

Annual Report 2008



European Centre for Development
Policy Management

ecdpm

ECDPM works to improve relations between Europe and its partners in Africa, the Caribbean and the Pacific

Linking policy and practice

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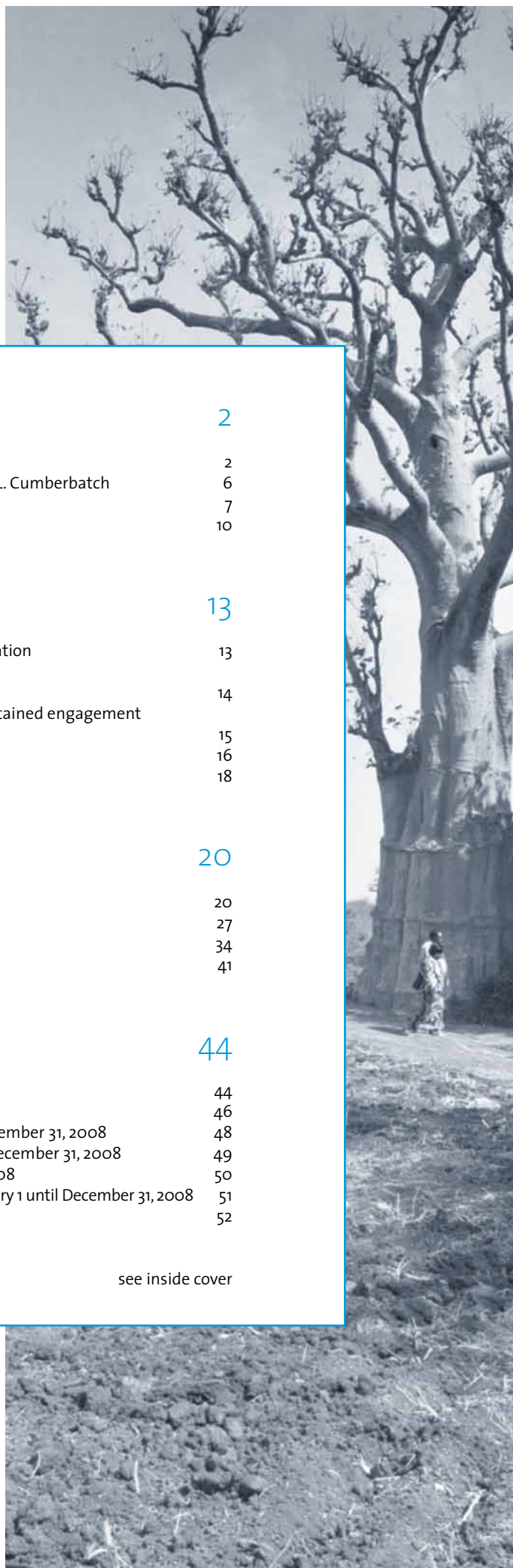
Attached with this Annual Report, you will find the ECDPM CD-ROM, featuring the full text of our publications, as well as information about our programmes and strategy. This CD-ROM is produced on an annual basis.

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Acronyms

see inside cover



1. Introduction

ECDPM at a glance

Linking policy and practice

ECDPM was established as an independent foundation in 1986, to facilitate international cooperation between developed and developing countries, with a particular focus on relations between the European Union and its partner countries in Africa, the Caribbean and the Pacific (ACP). At the heart of ECDPM's work is the goal of reducing asymmetries in knowledge, power and resources between developed and developing countries by reinforcing the capacities of public, private and non-profit organisations to better manage their own development and international cooperation.

The first decade of the 21st century has been marked by the growing realisation that rapid economic growth and globalisation on their own cannot stimulate equitable and sustainable development in poor countries. Most of these countries still face a multitude of challenges, including worsening poverty, food and energy scarcity, environmental degradation and social strife and conflict. Enhanced understanding of these problems, their inter-linkages and their global impacts has led to intensified efforts to improve multilateral cooperation and governance in such areas as security, migration, environmental protection, trade and finance. A central element of these international initiatives is the redefinition of traditional relations between donors and developing countries, based on mutual respect and "common but differentiated responsibility" for addressing global problems.

It is within this interdependent and evolving global context that ECDPM works to support organic, sustainable

development in the South. Drawing on more than two decades of experience in facilitating dialogue between the European Union and countries of Africa, the Caribbean and the Pacific (ACP), ECDPM is guided by two strategic objectives: (i) strengthening the capacity of public and private sector actors in developing countries to better manage their development policies and international cooperation and (ii) supporting the reform of Europe's political and institutional framework to enhance international cooperation and respond effectively to the development challenges of our time.

What we do

ECDPM's work is organised around three thematic policy areas: (i) development policy and international relations, (ii) economic and trade cooperation and (iii) governance. Programmes in these thematic areas pay specific attention to policy processes that are critical for

improved international cooperation. Providing overall support to the three programmes are units geared towards knowledge management and communications, institutional relations and policy innovation.

The overall goal of the **Development Policy and International Relations Programme** (DPIR) is to promote effective development cooperation with a view to helping developing countries, particularly those in Africa, their governments and their institutions to derive maximum benefit from relations with the European Union. Special emphasis is on strengthening ownership and improving the capacity of developing countries to guide relations in line with their development priorities.

The **Economic and Trade Cooperation Programme** (ETC) contributes to the development of a trade regime that promotes sustainable development and the integration of developing countries, particularly in the APC, into the world economy. The programme operates in the



context of the global debate on strategies for effective economic development, global trade liberalisation, the World Trade Organization's Doha Development Round and regional integration processes.

The **Governance Programme** contributes to three overarching objectives: supporting Africa's search for home-grown strategies to promote governance at the local, national, regional and continental levels; improving the European Union's capacity to plan, implement, monitor and evaluate governance support strategies in partnership with ACP actors; and promoting effective linkages and synergies between policy debates and governance initiatives between developing countries and the European Union.

How we work

ECDPM adopts a process- and results-oriented approach aimed at strengthening policy processes at the broad institutional level. Priority is on ACP-EU relations, though we also keep a watchful eye on broader trends in international cooperation, to draw out useful experiences and identify new thinking and approaches.

A core thrust of our work is strengthening the capacities of public, private and civil society organisations in ACP countries to better manage their development policies and international cooperation. We also invest in long-term relationships with EU Member States, the European Commission and the European Parliament, providing timely analyses to enhance their international cooperation efforts.

Across its programmes, ECDPM applies three complementary capacity-strengthening strategies:

- (1) Direct facilitation support for key development policy processes. This includes strengthening multi-actor dialogue, consultation and strategic networking, as well as advisory services in support of our international and regional institutional partners.

- (2) Strategic research, knowledge management, networking and information services. These activities encompass policy-oriented research and benchmarking, promoting the use and sharing of pertinent knowledge and information by policy actors, and independent monitoring and evaluation.

- (3) Strategic partnerships to support the institutional development of key policy actors in developing countries. This includes supporting institutional strengthening of developing country policy networks; participation in and, where necessary, help in creating North-South networks, platforms and alliances; and collaborative monitoring and evaluation of the outcomes and impacts of institutional development programmes.

strategic partnerships and institutional development and encourages networking among institutions.

Inclusiveness and bridge-building: Our approach to stakeholder participation and bridge-building is inclusive. We incorporate different communities in our dialogue and knowledge sharing, with a view to ensuring open communication, democratic principles and full transparency of roles.

Internal learning: In the knowledge-infused and information-intensive environment of international cooperation, it is crucial for ECDPM to not only be aware of its positioning, strengths and weaknesses, but also to keep improving.

Principles that guide our work

Non-partisanship: ECDPM acts as an independent broker to facilitate the non-partisan development of knowledge, viable ideas, options and solutions by policymakers.

Long-term engagement: The timeline of ECDPM programmes spans several years, in line with the policy processes we follow. Our long-term global framework allows us space to modify biannual work plans in response to new priorities, demands and funding opportunities.

Emphasis on the "how" questions: ECDPM takes a practical approach, combining experiences at the national and regional levels with policy-oriented analysis to enhance the relevance and accessibility of lessons to policymakers.

Strategic partnerships, networking and institutional development: ECDPM systematically seeks out new alliances in order to pool resources and capacities, build ownership and ensure greater impact. It facilitates flexible,

Our partners

Our Southern institutional partners, with whom we maintain various types of structured cooperation, include the ACP Secretariat and ACP Group, the African Union Commission, ACP regional communities, independent think tanks, local governments and civil society organisations. With these partners, the Centre facilitates dialogue, provides timely and accurate information and advice, supports the development of strategic and management documents and enhances policymaking capacities. ECDPM also enters into multi-annual institutional funding agreements and partnerships with EU Member States and the successive EU presidencies. These longer term efforts enable us to provide our partners with quality inputs on specific issues, while retaining our independence and legitimacy. Flexible core funding allows the Centre to fulfil its mandate as an independent and non-partisan foundation at the policymaking interface between the European Union and its partners in the South.

1. Introduction



ECDPM staff, left to right, (4 rows) top to down:

Left to right

Roland Lemmens, *Head Finance & Operations*
 Paul Engel, *Director*
 Lee Thomas, *ICT Officer*
 Annelies van Bauwel, *Programme Officer*
 Claudia Backes, *Executive Assistant*
 Henriëtte Hettinga, *Corporate Officer*
 Noëlle Laudy, *Senior Executive Assistant*

Left to right

Geert Laporte, *Head of Institutional Relations & Partnerships*
 Christiane Loquai, *Programme Officer*
 Elenora Köb, *Programme Officer*
 Sabine Mertens, *Senior Executive Assistant*
 Sanoussi Bilal, *Programme Coordinator*
 Gwénäelle Corré, *Programme Officer*
 Andrew Sherrieff, *Senior Programme Officer*
 Bernike Pasveer, *Senior Consultant Knowledge 4 Development*
 Faten Aggad, *Programme Officer*
 Ivan Kulis, *Programme Officer*

Dan Lui, *Programme Officer*

Linda Monfrance, *Office Assistant*

Left to right

Jan Vanheukelom, *Programme Coordinator*
 James Mackie, *Programme Coordinator*
 Kathleen van Hove, *Senior Programme Officer*
 Suzanne Cartigny, *Publications Officer*
 Dany Picot, *Office Assistant*
 Marine Martinie, *Office Assistant*
 Ghita Salvino, *Logistics Officer*
 Pia Brand, *Publications Officer*
 Jeske van Seters, *Programme Officer*
 Tilly De Coninck, *Executive Assistant*
 Bèr Wintgens, *Steward*
 Najat Loiazizi, *Human Resources Assistant*

Left to right

Stéphanie Colin, *Research Assistant*
 Eunike Spierings, *Research Assistant*
 Judith den Hollander, *Intranet Coordinator*
 Peter van 't Wout, *Financial Officer*

Aurélie Walker, *Programme Officer*

Melissa Julian, *Programme Associate*

Floor Hameleers, *Administration Officer*

Birgit Vleugels, *Programme Assistant*

Léonne Willems, *Human Resources Officer*

Corinna Braun-Munzinger, *Programme Assistant*

Veronika Tywuschik, *Programme Assistant*

Not pictured

Alexandra Beijers, *Executive Assistant*
 Jean Bossuyt, *Head of Strategy*
 Jacquie Dias, *Information Officer*
 Verena Ganter, *Junior Information Assistant*
 Karen Gielen, *Human Resources Assistant*
 Volker Hauck, *Head of Knowledge Management*
 Jonas Heirman, *Research Assistant*
 Alisa Herrero Cangas, *Programme Officer*
 Klaus Hoefsloot, *ICT Manager*
 Anje Jooya-Kruiter, *Programme Officer*
 Niels Keijzer, *Programme Officer*

Staffing

ECDPM employs 49 full-time equivalents, with 38 staff members at the head office in Maastricht and 11 staff members at the Brussels office. Of these, 31 are women and 18 are men. ECDPM's programme staff is made up of 27 staff members, six programme associates and four fellows who collaborate closely but are not on the payroll. Programme staff hold a doctorate or master's degree in a relevant discipline. Twenty-two members of staff and one temporary support staff member occupy full-time or part-time support positions in operations, ICT, finance, administration,

logistics, secretarial services, organisation, communications and human resources.

Young professionals programme

The Centre attaches considerable importance to providing a professional work environment for young professionals. By means of internships and research and programme assistantships, ECDPM provides university graduates a stimulating working experience and international exposure. The Centre selects postgraduates of outstanding intellectual quality and personal strengths

holding a master's degree in development, social studies, international affairs/relations/communications, law and economics, and with specialisations in areas relevant to ECDPM's work.

ECDPM Policy Fellowship Fund

ACP partners frequently alert ECDPM to the need to increase the pool of well-trained and practically oriented policy professionals in their countries. In response, the Centre established a policy fellowship fund catering specifically to the needs of young and mid-career ACP professionals who wish to improve their professional understanding of development policy processes, as well as their practical skills to engage in these effectively.

Nationalities of staff, programme associates, fellows and interns

More than 20 nationalities are represented among ECDPM staff, programme associates, fellows and interns:

- Austrian
- Algerian
- American
- Belgian
- British
- Canadian
- Croatian
- Danish
- Dutch
- French
- German
- Italian
- Mauritanian
- Mauritian
- Moroccan
- Portuguese
- Sierra Leonean
- Spanish
- Swedish
- Swiss
- Ugandan



ECDPM Management Team, left to right

Sanoussi Bilal, *Programme Coordinator Economic and Trade Cooperation*
 James Mackie, *Programme Coordinator Development Policy and International Relations*
 Volker Hauck, *Head of Knowledge Management*
 Roland Lemmens, *Head Finance & Operations*
 Paul Engel, *Director*
 Geert Laporte, *Head of Institutional Relations & Partnerships*
 Henriëtte Hettinga, *Corporate Officer*
 Jean Bossuyt, *Head of Strategy*
 Jan Vanheukelom, *Programme Coordinator Governance*



ECDPM Board of Governors, left to right

Mr L.L. Cumberbatch, *Chairman of the Board of Trade.Com Facility for ACP Counties*
 Mr B.J.M. Baron van Voorst tot Voorst, *former Governor of the Province of Limburg*
 Dr M.J.A. van Putten, *former member of the Inspection Panel, World Bank*
 Prof L. Wohlgemuth, *Guest Professor, Centre for African Studies, University of Gothenburg*
 Mr J.T.A.M. Jeurissen, *Director Asset Management, Pension Fund for Metalworking and Mechanical Engineering*
 H.E. Mrs N. Bema Kumi, *Ambassador of Ghana to Belgium and the European Union*
 Mr D. Frisch, *former Director-General of Development at the European Commission*
 H.E. Dr P.I. Gomes, *Ambassador of Guyana to the European Union*
 Mr R. Makoond, *Executive Director, Joint Economic Council of Mauritius*

Not pictured

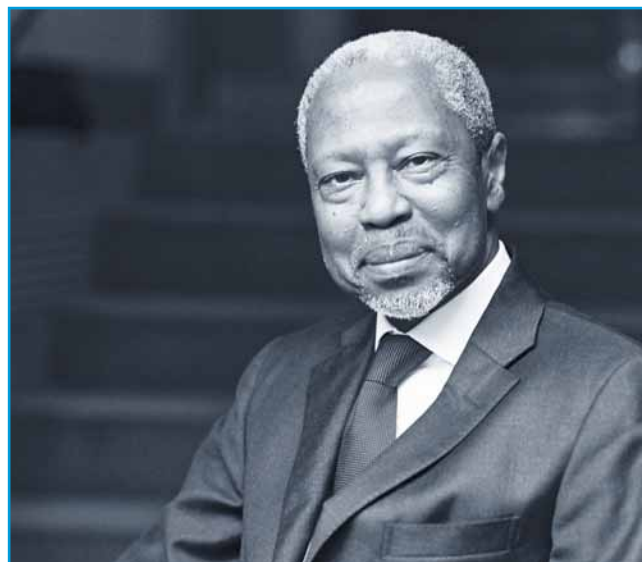
Prof P.H. Katjavivi, *Director, National Planning Commission of the Republic of Namibia*

Members of the Board of Governors

The ECDPM Board is composed of highly respected policymakers, practitioners and specialists from ACP countries as well as EU Member States. The full Board convenes twice a year. From its midst it chooses the Board Executive Committee and Board Programme Committee. The Executive Committee meets at least three additional times each year, amongst other things to review mid-year and annual balance sheets and the income and expenditure accounts. The Programme Committee meets for two days twice a year and approves the ECDPM's annual work plan and annual report.

1. Introduction

Message from the ECDPM Board Chairperson Lingston L. Cumberbatch



In 2008, ECDPM continued its good work, facilitating dialogue between its main constituents, the ACP states, ambassadors and Secretariat, the African Union Commission, and the member states of the European Union and European institutions. In its three programme areas – development policy and international relations, economic and trade cooperation, and governance – the Centre contributed to a myriad of activities, facilitating processes, stimulating dialogue and feeding alternatives backed by careful research and sound knowledge of the views involved.

ECDPM's profile as an independent broker was particularly evident in the role it has played and continues to play in the exacting negotiations on Economic Partnership Agreements (EPAs) between the different ACP regions and the European Commission. Only one region -- the Caribbean -- had managed to agree a comprehensive EPA by the end of 2007. In 2008, therefore, ECDPM continued to accord priority to supporting the EPA regions in Africa and the Pacific by suggesting options potentially viable to both sides. The Centre's principled position in trying to bridge the capacity gap between the ACP countries and the European Commission was particularly appreciated by its ACP partners. ECDPM's excellent papers, the newsletters it published with its partners and its websites represent a durable source of knowledge and information on the most relevant aspects of the EPAs.

The Centre's support to its African and European partners in preparing for implementation of the Joint Africa-EU Strategy adopted at the EU-Africa Summit in Lisbon, is another case in point. Our work with the EU membership and with the African Union on the Joint Strategy and on enhancing the effectiveness of EU external assistance was highly commended, as was our support to the ACP Secretariat in preparing for the upcoming revision of the Cotonou Partnership Agreement.

It has become fashionable among some Brussels circles to suggest that interest in the ACP may be fading. The question of the ACP's relevance as a group also arises, partly due to the regionalisation set in train by the EPAs. But are the EPAs indeed, as some suggest, adequate alternatives to the Cotonou Agreement? Can economic partnerships, even if accompanied by "aid for trade" measures, replace the more comprehensive ACP-EU relationship agreed in 2000, that builds its poverty focus on the shared principles of human rights, democratic governance, sustainable development and trade? Can what are essentially trade agreements negotiated between David and Goliath do justice to the rightful ambitions of either of the two? Or should the painful EPA negotiation process be seen as a primary cause for ACP leaders and intellectuals to turn their heads west and east, rather than to Europe?

A risk to the ACP Group is "the Africa as a whole" approach put forward by some "strategic thinkers" in Brussels and the fact that ACP leaders themselves have not always been forthcoming with ideas, political commitment and true energy to recognise and benefit from the opportunities embedded in the Cotonou Partnership Agreement. The participation of ACP leaders at the ACP Summit in Ghana did not compare well with that of the African leaders at the EU-Africa Summit in Lisbon. This leads one to question whether ACP leaders are willing to become more decisive regarding the ACP-wide partnership with Europe. In these days of crisis -- food, financial and economic -- the vitality of the carefully built long-term relationships between Europe and its ACP partners merit more attention than just a colloquial reference in one meeting after another. Hopefully, the upcoming revision of the Cotonou Agreement will provide an opportunity to work on that.

Faced with multiple crises, all of which impact negatively on the ACP and other

developing countries, ECDPM is finding ways, within its capacities, to address a number of these key questions, including the relevance and revision of the Cotonou Partnership Agreement, the trade policy options available to ACP countries and regions, and the need for the European Union to align with and build on local and national initiatives in partner countries. But the one-sidedness of the scenery is striking. What, for example, can be done in accordance with WTO rules to introduce measures against a flood of cheap imports which might decimate domestic production? What can be done to ensure that financial and economic crisis measures are not detrimental to developing countries? What about the risk of a return to export subsidies in Europe? How might the drying up of trade finance be addressed? ECDPM is intensifying its work and its strategic partnerships to confront some of these emerging issues.

To continue this work effectively, the Centre will need additional resources. Partly the victim of its own success, ECDPM is overstretched with demands for policy updates from ACP and EU Member States. It must make clear choices about where to engage, how and with whom. The Board will continue to help the Centre set the right priorities to ensure that its work is not only timely, but that it generates the right kind of impact in the long term.

I know that I speak on behalf of the Board when I say that we are part of an excellent organisation: small, efficient and focused in its work and results. The Centre has earned immense respect in Europe and in the ACP. In a sense, too much is expected of ECDPM because it does its work so well.

Lingston L. Cumberbatch
Chairperson of the Board of Governors

Message from ECDPM Director

Paul Engel



Coming to grips with crisis, multi-polarity and a rapidly widening international agenda

This year will be remembered as one in which global crisis upon global crisis unfolded and perhaps, planted a seed for worldwide systemic change, a 'post-Washington Consensus'. In early 2008, a steep rise in food prices promoted awareness of the severe instabilities that still characterise global food markets. Next, energy prices hit the roof, straining the economies of oil-importing countries, including many of the world's poorest, only to be followed by the global financial crisis, which pushed the world's richest nations into economic recession towards year's end. The global slowdown has now imposed reductions on exports from developing countries and on the flow of remittances and foreign direct investment towards the same, threatening to trap an additional 60 million people in poverty¹. Official development assistance (ODA) will follow suit, indexed as it is to GDP in donor countries. Most certainly, 2009 will be a critical year for development cooperation.

At the same time, global development has entered a new era of multi-polarity. Emerging economies, in particular China, have such an impact on world affairs that international relations are being realigned to accommodate multiple new stakeholders. Besides debates on reforming key international institutions, such as the United Nations Security Council, the World Bank and the International Monetary Fund (IMF), this realignment is shown in the rise of

the G20 as a world forum, as opposed to the traditional G8. A key question is whether the emerging economies now incorporating themselves into global forums will more strongly represent developing countries' interests. African leaders, for one, felt underrepresented at the November 2008 G20 meeting in Washington, DC. And while the G20 might be more effective than the G8 in addressing the global financial crisis, will it also prove more effective in creating better opportunities for least developed countries? Will UN reforms bring about more effective and inclusive

global development? With Barack Hussein Obama sworn in as the new US President, hopes rose in the South that the broader sustainable development agenda will once again become a legitimate component of international policy debates.

However, it is not just international relations that has been altered. The role of development cooperation has changed too. Just two years ago, development cooperation could still be seen as a policy arena of its own, responding to the clear-cut development objectives embodied in the Millennium Development Goals. Now, development is being drawn into a widening range of "issues of global concern": international trade, security, governance, migration, agriculture/food security, climate change, energy and, most recently, global finance. Instead of a rather narrow but clearly defined focus on the Millennium Goals, a world in crisis has shaped an international cooperation agenda that has diversified almost overnight.

