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Do procedures hamper policy ambitions?

Procedures are a necessary evil in development cooperation. They help to ensure both accountability to taxpayers and transparency in the allocation of resources. Ideally, they should be conceived so as to ensure that development programmes are implemented both smoothly and efficiently. But does this also apply to the procedures followed by the European Commission, including those regulating ACP-EU cooperation?

EC Reform

In 2000, the European Commission (EC) embarked upon a major reform of its external assistance. One of the stated objectives was to simplify and rationalise the complex set of administrative and financial procedures. The idea was to speed up the delivery of aid, and make the process more efficient and transparent at the same time. Many changes have been made to the system since then, and procedures and contracts have been standardised. In order to improve transparency, competitive bidding has become the norm for obtaining EU funding (with contracts being awarded by means of 'calls for proposals'). The EC now has a clear preference for funding 'large programmes' (so as to enhance disbursement levels and reduce transaction costs). Another innovation is the 'n+3' rule or 'sunset clause', which is intended to prevent aid resources from 'staying asleep' for a long time in the form of dormant commitments. In practice, this means that aid committed to a

given programme (in the year 'n') effectively has to be spent in the following three years.

All this may sound pretty abstract and remote for the majority of actors involved in ACP-EU cooperation. Wrongly so, as these procedures are likely to profoundly affect the design and implementation of development programmes.

'Can we still do development?'

Few will deny that most of these reforms make good sense from the viewpoint of sound financial management. But do they also make sense from a development perspective? Are the new procedures consistent with the EU's strategic cooperation objectives? Do they match the realities encountered by developing countries? Are they compatible with the delivery of high-quality aid?

European aid practitioners are starting to express growing concerns. Their fears boil down to a straightforward question: 'Can we still do proper development work with such tight procedures? For instance, some strongly argue that the search for standard EU procedures and the current 'obsession' with financial accountability drastically reduce the scope for experimentation, flexibility and risk-taking - all of which are badly needed if action is to be effective. Others stress that 'development process time' is not necessarily in step with 'aid system time'. Promoting ownership means accepting that local realities largely determine the rhythm of development

actions. It therefore makes little sense to artificially accelerate the process by throwing money at problems or through all kinds of rules (such as 'n+3'). Yet others doubt whether the new procedures will be able to accommodate the changing nature of aid. Like other donors, the EC is moving away from funding a myriad of projects towards supporting national policies and major political and institutional reform processes. Yet if the EC's ambition is for instance to improve governance in developing countries, the recipe is not to set up large programmes that consume lots of aid. For impact to be achieved on a sensitive matter like governance, practitioners rather need time, flexibility, a process of trial and error, space to set up strategic partnerships with a variety of actors, a willingness to run risks (including the risk of failure), etc. But do the current procedures and disbursement pressures allow for such an approach to cooperation?

Need for dialogue

The jury is still out on whether the new procedures will help or hinder the EU in achieving its strategic cooperation objectives. Yet it would be most useful to systematically assess the impact of procedures on the quality of EU aid. A dialogue between all stakeholders (including those from the ACP) is also needed. This should help to ensure a proper match between the requirements of genuine development work and the legitimate demands of sound financial management.



EUROPEAN CENTRE FOR DEVELOPMENT POLICY MANAGEMENT
CENTRE EUROPÉEN DE GESTION DES POLITIQUES DE DÉVELOPPEMENT

The third Africities Summit on local development and decentralisation

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The Africities Summit is a platform for a political dialogue on decentralisation in Africa. It has been organised bi-annually since 1998 by the Municipal Development Programme (MDP, recently transformed into a Municipal Development Partnership) acting in collaboration with various local government umbrella associations in Africa, such as the African Union of Local Authorities (AULA), the 'Union des Villes Afrique' (UVA) and the 'União das Cidades Captaes de Lingua Portuguesa Africana (UCLAA). Bilateral and multilateral donors have been supporting the event, as it ties in well with their growing interest in supporting local development and decentralisation.

Africities brings together central and local governments, NGOs, the private sector, research and training institutions as well as the MDP's partners in the donor community and support agencies. The rationale for the Africities summit is that success in the decentralisation process in Africa depends on continued dialogue between central and local governments in relation to shared powers, functions and resources.

