (1st Oct): Decision on deliverables for all partnerships</p>
	JAES Events	<p>Energy Partnership: signature of joint statement on main priorities and governance arrangements of partnership</p> <p>10th EU-Africa Ministerial Troika, Brussels (16 Sept) decision on JAES architecture</p>	<p>Energy Partnership: 1st JEG (15-16 Oct)</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">November</p> <p>GAERC with development focus (10-11 Nov): EU position for the 2nd Financing for Development Conference and the Council conclusions about the EPAs & regional integration was adopted</p> <p>Peace and Security Partnership: EU-AU Defense Ministers Troika (20 Nov), Launch of Euro- RECAMP/ AMANI-Africa Initiative</p> <p>11th EU-Africa Ministerial Troika, Addis (21-22 Nov) Discussion on JEGs</p>
		<p>G20 finance ministers, Sao Paolo (Nov 8-9) & G20 special leaders summit on financial situation, Washington (Nov 15)</p> <p>EU-Africa ministerial meeting, Sharm-el-Sheik (5 Dec)</p> <p>2nd EU-Africa Summit, Lisbon adopted Joint EU-Africa Strategy</p>	<p>Migration Partnership: EU-Africa Conference on Migration and Development (26 Nov)</p> <p>Climate Change: adoption of a joint EU-Africa declaration on Climate Change</p> <p>All JEG meetings took place</p>

Diagram 1: Institutional structure of the Joint Africa-EU strategy



Events	December	<p>2nd Financing for Development Conference (29 Nov- 3 Dec): Review implementation of Monterrey Consensus, Doha</p> <p>2nd EU-Brazil Summit</p> <p>Ministers of Finance meeting on Climate Change, Poland (8-9 Dec)</p>	<p>2009</p> <p>African elections scheduled: Algeria, Angola, Botswana, Congo, Malawi, Mozambique, Namibia, Niger, Southern Sudan, South Africa, Sudan, Tunisia</p> <p>Preparation of regional packages for Aft</p>	<p>Interim EPAs are likely to be signed up to mid 2009</p> <p>EU-Africa Ministerial Meeting on Migration (end 2009)</p> <p>UK will assume the presidency of the G20 during 2009</p>	<p>The 4th Ministerial Conference of the Forum for China-Africa cooperation, Egypt</p> <p>EC Communication on the midterm review of RELEX instruments</p> <p>EC Communication package on ENP</p> <p>EC Communication on Budget Review</p>
	JAES Events	<p>MDG Partnership: EU-Africa Conference on Education</p>	<p>Governance Partnership: Launch of the Governance Platform (2009)</p> <p>Trade Partnership: Establishment of an AUC department on Infrastructure (early 2009)</p>	<p>Energy Partnership: First High Level Africa-EU Meeting on Energy (early 2009) & Energy Partnership Forum</p> <p>Energy Partnership: a formal African Implementation Team Meeting (2009) will be held</p>	<p>Peace and Security Partnership: Joint assessment missions to the Central African Republic, Burundi, Comoros and Somalia</p>
		2008	2009		Czech EU Presidency

Implications for global and EU governance

In the face of the crisis, global leaders are calling for major reforms. Follow-up is expected to the November 2008 G20 meeting, dubbed 'Bretton Woods 2', intended to kick start reform of the international financial architecture. A deadline for initial action is set for 31 March 2009, and a meeting of finance ministers or heads of states should follow soon after.⁷ G20 participants further committed to a more inclusive governance structure for the International Monetary Fund (IMF) and World Bank, one more effectively representing developing countries.

The United Nations set up a high-level task force under Joseph Stiglitz to review the global financial system.⁸ Reform of the UN Security Council may get more support in 2009 with five new temporary members, Japan, Austria, Turkey, Uganda and Mexico, taking their seats in January 2009. Top candidates for permanent seats in an expanded Security Council are the Group of Four (Germany, Japan, India, Brazil) and one or two African states (South Africa, Nigeria and Egypt are candidates). Negotiations on the Security Council reform will start in the General Assembly by the end of February 2009. On the EU side, the financial crisis has exposed the shortcomings of the rotating presidency and the Union's slow reaction capacity. Yet some argue that it also highlights the importance of EU membership and the euro for small countries such as Ireland (compare to Iceland). This may stimulate acceptance of the Lisbon Treaty, which was designed to address EU institutional weaknesses and to simplify decision making.

The Joint Africa-EU Strategy: Addressing global challenges

In addition to the growing need for reforms to global governance there is a new urgency to step up North-South cooperation to address global problems. If the JAES is to become an effective framework for such cooperation, it must move decisively to implementation in 2009.

The first year of the JAES was characterised by preoccupation with institutional arrangements with the partners agreeing on new coordination modalities (Diagram 1).⁹ The EC and AU Commission created internal Commission Task Forces to ensure transparency and a smooth flow of information. In addition, both sides established eight focal points for the eight partnerships. Joint Expert Groups (JEGs) composed of EU-AU institutions, Member States and civil society were established for each of the partnerships. The JEGs are tasked with the technical work ahead of the biannual Ministerial level Troika meetings. They met for the first time in November 2008 and will meet again in 2009 to flesh out the substance of the partnerships.

The EP and the Pan-African Parliament (PAP), although not formally integrated in the architecture of the JEGs and assigned more of an observer role in the JAES, met twice in 2008. Their full involvement is expected to start in early 2009, however what shape this will take in practice is still unknown.

The most innovative part of the JEGs is certainly the involvement of civil society organizations (CSOs) as experts and not just as 'watch-dogs'. While the European CSOs established a JAES Steering Group in April 2008¹⁰ the modalities for African CSO involvement will be resolved during

2009. The AU has announced that the AU's Economic, Social and Cultural Council (ECOSOC) will be the main channel for formal CSO participation, though modalities for broader CSO involvement will be examined at an AU CSO event in February 2009. The AU is also exploring ways to involve local authorities in the architecture. However, the African and European CSOs were not invited for the first JEG meetings and even though the engagement of CSOs was again on the agenda of the 11th Ministerial Troika¹¹ no clear indication has been given at what stage CSOs are expected to join the JEGs. In addition, no solution has yet been found to the issue of financing CSO participation.

Even with the operational structure and dialogue modalities agreed, much remains to be done to make the JAES an inclusive Africa-Europe platform for cooperation instead of a limited Commission-to-Commission exercise.