What are the consequences for development policy of the pressures exerted by this rapidly expanding international agenda, put on edge by the global crisis? Certainly the Millennium Development Goals have now become just one of the urgent global concerns. Donors are setting additional priorities, particularly on climate change, food security and international finance. Given the crisis at hand, development cooperation risks being subordinated once again to the foreign, security and economic policies of the world's leading economies. Nonetheless, clear opportunities loom. A move on the part of the industrialised countries towards investing in greener economies so as to save and reform their own financial system may trigger a more sustainable international development agenda. Furthermore, a focus on global areas of concern may bring development back onto voters' political horizon in donor

Trends in ODA

The OECD reports an increase of total net official development assistance (ODA) from members of the Development Assistance Committee (DAC) by 10% in real terms over 2008, to close to US \$120 billion. EU Member States provided \$70 billion, or 0.42% of their GNI, a significant increase from last year². A first review of the effects of the global crisis in January 2009 shows that these go much further than ODA. Foreign direct investment (FDI) is declining steeply in emerging economies. Mining investments in southern Africa have been put on hold. A 15% global reduction in FDI is forecast. Besides, bond and equity issuances by developing countries dropped dramatically in 2008. Stock markets fell, triggering the withdrawal of billions of dollars in investments from developing countries. Turnover on the nascent stock market in Uganda fell by 60% in 2008. Remittances declined sharply as a result of the economic recession in industrialised countries. Kenya's Central Bank estimates a drop of 40% in 2008. The credit crunch has hit trade finance as well. Exports are shrinking all over the world, and import volumes from developing countries into Europe show strong signs of decline³.

¹ Issues paper prepared for the Informal Meeting of EU Development Ministers in Prague, Czech Republic, 30 January 2009.

² OECD: http://www.oecd.org/document/35/0,3343,en_2649_34487_42458595_1_1_1_1,00.html

³ ODI - Paper for informal EU Development Ministers' meeting 29-30 January, Prague, Czech Republic.

1. Introduction

countries and hence help to reinforce political support for development cooperation in these times of crisis. Recession and reduced budgets too may provide incentives for creating synergies among policy areas, reinforcing policy coherence for development. Calls for effectiveness of development efforts are sure to amplify, hopefully reinforcing the work begun with the Paris Declaration and the 2008 Accra Agenda for Action.

A constant in this scenario is that development cooperation will be asked to take up a more political role, moving from “pure” development efforts to become a partner in the more “fuzzy” arena of international cooperation and the quest for stronger partnerships with non-development actors in both the South and North. Thus, apart from the risks, new opportunities may be at hand for development cooperation. Its leverage may now be more effectively applied to impact efforts in other policy areas, including finance, to arrive at inclusive solutions to some of the intractable global problems that continue to affect the poor. Could today’s crisis hold an opportunity to define more precisely for each area of global concern, what the specific contribution of development cooperation, the “development dimension”, could be?

Development leverage in international relations: Lessons from ACP-EU cooperation

Linking the development agenda to global concerns is not new. In 2000, the Cotonou Partnership Agreement between the European Union and the ACP laid the foundation for integrating development with international trade, governance and security concerns. Its driver was the general understanding that development could only be effectively pursued if policies such as trade, governance and security contributed to or, at least, did not frustrate development objectives. This led to a number of early experiences with development actors cooperating with those from other policy areas to further development objectives.

Without pretending an analysis here, some lessons have emerged that can be taken into account when engaging

in development-oriented international cooperation. The first is that development objectives should be leading, or at least demonstrated beyond reasonable doubt. No matter what other objectives international actors may define for their cooperation, development impact must be the single criterion guiding the use of ODA. The Doha and EPA negotiations are a case in point. Until developing countries see sufficiently positive development impact, these processes will be impossible to conclude. The second lesson is that it is not enough to have a policy and a plan for achieving development results. Adequate mechanisms for multi-stakeholder and political dialogue on the achievement of agreed results should be in place, with strong and decisive input from local, national and regional stakeholders. The current emphasis on domestic accountability in governance support underlines this point. Third, donors must be accountable too, and donor accountability should become part of the agreed accountability mechanisms. Fourth, development finance must be reconsidered, and probably adjusted, to ensure development results in international cooperation. Financial alignment is needed with development’s role as one international player among many, co-funding and cooperating with non-development actors seeking to reinforce their leverage. Equally, development finance can no longer justify the inefficiencies inherent in multiple overlapping and competing structures. Harmonisation and alignment, division of labour and rationalisation should be even more the order of the day. The global financial crisis might be just the additional driver required to push these essential changes home.

Reviewing the Cotonou Partnership Agreement

The 2010 review of the Cotonou Partnership Agreement may provide an opportunity for both the European Union and the ACP to adapt the agreement to the major changes in the global context, both within Europe and in ACP-EU relations. The Cotonou Agreement is at its half-way point, and the parties have started to reflect on the partnership’s future. Some key challenges are the differentiated impact of the EPA negotiations on EU-ACP relations, the positioning of the African Union as a privileged dialogue partner of the European Union, and increased regional

differentiation within the ACP. Each of these issues tests the cohesion of the Cotonou signatories and the ACP Group. While the agreement will be in place until 2020, an increasing need now already exists to engage in constructive debate on its relevance and that of the ACP Group in today’s multi-polar world, the political dynamics of which are rapidly changing.

The Joint Africa-EU Strategy: Transforming the relationship between Africa and Europe?⁴

By far the most ambitious initiative to move away from “pure” development cooperation towards a more political international cooperation on issues of global concern is the Joint Africa-EU Strategy agreed upon at the December 2007 EU-Africa Summit in Lisbon. Not surprisingly during its first year of implementation the architecture of the strategy received most attention, rather than any tangible progress on transforming the relationship between Africa and Europe. Yet the strategy sets out a framework for just such a transformation by establishing eight “partnerships” between the continents: on peace and security; democratic governance and human rights; trade and regional integration; the Millennium Development Goals; energy; climate change; migration, mobility and employment; and science, the information society and space.

The first year of the Joint Strategy’s implementation, however, underlined⁵ some of the sensitive issues to be dealt with when integrating development into a wider international cooperation agenda. Much work still needs to be done to ensure and strengthen ownership of the strategy beyond the European and AU Commission, and to actively involve their respective member states and other actors, including those not traditionally engaged in development processes. It remains to be seen how the often divergent interests of Europe and Africa will play out in political dialogue on the various elements of the strategy. If past EPA negotiations are anything to go by, issues of ownership and distrust in the fundamentally asymmetric partnership will be major hurdles. Particularly unclear as yet is how coherence can be maintained with other policy frameworks -- such as

⁴ The full text of the Strategy and Action Plan is available at: http://africa-eu-partnership.org/alfresco/d/d/workspace/SpacesStore/37336a7f-95d2-11dd-8816-21f41be19738/EAS2007_joint_strategy_en.pdf?guest=true

⁵ Tywuschik V & Sherriff A, February 2009: Beyond Structures? Reflections on the Implementation of the Joint Africa-EU Strategy DP87, ECDPM

the Cotonou Partnership Agreement, the European Neighbourhood Policy and the newly established Mediterranean Union -- and how the Joint Strategy and the details of its associated action plan will be funded.

One of the greatest challenges will be to effectively deal with African and European political integration processes, which constrict leadership and coordinated action on both sides but in very different ways. In international cooperation even more than in "pure" development cooperation, international partners must be consistent in their interactions with one another. Likewise, speaking with one voice on key strategic issues contributes to development of lasting, productive relationships built on trust and mutual respect. Given the state of affairs of political integration in Africa and Europe, this bridge promises to be the most difficult to cross.

The European Union: Reinforcing consensus, policy coherence and division of labour

The European Union has so far taken only tentative steps towards rationalisation of its aid architecture, but it has initiated the debate and set itself a code of conduct. The French EU Presidency also sought to take the discussion further at the informal Council of Development Ministers in Bordeaux in September 2008. However, concrete evidence of rationalisation remains scarce. Decisions to pull out of certain areas or sectors are of course tough for donors to take, as they affect national visibility and self-image. But with the current financial crisis and the looming cutbacks in development budgets this is perhaps the precise moment to bypass the usual arguments and urge such decisions. Moreover, with the EU Consensus on Development and Code of Conduct in place, this can be done in a coordinated manner across the European Union, as a cost savings measure but also to improve effectiveness in the long run.

The ratification of the new Lisbon (Reform) Treaty is now on the cards again with a second referendum due in Ireland in October 2009. The treaty remains of great interest to development cooperation. If ratified, it will provide a basis for key institutional

reforms in EU external relations from early 2010. While the overall importance of sustainable development and poverty alleviation to the European Union's external policies is maintained, one may hope that some of the measures provided for in the Lisbon Treaty will encourage greater coherence in EU international relations. One of these is the newly created post of *EU High Representative for Foreign Affairs and Security Policy*, who will also be a vice-president of the EU Commission and be supported by the prospective *European External Action Service*. However, much remains unclear. The new full-time President of the European Council is also expected to represent the Union internationally. Hence, a *modus vivendi* will have to be found between the two. The European External Action Service, for its part, will be made up of officials from the Council Secretariat, the Commission and the diplomatic services of the member states, though the extent to which it will incorporate development officials is unclear. Finally, for greater policy coherence in EU international relations to mean greater policy coherence *for development*, experience suggests that the proof of the pudding will be in the eating. Policy commitments alone are not enough, unless sustained by active, long-term and broad political support from the member states and EU leadership.

ECDPM's response: Keeping our eye on the ball

In 2008, the Centre continued its programmes on development policy and international relations, economic and trade cooperation, and governance. Each faced new challenges. The Centre contributed actively to ACP-EU policy dialogues on the EPAs; aid for trade, including agricultural sector transformations; policy coherence for development; aid effectiveness; and initiating an inclusive policy dialogue on the upcoming revision of the Cotonou Partnership Agreement. We provided tailor-made advice, research and information support to the ACP Secretariat, ACP ambassadors, the AU Commission and the AU Delegation in Brussels, as well as to the Slovenian and French EU Presidencies and the European Commission. The Centre published its *Challenges 2009* paper and the weekly ACP-EU E-Alert and expanded its work on global issues such as migration and security. While continuing work on the African Peer Review Mechanism (APRM),

we intensified our links with African governance initiatives, particularly in West Africa. With the European Commission we produced a manual on supporting governance in partner countries which is now used by the EU Delegations in all ACP countries.

ECDPM also invested in strengthening its partnership strategy. We signed a memorandum of understanding with the new AU Commission, provided information and advisory services on governance and financial management, and supported the AU Delegation in Brussels. In cooperation with both the African and European Unions and member states, we continued follow-up and knowledge brokering on the implementation of the Joint Africa-EU Strategy. Moreover, we intensified our strategic partnerships with a number of policy-oriented research institutes: the South African Institute of International Affairs (SAIIA), the Institute for Security Studies, the Governance Institute (Dakar), the Institute for International Relations (University of the West Indies, Caribbean), the Overseas Development Institute (ODI, London), the Institute for Strategic and International Studies (IEEI, Lisbon); and the International Centre for Migration Policy Development (Vienna). With IEEI and SAIIA we continue to invest in the emerging Europe-Africa Policy Research Network (EARN), which brings together foreign relations, security and development research institutes and networks from Africa and Europe.

For the coming year the challenges are huge. ECDPM remains fully committed to improving ACP-EU relations and cooperation as well as to supporting cooperation between the African and European Unions. As a small foundation we must make strategic choices, specifying our role and added value in newly emerging dossiers of international cooperation, such as climate change and food security. We will continue our collaboration with key political actors and institutional and strategic partners to ensure progress in ACP-EU trade, EU development policy and international relations, and governance. Where possible, ECDPM will contribute to strengthen policy dialogues as well as to the search for solutions to increase the resilience of ACP actors in the face of the global financial crisis. As an institution, ECDPM will have to learn fast how to do even more with less.

Paul Engel
Director ECDPM

1. Introduction

Institutional Relations and Partnership Development

This was a demanding year for the Institutional Relations and Partnership Development unit. Agreements with several of the Centre's European partners were renegotiated and the Centre-wide partnerships with strategic and institutional collaborators in the South were further formalised and deepened.

Institutional relations with EU Member States, Switzerland and the EU presidencies

It was encouraging to note that despite the current context of financial crisis, the Centre was able to continue and reinforce cooperation with all of its longstanding institutional partners with which (multi-)annual agreements were up for renewal (Belgium, Finland, Luxembourg, Ireland, Portugal, Sweden and Switzerland). Most of these partners regularly called upon ECDPM expertise for services including in-house seminars and presentations, independent and targeted advice, written contributions and information, analysis and commentary on policy documents and facilitation of informal contacts with ACP and AU partners.

ECDPM has a long tradition of cooperation with the successive EU presidencies. This contributes to the relevance of our work, enabling us to closely follow, as an independent facilitator, key ACP-EU and Africa-EU policy processes, such as the EPAs, the Joint Africa-EU Strategy and the upcoming revision of the Cotonou Partnership Agreement. EU presidencies appreciate our role as facilitator and independent provider of advice and analyses. Often they call on us to act as a non-partisan sounding board on ACP and AU concerns and expectations.

In 2008, ECDPM supported the Slovenian and French EU presidencies. For [Slovenia](#),

we prepared two policy papers, respectively, on the EU response to children affected by armed conflict and the response to women affected by armed conflict. The papers were referenced in official Council and Commission documents providing guidance to the Delegations, and several of their conclusions were otherwise applied. They were also well received in the European Parliament's Development Committee and Committee on Women's Rights and Gender Equality. Useful feedback came from the Ugandan Government Amnesty Commissioner dealing with the conflict in the northern part of that country.

With [France](#), we concluded an agreement with the Ministry of Foreign Affairs to support the EU presidency in five areas: EPA negotiations and implementation,

preparations for the 2010 revision of the Cotonou Agreement, monitoring of the Joint Africa-EU Strategy, decentralisation and local governance, and the new European aid architecture. In relation to this last topic, ECDPM was invited to prepare several policy papers for the informal EU Council of Ministers held in Bordeaux in September. The papers focused on how donors and aid instruments could better respond to global challenges, how the European aid architecture could better respond to "aid orphans", and the architecture of European aid in relation to climate change. These papers were likewise well received and will be published in 2009 as ECDPM policy management reports.

With the [Czech EU Presidency](#) in the first semester of 2009, the Centre





Left to right, top to bottom:

Henriëtte Hettinga, *Corporate Officer*

Bernike Pasveer, *Senior Consultant Knowledge 4 development*

Sabine Mertens, *Senior Executive Assistant*

Paul Engel, *Director*

Geert Laporte, *Head of Institutional Relations & Partnerships*

will continue to provide information, facilitation and analyses on the revision of the Cotonou Agreement, on negotiation and implementation of the EPAs and on the Joint Africa-EU Strategy. To support the development efforts of the European Union's eastern member states, ECDPM's core funder, the Netherlands, agreed to apply part of the Dutch contribution for service delivery to the Czech EU Presidency.

All EU Member States received the Centre's key publications and electronic newsletters. Our staff was in regular contact with Ministries for Development and Foreign Affairs in the various capitals and with the Permanent Representations to the EU in Brussels. ECDPM also worked closely with various Directorates General of the European Commission (DG Development, DG Trade, AIDCO, DG RELEX) and with the European Parliament (especially its Development Committee), the Council Secretariat and the Economic and Social Committee of the EU in the areas of core competence of the Centre. ECDPM was regularly asked for independent advice and analysis and was involved in the execution of several tenders. The Centre does not, however, receive core funding from the European Commission.

Centre-wide partnerships with Southern organisations

Key themes in 2008 were enhanced cooperation and partnership development with the ACP Group and the African Union. Early in the year, we finalised a partnership strategy to guide the Centre in developing structured relations with Southern institutions and organisations. To that end, we coordinated Centre-wide partnerships in close cooperation with the three thematic programmes.

Partnership with the Commission of the African Union

One of the year's milestones was the signing in July of a memorandum of understanding with Erastus Mwencha, Vice Chairperson of the newly appointed Commission of the African Union in Addis Ababa. This MoU will structure our cooperation with the various departments of the AU Commission (e.g. on governance, peace and security, and trade and economic affairs) with a view to promoting institutional and capacity development and improving AU-EU cooperation.

Activities undertaken in 2008 in the framework of this partnership included support for the African Union's institutional transformation process and establishment of the African Platform on Governance. The idea here is to ensure strong, African-driven inputs on the Joint Africa-EU Strategy's Partnership on Governance. We were also able to build a solid working relationship with the Permanent Representation of the African Union in Brussels, initiating structured coordination meetings with the AU ambassador and staff. ECDPM further contributed to the African Union's reflections on the upcoming revision of the Cotonou Partnership Agreement and the place of the African Union in the revision. A retreat of African ambassadors in Namur in December played an important role in this regard.

Partnership with the ACP Group

The year saw more structured cooperation with the ACP Secretariat and the ACP ambassadors in Brussels. At the request of the ACP Secretariat, ECDPM produced two background papers for the ACP Summit of Heads of State and Government in Accra (in September/October). One examined the planned revision of the

Cotonou Agreement. The other looked at the EPAs in relation to the future of the ACP Group. ECDPM also facilitated informal reflection on these topics with meetings involving ACP ambassadors and other ACP representatives in February and July. We produced a synthesis paper in support of the Second Meeting of ACP Ministers Responsible for Migration and Mobility. We also intensified our regular contacts with ACP Secretariat staff and ambassadors on the European Development Fund (EDF) and EPA-related issues. ECDPM gave a presentation on the Accra Agenda for Action and its implications for Cotonou cooperation at a meeting of ACP senior officials in preparation for the ACP Ministers of Finance Council in November.

Partnership with the South African Institute of International Affairs

Both SAIIA and ECDPM, as independent organisations, aim to improve the quality and impact of EU-Africa/ACP relations through practical policy-oriented research and dialogue facilitation. Both institutes also share a history of collaboration on EU-Africa relations, in particular, with respect to trade, governance and development. Following various rounds of discussions between SAIIA and ECDPM management and staff, the directors of the two institutions met in Johannesburg in March to elaborate a joint partnership proposal engaging ECDPM's three thematic programmes.

The partnership with SAIIA is based on continuation and intensification of existing joint ventures (on trade and governance), identification of new areas of collaboration on issues of common concern, and definition and implementation of an institutional exchange programme that provides for study visits, joint seminars,

1. Introduction

staff exchanges, secondment and training. A concrete example was the recruitment of a joint staff member to enhance cooperation related to governance and the Joint Africa-EU Strategy.

Networking with the Europe-Africa Policy Research Network

SAIIA, ECDPM and the Lisbon-based IEEI initiated establishment of the Europe-Africa Policy Research Network (EARN) during the year. Building as much as possible on existing networks and initiatives, EARN raises public awareness, stimulates debate and dialogue and undertakes practical policy research on EU-Africa relations and the Joint EU-Africa Strategy and its partnerships. In addition, EARN promotes strong African policy research capacities on EU-Africa relations.

EARN is a concrete follow-up to the first action plan of the Joint Africa-EU Strategy. That action plan stressed the need for a platform for European and African policy research institutes and think tanks to provide independent advice on policy issues related to EU-Africa relations and the Joint Strategy's implementation.

Following the start-up meetings in Lisbon (held in 2007) a meeting in Brussels in April 2008 ironed out the internal organisation, management and future work of EARN. So far, some 25 policy research institutes and networks from Africa and Europe have joined the network.

EARN will offer four thematic working groups: peace and security, governance and human rights, trade and regional integration, and poverty reduction and development. These will be facilitated by lead and co-leading organisations alternating between Europe and Africa.

IEEI, ECDPM and SAIIA will coordinate overarching strategic policy issues in the global context. The institutes taking the lead in a thematic cluster will also make up the interim steering committee, which will guide the work and functioning of the network, including efforts to mobilise funding.

To broaden African participation in EARN, ECDPM began a mapping exercise of policy research institutes with competences in

the various thematic areas of the Joint EU-Africa Strategy. The mapping itself provided a useful overview and deepened understanding of African institutes and networks and their competencies and specialisations. For ECDPM, this was a first step to ensuring that more African institutes are exposed to the Joint Strategy, and EU-Africa relations in general.

Partnership exploration in the Caribbean

The Centre explored opportunities for strategic partnerships in the Caribbean region in 2008. In the context of the global economic crisis, Caribbean actors seemed quite concerned about the region's immediate and long-term development and the continuation of its privileged partnership with the European Union through the Cotonou Partnership Agreement.

By partnering with Caribbean state and non-governmental organisations, including think tanks and policy research institutes, ECDPM hopes to contribute to revitalising and reinforcing EU-Caribbean relations despite the increasing pressures on the Cotonou Agreement and the EPA trade negotiations. In this vein, ECDPM took part in a meeting with Caribbean ambassadors in Brussels in April to discuss first proposals for Caribbean partnerships. That meeting established contacts with a range of Caribbean institutions and paved the way for a visit to the region in November/December. The itinerary included visits to national policymakers and government officials, regional organisations, policy research institutes, and civil society and private sector organisations.

A key objective was to raise awareness of the rapidly changing EU interest configuration, in light of the EPAs, the upcoming revision of the Cotonou Agreement, internal changes within the European Union and European ambitions to become a stronger global player. Other goals were to explore the scope for a well-prepared, Caribbean-driven reflection process on future relations with the European Union and to explore opportunities for strategic partnerships with Caribbean institutes in line with the Centre's partnership strategy and objectives.

The Institute of International Relations (IIR) of the University of the West Indies' Augustine campus in Trinidad emerged as a potential peer institute to liaise with in the region and to build structured relations. IIR's mission is to enhance understanding of Caribbean international relations, applying multidisciplinary perspectives while contributing to fulfilling regional and national human resource development needs. IIR offers research, teaching and consultative services and organises seminars on Caribbean international relations. It also publishes the *Journal of Caribbean International Relations*. IIR's reputation in the region is solid and longstanding. Among its former and current staff and associate fellows are several outstanding Caribbean policy researchers and policymakers.

IIR plays a coordinating role in a network of relevant expertise that includes several institutes at the University of the West Indies campuses, at Jamaica, Trinidad and Barbados, and other policy research institutions outside the University of the West Indies, for example, at the University of Guyana and the Caribbean Policy Research Institute in Jamaica.

Multiple areas of cooperation are being explored:

- strengthened networking between ECDPM and Caribbean institutes regarding Caribbean-EU relations
- organisation of a regional agenda-setting seminar on Caribbean-EU relations post-2020
- strengthening governance of Caribbean regional organisations by serving as a sounding board on the functioning of various decision-making structures
- support to capacity development of a new generation of independent Caribbean policy analysts and think tanks

Modalities of the partnership and concrete activities will be elaborated in 2009.

2. Linking Policy and Practice



Facilitating development-oriented international cooperation

2008 will be remembered for the scale of the global economic downturn that followed closely on the heels of serious food and fuel price crises. Together, these developments were an undisputable reminder of the interconnected nature of the world economy. The subsequent convening of the first-ever G20 summit in Washington, DC, in November (viewed by some as “Bretton Woods II”), offered a ray of hope that beyond tackling the immediate effects of the crisis, sufficient political will would be generated to kick start comprehensive reform of the multilateral governance system, and to spearhead sustainable global development.

Insofar as they signalled the onset of a new era of global multi-polarity, the cycle of events that unfolded during the year represented both a threat and an opportunity to realignment of the international development cooperation infrastructure. As ECDPM’s director notes on page 7 of this annual report, for donor-dependent developing countries, a focus on financial security could mean even greater subordination of their development priorities to those of the world’s leading economies. Pointing to the large deficit in international funding pledged at the G8 summit in Gleneagles, outgoing European parliamentarian Glenys Kinnock, similarly expresses concern that developed countries could backslide further from their commitments (her contribution is on page 14).

Examining these issues through the lens of ACP-EU relations, it becomes apparent that despite the challenges, positive results can be realised from strategic, long-term policy engagement. On page 15, Ambassador Nana Kumi emphasises the impetus that regional integration might gain from initiatives such as the Joint Africa-EU Strategy. This could bolster Africa’s negotiating position in international trade. On page 6, ECDPM Board Chairperson Lingston Cumberbatch points to the Cotonou Partnership Agreement and its upcoming revision as a model for consolidating best practices in international cooperation.