Putting local governments on the map

The main objectives of the Africities Summit are to:

- deepen the political will for decentralisation through central government support and commitment;
- strengthen the African municipal movement;
- promote the advocacy role of local government in seeking to be included in national and international fora on issues related to local government;
- provide a forum for a continental exchange of information and good practices among elected local government representatives (i.e. mayors), officials and local government research and training institutions;
- promote the notion of 'think globally, act locally', implying that local solutions are crucial to sustainable development.

The first Africities summit was held in Abidjan, Côte d'Ivoire, in 1998 and witnessed the emergence of the African municipal movement. Despite their disparate historical and colonial inclinations, African local governments (i.e. municipalities) became aware of the need to come together. The second Africities summit in Windhoek, Namibia, in 2000 marked the beginning of the structuring of the African municipal movement and the Pan-African dialogue on decentralisation and local development. The Council of Cities and Regions of Africa was established as the Pan-African voice of local government, bringing together the three continental organisations of local government in Africa, i.e. AULA, UVA and UCLAA. Also in Windhoek, a decision was taken to establish an African Ministers Conference on Decentralisation and Local Development, bringing together at a Pan-African level all ministers in charge of decentralisation and local government in Africa, so as to highlight decentralisation as a necessary precondition for development in Africa. Problems such as poverty, conflict, environmental degradation and inequity - all of which are major barriers to sustainable development in Africa - can only be properly resolved with the aid of decentralised processes.

Focus on basic services

The third Africities summit was held in Yaoundé, Cameroon, from 2-6 December 2003. It will mark the unification of the African municipal movement and its participation in the world municipal movement. The main theme of Africities 3 relates to a key challenge facing decentralisation in Africa, i.e. ensuring access to basic services provided by African local governments. The focus of the debate will be the implementation of the UN's Millennium Development Goals and of the UN's Rio+10 Johannesburg Declaration and Plan of Action on sustainable development, in the context of access to basic services by the poor.

Africities 3 will be organised over five days. The first two days will be devoted to sessions offering an opportunity for an in-depth exchange of views on the principal theme. The third day will be taken up by special sessions at which various institutions and networks which have been working in the area of decentralisation and local government in Africa will be able to present their experiences. The last two days will be given over to political meetings between local government representatives, African ministers of decentralisation, and development partners supporting decentralisation in Africa.

Link with the Cotonou Partnership Agreement

The items on the agenda of Africities 3 are also highly relevant to the European Union's cooperation with Africa under the Cotonou Partnership Agreement. In recent years, the EU has displayed a growing interest in supporting decentralisation in a number of African countries, starting a dialogue with local government associations, and enhancing the role played by local governments in EU-supported local development programmes. However, much still needs to be done before local government can play a fully-fledged part, as distinct actors with their own legitimacy and added value, in formulating and implementing ACP-EU cooperation. The ACP Local Government Platform, an umbrella organisation of local government associations, is planning to study the level and quality of local government participation in ACP-EU cooperation, three years after the Cotonou Partnership Agreement was signed. It will also seek to strengthen the political dialogue with the EU in order to promote more effective forms of partnership in the pursuit of essential objectives such as alleviating poverty, raising the standard of social services and improving local governance.

Articles which carry an author's name do not necessarily reflect the view of the ECDPM.

The new Financial Perspectives: what impact will they have on ACP-EU cooperation?

Preparations are underway for the next Financial Perspectives, which will define the framework for the European Union's overall expenditure from 2007 till 2013. The negotiation of this financial 'package' is a key moment for setting political priorities and allocating financial resources accordingly, including for the external action of the EU.

The European Development Fund (EDF) for EU support to ACP countries is not funded through the overall EU budget. Rather, it is resourced in the form of separate contributions from EU Member States. This means that, for the moment being, the debate on the Financial Perspectives does not affect ACP cooperation.

Budgetisation

This may change, however, if a decision is taken to include the EDF in the EU budget from 2007 onwards. In the jargon used in Brussels, this is called the 'budgetisation' of the EDF. In practice, ACP-EU cooperation would then feature alongside many other priorities funded under the budget for the EU's external action. This, in turn, may have important consequences for the focus, predictability and level of financial resources allocated to the ACP.