Challenging environment for the JAES

There is danger that current global challenges may prompt the EU to become less 'enlightened' as a global actor, more preoccupied with short-term economic and national political concerns and less willing to promote global solidarity. This shift may play out in the EU's own budget review and in the 'health check' of the Common Agricultural Policy in 2009. As competition for resources and influence in Africa continues to grow, the EU's approach to energy security and climate change may well become more pragmatic. There are already fears that EU member states plan to cut their bilateral development aid.¹²

Against the backdrop of urgent global challenges – from food security to climate

		January	February/March	April	May
Events		12 th AU Summit, Addis, Ethiopia Decision on the Union Government	3 rd OECD Global Forum Plenary Meeting	17 th ACP-EU Joint Parliamentary Assembly in an EU country (6-9 April)	GAERC with development focus (18-19 May)
		Debate on EC Report on GIT	Deadline for mandates for CPA revision	Ministerial Conference 'Building Migration Partnerships' Prague, (26-28 April)	ACP-EC Council of Ministers session
JAES Events		Informal Meeting of Ministers for Development Cooperation Prague, (29-30 Jan)	World Economic Forum Annual Meeting, Switzerland, (28 Jan-1 Feb)	EC Report on EU Financing for Development and Aid Effectiveness	Launch of EUROMED Secretariat, Barcelona
			JEG meetings will take place AU CSO Meeting on the JAES	12 th EU-Africa Ministerial Troika (28 April) Governance Partnership: 1 st joint CSO meeting on EU-AU Human Rights Dialogue	Trade Partnership: AU-EU Conference on 'Regional Governance in a Global Context', Brussels (11-12 May)
2009					

change and shifting foreign policy concerns – 2009 will demonstrate how much can be achieved by the trilateral cooperation of the EU, China and Africa in areas critical to the EU's self interest. In October 2008, the EC published a communication foreseeing stronger trilateral cooperation on peace and security, infrastructure, environment and sustainable resource management, food security and agricultural production.¹³ The partners plan to meet in troika format early in 2009. A proposal for regular and structured trilateral dialogue, notably on peace and security matters, will be further developed next year. On infrastructure, the EU and China foresee dialogue within the Infrastructure Consortium for Africa. Although the real benefit of this trilateral arrangement to China is somewhat unclear, it is true that the initiative does come at a time when China is trying to raise its profile as an important member of the international community willing to fulfil its international responsibilities.¹⁴

The 4th Ministerial Conference of the Forum for China-Africa Cooperation will be held in Egypt in 2009. It is expected to review implementation of the action plan adopted at the last conference in Beijing in 2006. That action plan covers cooperation in political, economic and international affairs and social development. In 2006 the Chinese government pledged to double the scale of its assistance to Africa.¹⁵ Though now it is expected that the financial crisis will force China to cut aid to Africa in 2009.

Security challenges

The conflict between Russia and Georgia in August 2008 had a negative impact on the EU's geopolitical environment and implications for EU foreign policy, including towards developing countries. While the

French EU Presidency brokered the ceasefire, the conflict refocused Europe's attention on its near neighbourhood and the unfulfilled potential of a coherent and robust Common Foreign and Security Policy and European Security and Defence Policy (ESDP). Some view EU security as a holistic global concept in which the 'human security' of developing countries is a key concern, while others would like to see the EU focus clearly on direct military threats nearby.

Due in December 2008, the revision of the European Security Strategy (ESS), which guides EU foreign policy, will give some indication of the new focus, and specifically the place of Africa. The ESDP mission to Chad will be handed over to the UN in March 2009 and the EU's fragmented and indecisive reaction to calls for intervention in the crisis in the Eastern DRC at the end of 2008 may well indicate that the EU has passed the high water mark in terms of deployment in Africa. In the context of financial pressures at home and questions over consistency with the EU's support for the emerging African peace and security architecture (APSA), some commentators suggest that the EU may be 'exiting Africa' militarily.¹⁶

Energy

The Georgia conflict also brought into sharp relief the EU's need to diversify energy sources and reduce dependence on Russian gas. When Gazprom signed a memorandum of understanding with the state-owned Nigerian National Petroleum Corporation to collaborate in gas exploration, production and transport, the EU, which had hitherto been slow to support a 4,300 km trans-Saharan gas to Europe, offered Nigeria financial and political backing for the € 15 billion project.¹⁷ It is perhaps no coin-

cidence then that the Energy Partnership, coordinated by Austria and Germany on the EU side,¹⁸ is among the fastest moving areas of the JAES.

The first high-level Africa-EU meeting on energy is scheduled for 2009, as well as an energy partnership forum with participation of civil society and the private sector. The EC plans to cooperate with the AU Commission to elaborate an electricity master plan for Africa and a capacity-building programme to support the African 'power pools'.

Furthermore, the EU thematic programme on environment and sustainable management of natural resources including energy supports establishment of policy dialogue under the Africa-EU Energy Partnership and work towards legal, fiscal and regulatory environments to promote investment in the energy sector as well as rural electrification in Africa.

Agriculture

Renewed calls for changes to the global food system, particularly agricultural subsidies in the West, may be discussed at a global food summit in 2009, proposed by the FAO.¹⁹ Though the AU views agricultural policy as a national issue, the AU Commission recently pleaded for a more continental approach to the matter. Under the New Partnership for Africa's Development (NEPAD), a continental summit will be organised in February to launch global partnerships and adopt funding mechanisms for accelerated implementation of the existing Comprehensive Agriculture Development Programme (CAADP). In the meantime, attempts to facilitate alignment of development assistance with national priorities continue, and regional meetings will be convened in

Events	June	European Parliament elections (11-14 June)	July/August	G8 Summit, La Maddalena, Italy (July 8-10) 13 th AU Summit	September	'EU Biennial Report on Policy Coherence for Development'	October	Nomination of new European Commissioners & EP Hearings of new European Commissioners Annual meetings of the IMF and the World Bank Group, October 2009, Istanbul
	JAES Events	Peace and Security Partnership: joint AU-RECs-EU study on EU support to African Training Centres				2 nd Joint AU PSC & EU PSC meeting		

consultation with the regional economic communities (RECs) to establish the partnerships necessary for scaling up CAADP implementation. The findings of a 2007 survey of African progress towards attaining a 10% national expenditure allocation to agricultural development should be presented at the next AU Summit.

Under the JAES's MDG Partnership, led by the United Kingdom and Tunisia, Europe's DG Agriculture is set to work with the AU Commission in three areas: to reinforce the strategic link between the EC instruments and the Framework for African Food Security outlined in the CAADP, to facilitate coordinated EU action in this framework, and to support AU capacity to prioritise agriculture in African policies. The EU has also responded to the food crisis by creating a 'food facility' for immediate support to agriculture in developing countries.²⁰ Worth € 1 billion over 2008-10, the facility finances improved access to agricultural inputs and services, including fertilisers and seeds, and also 'safety-net' measures.²¹ Some € 760 million is 'fresh money' and € 240 million is from redeployment of unearmarked funds in the (external relations) stability instrument.²²

Climate change

A new global climate agreement is due to be concluded in Copenhagen in December 2009, replacing the Kyoto Protocol. The incoming US administration has raised hopes of reaching a progressive agreement, despite China's staying out. In the EU, targets of a 20% cut in carbon emissions, a 20% boost in renewable energy and a 20% rise in energy efficiency were adopted in December 2008, but in the context of the economic crisis it was agreed that up to two

thirds of the reductions did not need to be achieved inside the EU but could be bought through carbon trading.²³ The EC produced its long-awaited policy on deforestation and illegal logging in October 2008. If approved it could help developing countries preserve their forests. The trilateral partnership with China has great potential here, as the EU and China are Africa's main markets for timber and both have committed to the Forest Law Enforcement and Governance initiative.