The challenge is to continue to build on these relationships to effectively tackle the multifaceted problems that developing countries face in today’s rapidly changing

global environment. How, for instance, can developing countries recalibrate their productive sectors to enhance their resilience and competitiveness under the new international trade regimes? What can they learn from the experiences of developed countries to help them to leapfrog some of the policy mistakes that contributed to the current economic crisis?

A policy window

The experiences highlighted in this annual report underscore the role of policy dialogue and innovation, particularly in times of shifting global development priorities. At the request of the Slovenian EU Presidency, the Council Secretariat and the European Commission ECDPM facilitated civil society involvement in the implementation and monitoring of the Joint Africa-EU Strategy (JAES) and its Action Plan. This was followed up by a policy paper on JAES implementation and monitoring one year after Lisbon, commissioned by the French presidency that was used at several informal and formal meetings during the year. Together with ActionAid, ECDPM also played a key role in the international debate that fed into the Accra and Doha meetings on aid effectiveness and financing.

Meanwhile, our trade programme continued to engage in the ACP-EU Economic Partnership Agreement (EPA) negotiations. An ECDPM paper on “aid for trade” and accompanying measures for EPAs provided

much-needed analysis at a crucial point in the debate.

In the area of governance, ECDPM supported development partners in their efforts to develop guidance tools in the fields of governance assessments and analysing multiple governance dimensions at sector level. ECDPM work helps donors to translate policies on governance to practical actions in the field and contributes to enhancing harmonisation and division of labour in support of governance.

More details on these and other policy outcomes during the year are in Part 3 of this report.

Linking policy to practice

Through its cross-cutting knowledge management programme, ECDPM continues to explore ways to systematise and disseminate the lessons learned from these policy processes. In coming years, the Centre will pay particular attention to testing policy tools and methodologies, with a new focus on the agricultural sector.

The ultimate success of policy innovations, however, will depend on the Centre’s ability to disseminate the lessons learned and engage a broad network of policymakers and, ultimately, practitioners, in debating their application in everyday development practice. To this end, ECDPM accelerated efforts to complete a Centre-wide knowledge management and communication strategy in early 2008. This will enhance the effectiveness of our internal knowledge management processes and ensure that we remain relevant to our immediate stakeholders and partners, as well as to the broader international development community.

2. Linking Policy and Practice

Let's hold on to the gains

Letter from a Northern partner



After 15 years, I stand down from the European Parliament in June 2009. During my time as a parliament member I have been privileged to work and campaign on issues ranging from international development and gender to trade, justice, children's rights, the environment, and the plight of civilians caught up in conflicts around the world.

Over those years we saw progress, not least thanks to the emergence of the Joint ACP-EU Parliamentary Assembly as a platform for dialogue between Europe and the developing world. Also, we witnessed a welcome growing international consensus on the need to address the challenge of global poverty and the threat climate change poses to the world's poorest.

Yet today we stand on the verge of a development emergency, as financial, economic and environmental challenges combine to create a "perfect storm" that threatens to wipe out much of the progress made.

Commodity prices are falling across the ACP, credit markets have tightened, external demand has plunged, and there has been a downturn in remittances. Access to public finance is also plummeting, and many governments are facing huge budgetary challenges. The dangers this presents in countries where there are no safety nets is clear, as is the threat of unemployment and the possibility of an ensuing social and political instability.

Injecting a financial stimulus is not an option for ACP countries, and I fear there is now a great danger that developed countries could backslide and step back from the international development

commitments they have so often made. Of the US \$50 billion pledged at Gleneagles, there was still a \$30 billion pipeline deficit at the end of 2008.

ECDPM is needed today as much as it ever was. We need independent, rigorous research on the impact of the financial crisis on developing countries. We need to remind donors that it is not enough to make pledges. The promises must be honoured.

I have enjoyed the working relationship with ECDPM on development, trade and the future of ACP-EU relations. I have been given expert and trustworthy advice on ACP issues and concerns which I have gratefully received.

The EPA process has clearly been a difficult one and ECDPM has had to tread a fine line, but the team has never been afraid to point out the shortcomings, particularly of the negotiation process. It has always been understood that EPAs are not conventional free trade agreements but should be primarily tools for development. A miraculous even-handedness is evident in the Centre's work, and it is not always easy to know who has funded ECDPM's research.

I look forward to maintaining the many contacts and relationships that have been so important during my 15 years in the European Parliament, in particular with the ACP group.

These are difficult times for the ACP-EU relationship as we anticipate the revision of the Cotonou Partnership Agreement and the implications for the ACP of the Joint Africa-EU Strategy. Some see the

ACP as a strange hybrid, but I believe that it has served a fine purpose and I have been privileged to co-chair the Joint Parliamentary Assembly and also to work with ministers and civil society across the ACP.

Fifteen years ago, when I first joined the Parliament and the Joint Parliamentary Assembly, the sessions were dominated by the Europeans. Now I am proud and pleased to say that my ACP parliamentary colleagues and friends are thoroughly engaged and active and that European parliamentarians learn from their experience and expertise.

Our ACP-EU relationship is precious, and it can, and will, be sustained if we remain committed to Cotonou's central themes of mutual respect and partnership.

Glenys Kinnock, *outgoing member of the European Parliament for Wales*

Glenys Kinnock retires as Member of the European Parliament for Wales, a position she held since 1994, after the June 2009 elections. During this period, she served on the European Parliament's Committee on Development, was co-president of the ACP-EU Joint Parliamentary Assembly, and Labour Party spokesperson on international development.

International cooperation: A matter of patience and sustained engagement

Letter from a Southern partner



ACP-EU relations are going through significant changes, with an indisputable impetus being placed on regional integration. The prominence given to strengthening relations between the African Union and the European Union, for example, resulted in the adoption in 2007 of the Joint Africa-EU Strategy, which outlines a new multi-dimensional partnership between Europe and Africa. Similar strategies are envisaged for other ACP regions.

During the past year, I have witnessed the pivotal role that ECDPM plays in facilitating dialogue between the key stakeholders on these and other substantive questions, through its written submissions and its participation in seminars and workshops on issues affecting ACP-EU relations.

One area in which ECDPM's contribution has slowly started to bear fruit is the EPA negotiations, as Europe began to take on board ACP positions on the need for accompanying measures to address the development dimension of EPA implementation. All along, ECDPM has been a critical player in formulating this development dimension of the negotiations. The same gradual acceptance applies to opinions ECDPM has widely disseminated on issues such as migration, EU aid and poverty reduction in ACP countries. I am certain that ECDPM's contributions will be even more sought after in coming years as ACP-EU relations continue to undergo complex changes.

One area of uncertainty relates to the likely consequences of carrying the regional integration process to its logical conclusion. New region-based cooperation frameworks such as the Joint Africa-EU

Strategy are likely to result not only in the reduced relevance of the ACP Group in the long term, but might also amplify differences between the ACP regions, possibly threatening the Group's cohesion. It is therefore crucial for all of us within the ACP to anticipate this possibility and fashion a way to strengthen the group based on our common aspirations as well as our differences.

Ultimately, however, it should be noted that changing ACP-EU relations mirror the significant realignments taking place in international relations overall. New alliances are being formed to enhance opportunities for accelerated development, especially within the South-South context (as evidenced by the New Asian-African Strategic Partnership) whilst old alliances are being reformed to respond to the needs of the times. Also of great interest is the emphasis being placed by the United States on new approaches to global governance which gives hope for possible reforms in some vital international bodies.

The priority of developing countries in this process of global change should be on building new paths of social cohesion to help eliminate internal conflicts which undermine political stability and economic development. We need to revisit the issue of aid and give priority to the kind of assistance that make us less dependent and ensures coherence in the development of our economies. We need structured approaches to modernise agriculture, to improve rural life and to sustain capacity building, as well as to increase technology transfer so as to help us develop our industrial base. We also need to broaden our horizons and learn not only from

our traditional partners but also from countries which not too long ago moved from the status of developing to developed countries through such approaches.

H.E. Nana Bema Kumi, Ambassador of Ghana to Belgium and the European Union

Nana Bema Kumi, a career diplomat, is Ghana's Ambassador to Belgium, Luxembourg and the European Union, a position she has held since June 2006. In 2008 she served as the chairperson of the ACP Sub-Committee on Sustainable Development. She is a member of the ECDPM Board of Governors and currently Coordinator of the West African Group of Ambassadors in Brussels.

2. Linking policy and practice in pictures

In 2008 ECDPM actively collaborated with a broad range of government and non-government partners across 90 countries, primarily in the ACP. These pictures give a face to some of the policy processes we were involved in during the year, as well as to some of our partners and the beneficiaries of activities.

Research partnerships

ECDPM joined forces with the UK-based Overseas Development Institute (ODI) to conduct a comparative analysis of the content and impact of the EPAs. The study examined possible options from a developmental and regional integration viewpoint, as well as implications for future aid modalities.

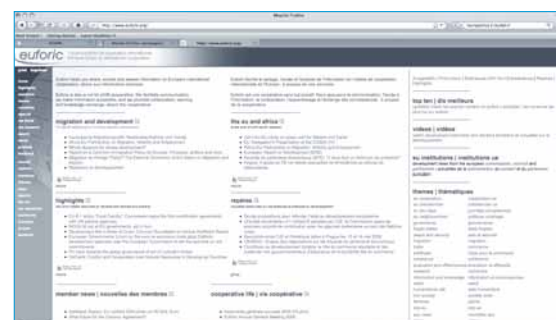


Process facilitation

As part of the joint project "Whither EC Aid?", ECDPM and ActionAid organised 16 roundtables in Europe and developing countries on the future of development cooperation. These fed into a number of high-level meetings on development finance and aid effectiveness. Similarly, a widely disseminated ECDPM paper on "aid for trade" and accompanying measures for Economic Partnership Agreements (EPAs) provided much-needed analysis at a crucial point in the negotiation of the EU-ACP agenda on aid for trade.

Consultation and guidance

At the invitation of EuropeAid, ECDPM convened a broad-based consultation and produced a guidance note to enhance the European Commission's capacity to integrate governance in sector cooperation processes.



Cultivating trust

With the adoption of the Joint Africa-EU Strategy in Lisbon in December 2007 a foundation was laid for the emergence of a more equal Africa-Europe partnership. In 2008, initial steps were taken in the process of building trust among the key institutions and stakeholders which will be critical to the strategy's effective implementation. Invited by both the European and the African Union to facilitate a participatory public consultation process, in March ECDPM moderated a meeting on civil society involvement in the strategy's implementation and monitoring.



Training and capacity building

ECDPM provided support to staff of the Eastern and Southern African Management Institute (ESAMI) on trade policy, analysis and negotiations. The training programme was carried out in collaboration with the London School of Economics and other partners.



Policy innovation

In response to a request from the Slovenia EU Presidency, ECDPM contributed to formulation of new policy guidance for support to women and children affected by armed conflict. Here, ECDPM applied its tried and tested methodology, combining action research, facilitation of policy dialogue and knowledge sharing. The resulting studies generated keen interest within EU decision-making organs and internationally.

Linking research, policy and practice

ECDPM continued its collaboration with Laboratoire Citoyennetés, a West African network active in Burkina Faso, Mali, Niger and Benin. Support focused on improving local public service delivery through action-oriented research and engaging in policy dialogue to influence sector and decentralisation policies at the national and regional levels.



Knowledge exchange and networking

ECDPM spearheaded knowledge exchange and networking using a range of traditional and online tools.



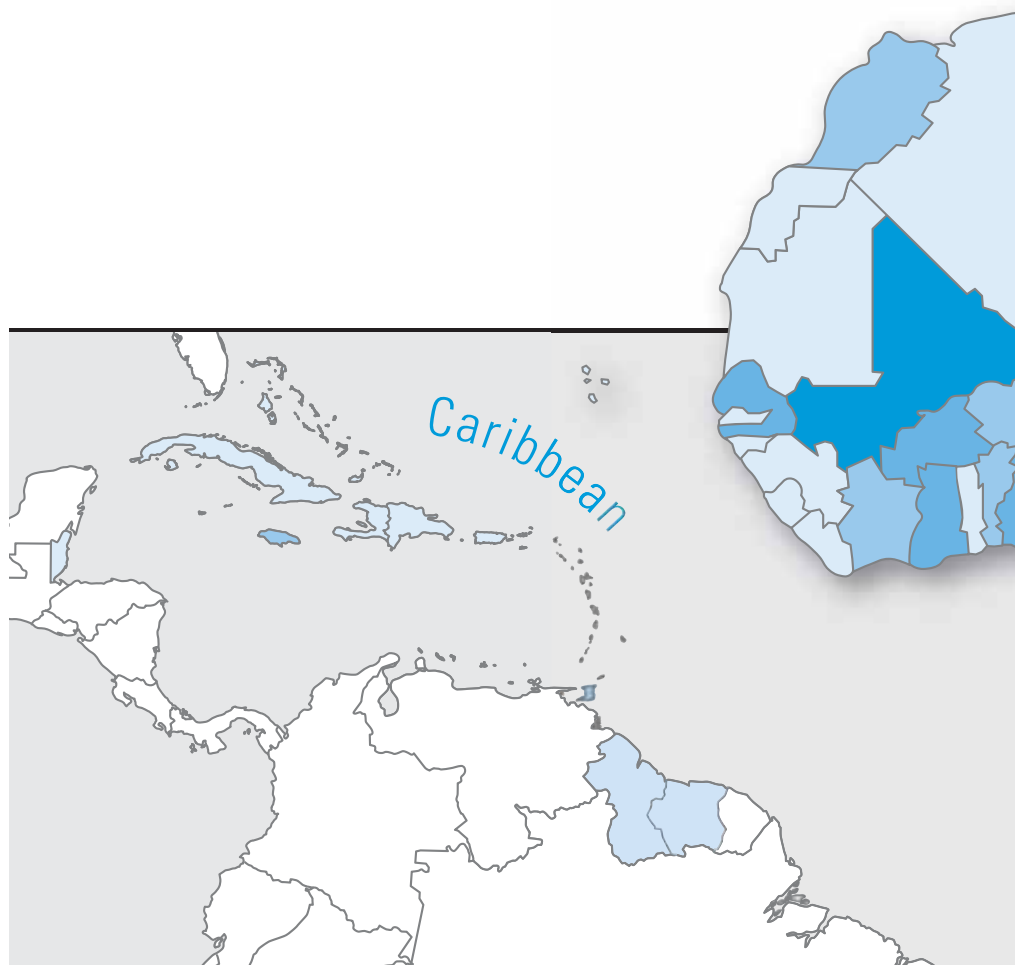
2. ECDPM interactions in ACP countries

The Centre interacts with numerous partners in the 79 countries of the ACP. To monitor the geographic distribution of these interactions, we keep track of the number of in-country visits, consultants used, publications distributed and visits registered to the ECDPM website from each of these countries. Using a composite indicator, we create a map to reflect the intensity of ECDPM interactions with the countries during the year.

The map provides a quantitative indication, not a measure of the quality of the interactions. It illustrates the choices that we make as we focus our efforts among many thousands of development actors.

This year's map shows ECDPM's more intensive engagement with the African continent, in accordance with its strategy for 2007–11 and indicate that the Centre was particularly active in 2008 in the eastern, southern and western parts of Africa. The list is topped by Ethiopia, as ECDPM invested in establishing contacts with the new leadership of the AU Commission, as well in the development and adoption of a memorandum of understanding with the AU Commission. Secondly, South Africa was a prominent partner, as the Centre intensified its relations with the South African Institute of International Affairs (SAIIA), as well as contributing to the Commonwealth Local Government Forum. Kenya subsequently received the most ECDPM publications in the ACP. Kenyan stakeholders frequently visited our website, while the country also functioned as a base for staff visits to Somalia for the evaluation of the European Commission's "channelling" of development funding through civil society organisations. In fourth position is Mali, where ECDPM interactions in 2008 focused on supporting the government and its development partners in the preparations for a joint assistance strategy.

The indicator is a composite, weighted total of the number of days of in-country work visits, the number of publications distributed divided by 10 and the number of traceable website visitors divided by 100. With emphasis on personal contacts, the outcome represents a measure of the intensity of interactions with development actors in a specific country. Countries are then grouped into four categories (quartiles), each totalling about one-quarter of the total points allocated.



Group 1

Ethiopia
South Africa
Kenya
Mali

Group 2

Tanzania
Senegal
Nigeria
Burkina Faso
Uganda

Zimbabwe
Botswana
Ghana
Barbados

Group 3

Cameroon
Mauritius
Zambia
Côte d'Ivoire
Mozambique

Trinidad and Tobago
Jamaica
Gabon
Rwanda

Madagascar
Morocco*
Fiji
Benin
Niger

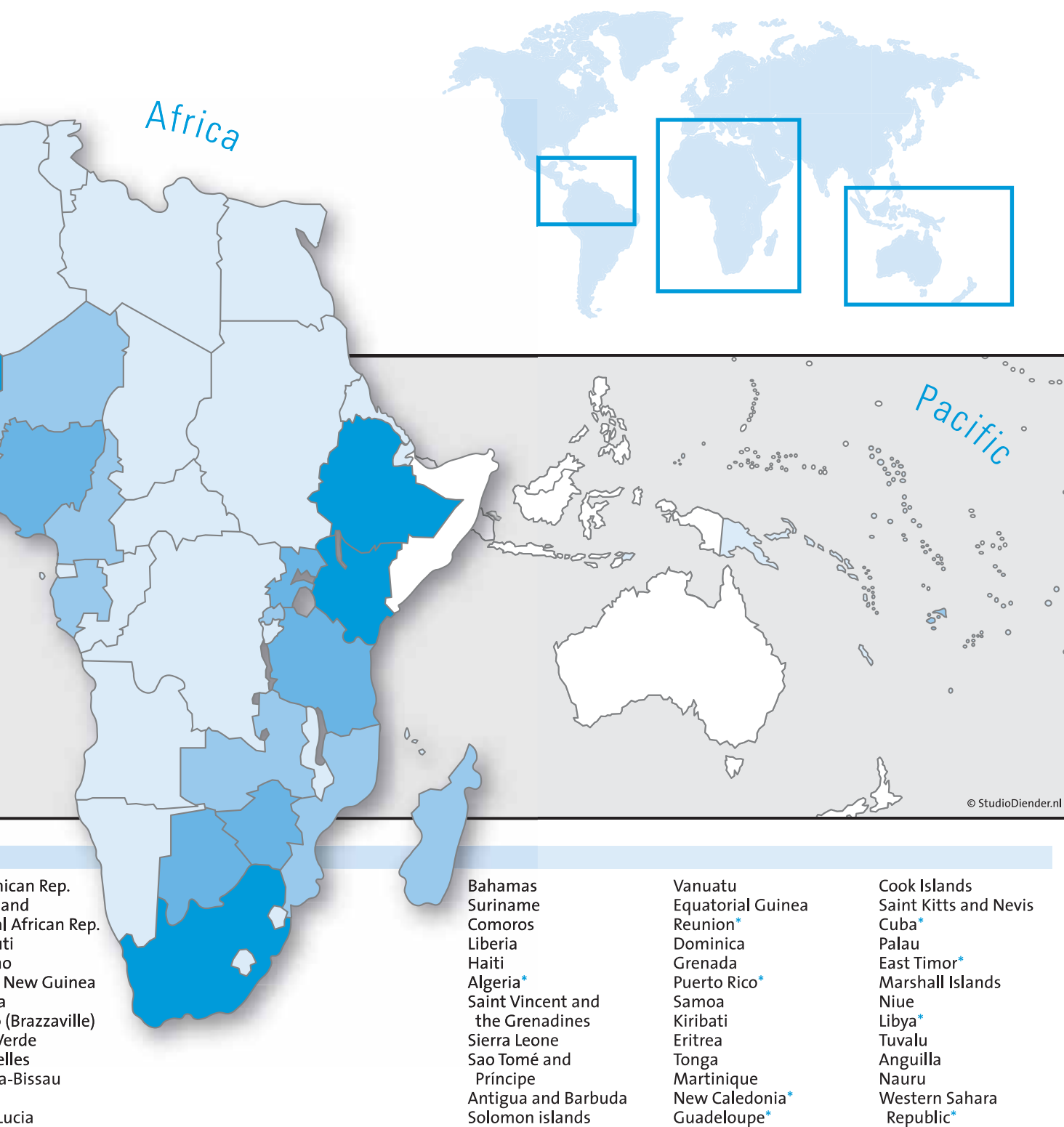
Group 4

Belize
Namibia
Malawi
Mauritania
Guinea
Egypt*
Guyana
Gambia
Sudan
Congo (Kinshasa)
Tunisia*
Burundi
Togo

Dominica
Swaziland
Central
Djibouti
Lesotho
Papua
Angola
Congo
Cape Verde
Seychelles
Guinea
Chad
Saint Lucia

* Countries marked with an asterisk are not signatories of the Cotonou Agreement

in 2008



The intensity of ECDPM interactions ranges from dark to light, as indicated on the maps. The countries with a darker colour are those with more intense interaction. A light colour indicates less intensity of ECDPM interactions.

3. Process Assessment Reports

Development Policy and International Relations (DPIR)

Programme overview and objectives

The Development Policy and International Relations (DPIR) programme promotes debate on key EU external policy issues that affect ACP-EU relations. The ultimate aim is to help ACP countries, particularly those in Africa, their governments and their institutions to derive maximum benefit from relations with the European Union. Special emphasis is on strengthening ownership and improving ACP abilities to guide relations in directions that best suit them.

While promoting effective development cooperation is a prime concern, it is also important to relate development policy to the wider arena of EU external action. The programme tackles these objectives by focusing on two policy processes:

- the Joint Africa-EU Strategy
- the effectiveness of EU external assistance

Introduction and overall policy context

The year was a quiet one for the European Union in terms of international relations. There were no major events, centrepiece reports or key breakthroughs in policy terms. Rather it was a period of consolidation and reflection, a lull before the wave of change

that 2009 will bring with European Parliament elections, the arrival of a new Commission and possible approval of the Treaty of Lisbon with its far-reaching implications for EU external relations.

In wider development circles, 2008 was dominated by the renewal of commitments. The Paris Declaration was reconfirmed with the Accra Agenda for Action and the Monterrey Consensus was renewed at Doha. Perhaps more fundamentally, 2008 events sharply reminded us that hunger is still a daily spectre for many of the world's poor. As the year closed, the shadow of global recession grew over the longest period of sustained growth since the mid-1990s. While the donor community, including the European Union, remained committed in principle to greater and more effective ODA, there were signs by year's end that this effort may no longer be as straightforward to sustain in the months and years ahead.

In terms of consolidation and reflection, the European Union began discussions on the outcomes and implications of the Africa-EU Summit held in Lisbon in December 2007. Particular attention was devoted to the follow-up required for the Joint Africa-EU Strategy approved at the summit and to working out with the African Union the institutional

arrangements required for the strategy's implementation.

Reflection also began on the next five-yearly review of the Cotonou Partnership Agreement which will dominate 2009 and 2010. Some see no major changes required to this 20-year agreement. Others consider this an opportune time to adapt the Cotonou Agreement to the central principle of the new Joint Africa-EU Strategy, that is, "treating Africa as one".

Consolidation and reflection were also evident in EU preparations for the Accra and Doha meetings on aid effectiveness and financing for development. Efforts were geared to ensure the European Union had something convincing to show in Accra and could continue to maintain a strong common position in Doha despite various senior figures voicing doubt about the ability of EU states to continue to increase development assistance at a time of looming recession.