Uncertainty

Other processes relating to the Cotonou Partnership Agreement may increase the degree of uncertainty even further. The first

performance review (also called the 'mid-term review') is due to take place in 2004. This may lead to a redistribution of funding among 'good' and 'poor' performers. The Annexes of the Cotonou Partnership Agreement are also up for review and could lead to a number of changes in the joint management of financial resources. Lastly, EU Member States will be reconsidering their financial obligations towards the EDF in the light of the way in which resources were used in the past.

All in all, the future funding and direction of ACP-EU cooperation is at stake; the next steps will determine the future course of the partnership.

Cancun and EPAs

In the run-up to the 5th Ministerial Conference of the World Trade Organisation (WTO) in Cancun, armies of trade officials worked hard to prepare the next round of negotiations. Despite the high expectations, the global trade talks failed to achieve results. Although the initial response of most developing countries was that 'no agreement is better than a bad agreement', they nevertheless saw their hopes of making progress on the development agenda shattered. The key question now is how to take the process forward. Can the reasons for the failure, which were substantive just as much as they were tactical and organisational, be remedied in the near future and thus enable the multilateral trading system to be put back on track?

Pressure

Does the failure of Cancun have any bearing on the ongoing trade negotiations between the ACP states and the European Commission or on the content and format of the Economic Partnership Agreements (EPAs)? Some ACP actors have expressed fears that the EC will exert more pressure on ACP countries to accept what they were unable to obtain in multilateral negotiations. Other ACP experts appreciate that

EPA negotiations provide an opportunity for the ACP countries to discuss contentious issues (such as investment and government procurement) with the EC as their main trading partner. The assumption is that it will be easier to agree and find modalities that are adapted to their needs during EPA talks than at a multilateral level. It is difficult to predict when the WTO process will take off again. The newly founded 'Tripartite Alliance' - consisting of

ACP, African Union and LDC countries - wants to continue working closely together to ensure that the Round focuses on key development issues. If and when the WTO members arrive at an agreement in these areas, this will have an impact on the content and format of future EPAs and the possible benefits ACP states can derive from them. But no crystal ball can tell us when and how this will happen.

Organising Civil Society: the Non-State Actor Forum in Uganda

In some ACP countries, civil society has creatively sought to seize the opportunities for participation, offered by the Cotonou Agreement. In Uganda, a Civil Society Steering Committee (CSSC) was formed to engage with the government and the EC. Rather than setting-up a new representative structure with its own governance structure, the CSSC consists of existing national networks (including development NGOs, human rights associations, trade unions, farmer associations, research institutions, etc.)

The CSSC has a dual mandate. First, to act as a platform from which civil society can organise its involvement in policy dialogue and its advocacy work towards the government and the EC on a variety of cooperation priorities (e.g. good governance, agricultural modernisation, conflict resolution, NGO legislation).

Second, to help implementing the civil society capacity building programme that government and EC agreed to support under the 9th EDF. It aims at enhancing the capacity of Ugandan civil society to participate in policy processes and to demand accountability from those institutions that affect the lives of the poor. The CSSC will play a steering role in the programme by deciding on which projects to fund when there are call for proposals and by providing support to the Programme Management Unit for the implementation of the programme.

The Ugandan experience may serve as a source of inspiration for ACP countries where the political space for participation is restricted or where civil society is fragmented, highly divided or poorly organised.