As first step in building a common policy vision on climate change and related environmental challenges under the JAES Climate Change Partnership and tackling them jointly, a joint EU-Africa declaration on climate change was presented at the Poznan UN Framework Convention on Climate Change Conference in December 2008. The JEG on Climate Change was tasked to translate the proposed priorities into concrete cooperation activities in 2009. The EU Global Climate Change Alliance (GCCA) is the framework for policy dialogue and support to developing countries to adapt to climate change under the JAES. It became operational in 2008 with € 300 million for 2008-10 funded partly from the European Development Fund (EDF) and the EU environment and natural resources thematic programme. Nonetheless, the EP regards this amount as 'woefully inadequate' and challenged the Commission 'to establish a long-term financing goal for the GCCA of at least € 2 billion annually by 2010 and € 5-10 billion annually by 2020'.²⁴ EU member states have not yet responded to calls for co-funding, though Sweden has pledged an additional € 5.5 million through budget support.


As a recent evaluation stated, 'climate change has not yet been mainstreamed into EU development cooperation', let alone

in other EU policies affecting developing countries.²⁵ One reason is the lack of clear definition of the synergies, overlaps and additionality of climate change-relevant interventions vis-a-vis traditional ODA. Adaptation policies -- those to increase local populations' abilities to cope with climate change -- are the intervention preferred by most developing countries. Many have reservations about mitigation policies, particularly ODA financing for mitigation, as developing countries are more concerned with maintaining economic growth than greenhouse gas emissions. A mutually beneficial way to help these countries contribute to mitigation is by improving their access to carbon credits and carbon markets and building their negotiation capacity, two priority actions in the JAES.

In terms of coherence with other initiatives, the JAES Climate Change Partnership will be a case study in implementation of the Paris Declaration, policy coherence for development and the EU Code of Conduct on Complementarity and Division of Labour. Even within the EU, a variety of initiatives are managed by different DGs under a number of budget lines. As such, the GCCA has been subject to substantial criticism by EU states regarding its complementarity and added value. The impetus of the Copenhagen conference may help the EU merge ongoing efforts to map its initiatives in Africa with AU prioritisation of climate change activities in 2009.

Trade

In late 2008 there was a last attempt for a breakthrough in the Doha round of world trade talks. The newly appointed EC Trade Commissioner and the World Trade Organization (WTO) director-general seek

Events	November	<p>New EC takes office (1 Nov)</p> <p>GAERC with development focus</p> <p>European Development Days</p> <p>Global Forum for Migration and Development, Athens</p>	December	<p>18th ACP-EU Joint Parliamentary Assembly (28 Nov- 3 Dec in an ACP country)</p> <p>United Nations Climate Change Conference, Copenhagen (30 Nov- 11 Dec)</p>	2010	<p>African elections: Burkina Faso, Burundi, Central African Rep., Comoros, Guinea, Guinea-Bissau, Equ. Guinea, Rwanda, Tanzania</p> <p>14th AU Summit, Addis</p> <p>Croatia accepted to the EU</p>	January	<p>EUROMED Summit start of Free Trade Area</p> <p>EU-LAC Summit</p>
	JAES Events	<p>13th EU-Africa Ministerial Troika</p>	<p>Peace and Security Partnership: development of an Small Arms and Light Weapons Strategy</p>	<p>3rd EU-Africa Summit</p> <p>Overall review of the JAES</p> <p>Review of the African Peace Facility (APF)</p>				
		2009		2010		 Spanish EU Presidency		

ing another term sent a strong message to negotiators that a deal would ward off protectionism and boost confidence in a world economy staggering under financial crisis. ACP countries have been mainly sidelined in these negotiations, dominated by the interests of large developed countries and more advanced developing countries. As yet, there is no consensus among ACP or African countries on what would constitute a development-friendly result, as some benefit and others suffer from Western subsidies, while most already enjoy duty- and quota-free access to developed country markets. ACP countries need to expand exports in existing markets.²⁶ Their interests hence lie in improved rules of origin, support to deal with non-tariff barriers and aid for trade (Aft).

Outside of the WTO negotiations these topics are at the core of the JAES Partnership on Trade and Regional Integration and Infrastructure, led by the EC and South Africa.

Aid for Trade

Important questions on whether, and if so how, Aft will deliver on its promise to bring additional resources and benefits to developing countries should be answered in 2009.²⁷ An early 2009 timeline has been set for dialogue within the EU on the preparation of Aft 'regional packages'. There is still however some confusion on what Aft will consist of, with many donors seeing it as work in progress, to continue well beyond 2010 and ACP regions considering it linked, explicitly or implicitly, to Economic Partnership Agreement (EPA) timeframes. Most stakeholders in the EU and ACP now recognise that the next step is for ACP regions to elaborate their Aft strategies and identify bankable projects, so that funding

earmarked by donors can be delivered to priority projects. Almost 75% of the regional indicative programmes of the 10th EDF are allocated to support regional economic integration and to respond to needs expressed by the ACP. In the current global financial context, it is unlikely though, that fresh new money from donors will be channelled to Aft initiatives.

Economic Partnership Agreements

In October 2008, the EU signed a full EPA with the Caribbean Forum, which then entered the ratification phase by the EP as well as national parliaments. An Interim agreement with Cote d'Ivoire has been signed in November 2008, with the remaining interim agreements expected to be signed by end 2008 and in early to mid 2009. In parallel, negotiation of comprehensive EPAs continues.

The timeframe for concluding full EPAs and the status of interim agreements represent a major challenge. While actors in all regions have expressed willingness to negotiate final EPAs to supersede the interim documents, it remains to be seen when it will be possible to conclude them. Should negotiations face further delays, the interim agreements might be applied over a longer period or even become permanent.

A second challenge is the thematic scope of full EPAs. The rendezvous clauses in the interim agreements specify areas to be addressed in negotiations (particularly services and trade related issues), but cannot prescribe the outcome of these talks. Accordingly, there are various options of how final provisions may be designed, ranging from comprehensive to 'best endeavour' language. To address the specificities of


individual countries and sub-regions, efforts are under way to allow countries within EPA configurations to make liberalisation commitments at their own pace, as in the Pacific for trade in services.

Migration

Current financial and economic strains have led even the traditionally more open EU countries to be more restrictive in their immigration policies.²⁸ At the same time, the EU is working to finalise major initiatives in this area that could potentially affect legal labour migration as well as the situation of migrants in Europe. The Blue Card Scheme²⁹, a fast-track work and residence permit system for skilled workers, is set for adoption in early 2009, despite criticism that it might encourage brain drain. However, it should perhaps be seen as a labour market tool that could provide real opportunities for legal labour migration which is, after all, one precondition for making migration work for development.

In October 2008 the EC presented a Communication on migration, in which it urged member states to actively promote a Global Approach³⁰ in multilateral, global and regional cooperation frameworks in 2009. By this it means that the external dimension of EU migration policy should aim to address the organisation of legal migration, the control of irregular migration and development issues linked to migration in countries of origin and transit.

The EU's main initiative in this direction, the 'mobility partnerships' (non-binding agreements between interested EU member states, the Commission and a third country covering all aspects of the global approach), is expected to continue in 2009.