The DPIR team focused on a number of these areas via the two key policy processes, but also via additional work, for instance, related to the Lisbon Treaty. Equally, in response to stakeholder demand, and broadly interpreting the aid effectiveness policy process, the programme provided inputs relating to the upcoming Cotonou review.

Application of ECDPM's three capacity strategies by the programme

Direct facilitation support

Facilitation work remains a key element of the DPIR programme, and there are many examples, such as work with the Slovenian and French EU presidencies and inputs on the *Whither EC Aid?* project, the upcoming Cotonou revision and civil society engagement with the Joint Africa-EU Strategy. In all of these cases, facilitation was closely associated with information and research work. Our credibility as facilitator rests in large measure on our ability to contribute evidence-based inputs to debates, as well as to act as a neutral intermediary or "orchestrator" of discussion.

Strategic research, knowledge management, networking and information

Research figured prominently in our 2008 work. Studies were produced on children and armed conflict and women and armed conflict for the Slovenian EU Presidency, on the Joint Africa-EU Strategy, on the Lisbon Treaty, on the interactive research and dialogue process of the *Whither EC Aid?* project, on the application of article 13 (on migration) of the Cotonou Partnership Agreement and on the EU aid architecture. All of these



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initiatives featured networking, knowledge management and communication and relied on ECDPM presenting stakeholders with options and opportunities in an open and non-partisan manner. All were also closely associated with facilitation work, to take forward debates and dialogue processes on development policy and international relations at the European level.

Strategic partnerships to support institutional development

The programme engaged in productive partnerships with non-governmental organisations (NGOs), including ActionAid International and International Alert, with the Ministries of Foreign Affairs of both the EU presidencies (Slovenia and France) and with the Centre's key partners: the ACP Group, the AU Commission and SAIIA.

Partnerships with the EU presidencies, though never long term, once again proved worthwhile in terms of ECDPM impact on European development policy and international relations debates. These partnerships brought us to the heart of current deliberations in Europe and enabled the Centre to provide useful and noteworthy inputs on which we were regularly commended. Nonetheless, presidency agendas are often short term and specific. They thus impose the need for us to be selective in the opportunities we take up and discriminating in terms of the linkages these topics have with both the longer term evolution of EU external policy and the limited number of policy processes that

the Centre seeks to follow over the longer term.

Likewise, ECDPM collaboration with international NGOs has features that must be managed with care. While NGOs' dynamism and reach make them effective partners to take ideas forward, their approach to contributing to EU debates is different from that of ECDPM, involving as they do, a large measure of lobbying, which ECDPM steers away from. Our paths cross and often move together, but at points they diverge. This process must be consciously and transparently managed to avoid raising unrealistic expectations. In our 2008 partnership with ActionAid on the *Whither EC Aid?* project and with International Alert on women and armed conflict, this balancing act enabled us to go farther than would have been possible on our own and ensure longer term sustainability of our actions.

The longstanding ECDPM partnership with the ACP Group was also productive in 2008, with collaboration on issue of migration, aid effectiveness and the upcoming review of the Cotonou Agreement.

Policy process: The Joint Africa-EU Strategy

Evolution of the context and key thematic priorities

After the Africa-EU Heads of State Summit in Lisbon and the adoption of the new Joint Africa-EU Strategy and the associated action plan in December 2007 there was much anticipation of what progress would be achieved in 2008. The Joint Strategy is a

bold new initiative that goes beyond a relationship based on aid to respond to trends in globalisation and Africa's re-emergence on the world stage. With a focus on *treating Africa* as one and concrete activities in eight thematic "partnerships", the strategy's agenda is certainly ambitious. Inevitably, then, 2008 proved a challenging year, given the number of stakeholders involved, the historical legacy of difficult relations between Africa and Europe and the collective ways of working that the strategy envisages. Both continents experienced difficulty in mobilising member states to engage fully, giving the strategy a slow start.

In Africa in the first half of the year, the African Union was immersed in the appointment of a new Commission, while in Europe momentum for the Joint Strategy began to build only in late 2008. A distinct lack of understanding soon became apparent about the commitments and details of the strategy among many of the major stakeholders, something ECDPM sought to address through its *Europafrica* net website and associated newsletter, as well as with formal and informal briefings. Ambiguity persisted, however, about the exact role of non-state actors, despite the Centre's best facilitation efforts. There seemed to be some institutional resistance to the full engagement of civil society on the part of some member states on both sides. The role to be played by parliaments also remained unclear, though both the European Parliament and the Pan-African Parliament were actively engaged.

By November, lead African and European countries had been identified for each of the Joint Strategy's partnership areas. The role of the Joint Expert Groups (JEGs) was somewhat clarified and a flurry of first meetings took place in October and November across the partnerships. Some partnerships progressed quicker and more easily than others. Those having less of a shared vision or shared interest, or a less well-established dialogue, made slower progress. This was the case, for example, in the Partnership on Democratic Governance and Human Rights, which ECDPM is assisting. Where there was a longer history of dialogue (pre-dating the Joint Strategy) and, also importantly, resources, progress seemed more solid, if somewhat unambitious, as in the Partnership on Peace and Security.

Towards the end of the year several fault lines in the implementation of the Joint Strategy emerged, such as the lack of financing, asymmetries between European and African capacities and differing political priorities of stakeholders. Also the complexity of the strategy and lack of clear communication on it meant that many stakeholders remained confused or overwhelmed as to its precise added value. Yet despite the slow start, the bulk of the strategy's complex institutional architecture had been set up by end 2008. Thus, 2009 will be a year in which the strategy must demonstrate its added value and deliver results that stakeholders understand to be in their best interest.

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Key actors

European non-governmental organisations

- CONCORD (a confederation of European NGOs for relief and development)
- Coordination Sud (national platform of French international solidarity NGOs)
- International Alert

Multilaterals

- AU Commission
- AU Permanent Mission in Brussels
- European Commission
- EU Delegation to the African Union in Addis Ababa

Bilaterals

- Slovenian Ministry of Foreign Affairs and Slovenian EU Presidency
- French Ministry of Foreign Affairs and French EU Presidency
- Czech EU Presidency

Other

Europe-Africa Policy Research Network (EARN)
South African Institute for International Affairs (SAIIA)

Process narrative: Activities realised and their contribution to the process

During the year the programme focused on a limited number of the “partnerships” within the Joint Africa-EU Strategy policy process. Those selected were Partnership 1 on Peace and Security and Partnership 7 on Migration, Mobility and Employment. ECDPM’s Governance programme took the lead in work on Partnership 2 on Democratic Governance and Human Rights and the Centre’s Economic and Trade Cooperation (ETC) programme led work on Partnership 3 on Trade, Regional Integration and Infrastructure. For the most part, however, ECDPM felt it could add most value by providing a consistent overview of the entire Joint Strategy process. A first activity undertaken, with the support of the French EU Presidency,

was to draft a descriptive and analytical “guide” to the Joint Strategy.

In late 2008 we began to look at the policy coherence for development theme in relation to the Joint Africa-EU Strategy. This work is particularly fitting, as it straddles the two policy processes of main interest to the programme and relates back to the key strengths of ECDPM and the strategy’s potential added value.

Progress towards policy process outcomes

Our most visible outputs to the widest segment of stakeholders continued to be the Europe-Africa newsletter and website. *Europeafrica.net*, available in both French and English, had more than 10,000 visitors a month in 2008 and is still the go-to source on the Joint Africa-EU Strategy and related topics. The newsletter has a readership of over 5,000 subscribers. ECDPM recognises that the quality of any policy process depends on how well stakeholders are informed of current developments. Our information brokering, through the website and newsletter, plays a vital role in this regard. This is particularly the case given the Joint Strategy’s vision of engaging stakeholders from government, non-government and inter-governmental spheres.

So far, little independent analytical work has been undertaken on the Joint Africa-EU Strategy, despite its considerable institutional innovations which are worthy of study and comment. Yet ECDPM partners, especially the AU Commission and many of our European partners, remain interested in the process as a whole. This was then a logical choice on which to focus our energies. The programme undertook considerable research on the strategy and its implementation in 2008, the outputs of which will appear in 2009. As yet, ECDPM is the only

independent voice consistently following the strategy. Because of this, we have an important role to play in providing information to a wide cross section of stakeholders. Already it is clear that the official information around the strategy is lacking in objectivity and readability.

Comments from satisfied website visitors and newsletter readers, positive reactions to our participation in public events and requests for information and assistance received from the AU Commission (particularly the AU Permanent Mission in Brussels) as well as from a variety of European stakeholders indicate both the need for information and the contribution ECDPM can make. This was further evidenced by stakeholders requesting us to step up our engagement.

OUTCOMES

The Joint Africa-EU Strategy

1. The Europe-Africa newsletter and website: Wide availability and effective use of information by key policy actors

The Europe-Africa website and newsletter contribute to a wider availability and more effective use of information by key policy actors on EU-Africa relations. While the EU and AU Commissions launched their own website in November 2008, the Europe-Africa website and newsletter retained their added value. In 2008, the website had 3,300 unique visitors per month and the newsletter some 4,000 subscribers, a significant number of which are in Africa. “You are giving Africans an important tool to better understand their future”, one reader shared with us. An Ethiopian embassy official commented that this website is her first point of reference for all her work on EU-Africa relations.

Capacity strategy applied: B (strategic research, knowledge management, networking and information)

2. The EU civil society organisation steering group: Making the Joint Strategy an open-ended, inclusive process

ECDPM was an early supporter of the process that culminated in adoption of the Joint Africa-EU Strategy in late 2007. Several meetings on the strategy’s implementation were held in 2008, in both Europe and Africa. Embedded in this process, ECDPM was invited by the European Union and the African Union to facilitate a participatory public consultation process with stakeholders on both sides. To this end, a seminar on civil society involvement in implementation and monitoring of the Joint Strategy was organised in March. This event was attended by some 50 representatives of European civil society organisations. ECDPM moderated the meeting, leading to the creation of a civil society organisation steering group that will take part in the informal discussions on the Joint Strategy process.

The seminar provided a unique space for effective contributions from stakeholders and an opportunity to discuss the strategy’s implementation architecture. The contributions made during the event underlined the benefits of widening dialogue on the Joint Strategy and the effectiveness of ECDPM’s approach of seeking genuine European uptake on the strategy’s implementation from a multitude public actors beyond the European Commission only. Indeed, we view this as a principal outcome of our engagement.

Capacity strategy applied: A (direct facilitation support to key development processes in ACP-EU cooperation)

Policy process: Effectiveness of EU external assistance

Evolution of the context and key thematic priorities

The year was dominated by preparations for two major conferences: the September High-Level Forum in Accra to review commitments on aid effectiveness and the conference on financing for development held in Doha in December. The DPIR programme worked on the effectiveness topic by focusing on a number of ongoing debates, contributing to both the official process and that involving civil society organisations. Throughout the year the European Commission and various EU Member States were preoccupied with preparing examples of good practice and ideas to present in Accra. The European Union as a group put forward the Code of Conduct on the Division of Labour (agreed in 2007) as the main joint initiative with which to demonstrate collective progress. It was harder to gain a picture of how ACP governments were preparing for the high-level forum, though indications were that ACP officials saw the Code of Conduct as an important initiative.

At another level, global crises prompted renewed reflection in the development sector about the real threat posed by issues such as climate change, food insecurity and international financial instability. Events emphasised the need to simplify the overall aid architecture and address *development within the broader nexus of international relations*, through policy coherence rather than by restricting perspectives to the aid sector.

At the ACP-EU level, a number of initiatives got under way to prepare for the Cotonou Partnership Agreement review. This second five-yearly review provides an opportunity for both Europe and the ACP Group

to adapt the agreement to the changes that have taken place in international and ACP-EU relations. ECDPM has already been requested to facilitate dialogue and advise a number of stakeholders on the issues at stake.

Key actors

EU

- EuropeAid, DG Development (especially Directorate A on horizontal issues)
- European Parliament, especially the Committee on Development and a few key parliamentarians (to a lesser extent the Committee on Foreign Affairs and the Committee on Budgets)
- European Council Secretariat's Directorate on Trade and Development
- French EU Presidency

Bilaterals

- Dutch Ministry of Foreign Affairs (especially the Policy Coherence for Development Unit)
- French Ministry of Foreign Affairs (Development Cooperation Department)
- Spain (on policy coherence for development)
- United Kingdom, Netherlands, Ireland, Spain, Sweden, Italy and Denmark (for *Whither EC Aid?* seminars)

Multilaterals

- OECD Development Assistance Committee
- OECD Development Centre
- *United Nations Economic Commission for Africa*

- Communauté Économique des États de l'Afrique Centrale (CEEAC)

Northern and Southern civil society

- ActionAid (International, Gambia, Rwanda, Sri-Lanka)
- Fundación Carolina (Spain)
- Fundación para las Relaciones Internacionales y el Diálogo Exterior (Spain)
- CONCORD (a confederation of European NGOs for relief and development)
- Institute for International Integration Studies (Trinity College)
- Clingendael Institute (Netherlands)
- European Association of Development Research and Training Institutes

ACP stakeholders

- ACP Secretariat
- ACP ambassadors
- African Partnership Forum

Other

- Wilton Park

Process narrative: Activities realised and their contribution to the process

Progress was made on specific activities in this cluster, particularly through support to EuropeAid on the reform of technical assistance and the joint project with ActionAid on aid effectiveness. By year's end, both activities were nearing fruitful completion. Advances were also registered regarding aid effectiveness and policy

coherence for development and our cooperation with the ACP Secretariat.

The *Whither EC Aid?* project completed its second phase, with roundtables organised in seven EU Member States, three developing countries and at the European Commission. More than 500 participants were directly involved, and the facilitation work by ECDPM and ActionAid was much appreciated. At the roundtables organised at EuropeAid and the EU Directorate General for Development, many senior management figures, including in both cases the director general, attended the sessions. The live debate was backed by the *Whither EC Aid?* website, accessed by more than 18,000 visitors in a six-month period. Visitors used this e-tool mostly to gather information, as relatively few comments were posted relative to the large number of visitors. The programme published three briefing notes, respectively, on division of labour, the Lisbon Treaty and budget support. Feedback underlined the timeliness of the reports and the fact the format, eight pages maximum and with colourful visuals, works well for our audience. The project entered its last phase after the Accra conference. All inputs are now being compiled in a compendium. The process opened space for dialogue on aid effectiveness and brought together stakeholders from outside the official preparatory



3. Process Assessment Reports

networks for more open discussion on key issues. In the developing countries where a roundtable was organised, discussions raised awareness of the aid effectiveness agenda – one not yet fully owned by Southern stakeholders.

Regarding our work on the reform of technical assistance, the second semester saw the EC Backbone Strategy and Work Plan finalised and published under the title *Reforming Technical Cooperation and Project Implementation Units for External Aid Provided by the European Commission*. This strategy constitutes the starting point for widespread reform. Its presentation to the European Parliament, the European Council Working Party on Development (CODEV) and other EU institutions was received positively, and EuropeAid organised two follow-up workshops to discuss further reforms of technical assistance in Europe.

ECDPM's long-running programme on capacity and development was finally brought to a close in 2008 with publication of the final synthesis report in April. The report was recognised as an important contribution to thinking in this area. Given its length, future information on the topic will take the form of shorter *InBriefs*.

The programme took up opportunities to work with the ACP Group first on migration and then on preliminaries to the next revision of the Cotonou Partnership Agreement. For the ACP Ministerial Conference on Migration, ECDPM helped to identify contributors and provided a synthesis paper on follow-up to the migration provision (article 13) of the Cotonou Agreement. To prepare for the agreement's revision, programme staff conducted interviews and organised a seminar for ACP and EU participants to share ideas on what the 2010 review might include. These are outlined in the ECDPM discussion paper

The 2010 Revision and the Future of the Cotonou Partnership Agreement.

On both migration and the Cotonou review, ACP spokespeople formulated clear demands, to which we could respond relatively quickly. In addition, responding to a request from the ACP Secretariat, ECDPM gave a presentation on the Accra Agenda for Action and its implications for the ACP-EU partnership at the ACP Senior Officials Meeting. This was part of the preparation for the fourth meeting of ACP Ministers of Finance in November. We were also asked to analyse the Joint Annual Reports 2007 to be presented to the Development Finance Committee (DFC) before the ACP Council of Ministers in early 2009. This work was particularly rewarding given that such direct requests are not that frequent. We hope to build on this momentum in 2009.

On policy coherence for development, in October we engaged in the evaluation of the Dutch Policy Coherence Unit. In December we secured contracts for two further studies for 2009, reflecting programme priorities and enabling us to build on insights gained through the evaluation of mechanisms for policy coherence for development in Europe and facilitation work with the 3Cs network (the "3Cs" being coordination, complementarity and coherence). ECDPM was regularly requested to provide inputs to international meetings on this topic. Examples are the conference of the *Institute for International Integration Studies* (IIIS) in Dublin, the Summer School on New Dimensions in Development Policy in Spain, the general conference of the European Association of Development Research and Training Institutes (EADI) in Geneva, and Belgian external policy training.

DPIR also engaged in intensive work to support the French EU Presidency prepare for

an informal meeting of development ministers by drafting three papers on the international aid architecture. These outlined and deepened analysis on the actors/instruments nexus in the current context of a multiplication of donors and aid instruments. Challenges identified link to serving the needs of "orphan" countries and the EU response as a global actor on climate change. Prepared in consultation with the French Ministry of Foreign Affairs, the papers were distributed as part of participants' documentation for the meeting, which ECDPM was also invited to attend. Not only did this work provide excellent impact and visibility for ECDPM's research among the EU Member States and with regard to European high-level political debate, it also gave us the opportunity to reach a wider audience, since the French EU Presidency then requested ECDPM to publish the papers.

Progress towards policy process outcomes

The programme identified two outcomes for this policy process: improved capacity for using the EDF and increased willingness of EU Member States and the Commission to work together within an EU development cooperation framework. These are long-term goals against which progress must be measured in small steps. Such activities as our work with EuropeAid on the reform of technical assistance have potentially far-reaching impacts in terms of the way the European Commission carries out its tasks and the

effectiveness of its contribution to EU development cooperation. Equally, the *Whither EC Aid?* project encouraged debate in a wide stakeholder group. The reach of a number of these activities only really became apparent in the second semester of 2008. For instance, the European Commission's new "backbone strategy" on technical assistance will clearly contribute to ongoing reform, in the member states as well as the Commission. Positive feedback on the *Whither EC Aid?* effort illustrates not only that outputs were appreciated but also the project's contribution to fulfilling the needs of a wider audience than usual for ECDPM.

The unique challenges faced by the ACP-EU partnership, currently exemplified by the upcoming revision of the Cotonou Partnership Agreement, place increased demand on ECDPM to provide support within its capacity building mandate and recognised role as a facilitator of dialogue. Similarly, a number of requests to work on policy coherence for development emphasise the need for us to follow up on previous efforts on this topic. The two activities with the ACP Group (on migration and the revision of Cotonou) of course directly relate to the EDF.

Finally, while closing a number of activities inherited from 2007, the team invested time and effort to achieve a more unified set of activities. Reactions to our work and the variety of requests received have helped us to refine our perceptions of the added value of our contributions and the outcomes we seek to achieve.



OUTCOMES

Effectiveness of EU external assistance

1. Whither EC Aid? and policy coherence for development: Contributing to a well-informed, multi-actor debate on EU development cooperation

Whither EC Aid?

A major activity completed in 2008 was the joint ECDPM-ActionAid project *Whither EC Aid?* The principal objective was to renew the debate on EC development cooperation with a focus on the Commission's added value as a development partner, the management of EC aid, Commission accountability and its ability to stimulate ownership among its partners. The initiative was timely, as it accompanied the international policy discussion on aid effectiveness before and after the Accra High-Level Forum on Aid Effectiveness (2–4 September). Outputs of this initiative were 16 roundtables organised in Europe and in the South, discussion and briefing notes and a well-received project website. Stakeholders indicate that the project facilitated more open-ended reflection on the added value of the Commission's development cooperation and in this regard helped develop an evidence-based, common understanding of Commission operations.

'I wish to thank ECDPM and ActionAid. The workshop was very informative and very educative too. I personally learnt a lot out of the discussions. Having these kinds of workshops in the future will certainly be very helpful.' (Alliance for Democracy in Africa)

'Such roundtable initiatives are important as the exchange with NGOs helps to verify our own work at the EC – they are a critical eye to what we do and having a well informed dialogue with outsiders is very useful. There are few occasions where an exchange of such nature can take place, the platform

idea ...is therefore in principal useful.' (Official of the European Commission)

Policy coherence for development

Over the year, ECDPM made significant contributions to the international debate on policy coherence for development, profiling itself as a centre of expertise in this area. In Ireland, we presented on this topic at Trinity College's Conference on Strengthening Institutions for Development and Poverty Reduction.

"The [policy coherence for development] focus fit perfectly into the theme of the conference... the conference made a significant contribution to the ongoing conversation between academia, the NGO community and Irish government officials on how best to proceed with our ODA and other policy relationships with developing countries"; a participant to the conference wrote to us.

In Spain, we collaborated with Fundación Carolina in organising the Summer School on New Dimensions in Development Policy. ECDPM facilitated the course and provided inputs on the challenges of coherence in trade policy. We also ensured inclusion of Southern perspectives in the debate, among others by inviting Ibrahim Assane Mayaki, former Prime Minister of Niger. The mix of development policymakers and officials, representatives of international organisations (European and United Nations), civil society representatives, development researchers and practitioners provided a unique opportunity for multi-actor dialogue and networking. This helped to intensify networking on policy coherence for development in Europe among representatives of the OECD, the Netherlands and the European Commission.

Capacity strategy applied: A (direct facilitation support to key

development processes in ACP-EU cooperation)

2. Towards new policies on women and children affected by armed conflict: Improved use of relevant cooperation agreements

In support of the first EU presidency of the new member state Slovenia from January to June 2008, we assisted in the formulation and adoption of new policies on women and armed conflict and children affected by armed conflict. The ECDPM approach was applied to researching the two topics: engaging different stakeholders in policy dialogue and widely disseminating the results.

Both studies were presented and discussed at various EU and civil society meetings during the Slovenian Presidency, including the meeting of the EU Humanitarian Aid Committee, the European Peacebuilding Liaison Office, CODEV and Politico-Military Working Group (PMG). The study on children contributed to the Council Conclusions on Children Affected by Armed Conflict and recommendations for priority country strategies. The report on women and armed conflict served as guidance for EC Delegations, and many EU officials repeatedly mentioned the "Slovenian study" as their major point of reference during this policy process. EuropeAid used the report as the core reference for a training programme it developed on the topic for Commission officials. Moreover, the Commission-sponsored "Initiative for Peacebuilding" used the report to develop a special briefing on the topic of gender and armed conflict.

The usefulness of these products and of our approach to bring these findings into policy and practice was underlined by their being recommended by the European Parliament's Committee on Development. Several civil society members interested in the topics commented that

they now had a quality piece of research upon which to base their work. One commented, *'Your study is really paving the way for new policies!'* The Austrian Development Agency endorsed the study saying, *'The wide dissemination of the study is great. It has already received much recognition on EU territory, now the rest of the world should learn about it.'* One of our most gratifying items of feedback was a letter from the Ugandan Government Amnesty Commissioner dealing with the conflict in the northern part of the country: *'I have found the reports very, very useful. It has come at the right time.... very comprehensive, relevant and above all educative.'* These studies were an important catalyst and heavily utilised in the text of the *Comprehensive Approach to the EU Implementation of United Nations Security Council Resolutions 1325 and 1820 on Women, Peace and Security* produced by the European Commission and Council Secretariat.