EVENTS

1-2 October: 10th meeting of the ACP Ministerial Trade Committee; 5th meeting of the ACP-EU Joint Ministerial Committee; 2nd ACP-EU Ministerial session on the negotiation of EPAs, Brussels, Belgium
Ministers from the African, Caribbean, and Pacific (ACP) States met with EU Trade and Development Commissioners Pascal Lamy and Poul Nielson in Brussels on 2 October 2003. The parties adopted a joint declaration (www.acpsec.org/gb/press/jtdecla2oct.htm) and a detailed joint report setting out the convergences and divergences identified during the first year of all-ACP discussions of Economic Partnership Agreements (EPA)
www.acpsec.org/gb/sed/acp0011803-e.htm

11-15 October: ACP-EU Joint Parliamentary Assembly bi-annual meeting, Rome, Italy
The issues discussed at the meeting included the threats posed to the ACP group by the multilateral and bilateral trade negotiations and the need to speed up the implementation of the Cotonou Partnership Agreement. All the final resolutions adopted by the Joint Parliamentary Assembly have been posted on the Assembly's website: www.europarl.eu.int/intcoop/acp/6o_o6/default_en.htm

January-June 2004: Regional seminars to discuss issues relating to the implementation of the Cotonou Partnership Agreement, organised by the ACP Secretariat in collaboration with the European Commission in each of the six ACP regions.

READINGS

Trade Negotiations Insights (TNI) From Doha to Cotonou, Vol. 2, No. 4, October 2003. This issue analyses the complementarity and coherence of regional integration agendas, the WTO Round of negotiations and EPA negotiations.
www.acp-eu-trade.org/tni.html

Ensuring that Development Cooperation Matters in the New Europe
The ECDPM recently performed an independent assessment of the future role of development in an enlarged European Union. This was in preparation for the Intergovernmental Conference and the adoption of a new European Constitution drafted by the European Convention. The focus of the ECDPM's work was on the future structure of the Commission/College, the role of the proposed European Foreign Minister and the coherence of the Union's external action.
www.ecdpm.org/

Mid-Term Reviews: Performance-based partnerships in ACP-EU cooperation. Jonas Frederiksen. ECDPM In Brief No. 5, October 2003.
This brief looks at the issues and challenges involved in preparing

and implementing the mid-term reviews. Aimed primarily at ACP and EU officials and stakeholders, it is intended as an initial contribution to the rapidly evolving discussions, and seeks to stimulate debate on and understanding of the mid-term review.
www.ecdpm.org/

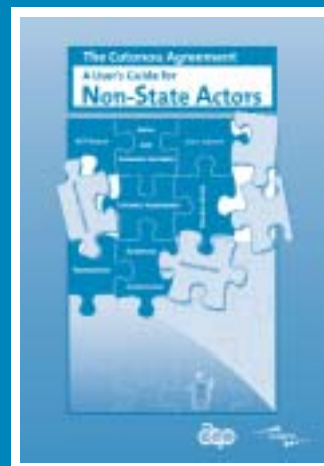
The European Commission's Work Plan for 2004
http://europa.eu.int/comm/off/work_programme/index_en.htm

The European Commission has adopted a communication on governance and development. This document takes stock of the debates and refocuses the concept of governance, based on dialogue and capacity building. A number of measures are identified that can be used to promote governance in three different situations, i.e. effective partnerships, difficult partnerships, and post-conflict situations.
http://europa.eu.int/eur-lex/en/com/cnc/2003/com2003_o615en01.pdf

European Commission Staff Working Paper on Agricultural Commodity Trade, Dependence and Poverty: An Analysis of Challenges facing Developing Countries
[http://europa.eu.int/comm/development/body/tmp_docs/SEC\(2003\)908EN.pdf#zoom=100](http://europa.eu.int/comm/development/body/tmp_docs/SEC(2003)908EN.pdf#zoom=100)

The European Commission has tabled a communication setting out the implications of three possible reform scenarios for the EU's sugar sector.
http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/1286|o|RAPID&lg=EN&display

The Cotonou Agreement A User's Guide for Non-State Actors



The guide will be distributed by the ACP Secretariat (English version beginning of January, French version end of February) and will be available to download at www.acpsec.org as well as via ECDPM's website www.ecdpm.org

'InfoCotonou' highlights key debates, activities and events related to the implementation of the Cotonou Partnership Agreement, an agreement between the African, Caribbean and Pacific (ACP) countries on the one hand, and the European Union (EU) on the other. ACP-EU actors are encouraged to share their opinions, reports and other resources on ACP-EU cooperation. The ECDPM is a non-partisan organisation that seeks to facilitate international cooperation between the ACP and the EU. Information may be reproduced as long as the source is quoted.

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