Events February/March/April	GAERC with development focus (April) EDF 10 mid-term review (spring 2010)	May - August	15 th AU Summit (July)	September/November	European Development Days (November) GAERC with development focus (November)
JAES Events			Peace and Security Partnership: Develop African Stand by Force (June)		
		 Belgian EU Presidency		2010	

The first such agreement with an ACP country was launched with France, Portugal, Luxembourg and Cabo Verde in 2008. The second is expected to be concluded with Senegal in 2009.

To follow up the 2006 EU-Africa Tripoli conference on migration and development a ministerial conference may be held in 2009 or early 2010, which might also serve to prepare agreements in this sector for the third EU-Africa summit in 2010. The EC aims to promote the convergence of the Tripoli and Rabat processes in the JAES framework despite the resistance of some. Hence, the 2009-10 ministerial conference will likely try to improve the synergies between the processes.

3. Governance trends in the ACP

Several processes will impact on regional integration in the ACP in 2009. The EPAs will probably amplify existing differences within and between African RECs. At the same time the emergence of the AU as a strong political actor and as a coordinator of African member states in the eight JAES partnership areas will encourage differentiation within the broader ACP. Both these tendencies will shape the 2009 launch of the revision of the Cotonou Partnership Agreement (CPA) in 2010, to some extent determining the future of the ACP Group beyond that date. The ACP has in fact mandated a task force of ambassadors to review the Georgetown Agreement, which created the Group, and consider how best to reform its structures.

EPA implications for governance and regional integration

In 2009, the RECs will be challenged to respond to the outcome of the EPA process by ensuring regional coherence and setting up new EPA institutions to be agreed upon in the finalised EPAs. Joint committees are envisaged at different levels, from technical to ministerial, possibly charged with following the implementation of EPAs and accompanying development assistance, the monitoring and the regular review of the EPAs. There will likely also be a need to clarify the relation between EPA institutions and the existing CPA institutions.

In terms of preserving regional coherence, there is some hope that members of the regional groupings will adopt common positions and that the new EU Trade Commissioner will show some flexibility in addressing their concerns in the EPA negotiations. The challenge is to establish final EPAs that match existing regional configurations and support regional integration ambitions of the African countries concerned, in line with the principles articulated in the JAES and in recent Council conclusions³¹ which reaffirm that 'the EU respects and supports its partners' choices as to the aims, arrangements, rhythm and priorities for their own regional integration processes'.

For the ACP as a group, 2009 could be a crucial year to prove its added value to its member states and ensure a future in a dynamic environment. The ACP will need to fully exploit opportunities for common action that emerge during the implementation and monitoring phases of the EPAs. These next stages are key to ensure that EPAs deliver on their development objectives as stipulated in the CPA. Issues that cannot be satisfactorily addressed at the regional EPA level, notably in relation to the CPA framework or in terms of the EU response, may be more successfully tackled at the continental or all-ACP level.

Regional integration in Africa

A major step forward in African regional integration processes occurred at a summit in October 2008, when three RECs, representing 26 African countries, namely the East African Community (EAC), the South African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA) decided to work towards a merger. A task force will now formulate a strategy for establishing a free trade area (FTA) and a roadmap for implementation within six months. The time-frame for the FTA will be determined after presentation of the study to the Tripartite Council of Ministers within the next 12 months. The ministers have been tasked to ensure that the regional secretariats participate and to coordinate and harmonise positions on the EPAs and other multilateral negotiations. Already within the coming six months, the Council of Ministers of the three blocs have been charged to approve a memorandum of understanding on inter-regional cooperation and integration.

AU integration and reform

In January 2009, the idea of a union government for Africa will again be discussed at the AU Summit of Heads of States and Governments. African leaders formally discussed the topic at AU Summits in 2007 and 2008. At their request the AU Commission has prepared a paper that goes into issues of sovereignty, distribution of competences and questions of subsidiarity, not just between member states and the AU but also involving the RECs. So far the AU has been thinking in terms of a 'minimum integration programme' but this may signal a new approach to the question.

Leaders at the Accra AU Summit also decided to integrate NEPAD into AU structures, to improve communication and harmonise financial reporting. The expectation is that the South Africa-based NEPAD Secretariat will play a coordinating role in programme implementation. However, it remains unclear whether the programmes currently falling under NEPAD will be narrowed to focus on areas not being dealt with by other AU bodies, such as agriculture, infrastructure, and information and communication technology, while other programmes such as governance and conflict will be removed from the NEPAD portfolio and left, respectively, to the African Peer Review Mechanism (APRM) and the Peace and Security Council (PSC). Final decisions on the modalities of integration will be taken during the AU Summit in January 2009.

A promising African governance initiative

Progress in the APRM, now adhered to by 29 AU member states,³² partly depends on overcoming a number of practical and political shortcomings. One of the immediate concerns to address will be the nomination of a new Panel of Eminent Persons. The term of the current members, already extended to end 2008, has now been prolonged to January 2009. Until a decision is taken regarding the membership of the new panel, preparation for new country reviews and implementation of planned reviews, for instance, in Lesotho and Mozambique, are being suspended. The pace of reviews is thus expected to slow with priority given to countries where reviews were postponed, possibly to the detriment of those wishing to start their

process, unless the size of the panel is expanded. Since the APRM is a mechanism that seeks to generate intra-regional and domestic demands for governance reforms, the challenge for external partners such as the EU will be to adapt and adopt support strategies so as to fully support the potential of this African owned experiment.

Preventive diplomacy and conflict management

The AU's presence in African and global diplomacy in 2008 was unprecedented. Increasingly the AU practised the principle of collective responsibility, setting aside its long history of non-interference in member states' internal affairs. Success, however, has been uneven in various conflicts and fragile situations. Examples of this new trend were crisis management and mediation in the Comoros, Kenya, Somalia, Sudan, Zimbabwe (where the PAP for the first time spoke out firmly on the second round of elections), the Democratic Republic of the Congo (DRC) and Mauritania.

The situation in Zimbabwe and DRC will probably absorb much of AU's diplomatic efforts through 2009, given their potentially devastating regional implications. To date, the AU has engaged in 'quiet' diplomacy in Zimbabwe, primarily relying on SADC mediation. However, the failure of the last round of talks on a power sharing deal prompted the opposition leader to request the AU's direct mediation. Zimbabwe's crisis will likely be on the agenda of the AU Summit in January 2009. Ultimately, however, its resolution may rather depend on the outcome of elections in South Africa in the second quarter of 2009 and on the influence of regional powers within SADC. Botswana and Zambia are expected to remain critical voices in SADC, even with the new Zambian administration.

While resolution of the complex regional conflict in eastern DRC will depend on many factors and actors, the AU recently sent former Tanzanian president Mkapa as a mediator to work with UN Special Envoy Olusegun Obasanjo. It has also made efforts to address the humanitarian aspect. A ministerial meeting in November 2008 requested the AU to prepare a draft African convention on protection and assistance to Internally Displaced People (IDPs), to be presented to the AU Summit in Kampala in 2009. The convention would set norms and oblige countries to meet basic needs and

protect the human rights of IDPs in their territories.