Capacity strategy applied: A (direct facilitation support to key development processes in ACP-EU cooperation) and B (strategic research, knowledge management, networking and information)

3. More effective technical assistance

In 2007, EuropeAid asked ECDPM to assist with initial research and consultations to prepare for the drafting of a strategy and the formulation of a work plan on how to deal with technical cooperation and project implementation units in the context of the current discussions on aid effectiveness. In 2008, ECDPM helped to formulate this strategy and facilitated several consultations with the European Commission and member state representatives on the relevance of the strategy for future work of the Commission and its partners. Several member states, such as Sweden and Finland, indicated

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during one of the workshops that the effort now under way is setting the right tone for further reform in this area in Europe and provides an orientation point for their own reform efforts towards greater effectiveness of aid. The strategy was also registered with great interest by the European Parliament, CODEV and other EU institutions.

The strategy provides a starting point for the reform of EuropeAid (AIDCO) practices at headquarters and at the field level to enhance the effectiveness of operations. A key area addressed by the strategy and reforms is operationalising the commitments stated in the Paris Declaration and the Accra Action Agenda, such as the principle to better align assistance with country systems and procedures, to involve more Southern expertise and to get serious about better coordination with other aid partners.

"I would like to express to you our very positive appreciation and our thanks for your team's vital contribution. Your colleagues accompanied us with efficiency and flexibility in the preparation process through often complex phases, and often under pressure. The Backbone Strategy represents an important stage in improving the effectiveness of our cooperation and, we hope, will be able to make a major contribution to the international debate on capacity-building." (Official of the European Commission)

Capacity strategy applied: A (direct facilitation support to key development processes in ACP-EU cooperation)

Selected publications

(more publications available on the CD-ROM and www.ecdpm.org/dpir)

- Baser, H. and P. Morgan. 2008. *Capacity, change and performance* (Study Report)
- Corre, G. 2008. *Current dilemmas in aid architecture: actors & instruments, aid orphans and climate change* (Policy Management Report 16)
- ECDPM. 2008. *Capacity, change and performance: insights and implications for development cooperation* (Policy Management Brief 21)
- ECDPM. 2008. *The 2010 revision and the future of the Cotonou Partnership Agreement* (Discussion Paper 85) (also available in French)
- Frisch, D. 2008. *The European Union's development policy: a personal view of 50 years of international cooperation* (Policy Management Report 15) (also available in French)
- Koeb, E. 2008. *A more political EU external action: implications of the Treaty of Lisbon for the EU's relations with developing countries* (InBrief 21)
- Laporte, G. 2008. *The 2010 revision of the Cotonou Partnership Agreement: a turning point in the ACP-EU Partnership?* (Background note for the 6th Summit of ACP Heads of State and Government, Accra, Ghana)
- Laporte, G. 2008. *The 2010 revision of the Cotonou Partnership Agreement* (Trade Negotiations Insights, Vol. 7, No. 8)
- Lennart Wohlgemuth and Oliver Saasa. 2008. *Changing aid relations in Zambia* (Discussion Paper 83)
- Mackie, J., S. Erlandsson, F. Jerosch, E. Koeb and A. Petitt. 2008. *Coherence and effectiveness: Challenges for ACP-EU relations in 2008* (InBrief 20) (also available in French and Spanish)
- Sherriff, A. and K. Barnes. 2008. *Enhancing the EU response to women and armed conflict with particular reference to development policy* (Discussion Paper 84)

Selected external events

- Seminar on the involvement of civil society in the implementation and monitoring of the Joint Africa- EU Strategy, 10 March, Belgium
- EARN meeting and high-level public seminar on the Joint Africa-EU Strategy, Chatham House, Royal Institute of International Affairs, 12 December, United Kingdom
- Whither EC Aid? Roundtables in Brussels, Dublin, Stockholm, Madrid, The Hague, and at the EU Directorate General for Development and EuropeAid
- Facilitation of Whither EC Aid? workshops with Southern partners, 1–8 March (Rwanda), 13–14 March (Sri Lanka), 24 April – 1 May (Gambia)

Events with contributions by the DPIR team

- Presentation on the development perspective of the Lisbon Treaty, 28 March, Portugal
- Validation meeting on the 2008 Report on mutual review of development effectiveness, 14–15 October, Ethiopia
- NGO conference Development Operators from New Member States Participation in EU Cooperation, 3–4 June, Slovenia
- Conference on the Joint Africa-EU Strategy, 4–6 December, France
- Presentation on Cotonou Partnership Agreement revision to African ambassadors, 5 December, Belgium
- Presentation to the ACP Senior Officials Meeting on the Accra Agenda for Action, 11 November, ACP House, Belgium
- Presentation on the implementation of article 13 of the Cotonou Agreement to the ACP Experts Meeting, 27–28 May, ACP House, Belgium
- Presentation on policy coherence for development at the EADI general conference, 27 June, Switzerland
- Presentations of studies on women and on children affected by armed conflict to EU Council Committee on Development. Study on children: 10 January, Belgium. Study on women: 19 May, Belgium
- Presentation of study on children and armed conflict to EU Humanitarian Aid Committee, 6–7 March, Slovenia
- Participation at EU Council of Ministers – Development, 30 September, France
- Speaker at IIIS conference, 3–5 July, Ireland
- Participation and networking at the OECD Global Forum, 19–21 May, France



Left to right, top to bottom:
 Stéphanie Colin, *Research Assistant*
 Sanoussi Bilal, *Programme Coordinator*
 Kathleen van Hove, *Senior Programme Officer*
 Dan Lui, *Programme Officer*
 Aurélie Walker, *Programme Officer*
 Melissa Julian, *Programme Associate*
 Corinna Braun-Munzinger, *Programme Assistant*

Not pictured
 Alexandra Beijers, *Executive Assistant*
 Francisca Jerosch, *Programme Assistant*
 Davina Makhan, *Junior Programme Officer*
 Nicolas Mombrial, *Research Assistant*

Economic and Trade Cooperation (ETC)

Programme overview and objectives

The primary aim of the Economic and Trade Cooperation (ETC) programme is to contribute to the development of a trade regime that promotes sustainable development and the integration of the ACP countries into the world economy. The programme operates in the context of the global debate on strategies for effective economic development, trade liberalisation, the WTO Doha Development Round and regional integration processes.

Consistent with this aim, the programme continued to focus its work on influencing two policy processes in this field:

- preparation and negotiation of the Economic Partnership Agreements (EPAs)
- development support for the EPAs

The main objective was to deliver informal brokerage services, relevant information and policy analysis, and capacity support for the players involved in ACP-EU trade and economic cooperation. We focused on the outcomes of the (interim) EPAs, the continuation of the negotiations and the implementation of EPAs and related issues. Another topic addressed by the programme is the reforms and adjustments required to

foster sustainable development and poverty alleviation, most notably by means of regional integration and the processes and mechanisms needed for effective development support, without which the EPAs will be meaningless.

Introduction and overall policy context

There were intense efforts, and at times pressures, in 2008 to officially sign the trade agreements concluded but only initialled by the negotiators at the end of 2007. By the close of 2008, though, only one full regional EPA, that between the European Union and CARIFORUM (minus Haiti), had been signed, on 15 October (Guyana signed later, on 20 October 2008) and was **provisionally applied as of 29 December**. An interim – also called “stepping stone” – EPA, covering mainly trade in goods, was signed on 26 November between the European Union and Ivory Coast. Other interim agreements are due to be signed in 2009. In the meantime, in Africa and the Pacific, negotiations towards regionally based more comprehensive EPAs continued and intensified during the second half of 2008. Following the tensions of 2007, the negotiation atmosphere markedly improved, though some tension and frustration remained on both sides. The

ACP clearly voiced concern on numerous occasions, and several African countries remained reluctant to commit on services and a broad range of trade-related issues.

Beyond the negotiation of liberalisation schedules and key provisions in the EPAs, a challenge confronting both the ACP and the European Union is to appropriately address EPA development support measures in the broader context of “aid for trade”. The aid for trade initiative in the context of the Doha Round has shed light on the numerous capacity constraints that developing countries in general, and in particular the poorest among them, face when seeking to better integrate into the world economy and benefit from the multilateral system. Similar constraints will affect the capacity of ACP countries to derive the potential benefits from the EPAs. Thus, there is a clear linkage between development support to strengthen supply-side capacity and address adjustment costs discussed at the WTO and accompanying measures in the context of the EPAs.

The European Union outlined its approach on aid for trade in a strategy adopted in October 2007. That document, to be elaborated in 2008 and 2009, will pave the way to a more concrete aid for trade action

plan. The EU position reflects increasing awareness that the debate on development support to the EPAs is closely intertwined with that on aid for trade. The European Union further outlined its position on EPA accompanying measures in the General Affairs and External Relations Council (GAERC) Conclusions of 26–27 May. These conclusions, besides reaffirming an earlier pledge, state that the main objective remains to achieve regional EPAs covering a wide scope of issues and taking into account the political choices, development priorities and administrative capacities of the ACP in order to release development potential. The consequences of these EU decisions for the operational aspects of development support to EPAs, however, remain to be determined.

The EU has been actively engaged in defining the potential level and possible modalities for its support to accompanying measures for the ACP. In parallel, the ACP countries and regions have engaged in a process of identifying their needs and strategic priorities related to aid for trade and, where possible, of defining more concrete plans of action.

3. Process Assessment Reports

Application of ECDPM's three capacity strategies

Direct facilitation of dialogue

The ETC programme facilitated dialogue among ACP actors and between ACP and European stakeholders involved in negotiating EPAs and questions surrounding their implementation and monitoring, as well as accompanying measures in the context of aid for trade strategies.

In particular, with tensions running high and opacity as to the end-of-2007 outcomes of EPA negotiations and linkages with aid for trade, ECDPM's prime task was to consult intensively with all key stakeholders, to understand their concerns and worries and facilitate dialogue and exchange of information. Priority was given to the EPA process, mainly in Africa. ECDPM actively engaged with the African Union and its Commission to inform and facilitate dialogue among trade policymakers in Africa, as well with the ACP Secretariat and the ACP-EU Joint Parliamentary Assembly. At the same time, the ETC programme continued consultations with stakeholders on both sides to define longer term needs related to aid for trade and accompanying measures for EPAs.

Strategic research, knowledge management, networking and information services

The ETC programme has dedicated significant effort to providing in-depth analysis on the outcomes of the EPA negotiations (together with the UK's Overseas Development Institute), on the monitoring of EPAs (together with the German Development Institute) and on aid for trade and modalities of support for EPA implementation and accompanying adjustments (in discussion papers and book chapters). Our regular communication tools (mainly www.acp-eu-trade.org, the

www.acp-eu-trade.org newsletter and e-alerts) and our monthly publication *Trade Negotiations Insights* have played a key role in facilitating and increasing the dissemination of timely information and analyses. Practical analysis outputs have usually been combined with facilitation of dialogue, in cooperation with partners. The programme's non-partisan, well-informed analyses, based on close consultations with key ACP and EU stakeholders whose trust we have gained, has been highly appreciated by a broad range of policy actors in these fields.

Strategic partnerships and capacity development

In terms of institutional development, the ETC programme followed a three-pronged strategy. First, it stepped up its cooperation with the African Union on the EPAs and aid for trade issues, most notably with the AU Commission and the AU ambassador in Brussels, as well as with the United Nations Economic Commission for Africa (UNECA). Support included joint reflection with the African Union on its role and that of the African ambassadors (e.g. through AU meetings and retreats of the African ambassadors, as well as regular exchange and brainstorming with the Trade Division of the AU Commission and the AU ambassador in Brussels).

Second, formal networking and partnership became a reality. The ETC team stepped up its efforts to stimulate the South-North Network (SN2), focusing particularly on the participation of its members in joint activities and on network financing. ECDPM helped the University of Pavia to draft and submit a funding proposal for EDULINK in the name of SN2. This was approved in late 2008 and concrete actions will commence in 2009. This funding will allow the Southern partners to take a more active role. With the South Africa Institute of International

Affairs (SAIIA), a member of SN2 with which ECDPM has a centre-wide partnership, a set of concrete joint activities on trade began (e.g. a November conference on regional integration and EPAs and a joint internship). The ETC team also engaged more actively with other networks. It was invited to become an associate member of the "NETRIS" network, the aim of which is to coordinate a network of ACP higher education institutions working within the field of (comparative) regional integration.⁶ Besides, the team was given a lead role in the working group on trade and regional integration of the Europe-Africa Research Network (EARN). ECDPM also continued to work closely with the International Lawyers and Economists Against Poverty (ILEAP) in support of their strategy and management, as well as joined forces to provide institutional support and advice to mainly (Central and West) African regions. Other institutional partners with whom the ETC team closely cooperated during 2008 include the Technical Centre for Rural and Agricultural Cooperation ACP-EU (CTA), the Consumer Unity & Trust Society (CUTS), the International Centre for Trade and Sustainable Development (ICTSD) and ODI, among others.

Third, ECDPM contributed to training activities, with priority on Southern partners and training of trainers. ECDPM and the London School of Economics jointly designed and implemented a training programme for staff of the Eastern and Southern Africa Management Institute (ESAMI). The programme, which was financed by Trade.Com, transferred knowledge on trade policy, analysis and negotiations. It produced a comprehensive, generic programme which is online (at www.acp-eu-trade.org/esami) and can be delivered by the ESAMI trainers in a range of African countries. Besides, the ETC team continues to provide ad hoc advice to young

academics and students working on EPA and aid for trade issues; more formal lectures were given on these issues to master's degree students (many from developing countries) at the University of Pavia, the University of Antwerp, the University of Maastricht, the Summer School on comparative regional integration of the Center for European Integration Studies in Bonn (ZEI), and the Trade Policy Training Centre in Africa (trapca). ECDPM also actively contributed to the organisation and participated in the international conference "Knowledge on Move". This work stimulated debate among policymakers and academics on trade and development in terms of knowledge sharing, capacity building, application of lessons and networking.

Policy process: Preparation and negotiation of EPAs

Evolution of the context and key thematic priorities

Early 2008 appears to have been dedicated mostly to "recover" from the turmoil of the frantic EPA negotiations towards the end of 2007. The outcomes and content of the agreements concluded so far then had to be assessed and the so-called "legal scrubbing" carried out before the negotiations were slowly restarted towards full EPAs. Discussions resumed with a much improved atmosphere between the negotiators, but with relatively limited progress in most regions.

The last quarter of 2008 was marked by the nomination of a new European Trade Commissioner, Baroness Ashton, to replace Peter Mandelson. This raised new hopes among African and Pacific stakeholders for improved relations with the European Commission and greater flexibility in the negotiations.

⁶ www.cris.unu.edu/News-Archive.33.o.html?&tx_ttnews%5Btt_news%5D=558&cHash=b6c6920c5e

As a consequence, the programme focused on explaining the content of the (interim) EPAs and their implications, especially regarding regional integration, and identifying the key lessons and options on the way forward for the negotiations.

Key actors

- Trade negotiators and policymakers, mainly at the sub-regional level (particularly in western and southern Africa as well as the Pacific), but also at the all-ACP level (ACP Secretariat, ACP-EU Joint Parliamentary Assembly), within the African Union (the Department for Trade and Industry and the Department for Economic Affairs of the AU Commission), and nationally (the group of African ambassadors based in Brussels)
- Officials from EU member states, in particular, Austria, Belgium, France (in particular the French EU Presidency), Germany (BMZ & GTZ), Ireland, the Netherlands, Sweden and the United Kingdom (DFID), members of the European Parliament (mainly those from the Committees on Trade and on Development), members of the Dutch Parliament
- Experts from international and civil society organisations, in particular, the Association of World Council of Churches related Development Organisations in Europe (Aprodev), the Commonwealth Secretariat, CTA, ICTSD, ILEAP, the International Trade Centre (ITC), ODI, the South Centre, SAIIA, the United Nations University Centre for Comparative Regional Integration Studies (UNU-CRIS), UNECA and the World Bank
- Academics from European, African and Caribbean universities.

Process narrative: Activities realised and their contribution to the process

The core focus of our activities on EPAs was explaining the outcomes of the agreements concluded at the end of 2007 and drawing lessons, including on the process, for the continued negotiations.

To this end, and with the financial support of the Dutch Ministry of Foreign Affairs, ECDPM joined forces with ODI to conduct a comparative analysis of the content of the agreements and their impact on the regions and countries concerned. The joint study, *The New EPAs: Comparative Analysis of their Content and the Challenges for 2008*, also examines possible scenarios for the way forward, from both a development and a regional integration viewpoint, in addition to looking at the implications for aid modalities for the coming years.

This study informed the Dutch ministry as well as other EU Member States, particularly the informal "Friends of the EPAs" group, as they formulated their positions on the EPAs. It was also drawn on in the preparation of the Council Conclusions on EPAs adopted during the GAERC of 27 May. Arguably more importantly, the analysis was used as an input for many meetings on EPAs in Africa, at the African Union as well as at the regional level, to which the ETC team was invited (see selected events). These included the AU Conference of Ministers of Trade and Finance in Addis Ababa and the High-Level Technical Meeting organised by the Commonwealth Secretariat and the ACP Secretariat in Cape Town (both in April 2008), the retreat of African ambassadors based in Brussels in Dinant (Belgium) in May, and several others (see list of events).

The report was praised by policymakers, ambassadors, officials and experts, and

cited in press articles. The strong resonance of this joint study and the consultation and reflection it stimulated underline the trade team's success in responding to an acute need for well-founded information.

The ETC programme also initiated work on the implications of the interim EPAs for regional integration in Africa, as well as on some of the key contentious issues in the interim EPA provisions, as identified by African policymakers. In so doing, ECDPM provided continued support to the AU coordination effort on the EPAs, including the AU process of designing a "model" EPA.

Our regular publications, mainly *Trade Negotiations Insights*, but also the acp-eu-trade.org newsletter and e-alerts, as well as our website www.acp-eu-trade.org, were instrumental in informing the ACP-EU community on the outcomes of and ways forward for the EPA negotiations.

Another issue, though less prominent, on the agenda of most ACP and EU stakeholders was monitoring the implementation and impact of the EPAs. On this, ECDPM prepared technical notes and engaged in exchanges with the Economic Community of West African States (ECOWAS). Following the publication and wide dissemination of our study *Monitoring EPAs: Inputs to the Negotiations and Beyond*, conducted jointly with the German Development Institute, the ETC team

continued to highlight key insights on EPA monitoring and actively explored collaboration opportunities with Hubrural, CTA, Oxfam and the South Centre, especially in West Africa, as well as with DFID and BMZ/GTZ for activities in the Caribbean. Thanks to ECDPM's active involvement on this issue since 2006, we are currently viewed in the ACP and EU community as the lead source of expertise on EPA monitoring.

Progress towards policy process outcomes

The ETC team reached out to stakeholders in the EPA negotiations with useful and timely information. Our joint study with ODI on the content of interim agreements and the process forward was praised as probably the only such overview and analysis. It reached a wide audience and played into key debates, meetings and policy processes. Perhaps even more importantly, ECDPM was able to engage with a large number of ACP and EU policymakers and to support them in their reflections on how best to address the main EPA-related challenges and take the negotiations forward.

ECDPM also provided general information and analysis on the EPAs, which are a vital process for most of our audience. On EPA monitoring, our progress was possibly hampered by the lack of momentum in most EPA regions on these issues, at least until late in 2008, and by the high staff turnover within the ETC team, which constrained our capacity to take initiative in this field.



3. Process Assessment Reports

OUTCOMES

Preparing and negotiating EPAs

1. Dialogue on aid for trade: Wide availability and effective use of policy-oriented information

ECDPM documented the current state of the aid for trade agenda and of accompanying measures for EPAs and disseminated the findings widely, providing information that was largely missing at a crucial point in the debate. *'This is very useful and timely'*, an IrishAid official commented. The paper summarises the "state of play" of aid for trade in each of the ACP regional groupings and captures lessons from the negotiation approaches of the different ACP regions. This work served to raise the visibility of the entire dialogue on aid for trade. ECDPM staff was invited to assist as resource persons during the AU Senior Officials and Experts meeting to prepare for the Third AU Finance and Trade Ministers Meeting at which the EPAs and related aid for trade aspects were discussed. During her opening speech at the ministerial meeting, Madame Tankeu, AU Commissioner of Trade and Industry, thanked ECDPM for its support (alongside UNECA and UNCTAD). As such, ECDPM emerged as one of the drivers of the debate and contributed to a well-informed multi-actor dialogue. This was confirmed by several presentation requests on aid for trade and requests for advisory input and informal briefings for various actors in the ACP and EU.

ECDPM also contributed at the regional level. Together with CTA, we organised a workshop to share knowledge and experiences on agricultural trade strategies across the ACP, Latin America and Europe. The idea here is to support integrated agricultural transformation measures to improve rural incomes, food security and job creation. The

workshop started a cross-regional dialogue among the participants and was widely praised. *'I trust by now you have heard about the very successful workshop. Congrats to ECDPM and to the team'*, a high-level official of Guyana wrote.

Capacity strategy applied: A (direct facilitation support to key development processes in ACP-EU cooperation) and B (strategic research, knowledge management, networking and information)

2. Informing on the new EPAs: Wide availability and effective use of policy-oriented information on the negotiations

ECDPM joined forces with ODI to conduct a comparative analysis of the content of the EPAs and the impact of these agreements on the regions and countries concerned. This joint study examined possible scenarios for the way forward, from both development and regional integration viewpoints. It also looked at implications for aid modalities for the coming years. The report was praised by policymakers, ambassadors, officials and experts and cited in various articles. The study informed the Dutch Ministry as well as other EU Member States as they formulated their positions, and fed into the Council Conclusions on EPAs adopted at the GAERC of 27 May. Arguably more importantly, the ECDPM/ODI analysis was used as an input to several meetings on the EPAs in Africa, at the African Union as well as regionally. ECDPM was invited to contribute to the analysis of (interim) agreements and of the way forward on a number of occasions, including at the AU Conference of Ministers of Trade and Finance in Addis Ababa on 13 April.

This practical and timely policy-oriented research provided policy actors in-depth insight into key issues and options pertaining to the future of the EPAs. A further outcome was our invitation to high-level

technical meetings where we could contribute to a better informed debate and decision-making processes.

Capacity strategy applied: A (direct facilitation support to key development processes in ACP-EU cooperation) and B (strategic research, knowledge management, networking and information)

Policy process: Development support to EPAs

Evolution of the context and key thematic priorities

With the Aid for Trade principles well established, the key challenges for both the ACP and the European Union has been to identify how aid for trade initiatives can lead to concrete actions and effective implementation. Since Europe adopted its joint aid for trade strategy in October 2007, it has become clear that, at the level of both the Union and the member states, defining effective action plans to implement the strategy and achieve concrete results will be a complex process. It might even be regarded as a concrete test of whether aid for trade will be "business as usual" or an innovative vehicle for effective trade-related assistance. Questions have been raised about the type of coordination needed for an appropriate response, the most effective ways of delivering aid for trade, and the process for reaching agreement with ACP countries on aid for trade programmes. The approach agreed by the European Commission and EU Member States – and the focus of attention in 2008 – was the elaboration of coordinated "regional packages" for each ACP region, although a number of questions remain about what packages will consist of, how EU Member States will contribute, and how they will work with other programmes already being delivered.

On the side of the ACP regions, expectations were high about the potential of aid for trade, particularly regarding availability of additional resources. There may have been a misperception, however, as statistics proved that a large part of the funding committed for aid for trade was already being programmed. Therefore only part of the EU pledge was actually supplementary funds. The picture was undoubtedly confused by the fact that ACP regions were involved in EPA negotiations, in which every region stressed the linkages between trade commitments and availability of aid for trade resources. Most ACP countries and regions have struggled to identify a concrete and realistic aid for trade approach, especially in relation to accompanying measures for EPAs.