The situation in Darfur remains a concern and will test the feasibility of African and international peace efforts. In this regard, the AU spoke out for the suspension of the International Criminal Court's indictment of the Sudanese president, which it claims could 'impede or jeopardize efforts aimed at promoting lasting peace' undertaken by the hybrid UN/AU force in Darfur.³³

The role of the AU here is noteworthy in terms of addressing an issue that affects a number of ongoing conflicts in Africa, from Uganda to the DRC. However, it may cause a dilemma for future EU funding, as Sudan seems reluctant to ratify the 2005 revisions to the CPA, which include a provision on compliance with the Rome statute. Non-ratification would block € 300 to € 400 million of EDF funding over a seven-year period to both North and South Sudan, and a funding shortfall could be expected as of second quarter 2009. The ministerial troika in November 2008, recognised the issue's 'negative consequences for the relationship between the EU and the African side'³⁴ and decided to set up a technical ad hoc expert group to clarify standpoints, with a preliminary report submitted in January 2009.

The EU supports the AU's capacity development in the area of mediation and conflict prevention. Within the framework of the JAES Peace and Security Partnership, dialogue is being enhanced by institutionalising meetings of the AU and EU PSCs. The next such joint meeting is to be held by September 2009. Proposals to operationalise such consultation mechanisms at the Africa-EU ambassadorial level, particularly in Addis Ababa, Brussels and New York, are to be submitted by March 2009. A joint Africa-EU workshop to share lessons learned will be held in Africa in the first half of 2009. Joint assessment missions are planned, in particular, to monitor operations funded by the African Peace Facility (APF). The next scheduled missions are to the Central African Republic, Burundi, Comoros and Somalia.

The management of upcoming elections and governance more broadly in situations of fragility will test the countries concerned, African institutions and the international community. Presidential elections are scheduled in some of Africa's most fragile states (Cote d'Ivoire, Guinea-Conakry, Somalia). The AU is set to play an increasing role in electoral observation. As part of the JAES

Partnership on Democratic Governance and Human Rights, institutionalised consultations are planned between the EU and AU observation missions in the same countries. Exchange programmes for election observers could include inviting AU observers to elections in the EU, starting with the 2009 EP elections.

Consistent with its growing role on the political scene, the AU is striving to negotiate a higher profile for itself in the CPA 2010 revision, suggesting that the ACP-EU partnership accommodate it as a key actor in the partnership's political dimension. The AU's ambition seems to be favourably received by the EU, but the negotiations, starting in February 2009, will show the extent to which this will translate into concrete entitlements in the CPA, in the form of a clear political mandate or a separate AU-managed pan-African financial envelope.

The African Peace and Security Architecture

Work to operationalise the African Standby Force by June 2010³⁵ will continue. EU support to this endeavour includes training through the AMANI AFRICA-EURORECAP. A preparatory study and mapping exercise of training activities for the police and civilian components are to be completed by June 2009, and a seminar to establish a list of training centres is planned for the first trimester of 2009. Alongside political initiatives for prevention and resolution of conflicts, African-led peace support operations have been deployed in Sudan and Somalia. For the coming years, the AU is reckoning on conducting a few reasonably small and medium sized operations.

In the meantime, the AU's priority remains securing predictable funding for African peace support operations. A UN high-level panel on African peacekeeping is mandated to work out how to support peacekeeping operations undertaken by regional organisations, with particular reference to start-up funding, equipment and logistics.³⁶ South Africa advocates providing such funding from assessed UN contributions.³⁷ The EU pledged its support in the framework of the JAES, in particular through expert advice and sharing experiences from APF peacekeeping operations.

Implementation of the second APF, with € 300 million, will start in 2009, supporting most of the above activities. However,

the future of the APF is not yet secured in the longer term. The question of where funding for the APSA and African-led peace support operations will come is likely to arise in 2009, ahead of the 2010 APF review requested by the Council.

Dialogue on Democratic Governance and Human Rights

The JAES Partnership on Democratic Governance and Human Rights, led by Germany and Portugal on the EU side and by Egypt on the African side, moved slowly in 2008. EU institutions, interested member states and European civil society did meet, but the first formal JEG took place only in November. A main reason for the slow progress was that the institutional set-up and working methods of a multi-actor governance platform to enhance political dialogue on governance issues have not yet been agreed.

Despite a lack of clarity on the dialogue modalities, both the EU and the AU stepped up efforts to set an agenda. The top dialogue priority for 2009 seems to be how the EU might support the APRM under the JAES, without weakening the mechanism's African ownership and legitimacy.³⁸ On the EU side, reflections on how to build synergies between the ongoing AU-EU human rights dialogue and the JAES Partnership on Democratic Governance and Human Rights are set to continue in 2009. The EU will furthermore support a first joint civil society meeting back to back with the forthcoming session of the EU-AU human rights dialogue in 2009. The AU itself is undertaking efforts to facilitate broader involvement of African institutional actors with governance mandates (e.g. PAP, ECOSOCC, local authorities, court of justice) in the governance dialogue, and has kick started a process to define a pan-African policy on local governance, a subject which ranks high on the dialogue platform's agenda.

The mixed record of the Governance Incentive Tranche

The EC's Governance Incentive Tranche (GIT), a mechanism through which € 2.7 billion of the 10th EDF has been channelled to ACP countries, was reviewed in 2008. Informally, the EC has committed to sharing the review findings with the AU and to discussing the GIT under the Partnership on Democratic Governance and Human Rights.

The review potentially could induce a process of reflection within the EU on the limits of 'buying' governance reforms with conditional finance and stimulate donor efforts to engage in harmonised and constructive dialogue on governance and reforms with partner countries.

Shortcomings of political dialogue under Cotonou

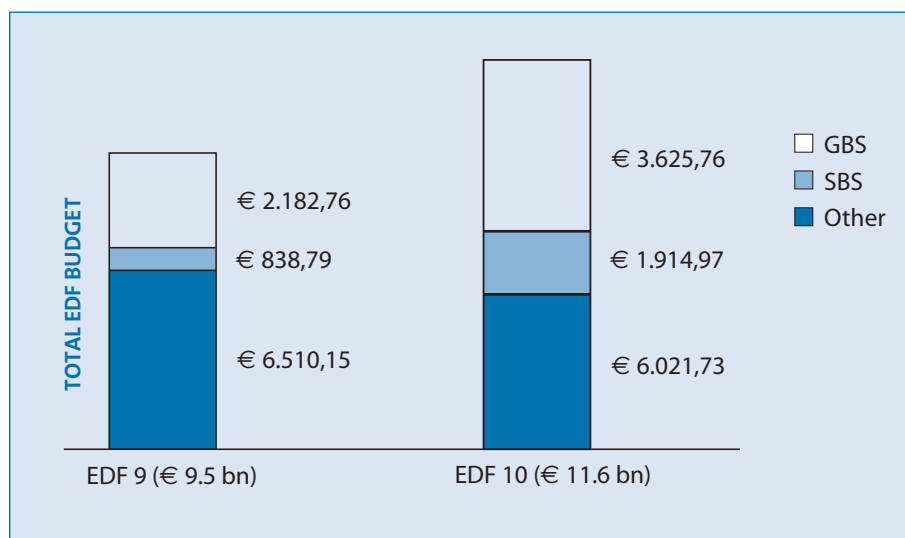
At the end of 2008 CPA Article 96 consultations are on-going with Fiji and Mauritania. In the case of Mauritania, meetings took place in October and November 2008, but did not produce satisfactory results. With no results achieved, Mauritania seems sure to be partially (or fully) suspended from development aid from the beginning of 2009. Consultations took place in April 2008 with Fiji, where the interim government confirmed it will hold new elections in March 2009. Providing the voting proceeds satisfactorily, the EU would lift Article 96 in October 2009. However, the current political situation in Fiji casts doubt on whether the elections will take place as planned.