The European Union has stressed that resources will be provided regardless of whether the EPAs are signed. Questions have nevertheless arisen as to whether this message was made clearly, both within and outside of the negotiations. A significant number of ACP stakeholders still believe (or have been led to believe) that there is a link between the two



processes that goes beyond the simple question of support for implementation.

ECDPM's assessment is that in the absence of a well-articulated action plan and an effectively implemented strategy on aid for trade, on the part of both the EU (in terms of appropriate support and effective delivery mechanisms) and the ACP (in terms of needs assessments, ownership, prioritisation and effective implementation), the new EPA framework will be unable to release its full development potential. It might even lead to adverse consequences, especially for poverty. The ETC team continued to inform on and facilitate the identification of aid for trade approaches in Africa and the effective implementation of the EU aid for trade strategy, in line with the principles of the Paris Declaration on Aid Effectiveness.

Key actors

- ACP regions, in particular, West Africa and the Caribbean
- EU Member States, in particular Germany (BMZ & GTZ), France (AFD and the Ministry of Foreign Affairs),

the United Kingdom (DFID), Belgium, the Netherlands, Ireland and Sweden

- Members of the European Parliament (mainly the Committees on Trade and on Development)
- International organisations and civil society organisations, in particular the African Development Bank, CTA, CUTS, the OECD Development Assistance Committee, Hubrural, ILEAP, ITC, SAIIA, the Southern Africa Regional Trade Facilitation Programme (RTFP) and UNECA
- Academics from European, African and Caribbean universities

Process narrative: Activities realised and their contribution to the process

Consultation and facilitation of dialogue on aid for trade and the approach to accompanying measures and support for EPAs was the second major theme of work for the ETC team. Part of these activities consisted of organising and participating in high-profile meetings and publishing pertinent information and analysis. But a significant part of ECDPM's contribution to the aid for trade debate has been less publicly visible. This took the form of constant behind-the-scenes dialogue and exchanges with officials from EU Member States and ACP regions, generally on a bilateral (or small group) basis. The results are less tangible, though in fact probably more effective in helping various EU and ACP actors shape their approach to and implementation of aid for trade, in particular, in the context of the EPAs.

On the ACP side, which is the priority for ECDPM intervention, the ETC team actively contributed to high-level meetings in the Caribbean and in Africa (in West Africa and at the AU level). The ECOWAS region explicitly asked ECDPM to

be involved and contribute to the development of its aid for trade strategy in relation to its EPA, starting from national needs assessments and mapping of existing support. ECDPM participated in a consultation meeting in Ivory Coast in August, and has provided regular information and comments to support the region's effort. Contact was also ongoing with other regions (mainly the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the West African Economic and Monetary Union (UEMOA), as well as the Pacific). This work was often done in collaboration with ILEAP.

ECDPM conducted more open dialogues as well. With the further opening of the agricultural sector in the context of the EPAs, combined with the food crisis of 2008, the need for adjustments to increase the competitiveness of that key sector for most ACP economies has never been so prominent. ECDPM joined forces with CTA to address this issue. A first workshop was held in April in Brussels to foster a dialogue among ACP and EU stakeholders with a view to providing guidance on an aid for trade agenda for the agricultural sector. A second, more regionally rooted workshop followed on strengthening agricultural trade strategies in Belize City in November. This last workshop aimed to kick start regional dialogue to exchange experiences across the Caribbean, Latin America, Africa and Europe on the role of trade in rural and agricultural development. It focused on strategic policy directions that can support integrated agricultural transformation for improved rural incomes, food security and job creation. This exchange of experiences will lead to publications. Moreover, Caribbean actors drew on it as an input to their regional aid for trade strategy, to be discussed by the regional Council for Trade and Economic Development

(COTED), as well as to pursue aid for trade support from various donors, starting with EU Member States.

In parallel, ECDPM accompanied the intensive technical discussion process in Europe, among EU Member States and with the European Commission, on implementing the EU's joint aid for trade strategy and EPA accompanying measures. The ETC team provided informed comments to member states, the European Parliament and to a lesser extent the European Commission, and facilitated informal Brussels-based discussions. The most regular exchanges were with Belgium, Germany, Ireland and the United Kingdom, beyond support to the French EU Presidency. In this respect, ECDPM participated in key aid for trade events, in Denmark, France, Germany, the United Kingdom and Sweden, and contributed to the related OECD policy dialogue. ECDPM facilitated contacts between some EU Member States and ACP countries and regions as well.

Addressing a broader audience, not always familiar with the intricacies of the debate, while responding to explicit requests from France during its EU presidency, the ETC team produced the widely disseminated discussion paper *The Aid for Trade Agenda and Accompanying Measures for EPAs*. We also initiated a thorough analysis of the merit of creating regionally owned funds to support integration processes and regional aid for trade agendas, a hot issue in the European Union and in the ACP regions.

ECDPM applied insights into ACP-EU cooperation and the EPA processes in several book contributions, academic journal article and reports (see selected publications), as well as in regular communication tools like *Trade Negotiations Insights (TNI)*, websites and newsletters.



3. Process Assessment Reports

Progress towards policy process outcomes

ECPDM contributed in important ways to the evolving discussions on aid for trade and accompanying measures for EPAs, helping ACP as well as EU actors to understand each other's expectations and to formulate clearer positions and more concrete responses. By facilitating dialogue, providing specific analytical inputs and ensuring complementarity in the work and actions of experts in the field, the programme helped to guide and structure stakeholders' approaches in these areas, bearing in mind the ultimate goal of translating the aid for trade concept into more workable proposals. The main difficulties still encountered by many actors – both EU and ACP – are first in reaching a common understanding of what can be achieved through aid for trade, and then devising mutually agreed approaches for moving forward. In this regard ECDPM took a decision to limit its involvement in large conferences and concentrate instead on more targeted inputs focused on specific areas (such as agriculture) and contributions to the work of specific stakeholders at key points (e.g. development of aid for trade strategies). Our capacity in 2009 to follow up on these initiatives and to provide practical and pragmatic support will ultimately determine whether we have been effective in helping the ACP take advantage of aid for trade opportunities, especially those related to accompanying measures for EPAs.

OUTCOMES

Development support for EPAs

1. Cooperation with ESAMI: Insight into the key components and policy options for an aid for trade strategy and development support for EPAs

ECDPM and the London School of Economics jointly designed and implemented a training programme for staff of the *Eastern and Southern African Management Institute (ESAMI)* to transfer knowledge on trade policy, analysis and negotiations. The training contained 10 modules developed by various experts from the London School of Economics, ECDPM, the University of Maastricht, the Nordiska Institute and SAIIA. It also included a study tour in Europe to expose participants to policymakers in Geneva, Brussels and Amsterdam, as well as a session on trade liberalisation and computable general equilibrium models at the University of Pavia. The ECDPM module dealt with the EPA negotiations and offered guidance on how to find information on trade and development, how to access trade-related assistance and capacity-building support, and insights on tools for formulating and analysing trade policy. The full programme aimed to enable the ESAMI trainees to deliver similar training on trade and development.

Participants indicated their great appreciation of the quality of the teaching, the content of the programme and the set-up of the overall project. ECDPM also recorded positive feedback from the actors visited during the study tour. Perhaps most importantly, the training contributed to a better understanding of trade and development matters among ESAMI staff. A full training manual covering the various modules was made available online to all participants which

they can use in their own training sessions. Throughout the programme, staff developed country-specific materials for use in training sessions at home (e.g. in Zambia and Tanzania) or as case studies in training elsewhere. The study tour marked the starting point for further North-South networking and building working relationships among ESAMI and policymakers, for example, within the Belgian Ministry for Development.

Selected quotes from the evaluation forms of the ESAMI participants:

'I wish to express my appreciation for the excellent facilitation and organisation of the programme.'

'All the topics that were covered were very relevant.'

'The presenter was very knowledgeable and excellent.'

'It was a very timely course.'

'The combination of the class work and European tour was vital.'

'Excellent programme, keep it up.'

Capacity strategy applied: C (strategic partnerships to support institutional development by key ACP policy actors)

Testimonials on ETC information provision

'I would like to thank you very much, once more, for your interesting and up to date information. You can't guess how important it is for us, African intellectuals, to access such sources: a kind of big library on line ... I forward and do recommend some documents to colleagues, students and NGOs.' (Professor and Consultant, Rwanda)

'Thank you... The information is very important for our organisation and the Trade and Gender Task Force established by our organisation.' (Network of Ethiopian Women's Associations)

'Thank you so very much for helping to ensure Pacific concerns are heard in fora like the TNI updates.' (Pacific Network on Globalisation)

'I am writing to congratulate you and your team for the publications. They are very timely and address very important policy issues on EPAs and international trade. Your publications are packed with expert knowledge and sound policy choices that attract wide readership across ACP countries. I hereby commend your hard work and promise to continue to read all your publications.' (Ministry of Foreign Affairs, International Trade and Cooperation, Republic of Mauritius)

Selected publications

(more publications available on the CD-ROM, www.ecdpm.org/trade and www.acp-eu-trade.org)

Bilal, S. 2009. Development aid for the Economic Partnership Agreements (In *Beyond Market Access for Economic Development: EU-Africa Relations in Transition*, Routledge)

Bilal, S. and C. Braun-Munzinger. 2008. *EPA negotiations and regional integration in Africa: Building or stumbling blocs* (Conference paper for the Trade Policy Centre in Africa, Third Annual Conference on Strengthening and Deepening Economic Integration in LDCs, Tanzania, 13-15 November)

Bilal, S. and N. Keijzer. 2008. *(How) can research help to promote trade and development?* (Paper for the conference 'Knowledge on the Move', Netherlands, 26-29 February)

Bilal, S. and F. Rampa. 2008. Aid for trade by the European Union: preliminary insights from the Economic Partnership Agreements (In *EuR Europarecht Entwicklungszusammenarbeit im Recht der Europäischen Union/The Law of EU Development Cooperation*, Vol. 2, pp. 77-103)

Bilal, S. and F. Rampa. forthcoming. What does the European experience tell us on aid for trade? (In *Aid for Trade: Global and Regional Perspectives*, Springer)

Bilal, S., F. Rampa and F. Jerosch. forthcoming. *On the importance of monitoring Economic Partnership Agreements: principles and concrete steps for the negotiations and beyond* (In *Economic Partnership Agreements between EU and ACP Countries*, Icfai University Press)

Bilal, S. and A. Walker. 2008. *Economic Partnership Agreements and the future of the ACP group* (Background note for the Sixth Summit of the ACP Heads of State and Government, Ghana, 30 September - 3 October)

Brüntrup, M., S. Bilal, F. Jerosch, N. Keijzer, C. Loquai, F. Rampa and Tobias Reichert. 2008. *Monitoring economic partnership agreements: inputs to the negotiations and beyond* (Studies 37, German Development Institute)

CTA-ECDPM. 2008. *Report of the CTA-ECDPM dialogue meeting: challenges of changing agricultural markets in the context of ACP-EU trade, identifying an aid for trade agenda for the agricultural sector* (CTA)

ECDPM and ODI. 2008. *The new EPAs: comparative analysis of their content and the challenges for 2008* (Policy Management Report 14)

ECDPM. 2008. *On the importance of monitoring Economic Partnership Agreements: principles and concrete steps for the negotiations and beyond* (abridged version of ECDPM Discussion Paper 79, www.ecdpm.org/dp79) (also available in French)

ECDPM and ICTSD. 2008. *Trade Negotiations Insights*, monthly magazine, and websites (www.acp-eu-trade.org/tni, www.ictsd.net/news/tni)

Lui, Dan. 2008. *The aid for trade agenda and accompanying measures for EPAs: current state of affairs* (Discussion Paper 86, www.ecdpm.org/dp86)

Selected external events

Events (co-)organised by the ECDPM trade team

- SAIIA-ODI-ECDPM Conference Regional Economic Integration in Southern Africa, South Africa, 24-25 November
- CTA-ECDPM workshop Strengthening Agricultural Trade Strategies: Towards a Caribbean Agenda, Belize, 6-8 November
- ECDPM-ODI-Aprodev EPA stocktaking meeting, Belgium, 17 April
- CTA-ECDPM dialogue meeting Challenges of Changing Agricultural Markets in the Context of ACP-EU Trade: Identifying an Aid for Trade Agenda for the Agricultural Sector, Belgium, 14-15 April
- SN2 meeting Trade and Development in Africa: Where Research Meets Policy, Ethiopia, 4-5 April

Events with contributions by the ECDPM trade team

Preparing and negotiating EPAs

- African Union Experts Workshop on the Economic Partnership Agreement Model/Template, Belgium, 5-6 December
- Third Trapca Annual Conference Strengthening and Deepening Economic Integration in Developing Countries: Current Situation, Challenges and the Way Forward, Tanzania, 13-14 November
- Swedish Ministry of Foreign Affairs network meeting "Friends of the EPAs", Sweden, 30 October
- UNECA African workshop on the Economic Partnership Agreements: Reaping the Benefits of the EPAs, Ethiopia, 8-10 October
- ACP-EU Joint Parliamentary Assembly Committee on Economic Development, Finance and Trade, European Parliament, Belgium, 10 September
- ITC and Commonwealth Secretariat Conference on Fostering Trade through Public-Private Dialogue. Business Implications of EPA Negotiations for Eastern and Southern Africa, Ethiopia, 9-10 September
- Chief Negotiator Meeting, ACP House, Belgium, 4-5 September
- Twelfth Congress of the European Association of Agricultural Economists, Belgium, 26-29 August
- African Union: Retreat of the Group of African Ambassadors, Belgium, 16-17 May
- Friends of the EPAs meeting, Dutch Ministry of Foreign Affairs, Netherlands, 9 May
- Commonwealth Secretariat and ACP Secretariat meeting Evaluating EPAs: The Way Forward for the ACP, South Africa, 7-8 April
- African Union EPA experts and ministerial meeting, Ethiopia, 1-3 April
- ACP Chambers of Commerce Workshop, Belgium, 31 January - 1 February
- ProInvest Eurochambres Academy Trade Forum, Belgium, 27-30 January

Development Support for EPAs 2008

- DIE/CUTS workshop Aid for Trade: From Concepts to Action, Germany, 1-2 December
- OECD policy dialogue between OECD members and non-members on aid for trade, France, 3-4 November
- AFD technical workshop on EPAs for development, France, 24 October
- ECOWAS workshop on national and regional EPA support programmes, Ivory Coast, 26-29 August
- Organization of American States-ICTSD symposium Aid for Trade for the Caribbean: Making it a Reality, Jamaica, 16-17 June
- ILEAP donor meeting Aid for Trade and Development: Moving towards Implications, United Kingdom, 11 April

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Governance

Programme overview and objectives

The Governance programme has three main objectives:

- to contribute to Africa's search for home-grown strategies to promote governance at the local, national, regional and continental levels
- to improve EU capacity to plan, implement, monitor and evaluate governance support strategies in partnership with ACP actors
- to promote effective linkages and synergies between policy debates and initiatives on governance in the ACP (primarily Africa) and the European Union

In line with these objectives, the programme supports two broad policy processes:

- ACP efforts to develop home-grown governance agendas
- EU efforts to improve governance in conjunction with ACP partners

The programme's assistance is usually a mix of capacity development support, in the case of the ACP process, with a strong emphasis on facilitation and strategic partnerships. Our work on the EU policy process puts more weight on research and facilitation.

Introduction and overall policy context

Multiparty elections in a number of African countries and their violent or authoritarian reversals by ruling elites and the military drew attention in 2008 to the fragilities of electoral democratisation processes. In Kenya, the most visible forms of post-electoral violence were quelled after considerable African mediation, combined with the courageous efforts of domestic civil society organisations. In Zimbabwe, the post-electoral political stalemate after Mugabe's stolen elections remained unresolved -- despite mediation efforts by South Africa, the

Southern African Development Community (SADC) and the African Union. Mauritania, after its first post-coup elections, was confronted with a new military coup, as was Guinea Conakry after the death of its president. In both cases, the African Union refused to recognise the new military regimes.

Neither was substantial progress made in dialogue between Africa and Europe in 2008, despite the promise of the Joint Africa-EU Strategy. Unrealistic expectations and one-sided agenda-setting were causes of the lack of drive on the strategy's Partnership on Democratic Governance and Human Rights. In an entirely different – and more global – setting, participation and inclusion were somewhat improved when the G7/8 decided to broaden its ranks to G20, including partners such as South Africa and Brazil for the first time. Important concessions were made on paper and some progressive language was spoken, but the real test of improved global governance will be in the implementation and commitment to future inclusiveness. A South African G20 participant expressed wry hope that this would be 'the beginning of the end of the G7/8'.

Stronger inclusion and participation of developing partners was also a feature of the Accra High-Level Forum on Aid Effectiveness. Since the landmark Paris Declaration,

efforts have been made to involve partner governments and civil society organisations from North and South in the aid effectiveness debate. Although the Accra Agenda for Action mentions "governance" only once, the meeting's final declaration contains strong rhetoric in support of balanced and inclusive governance of aid. To ensure that donors no longer unilaterally define and condition aid priorities and modalities, implementation of this new agenda has to be stepped up, monitored and evaluated with strong involvement of the South. Greater emphasis on joint agenda-setting and implementation with stronger representation by developing countries in the DAC Working Party on Aid Effectiveness may offer new opportunities for multi-actor development partnerships.

Application of ECDPM's three capacity strategies

Direct facilitation support

The Governance programme acts as a facilitator and, to a certain extent, content provider, in support of pan-African agenda-setting on governance within the context of the AU-EU governance partnership. This is a phased process, whereby the Centre began by engaging with African stakeholders to strengthen intra-African dialogue on governance.

At the national level, the programme continued its support to the Civil Society





Left to right, top to bottom:

Annelies van Bauwel, *Programme Officer*
 Christiane Loquai, *Programme Officer*
 Noëlle Laudy, *Senior Executive Assistant*
 Melissa Julian, *Programme Associate*
 Jan Vanheukelom, *Programme Coordinator*
 Faten Aggad, *Programme Officer*
 Birgit Vleugels, *Programme Assistant*

Not pictured

Jean Bossuyt, *Head of Strategy*
 Beatrice Gerli, *Research Assistant*
 Volker Hauck, *Head of Knowledge Management*
 Alisa Herrero-Cangas, *Programme Officer*

Forum of Mauritania. It also provided basic comparative data for a discussion among EU Member States on developing *local governance charters*. Similarly, the programme engaged with the AU Commission to develop a pan-African governance vision and policy.

In June 2008, the programme wrapped up a one-year facilitation project with EuropeAid on sector governance, and started working on a new assignment preparing and facilitating the DAC International Conference on Governance Assessments and Aid Effectiveness (GOVNET).

Furthermore, the Governance programme organised multiple meetings with civil society organisations in six partner countries (Lebanon, Georgia, Peru, Benin, Somalia and Cambodia) as well as in Brussels. These multi-actor sessions provided input to the evaluation of European Commission aid channelled through civil society organisations.

As part of service delivery, the programme facilitated a first ever multi-actor strategic planning workshop on security sector development in Burundi with the Dutch government and multiple Burundian stakeholders. On behalf of the French EU Presidency, we provided inputs and facilitated discussions around the French initiative to formulate a European development charter in support of local governance.

Strategic research, knowledge management, networking and information services

Our 2008 research activities

included documenting the roles of civil society organisations in enhancing local governance and in decentralisation dynamics. This work also looked at how donors support or affect these governance processes through civil society organisations. Missions were undertaken to Guinea Conakry and Mauritania, and the programme sampled findings on local governance policies and field practices by member states. Within the European Union, too, the programme sampled policies and field practices regarding local governance. This was another element of our assistance to the French EU Presidency, which had put local governance on its agenda. A field visit to Nigeria served to document the governance agenda of the regional government set-up there and the governance agenda of the Economic Community of West African States (ECOWAS). The programme further examined the European Commission's response mechanisms and strategies in fragile environments, such as Zimbabwe, Somalia and Burundi. This work included monitoring implementation of the EC Governance Incentive Tranche and testing the findings and assumptions of the Commission's reporting documents with the findings of our own work in Mali and Mozambique. In support of the evaluation of Commission aid as channelled through civil society organisations, six country missions and further desk studies were undertaken. Other diagnostic work included a survey of donor-driven governance assessments in preparation for an international conference and a critical analysis of the principle of alignment as

a key component of the Paris Declaration on Aid Effectiveness. This was part of the secondment to the Centre of a senior governance advisor from the Belgian Technical Cooperation.

Together with the Dutch development organisation SNV-Mali and *Réseau de Réflexion et d'Echanges sur le Développement Local* (a Bamako-based network of decentralisation-oriented development organisations) and the Malian Ministry of Territorial Administration and Local Government, the programme finalised a number of publications in 2008. These present experiences in strengthening citizens' and local actors' capacities to monitor and evaluate the outcomes of decentralisation and local governance processes.

Strategic partnership support

In support of the partnership with the AU Commission, the Governance team provided information on agenda-setting by the European Commission and Union. It also contributed information about governance-related issues relevant to pan-African and local governance stakeholders. This included early findings on how certain EU policies may affect governance processes in Africa (e.g. the Commission's Governance Initiative). Preparations began for a technical workshop with African stakeholders and African Peer Review Mechanism (APRM) actors. The Governance programme also supported its South African partner, SAIIA in efforts to raise European interest in its work on the APRM. To that end, we co-organised a well-attended conference in Brussels.

Together with the Malian *Commissariat au Développement Institutionnel* (CDI), ECDPM worked on the design of a three-year strategy and advised on the set-up of a related monitoring and evaluation system. We also cooperated with *Laboratoire Citoyennetés* on its strategic planning and helped it to finalise preparations for a strategic partnership on local governance. This partner undertakes participatory and action-oriented research on citizens' relationship with local authorities, especially regarding perceptions and attitudes on service delivery.

Moreover, the programme supported the joint PhD fellowship programme that ECDPM runs with the Maastricht Graduate School of Governance. Participants preparing a thesis on governance-related issues and aiming for a career in policymaking were invited to take part in Centre activities and to solicit advice on various aspects of their research.

Policy process: African initiatives on governance

Evolution of the context and key thematic priorities

Two major processes illustrate different attitudes in terms of participation of developing partners. The Joint Africa-EU Strategy's Partnership on Democratic Governance and Human Rights did not really get off the ground – and although its ambitions and action programme are laudable, African stakeholders had less praise for the lack of joint agenda-setting and prioritisation. Within a different context – that of the High-Level Conference on Aid Effectiveness in Accra –

3. Process Assessment Reports

attention was given to criticisms of the lack of inclusiveness during the previous high-level conference in Paris. More developing actors – state and non-state – participated in the Accra conference which resulted in a joint plan of action, the *Accra Agenda for Action*.

Multiple efforts were made to connect African stakeholders, AU institutions and experts on governance themes such as decentralisation, the roll-out of the APRM, and the articulation of an African-owned engagement strategy on the Joint Africa-EU Strategy partnership on Democratic Governance and Human Rights. Of the 29 African APRM members, nine had completed the first review process, with two under way.