4. Relevance of aid post Accra and Doha

While much of 2008 was spent preparing for the Accra High-Level Forum on Aid Effectiveness and then mulling over the immediate results, 2009 will be a year to maintain momentum and deliver on the Accra Agenda for Action (AAA). The purpose of the AAA is not to replace the 2005 Paris Declaration on Aid Effectiveness, but rather to broaden and deepen the implementation thereof. Commitments made in the AAA to develop dialogue between donors and partner countries in 2009 and start formulating guidelines on issues such as the international cross-country division of labour will hence be followed closely by all involved stakeholders. The EC announced it would give its mandatory 'Report on EU Financing for Development and Aid Effectiveness – towards achieving the MDGs' special importance in 2009, so as to 'push the European Agenda forward'.³⁹

One of Accra's acknowledged successes was its broadening of the stakeholder base, with the inclusion of more CSO actors and, particularly, greater involvement of partner country governments in drafting the outcome document. As a result the AAA puts considerably more emphasis on the twin issues of country ownership and mutual accountability to achieve more effective and inclusive partnerships, yet there are no indicators or references to concrete actions that will allow monitoring of the actual

Diagram 2: EDF 9 and EDF 10 NIP Modality Comparison
General Budget Support (GBS), Sector Budget Support (SBS), Other



implementation of this commitment to democratic or 'downward accountability'. However to achieve greater partner country involvement in this post-AAA work in the run up to the next High Level Forum on Aid Effectiveness in 2011 the OECD Development Assistance Committee (DAC) is reviewing the organisation of its Working Party on aid effectiveness in early 2009 to make it more inclusive.

At the Doha Financing for Development Conference in late 2008 participants agreed, despite the global financial crisis, to maintain efforts to increase ODA and meet the Monterrey targets. Other sources of development finance were examined closely to see how they might be affected by the crisis. FDI flows to Africa will likely be most affected, but there are also signs of a downturn in remittances⁴⁰ as migrant workers lose jobs or find their ability to save curtailed by rising food prices and other costs. Though the impact of the crisis on developing countries is not yet fully apparent, ACP governments have become increasingly concerned that the crisis will make macro-economic management more difficult and compromise their ability to raise internal resources for development.

10th European Development Fund

Implementation of European Development Fund (EDF) 10 will take off in 2009. In comparison to EDF9, three main observations can be made:

General budget support (GBS) has increased from 22.9% to 31.4% of the total National Indicative Programmes (NIP) while sector budget support (SBS) has increased from 8.8% to 16.5%, allowing the EC to almost reach its target of providing 50% of its support through national systems (See Diagram 2). Also the number of countries receiving budget support has increased significantly, from 25 in EDF9 to 43 in EDF10. Interestingly, the share of budget support in total EDF10 allocations follows the average distribution in Africa, is much higher in the Caribbean (GBS: 23.3%, sector budget support (SBS): 32.4%) and much lower in the Pacific (GBS: 2.8%, SBS: 8.3%). The use of SBS also varies according to sector, from basically none in conflict prevention and environment, only 4.7% in trade and high shares in governance (20%), human development (27%) and rural development (30%).

Diagram 3: EDF 9 NIP Sector Overview

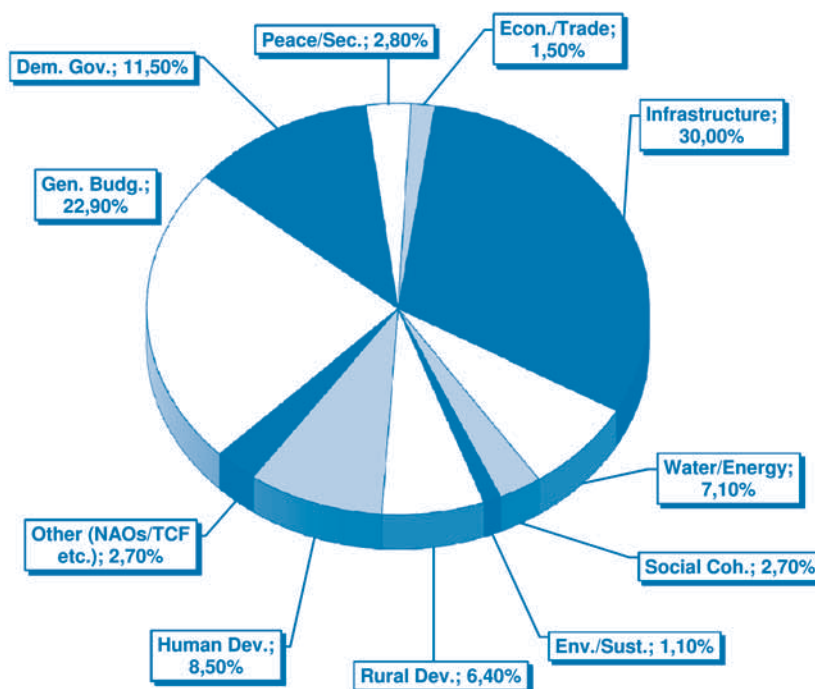
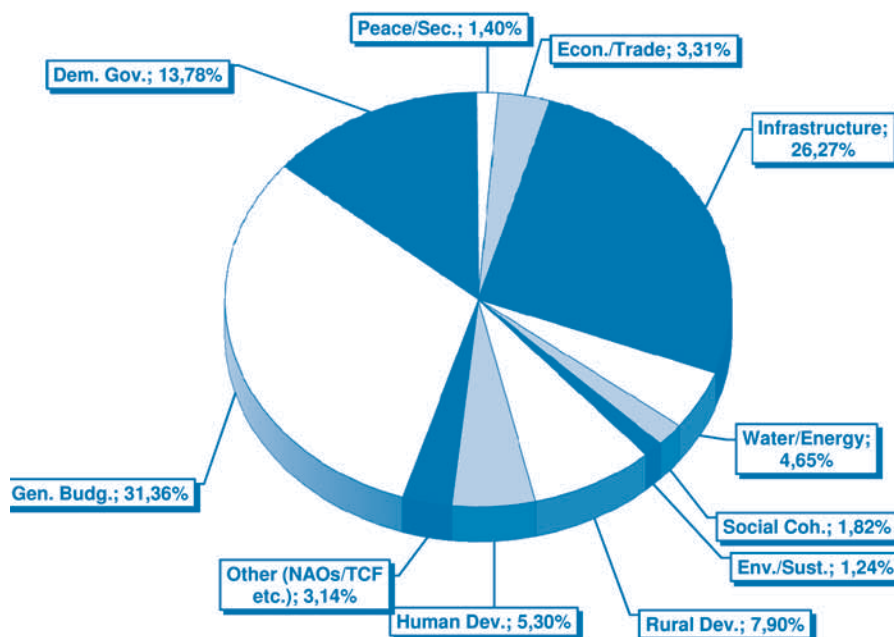


Diagram 4: EDF 10 NIP Sector Overview



In terms of sectoral allocation, the largest relative change is in economic and trade sector, which receives more than double in EDF₁₀ than in EDF₉. Other increases are in human development, democratic governance and rural development (see Diagrams 3 and 4).

In the Intra-ACP allocation the share of the pan-African envelope has remained just below 20%, although it will increase to almost 30% if the Euro 300 million currently earmarked for the APF in the reserve is actually allocated. The share of global initiatives has remained at around 12%. Under the all-ACP initiatives, the allocation has been made on the basis of sectors with the largest amounts going to climate change and infrastructure.

Non-state actors

January 2009 will see presentation of the results of the global evaluation on the EC's delivery of aid through CSOs. The findings and recommendations come at a good moment, as they point to the need for donors to think creatively about how to improve aid effectiveness while also supporting a vibrant and more diverse civil society, and how to effectively integrate CSOs in the new aid modalities promoted by the Paris Agenda.

In addition, an external evaluation of the operations carried out under the EU thematic programme on non-state actors and local authorities in development is set for 2009. The report will be discussed with the EU Council and Parliament, with the conclusions feeding into preparations for the second programming period 2011-13. In addition, an ongoing capitalization study on the new generation of non-state actors (NSAs) capacity development programmes implemented during the 9th EDF is expected to be completed in April 2009.

Fragile situations and security and development

One year after the EU Council conclusions on fragility were adopted⁴¹ little change in the EU's engagement in fragile states is evident at the country level. Ad hoc country and thematic teams (formed by the EC, EU member states and in two cases the World Bank) were tasked to 'test' the Council conclusions in pilot countries. These have

as yet met for only a few countries and are currently starting to commission mapping exercises. An implementation plan to translate the Council conclusions into practice, based on lessons learned from the pilot countries, is set for presentation in the second quarter of 2009. In the meantime, the EC has developed guidelines on more flexible implementation procedures to be applied in situations of fragility.

Looking at the same topic from the angle of security policy, implementation of the 2007 Council Conclusions on Security and Development⁴² started in 2008 with a study of lessons learned from EU-wide intervention in Aceh/Indonesia, Afghanistan, Central African Republic, Chad, Colombia and South Africa. The results should provide initial inputs for follow-up and inform the preparation of an action plan on security and development. A discussion on the plan, particularly related to African-led peace support operations, is expected in 2009. In parallel, the first revision of the seven financial instruments of the EC Directorate General for external relations (DG RELEX) for 2007-13 is coming up in 2009. The evaluation of the implementation of these instruments will inform the mid-term review of the RELEX financial instruments, including legislative proposals.

ODA definition

The OECD-DAC will review the definition of ODA around May 2009 and expectations are that the debate could become heated as some members seek a wider definition. A more political EU external action tends to imply an occasional blurring of the boundaries between development cooperation and foreign policy. The challenge in seeking a more integrated approach to such questions as climate change, migration, and security and development is to ensure that ODA remains poverty and development focussed. The current financial crisis is also expected to increase pressure to widen the definition of ODA, so that member states can calculate the maximum possible share of their expenditures on migration, climate change and security as development assistance. For the EC as well, the question arises for example regarding the thematic programmes under the Development Cooperation Instrument (DCI). DCI regulations stipulate that 90% of spending be ODA. But as three out of the five thematic programmes are more likely to be fully

eligible as ODA under the DAC (Investing in people, Food security, NSAs), there is a doubt that the other two thematic programmes (Environment and Migration) may be allowed to spend much less than 90% of DCI funds on development-relevant actions – if the 90% is interpreted as an overall threshold.

Conclusion: Quo vadis ACP-EU relations?

Over the past few years ACP-EU relations have been confronted with diverse external and internal challenges: regional integration, EPA negotiations, the AU's growing presence, the EU's enlargement and increasing diversity as well as other more global challenges. These challenges have also prompted differentiation within the ACP Group, leading some observers to question the long-term relevance of the grouping and its future significance in the global order. The EPA negotiations underline diverging interests within the ACP Group, with the Caribbean having signed an EPA despite other five regions' criticisms and doubts. Another challenge is the emergence of the AU, seeking a position as the main interlocutor between Africa and the EU. The ACP Group has to find a way to balance the rising roles of its collective organisations, such as the AU and RECs, and the strategic need to remain a strong negotiation power vis-à-vis the EU. Concerns have been expressed in some regions, particularly the Pacific and Caribbean, about allowing the AU a place in the text of the CPA following its next revision.

The newly established JAES is getting increased EU and AU attention and this 'partnership of equals' seems well placed to serve common African interests, particularly in political domains such as migration and peace and security. If the frequency of meetings is any indication, the JAES is already a success, as the AU and EU have never met as often as in the first year after the JAES was signed. However, 2008 was mainly about the institutional arrangements, and 2009 is expected to focus more on implementation and a more content-related dialogue. If the African side will step up its engagement with the strategy will certainly depend on whether the EU member states will put additional resources on the table in 2009. The China-EU-Africa trilateral partnership represents yet another stage of the EU engaging with more partners on develop-

ment aid and its stronger focus on Africa as a continent than the ACP as region. China has also shown increased interest in Latin America,⁴³ releasing its first policy paper on the region ahead of the Chinese president's Latin America tour. The paper maps guiding principles for future cooperation in 2009-10, so as to promote a continuous, stable relationship with Latin American and Caribbean countries.⁴⁴

The EC has developed its own strategy towards the Caribbean and Pacific, but this has provoked little debate in the EU and the respective regions. Nonetheless, the first EU-Pacific Islands Forum Ministerial Troika in September 2008 symbolised stronger EU interests in that region. A second senior meeting is set for April 2009, in Australia during the Czech EU Presidency. The Fiji elections and the conclusion of Fiji's Article 96 consultations will also be on that agenda.⁴⁵

The coming year will be a pivotal one for the Pacific Plan (2008-10) in terms of delivery on its goals. The plan covers a number of work areas, coordinated by the Pacific Forum Secretariat. Regarding trade, for instance, regional integration has been slow and forum island countries (the 16 members plus Australia and New Zealand) will need to show their commitment to the Pacific Island Countries Trade Agreement (PICTA). A new PICTA trade in services agreement is expected to be signed in early 2009 and to include a groundbreaking agreement on intra-regional mobility of skilled and semi-skilled labour. Negotiations on a free trade agreement with Australia and New Zealand will begin in 2009. Australia will also follow New Zealand this year in offering a scheme for temporary labour movement in the agricultural sector.