Key actors

Joint Africa-EU Strategy

- African Union
- AU Commission
- United Nations Economic and Social Council (ECOSOC)
- United Cities and Local Governments of Africa (UCLGA)
- African Peer Review Mechanism (APRM) Secretariat
- Africa Governance Institute
- Alliance pour la Refondation de la Gouvernance en Afrique
- South African Institute of International Affairs (SAIIA)
- European Policy Centre
- Konrad Adenauer Stiftung/Hans Seidel Stiftung/Friedrich Ebert Stiftung

Decentralisation, local governance and civil society

- Commonwealth Local Government Forum (CLGF)
- Commissariat au Développement Institutionnel (CDI)
- Laboratoire Citoyennetés
- Netherlands Development Organisation (SNV)
- Forum de la Société Civile en Mauritanie
- Ministry of Territorial Administration and Local Government (Mali)
- Réseau de Réflexion et d'Echanges sur le

Développement Local (network of development organisations and programmes in Mali)

- Helvetas Mali and Cameroon
- Solidarité – Union - Coopération (SUCO)
- Care
- Norwegian Church Aid
- GTZ GmbH (Germany)
- Swedish International Development Cooperation Agency, Mali
- Royal Tropical Institute of the Netherlands (KIT)

Process narrative: Activities realised and their contributions to the processes

At the continental level, the African Union started preparatory work to set up a multi-actor platform to initiate and feed dialogue on governance. Lack of progress of the Joint Africa-EU Strategy's Partnership on Democratic Governance and Human Rights – and what was perceived as a tendency towards unilateral agenda-setting – prompted African stakeholders to undertake such an intra-Africa dialogue first. The Governance programme contributed to this effort, providing advisory and facilitation services. It supported a first African workshop to explore practicalities and content with the aim of broadening the involvement of African institutions and stakeholders with a governance mandate. Two visits to the AU head office in Addis Ababa helped to ensure optimal information sharing. The workshop and visits served as inputs for informal AU-EU discussions on an institutional set-up for dialogue.

The programme also strengthened its strategic partnership with SAIIA in support of the APRM. Together with the European Policy Centre and the Konrad Adenauer Stiftung/Hans Seidel Stiftung, we provided content and logistical back-up for a workshop in Brussels that brought together APRM stakeholders and European actors for the launch of an SAIIA book on the APRM.

At the regional level, the Centre assessed potential roles of the regional economic communities in promoting African governance agendas, including a field mission to ECOWAS headquarters.

The programme documented experiences with various donor approaches to strengthening capacities of local actors to assess local government performance and to monitor and evaluate local governance processes. Though primarily located in West Africa, findings of this activity were shared with all ACP countries and beyond.

At the national level, ECDPM pursued its support to the Mauritanian Civil Society Forum. Twenty civil society organisations that share the vision of a democratic Mauritania had started to engage with the democratically elected authorities on an agenda in support of local governance. However, the August coup d'état abruptly halted the multi-actor dialogue on decentralisation, which the Centre had supported. In Mali, ECDPM gave priority to its longstanding partnership with the *Commissariat au Développement Institutionnel* (CDI), a statutory body spearheading state reforms. This year our support focused on the establishment of a monitoring and evaluation system for state reform and on providing technical advice on how CDI could optimally enhance civil society's role as an actor in institutional reform. The programme also made use of its country-specific knowledge in both Mali and Mozambique to further study the effects of the European Governance Incentive Tranche programme on governance dynamics.

At the local level, the Governance team formalised its partnership with *Laboratoire Citoyennetés* (LC), a promising multi-country initiative involving Benin, Burkina Faso, Mali and Niger. LC's ultimate goal is to improve the delivery of local services. Through dialogue

and research, it promotes deeper and broadly shared local knowledge of change potential. In 2008, ECDPM supported LC in strategic planning and facilitated a regional workshop to promote cross-fertilisation of country experiences. LC has now requested ECDPM to help it digest its research findings on domestic accountability.

Progress towards policy process outcomes

The action plan of the Joint Africa-EU Strategy puts forward positive ambitions for establishing a joint partnership on democratic governance and human rights. However, little progress has been made to establish dialogue to this end between the European and African partners. To help kick start agenda-setting among African stakeholders, ECDPM facilitated exchanges on governance concerns of priority to them. This included subjects such as the nature and content of governance dialogue among African actors, the quality of local governance and the APRM. Major outputs were working papers and discussion documents on topics such as aid modalities, local governance, the APRM and the EU governance support agenda, as well as workshops bringing together African stakeholders in an environment that encouraged common agenda-setting.

Targeted support led to both a strengthened base of confidence for future cooperation and informed engagement strategies of partners such as *Laboratoire Citoyennetés*.

OUTCOMES

Supporting ACP governance processes involving both public and private actors

1. Laboratoire Citoyennetés: Improved capacity of ACP state and non-state actors to identify, formulate and implement appropriate governance policy options and strategies

ECDPM supports *Laboratoire Citoyennetés* (LC), a West African network that is based in Burkina Faso but also spans Mali, Niger and Benin. LC aims to improve local public service delivery through action-oriented research. But it also engages in policy dialogue and thus seeks to influence sector and decentralisation policies at the national and regional levels. LC undertakes thorough context analyses and encourages dialogue among actors including local authorities, service providers and users. In December 2008, ECDPM facilitated a regional workshop to capitalise on three years of LC experience on improving local governance and service delivery. The event brought together 40 researchers and local stakeholders from LC partner research institutes in Mali, Niger and Burkina, as well as local authorities and mayors, civil society organisations, international partners (e.g. SNV and the Groupe de Recherche et d'Echanges Technologiques (Research and Technological Exchange Group) and donors (Netherlands, Switzerland).

The event created space for mutual learning on linking practice, research and policy. It allowed participants to discuss the visible effects that LC has triggered at the local level. The workshop also helped participants to develop joint approaches and strategies. For example, it enabled LC as a network to prioritise research areas. Furthermore, associations of mayors and key donors were convinced to explore avenues for policy dialogue with central authorities by becoming more systematically involved in the work of LC.

Capacity strategy applied: A (direct facilitation support to key development processes in ACP-EU cooperation) and C (strategic partnerships to support institutional development by key ACP policy actors)

Policy process: EU capacity to deliver effective governance support

Evolution of the context and key thematic priorities

In the run-up to the Accra High-Level Forum on Aid Effectiveness, numerous events and studies were organised highlighting challenges for strengthening the governance of aid and improving governance in partner countries. Civil society organisations were vigorous participants before and during the conference, demonstrating the scope for their stronger inclusion and voice in implementing the Paris principles on aid effectiveness. This high visibility contrasted with the somewhat more limited participation of representatives of local levels of governance.

In terms of diagnostics, a major evaluation was undertaken of implementation of the commitments of the Paris Declaration. This study stood out because of its clear language and critical tone. Its synthesis report unambiguously emphasised the political nature of the Paris agenda and the multiple commitments made by development and developing partners. It openly admits the difficulty of implementing these commitments because 'real issues of power and political economy come into play, in many cases requiring political solutions'. The report is also candid about incentives and disincentives within donor agencies and in partner countries that stand in the way of more effective aid and long-term country development processes. Pioneering work in this regard was undertaken by the DAC Network on

Governance (GOVNET) related to governance assessments, accountability and the effects of aid on domestic governance.

The European Commission and member states continue to struggle with the implications of the Paris and Accra principles and agendas. The implementation problems of both are in many ways related to governance. Some of the work done by EuropeAid, such as on sector governance, reflects a strong focus on political-economic analyses. It emphasises the primacy of domestic politics and the need for donors to deepen their understanding of formal and informal relationships between the state and organised groups in society. This requires a move away from the still dominantly normative, financial and technocratic approaches to development and governance.

Key actors

European Commission/European Union

- EuropeAid Governance, Security, Human Rights and Gender Unit
- EuropeAid Evaluation Division
- Directorate General for Development
- EC Delegation staff in ACP countries
- Aid Delivery Methods Programme

Others

- Agence Française de Développement (AFD), France
- Ministry of Foreign Affairs, France
- Directorate General for Development Cooperation, Belgium
- Belgian Technical Cooperation
- Directorate General for International Cooperation (DGIS), the Netherlands
- Department for International Development (DFID), United Kingdom
- DAC Network on Governance (GOVNET)
- OECD Development Centre
- Overseas Development Institute (ODI), United Kingdom
- South African Institute for International Affairs (SAIIA)
- Electoral Institute for Southern Africa (EISA), Mozambique
- Consultants Nils Boesen and Rikke Ingrid Jensen

Process narrative: Activities realised and their contributions to the processes

On behalf of the DAC Network on Governance and together with consultants Nils Boesen and Rikke Ingrid Jensen, the Governance programme supported the preparation and organisation of the International Conference on Governance Assessments and Aid Effectiveness (London, February 2008). This work



3. Process Assessment Reports

aimed ultimately at improving donor impact on domestic governance processes and increasing the effectiveness of aid. The conference zoomed in on the views and experiences of practitioners and experts from developing countries. The Governance team produced nine case studies and a survey of donor-driven assessment practices. These, together with the productive mix of experts from development partners and experts and actors from developing countries enabled a critical review of governance assessment practices. Conference findings received strong backing from GOVNET members, who reached agreement on key areas in which donors can improve standards.

One of the donor assessment methodologies under study was the European Commission's *Governance Profile*. This is one component of the Commission's Governance Initiative. At its launch in 2006, the Governance Initiative was presented as "bold" and "innovative". However, an EC-funded support study was less convinced of the initiative's positive impact on governance in ACP member states. The study reports flaws in the design and implementation of the scheme and found the mechanism to be weak on the principles of "ownership" and "results orientation". As part of our own Governance programme, we monitored the review process and undertook additional work in Mali and Mozambique. It appeared that in general domestic stakeholder views were insufficiently heard in implementation of the EC initiative. The whole scheme of assessments, dialogue, responses from partner governments and incentive tranches (totalling € 2.7 billion over five years) stands to benefit from a more inclusive dialogue on methodology and assumptions, as well as from more transparent *modus operandi*.

In this and our work with the European Commission on sector

governance, the programme cooperated with consultant Nils Boesen. Collaboration also extended to sector specialists, who provided key assistance in developing a model for assessing and addressing governance deficits in partner countries. This model was tested at a working session with representatives of EuropeAid, the African Development Bank, DFID, the Netherlands and France. Already in 2007, DFID had invited ECDPM to present its findings on sector governance. In 2008, DAC invited EuropeAid and the Governance programme to share the results and diagnostics of sector governance work with other donors. As the chairperson of the event noted, this successful initiative has led to other cutting-edge events being planned.

A mission to Zimbabwe – at the request of the EC Delegation – produced better insight into European response strategies and practices within a particularly difficult partnership. It also fed discussions on how to "stay engaged" in such contexts. Somalia, another fragile state, offers an example of diversified European response strategies in a fragile environment. As part of our evaluation of EC aid channelled through civil society organisations, we looked at the roles of the civil society organisations. The Governance team met with multiple Somali stakeholders with which the European Commission interacts. The effort aimed to promote harmonisation and complementarity among EU Member States and other donors and to better understand the mix of tools for engaging with different types of civil society organisations as well as with layers of government towards state and peace-building.

The Governance programme provided an expert for a reference group on governance in the security sector of Burundi. The expert facilitated a strategic working session with representatives from security and development related ministries in the Netherlands

and multiple Burundian stakeholders. It was convened by the Dutch Ministry of Foreign Affairs, and was the first of its kind to be organised outside of Burundi.

Though civil society organisations play crucial roles in such support strategies, these roles are seldom well understood and supported. Together with its partner Particip, ECDPM undertook statistical analyses, a comprehensive desk study, interactive workshops and six country studies (Peru, Cambodia, Somalia, Georgia, Lebanon and Benin) to gain insight into the multiple roles that the broad spectrum of civil society organisations plays – from service delivery, advocacy and policy research to claimants of rights and accountability. This project also looked into how the European Commission engages with these organisations. Despite the Commission's policy shift towards stronger development partnerships with civil society, the study found scope for improving EU support through civil society organisations as key governance actors. The evaluation provided food for thought and discussion. Its findings and evidence urge development workers not to lock civil society organisations in the traditional donor straightjackets through narrow programming and funding strategies. By thinking beyond the more traditional roles these organisations can become governance actors in state-building and development.

In the context of the French EU Presidency, the French Ministry of Foreign Affairs approached the programme for advisory and backstopping services on the topic of local governance. Here, a key initiative was the European Development Charter in Support of Local Governance. This document sets out principles and modalities for increasing the effectiveness of European support to local governance and decentralisation in partner countries. It addresses a broad variety of actors, including the European Union,

EU Member States, local and territorial governments, civil society organisations and the private sector. Our support to the elaboration of this charter consisted mainly of commenting on the various drafts and conducting a survey of member states' approaches to local governance support and views on key principles and elements of the charter.

Progress towards policy process outcomes

Research, surveying and monitoring efforts on the unfolding governance agendas of the European Commission and DAC GOVNET resulted in outputs such as reports, case studies, a sourcebook and an EC reference document. These served as inputs to a GOVNET workshop on sector governance, a GOVNET conference on governance assessments and multiple working sessions with the European Commission. Throughout, there was active participation by experts and practitioners from the field and from developing partners. Donors accepted the DAC guiding principles, though this did not automatically lead to implementation. Similarly, there was strong buy-in for the operational guidance provided in the EC reference document on sector governance.

Initial findings of the evaluation of civil society organisations as "channels" of European aid were widely discussed and commented on.

Our advice on the French EU Presidency's initiative to formulate a charter on support to local governance helped develop the consensual document that was presented at the European Development Days. Facilitation work on multi-donor cooperation and multi-stakeholder cooperation on security sector development in Burundi will be pursued in 2009, with experiences and lessons fed into the European pilot programme on effective cooperation in fragile environments.

OUTCOMES

Supporting EU governance processes at the European Commission and member state level

1. Evaluation of EC "channelling" aid through civil society organisations: Enlarged policy dialogue on governance

In 2007 and 2008, ECDPM and Particip undertook a global evaluation of how the European Commission "channels" its aid through civil society organisations. The Centre's previous policy work in support of decentralisation and non-state actors under the Cotonou Agreement partly informed this work. But even more important was the Governance team's productive interaction with numerous civil society organisations at various levels in both Europe and in the six partner countries where field studies were undertaken. Much effort and energy went into dialogue with EC stakeholders in order to produce a relevant and credible evaluation for multiple uses. Praise was unanimous on the quality of the evaluation. But enthusiasm to integrate the findings in internal learning and to implement the far-reaching recommendations was more diverse at the various levels of the Commission. Within the broad and diverse "community" of civil society organisations, there is a growing interest in discussing and digesting the findings and implications for future engagement strategies. Besides other impacts this may have, such a process may generate demand for the European Commission to take the findings and recommendations to heart.

In this way ECDPM contributes to broaden the European policy dialogue on governance and bring about an exchange that is more open-ended and inclusive. The elaborate presentation of this evaluation in the February 2009 *Newsletter of the European Peacebuilding Liaison Office (EPLO)* is a concrete example of how this study is being taken

up and circulated for wider discussion.

One of the case studies in this evaluation was in Somali. This case illustrated well the Commission's ability to engage meaningfully and effectively with a variety of international and domestic organisations, even in a conflict-ridden environment where there is no unified state. The case study already serves as a discussion document on how external support through civil society organisations can contribute to state- and peace-building. One representative of the EC Somali unit referred to the study as its "flagship publication".

Capacity strategies applied: A (direct facilitation support to key development processes in ACP-EU cooperation) and B (strategic research, knowledge management, networking and information)

2. Governance assessments: Knowledge and capacity to integrate governance into cooperation processes

The OECD/DAC commissioned ECDPM and Nils Boesen to undertake a survey of donor approaches to governance assessments. The work involved a thorough review of the various donor approaches to governance assessments and nine case studies. These cases added insights on the effects of the mostly fragmented and donor-driven assessments on domestic governance processes in partner countries. The study and cases provided content for an OECD/DAC conference on governance assessments and aid effectiveness (February 2008). At the conference more than 100 governance experts and practitioners from development agencies, developing countries, civil society and academia discussed for two days how donors could improve their assessment processes and strengthen capacities and processes of domestically driven governance assessments, such as the African Peer Review Mechanism.

Several outcomes of this process can be recorded. A substantial group of key institutional partners engaged in the critical process of reviewing donor-driven governance assessments. They took stock of good and bad practices and engaged in an open discussion on a politically sensitive topic: how to improve assessment practices in the area of governance in such a way as to strengthen governance in partner countries. ECDPM's facilitation and content input encouraged donor buy-in and consensus on a set of guiding principles for improved practices in this regard. The process produced in-depth insight on issues and guiding principles for improving governance assessments. It also resulted in the development of an OECD-DAC sourcebook on and the writing of a users' guide for non-specialists.

Capacity strategy applied: A (direct facilitation support to key development processes in ACP-EU cooperation) and B (strategic research, knowledge management, networking and information)

3. Analysing and addressing governance in sector operations: Capacity to integrate governance into cooperation processes

One key recommendation of the 2006 evaluation of EC support to governance (undertaken by a team of consultants led by ECDPM) was for the Commission to become more conscious of governance dimensions in its sector operations. A year later EuropeAid invited ECDPM and Nils Boesen to contribute to the implementation of this important recommendation. We followed a participatory approach, which involved sector specialists from EuropeAid and from a number of interested EU Member States. EuropeAid published the resulting guidance note on how to improve the quality of the Commission's work in analysing and addressing governance in sector operations. This reference document was widely distributed among EC Delegations. 'This is a great document!' an officer at the EC Delegation in Pretoria commented, 'Wonderful work and very useful.'

Capacity strategy applied: A (direct facilitation support to key development processes in ACP-EU cooperation) and B (strategic research, knowledge management, networking and information)



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Selected publications

(more publications available on the CD-ROM and www.ecdpm.org/governance)

Bossuyt, J. 2008. *La gouvernance a la croisée des chemins* (Editions Karthala, Paris)

Bossuyt, J. 2008. *Políticas e instrumentos de apoyo a la cooperación descentralizada por parte de los estados miembros de la Unión Europea y la Comisión Europea: un análisis comparativo* (Observatory for Decentralised Cooperation between the European Union and Latin America, Editorial)

Bossuyt, J. forthcoming. *Mind the gap: addressing the 'delivery challenge' in EC development cooperation* (Prepared for the Centro de Estudios de Cooperación al Desarrollo Conference on European Development Cooperation. Madrid, 27–28 November 2008)

DAC. 2008. *Donor approaches to governance assessments: case studies in Nepal, Kenya, Mozambique, Pakistan, Guyana, Madagascar, Cameroon and Mauritania*

European Commission. 2008. *Evaluation of EC aid channelled through civil society organisations* (Report No. 1,259)

Herrero Cangas, A. and M. Totte. 2008. *L'amélioration du service public local par le dialogue entre la recherche et l'action : Bénin, Burkina Faso, Mali, Niger* (Synthesis report of the sub-regional workshop, Niamey, 15–17 December)

Le Bay, S. and C. Loquai. forthcoming. *Décentralisation et renforcement des capacités de suivi évaluation des collectivités territoriales : expériences de l'Afrique de l'Ouest, dans : la Revue canadienne d'évaluation de programme*

Le Bay, S. and C. Loquai (eds). 2008. *Assessing decentralisation and local governance in West Africa: taking stock of strengthening the monitoring and evaluation capacity of local actors* (Communicances, Bamako) (available in English and French)

Loquai, C. and S. Le Bay. 2008. *Building capacities for monitoring and evaluating decentralisation and local governance: experiences, challenges and perspectives* (InBrief 19)

Nils Boesen and ECDPM. 2008. *Survey of donor approaches to governance assessments* (Report prepared for DAC GOVNET)

Selected external events

Events with contributions by the ECDPM governance team

- Facilitation of informal AU meeting on the joint Africa-EU democratic governance and human rights partnership and African governance architecture, 12–13 February, Belgium
- Facilitation of the International Conference on Donor Approaches to Governance Assessments and Aid Effectiveness, 20–21 February, United Kingdom
- Facilitation of the Reference Group for the Evaluation Civil Society Organisations as a Channel of EC Aid, EuropeAid, 17 April, Belgium
- Facilitation of the French Ministry of Foreign Affairs' roundtable on a European charter on local governance, 14 May, Belgium
- Facilitation of a workshop with EuropeAid, EU donors and the African Development Bank on analysing and addressing governance in sector operations, 3 June, Belgium
- Contribution to the Mauritania Civil Society Forum "Civil Society and Decentralisation in Mauritania", 14 June, Mauritania
- Organisation of the presentation of SALLA's flagship publication on the APRM, July, Belgium
- Contribution to the International Reference Group on Security Sector Development in Burundi, 10–11 November, Netherlands
- Contribution to the SALLA International Conference on Governance in Africa, 17–19 November, South Africa
- Facilitation of a regional seminar organised by Laboratoire Citoyennetés on improving local public service delivery through dialogue between action and research, 15–17 December, Niger
- Contribution to consultations of the French Ministry of Foreign Affairs on a European charter on local governance, 27 February and 28 March, France
- Facilitation and chairing of the Plenary Session on Capacity Development and Networking at the OECD Global Forum, 19–21 May, France
- Contribution to the third annual conference of the Observatory for Decentralised Cooperation between the European Union and Latin America, "Joining Efforts in Decentralised Cooperation: Articulation and Coordination among Actors", 26–28 June, Spain
- Contribution to a meeting on the Paris Declaration and local governance, Commonwealth Local Governance Forum, 15–18 September, South Africa
- Chairing and facilitation of a conference on the African Peer Review Mechanism and the Joint Africa-EU Strategy, Friedrich-Ebert-Stiftung and Konrad-Adenauer-Stiftung, 28 October, Belgium



Left to right, top to bottom:

Klaus Hoefsloot, *ICT Manager*
 Claudia Backes, *Executive Assistant/Publications Officer*
 Pia Brand, *Publications Officer*
 Judith den Hollander, *Intranet Coordinator*
 Volker Hauck, *Head of Knowledge Management*
 Ivan Kulis, *Programme Officer*
 Melissa Julian, *Programme Associate*
 Suzanne Cartigny, *Publications Officer*
 Verena Ganter, *Junior Information Assistant*
 Jacquie Dias, *Information Officer*

Not pictured: Annika Dossow, *Junior Information Assistant*

Knowledge Management

Overall review

Implementation of ECDPM's overall strategy progressed substantially in 2008 in the area of knowledge management and communication. Taking the Centre's 2006 external evaluation as its point of departure, the Knowledge Management unit pursued development of an all-Centre knowledge and communication strategy, investing in substantial reform and innovation while building on aspects that have worked well in the past. These changes were accompanied by some restructuring within the team and a rationalisation of workflows and products to cut costs and increase efficiency. Four main areas of our work are reported on here: the knowledge and communication strategy; learning, sharing and knowledge networking; all-Centre innovations and reforms; and support to programmes and corporate tasks.

Knowledge and communication strategy

A major step forward in implementing the ECDPM Strategy 2007–11 was the formulation of the knowledge and communication strategy, entitled *Linking Knowledge and Communication*. Its overall objective is to guide the Centre in using knowledge management and communication strategically in all of its activities and to link the two areas so as to underline the Centre's identity

as an organisation excelling in both creating knowledge and in communicating what we have learned. The strategy, first, improves the Centre's knowledge management and tailors it to the needs of the thematic programmes and Centre-wide activities. Second, the strategy optimises our communication, in particular, the provision of well-presented information to our immediate stakeholders and partners, such as the policymakers and practitioners involved in the policy processes we engage in. Finally, the strategy enables us to improve our overall outreach and communication to audiences within the realms of development cooperation and international relations and, where needed, to the wider public. It is thus an essential lynchpin across programmes and corporate tasks to enhance the overall effectiveness of ECDPM's work.