Regarding the Caribbean Islands, the EU will likely focus more on a collective strategic partnership with Latin American and the Caribbean (LAC), giving this constellation more prominence. The EU has planned several high-level meetings to this end in 2009, such as the EU-LAC Summit to take place in Spain during the Spanish EU Presidency.⁴⁶ The next EU-Rio Group ministerial meeting will be held in Prague in April 2009. Furthermore, the EU has lately engaged some Latin American countries in more concrete strategic partnerships. An EU-Mexico partnership was concluded in October 2008, an EU-Brazil strategic partnership was announced in 2007 at the first EU-Brazil Summit in Lisbon and is expected to be signed

at the next EU-Brazil Summit in December 2008 in Paris at the earliest and next year at the latest (see Council conclusions in Dec). EU-Mercosur relations, on the other hand, have shown little progress since the last EU-LAC Summit. They agreed to reactivate talks and stressed the need for an association agreement. However, no deadlines were set and the EU and Mercosur agreed only to pursue negotiations 'as soon as the conditions allow, perhaps in 2009.'⁴⁷

Under the French EU Presidency, the 'Barcelona Process', the name commonly given to the Euro-Mediterranean partnership, was reanimated by French President Sarkozy. In November 2008 this project received a completely new face: 'The Union for the Mediterranean'.⁴⁸ The Union for the Mediterranean, further, has introduced four fields of cooperation to be pursued in 2009 -- peace and security; maritime safety; economic and financial partnership; and social, human and cultural cooperation -- with ministerial meetings to be held in Morocco in 2009 and 2010. Other plans include a EUROMED FTA by 2010 and a joint secretariat based in Barcelona to be fully functional in May 2009.⁴⁹ The foreign affairs ministers of the Union for the Mediterranean will meet later in 2009 to assess progress achieved and prepare for the summit in 2010.

The stronger focus on continental and regional counterparts, such as the AU, Latin America and the Mediterranean Union might have implications for the Caribbean and Pacific, as smaller ACP regions, and for the ACP Group as a whole in the future. The upcoming CPA revision, to be signed in early 2010, is therefore crucial for the ACP Group and particularly EU-ACP relations and will determine whether the ACP can overcome its internal differentiation and remain a strong bargaining power vis-à-vis the EU. Negotiations between the parties, which should start in March 2009, should therefore also be an opportunity to address a number of these challenges so that ACP states and regions can exploit the CPA to its full potential.

Ultimately then, 2009 is a year during which the EU's development partners will be watching the Union closely on several fronts. First of course there will be an interest in the institutional changes taking place: the political complexion of the new Parliament, the line up of new Commissioners and the handling of the

changes in arrangements for managing EU external relations from the Lisbon Treaty. Second, there is the question of what impact the global economic slow down and continuing uncertainty over such issues as energy, water and climate change will have on the EU's global outlook and external policies. Will the EU become more concerned about its own needs and less willing to work in collaboration with others on finding global solutions? However, perhaps the closest attention will be paid to how the EU handles two closely intertwined issues in its direct dealings with its development partners. How will it handle the second revision of the Cotonou Agreement and will it be able to demonstrate the added value of the Joint Africa-EU Strategy? In the first there is a need to show the EU's continuing commitment to this 20 year agreement despite its interest in partnerships with other groups both within and outwith the ACP. In the second, now that the organisational arrangements are more or less in place, there is a need, before the next EU-Africa Summit in 2010, to show that the JAES makes a difference, that there are new resources available to back up its grand plans, that the member states on both sides start to get involved in its implementation, and that the Strategy does indeed provide an effective platform for joint Africa-EU action in international affairs.

Notes

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- 46 Weiss, P. 2008. Social Cohesion in Europe and Latin America: The EU-LAC Summit in Lima, 15-16 May. Berlin: Konrad-Adenauer-Stiftung. www.kas.de/wf/doc/kas_14379-544-2-30.pdf
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- 49 *ibid.*

List of acronyms

AAA	Accra Agenda for Action	FDI	foreign direct investment
ACP	Africa, the Caribbean and the Pacific	FTA	free trade area
AfT	Aid for trade	GBS	General budget support
APF	African Peace Facility	GCCA	Global Climate Change Alliance
APRM	African Peer Review Mechanism	GIT	Governance Incentive Tranche
APSA	African peace and security architecture	HIPC	highly indebted poor country
AU	African Union	IDPs	internally displaced people
CAADP	Comprehensive Africa Agriculture Development Programme	IMF	International Monetary Fund
CAP	Common Agricultural Policy	JAES	Joint Africa-EU Strategy
CARIFORUM	Caribbean Forum	JEGs	Joint Expert Groups
CCCD	Commission on Climate Change and Development	LAC	Latin American and the Caribbean
CFSP	Common Foreign and Security Policy	NEPAD	New Partnership for Africa's Development
CPA	Cotonou Partnership Agreement	NIP	National Indicative Programme
CSO	Civil society organisation	NSA	Non-state actor
DAC	Development Assistance Committee	ODA	Official Development Assistance
DRC	Democratic Republic of the Congo	OECD	Organisation for Economic Cooperation and Development
EAC	East African Community	PAP	Pan-African Parliament
EC	European Commission	PCRD	post-conflict reconstruction and development
ECOSOCC	Economic, Social and Cultural Council	PICTA	Pacific Island Countries Trade Agreement
EDF	European Development Fund	PSC	Peace and Security Council
ENP	European Neighbourhood Policy	RECs	regional economic communities
EP	European Parliament	RELEX	Directorate General for external relations of the EC
EPA	Economic Partnership Agreement	SADC	South African Development Community
ESS	European Security Strategy	SBS	Sector budget support
EU	European Union	WTO	World Trade Organization
FAO	UN Food and Agriculture Organisation		



www.ecdpm.org/infocentre

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Information sources

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

www.ecdpm.org/Challenges2009

Information on ECDPM's work on ACP-EU cooperation

www.ecdpm.org

News and resources on the JAES

www.europafira.org

The three Cs initiative (coordination, complementarity and coherence)

www.three-cs.net

Information on ACP-EU trade issues

www.acp-eu-trade.org

ECDPM's News & Events page for the latest ACP, EU & ECDPM News, updated daily.

www.ecdpm.org/acpnews

ACP-EU Joint Parliamentary Assembly

www.europarl.europa.eu/intcoop/acp/10_01/default_en.htm

ACP Secretariat

www.acpsec.org

African Union

www.africa-union.org

European Commission and African Union, official site of the JAES

www.africa-eu-partnership.org

European Commission, DG Development

http://ec.europa.eu/comm/development/index_en.htm

European Commission, EuropeAid Cooperation Office

http://ec.europa.eu/europeaid/index_en.htm

European Commission, DG External Relations

http://ec.europa.eu/comm/external_relations/index.htm

European Union Trade Issues

http://ec.europa.eu/trade/issues/index_en.htm

European Parliament, Committee on Development

www.europarl.europa.eu/committees/deve_home_en.htm

Council of the European Union

www.consilium.europa.eu/cms3_fo/index.htm

Czech EU Presidency 2009

www.eu2009.cz/en/index.html

Swedish EU Presidency 2009

www.sweden.gov.se/sb/d/10302/a/102980

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