Formulation of the strategy took some time, as it required intense Centre-wide consultations. A major break with the past is that knowledge management and communication now form an integral part of the Centre's work. There is also agreement on the need to enhance our visibility, outreach and communication with partners and stakeholders.

The strategy guides development of various communication and knowledge-building work plans at the corporate and programme level.



Its implementation began in late 2008 with the formulation of a corporate communication plan and discussions with the programmes to address and plan knowledge management and communication more strategically. To facilitate these discussions we developed an assessment tool and used it to good end. Adaptation of the ECDPM logo in 2009 and its more consistent use will improve our outreach and visibility further. Finally, we improved the Annual Report 2007 with a proven formula that combines the requirement to be accountable with the wish to be more journalistic in speaking about what we do.

Learning, sharing and knowledge networking

Digital knowledge exchange with external networks took place mainly through the Pelican Initiative, the Platform for Evidence-based Learning and Communications for Social Change (www.dgroups.org/groups/pelican). Its

membership grew 18% to 489 participants by year's end. Members discussed a variety of issues, including impact evaluations of partnerships and multi-stakeholder platforms, capacities for monitoring and evaluation, assessing capacity development and the new aid agenda, which fed into preparations for the High-Level Forum in Accra in September. We also published with the United Nations Development Programme (UNDP) and the SNV Netherlands Development Organisation three issues of *capacity.org* (www.capacity.org), respectively, on organisational learning, agricultural producer organisations and linking research, policy and practice. That last issue featured an interview with an AU policymaker highlighting his impressions of ECDPM support in the EPA negotiation process. Besides these products, we continued our role on the board of Euforic and on the editorial boards of *capacity.org* and *Knowledge Management for Development* (www.km4dev.org).

3. Process Assessment Reports

Network partners were Chatham House, the Association of Development Research and Training Institutes (EADI) Information Management Working Group, the Learning Network on Capacity Development (LenCD) and the Knowledge-4-Development community, a network of knowledge management practitioners. Together with the University of Maastricht and the Society for International Development (Netherlands Chapter) we set up the Maastricht Debates, a multi-actor platform for debate and networking on issues of international cooperation and globalisation.

In terms of internal sharing and learning, we organised nine seminars in 2008. These informed ECDPM staff from the different programmes and units and enabled them to reflect forward on emerging issues and ongoing or finalised activities. In 2008, the seminars covered policy matters related to aid and governance reform (the poverty reduction strategy papers, alignment of development assistance and reform of technical cooperation); EU development effectiveness (the Joint Africa-EU Strategy, the EU's relationship with the Pacific and financial flows to Africa) and progress in implementing our ECDPM Partnership Strategy using the example of the South African Institute of International Affairs (SAIIA). We also produced nine internal newsletters to facilitate communication between Maastricht and Brussels-based staff and to share information on internal changes, tools and guidelines, meetings and library acquisitions.

All-Centre innovations and improvements

We introduced a number of substantial changes in all-Centre knowledge management and communication tools and systems while building on aspects that have proven their validity in the past. A digital

photo database was put in place, capturing hundreds of images from our work and allowing us to enhance our publications, presentations and websites. We revamped the corporate website and started publishing a weekly updated front page, including an opening box that features a particular area of our work. We also finalised the site's "InfoCentre", providing easy access to all of our publications and websites, and completed the French version of the ECDPM website.

Equally valuable was the updating and upgrading of our contacts database, which is of strategic importance to get ECDPM products to the right people at the right time at the right contact address. Preparations are under way to improve the distribution of our e-mail newsletters, of which we mailed some 50 over the report period, each going out to 6,300 addresses. Three e-newsletters are currently produced to alert our audience to content on ecdpm.org, acp-eu-trade.org and europafrica.org. A major change in 2009 will be the launch of a new corporate website with design and layout geared to a wider public. Technical innovations will also be featured, such as improved social networking tools and video use, to make our external communications more effective. Most of these innovations will appear in 2009 but required extensive preparatory work and testing during the report period.

ECDPM's weekly ACP-EU News

The e-newsletter *ACP-EU News* is a rich source of information for policymakers, analysts and activists from multilateral, regional and bilateral development organisations, ministries, associations, NGOs, academia and the private sector. Subscriber numbers continue to grow, and reached 6,900 by end 2008. The newsletter offers policy intelligence, the latest news and access to documents on an array of policy issues, such as EU-Africa relations, the EPA negotiations and the EU Neighbourhood Policy. The information is available from the website, where visitors can also subscribe to a daily online information service via RSS technology. The online archive already contains 7,000 news items. Some 25% of subscribers read the newsletter weekly. In terms of geographic distribution, 52% of the readers are from Europe, 38% from Africa, 4% from the Caribbean and Pacific and 6% from other regions.

'Kindly be informed that your E-Newsletter has been forwarded to all Commissioners and Directorates of the AU Commission.' Officer at the African Union, Addis Ababa

'I find it very exhaustive and useful, and it's a pleasure to distribute it to my colleagues in DG DEV at the European Commission, among others.' Officer at the European Commission, Brussels

'Thanks a lot for the updates, they have been very helpful in my work as a journalist ... I am now able to engage the EU delegation in Zambia on a number of issues, such as the EPAs, EDF and other areas of cooperation.' The Post (newspaper) Lusaka

Support to corporate work and programmes

We supported Centre-wide activities, including library services and production of publications, websites, information products and the weekly ACP-EU cooperation policy agenda. A key improvement was introduction of "printing-on-demand", an Internet-based publications production and management system allowing us to minimise stock and produce small print runs more cheaply.

Our department produced some 28 publications. Another 42 were produced jointly with organisations that helped us to widen our dissemination into complementary policy networks. Some 10,000 hard-copy publications were distributed.

Corporate Services

- Produced the annual report, the partnership strategy, the knowledge management and communication strategy and the Centre work plan and leaflet
- Produced the ECDPM CD-ROM
- Maintained the all-Centre website and advised on the programme sections of the site, providing guidance on website maintenance
- Produced the weekly ACP-EU e-newsletter
- Assisted programmes in identifying contacts and strategically disseminating publications to a wide audience electronically and by hard copy

Institutional Relations

- Produced NewsTalk, a newsletter aimed to keep institutional partners up to date on developments at the Centre
- Supported the refining of ECDPM's corporate profile and accompanying information products
- Supported the Institutional Relations team in the maintenance of institutional contacts and provided specific information on reporting for service delivery with regard to publications and information products

Development Policy and International Relations

- Produced publications relating to policy coherence for development, aid relations and effectiveness, armed conflict, EU external action, the future of the Cotonou Partnership Agreement, and capacity and institutional development
- Assisted in production of the Europe-Africa website and produced the EU-Africa E-Alert and EU-Africa Bulletin
- Assisted in production of the Whither EC Aid? website, blog, blip-TV and e-alerts

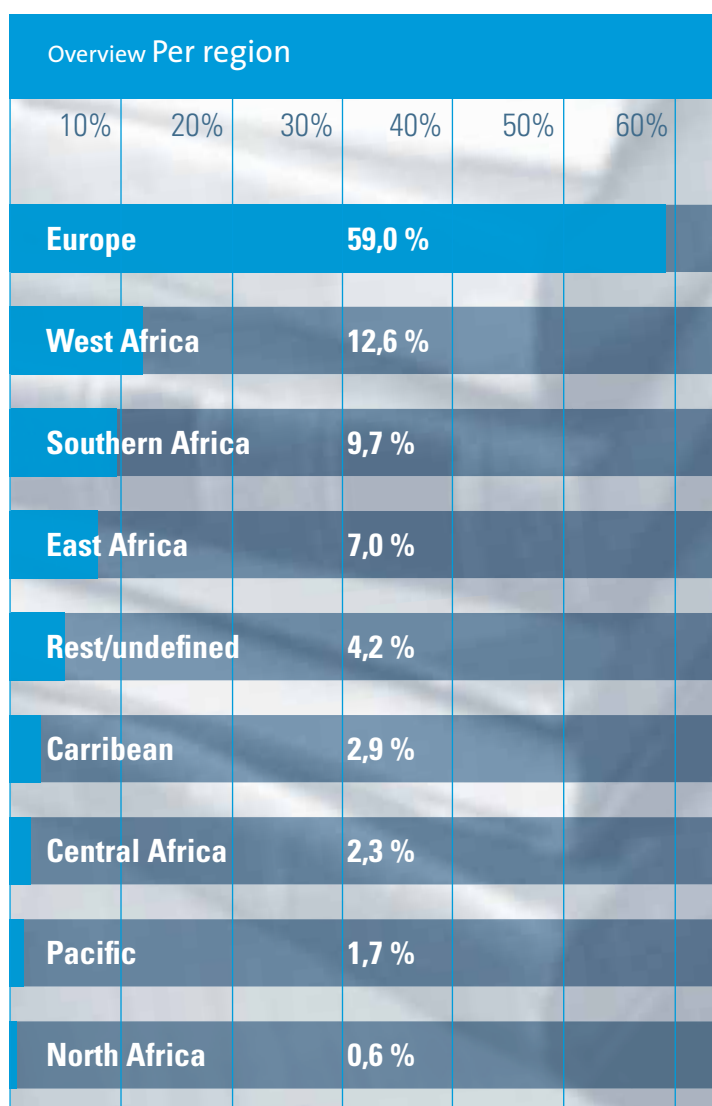
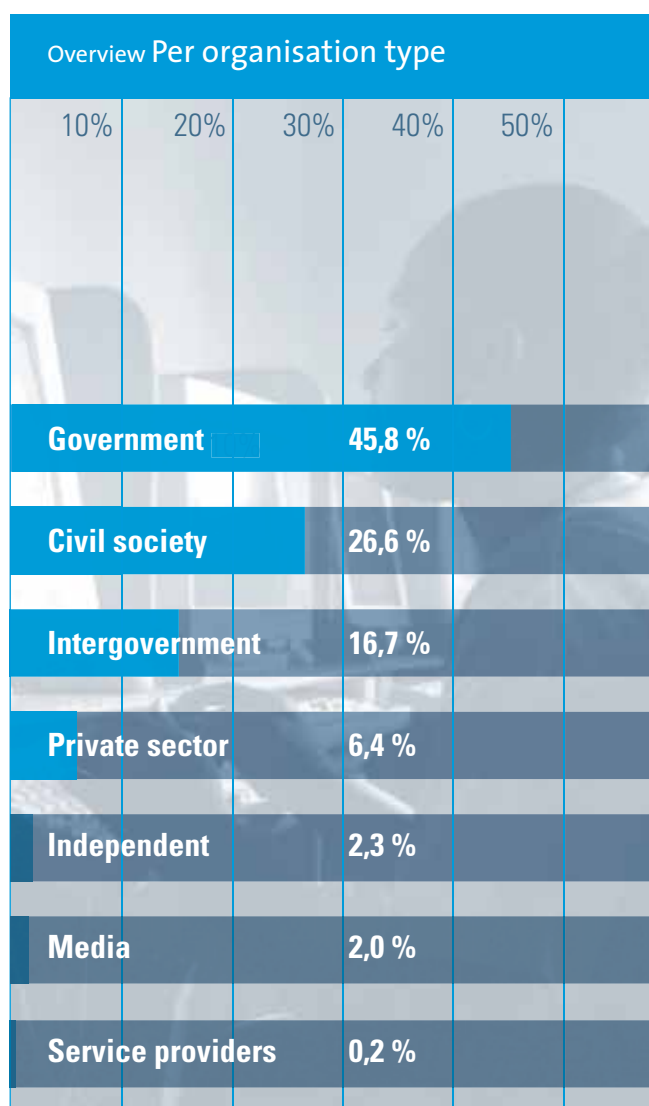
Economic and Trade Cooperation

- Produced publications on aid for trade, EPA negotiations and EPA monitoring
- Assisted in production of the ACP-EU Trade website and newsletter
- Supported production of Trade Negotiation Insights with ICTSD

Governance

- Produced publications on decentralisation and local governance
- Information Technology
- Collaborated in rationalisation and improving

the efficiency of work processes and systems

ECDPM hard copy distribution 2008

4. Financial Report

Consolidating the transition

The year 2008 continued ECDPM's transition process. Effective implementation of the decisions taken following the recommendations of the 2006 external evaluation continued to increase our strategic focus and results-orientation and to consolidate our independence as a foundation. In 2008, core funding (income from interest on the endowment fund) slightly increased to €968,000, resulting from increasing interest rates in the second half of 2007 and first half of 2008 (amounting to 20% of annual income). The main financial parameter used to measure results in the adjustment process -- the balance between unrestricted core and institutional income and the more restricted programme and project funding -- continued to shift and overall, the Centre came close to the target 75/25 ratio of unrestricted to restricted funding: 74/26% in 2008 compared to 63/37% in 2007. This allowed us to be more strategic and ACP demand driven. Programme funding (11%) also supported this shift, while the most restricted type of funding (project funding) was reduced from 51% in 2006, to 27% in 2007 and further to 15% in 2008.



Left to right, top to bottom:
 Roland Lemmens, *Head Finance & Operations*
 Peter van 't Wout, *Financial Officer*
 Léonne Willems, *Human Resources Officer*
 Bèr Wintgens, *Steward*
 Linda Monfrance, *Office Assistant*
 Dany Picot, *Office Assistant*
 Marine Martinie, *Office Assistant*
 Lee Thomas, *ICT Officer*
 Henriëtte Hettinga, *Corporate Officer*
 Floor Hameleers, *Administration Officer*
 Ghita Salvino, *Logistics Officer*
 Najat Loiazizi, *Human Resources Assistant*

Not pictured: Karen Gielen - *Human Resources Assistant*,
 Klaus Hoefsloot - *ICT Manager*, Dave Lieveld - *ICT Assistant*

Clearly, the positive development of institutional funding over the past two years has created a solid financial basis for ECDPM as a strategy-driven organisation. Yet the severe cost reductions that had to be implemented during the second half of 2008 in order to achieve a balanced budget demonstrate that the Centre must continue to watch its market orientation, most certainly during the current financial crisis and global economic recession. The first indications of re-oriented and perhaps reduced development budgets have already been given by a number of the member states that cooperate with ECDPM. As a result, the target for 2009 has been set to a 70/30 balance in unrestricted versus more restricted income, which means that ECDPM's three thematic programmes should work towards 40% programme and project funding rather than 30% for 2009. This will not be easy, as this year only the ETC programme neared this target.

The sharp reduction of operational costs in 2008 reflects not only ECDPM's reduced involvement of consultants, it also shows that 2008 was still a year of transition towards a more strategy-driven focus, in which impact-oriented planning as well as results-oriented monitoring and reporting systems were further refined and introduced. The "Impact Route Analysis" and "Process Assessment Framework" are examples in this regard. Further, much attention was paid to aligning the Centre's human resources with its strategic objectives through introducing a basis for competency-based management. Due to a number of key staff leaving the Centre, our human resource base had to be replenished with several new recruitments, perhaps slowing the pace of work in the programmes during the first half of 2008. Finally, the Centre started re-orienting its communication strategy and implementing its new partnership approach, both aimed at strengthening its

impact by further increasing investments in outreach, capacity and institutional development, particularly in the ACP. Once these efforts gain full force, operational costs are expected to gradually return to earlier levels, around 30% of the total budget.

Looking back, management feels that staff has engaged constructively in the changes ECDPM proposed for itself, enabling the Centre to achieve significant progress. Frequent, very animated discussions, tough debates and improved understanding of strategic questions contributed to a proactive atmosphere of internal change while staff kept a keen eye on performance. If 2007 felt a bit like turning around an oil tanker at mid-sea, 2008 felt like having consolidated our ship and

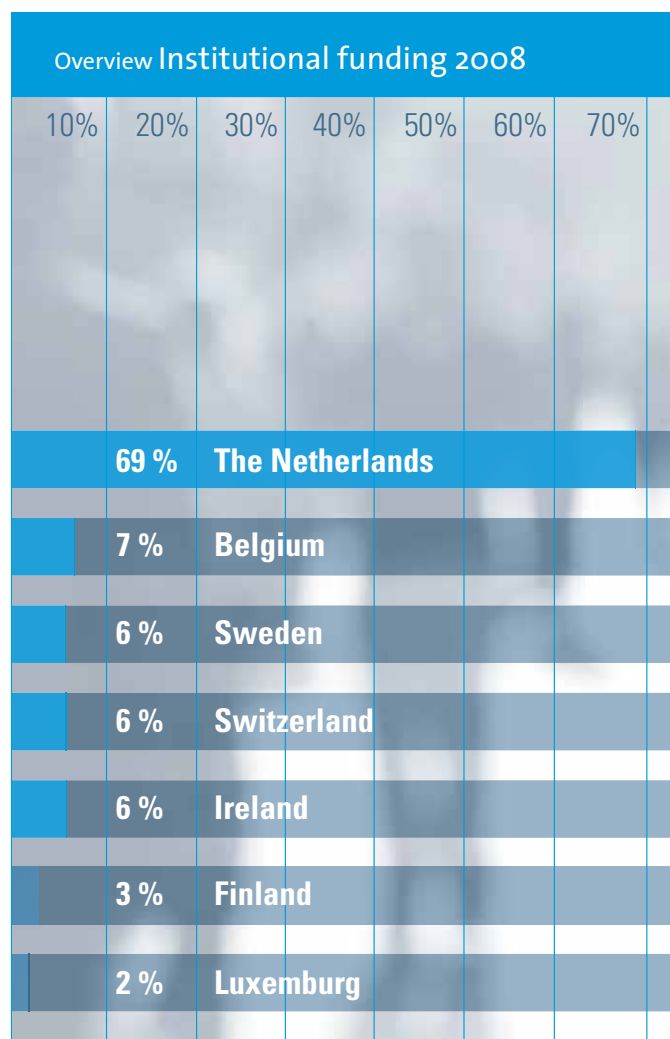
achieving our course to destination on a rough ocean with enormous, exciting challenges ahead. With our transition and our staff contingent mostly complete, the main challenges now are to continue to adapt to the changing global winds that affect ACP-EU relations; to further strengthen our strategic impact and partnerships in the South; and, last but not least, to make these visible to our institutional relations, ACP and EU partners and other relevant policy audiences. After two years of institutional transition, ECDPM has consolidated its position as an independent, mandate- and strategy-driven organisation and is ready to keep its course in dealing with the many challenges that affect ACP-EU cooperation and relations.



4. Financial Report

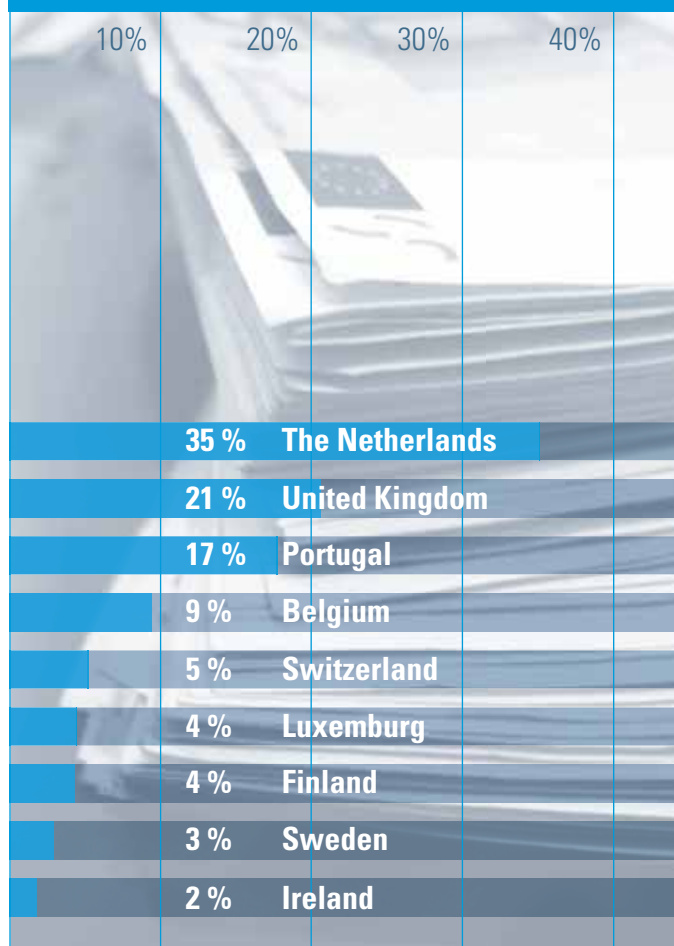
How the Centre is funded

In its early years, nearly all of the Centre's activities were financed from interest on the endowment provided by the Netherlands government. Over the past decade, however, declining interest rates and increased external funding have reduced the proportion of income from the endowment to slightly more than 20% of total funding.



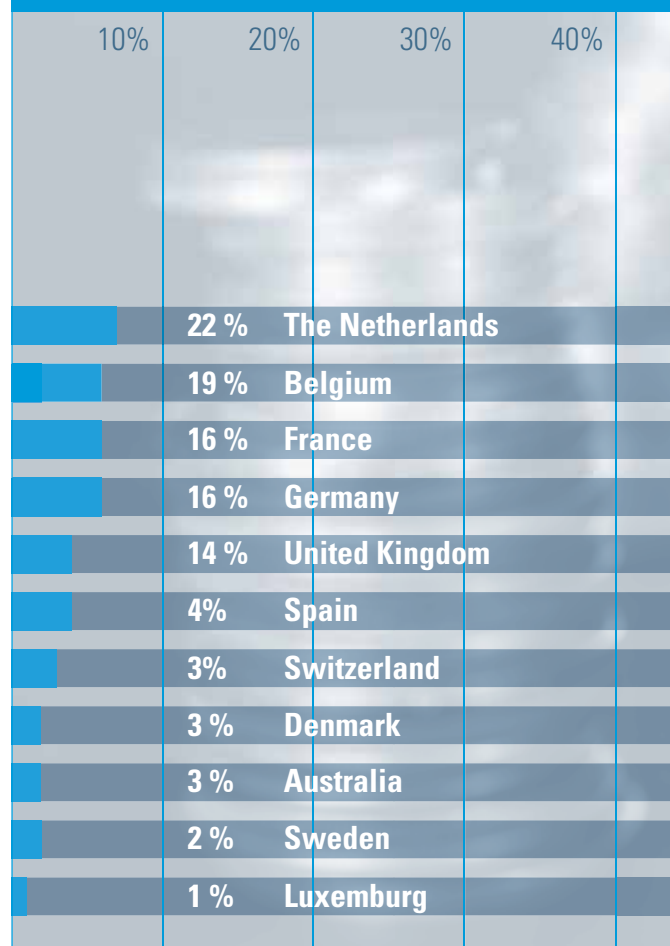
Over the past 11 years, we have negotiated multi-annual institutional funding agreements with several European governments. This type of funding can normally be applied to different activities and provides a strong guarantee that the Centre will be able to both maintain its focus and respond to emerging demands in a flexible way. In 2008, this funding was provided by the governments of the Netherlands, Sweden, Belgium, Ireland, Switzerland, Finland and Luxemburg, and represented 54% of total income. The Netherlands provides the largest share of institutional funding, totalling €10 million for the 2007–11 period.

Overview Programme funding 2008



Other funders support one or more of our programmes. Although less flexible than core funding arrangements, such funding provides continuity within a more restricted area of operations. Programme funders include the Department for International Development (DFID, UK), the Instituto Português de Apoio ao Desenvolvimento (IPAD, Portugal) and the Ministries of Foreign Affairs of the Netherlands, Belgium, Switzerland, Ireland, Sweden, Finland and Luxemburg. In 2008, this type of funding represented 11% of total income.

Overview Project funding 2008



The final source of funding (15% of the total in 2008) is project funding of limited scope and duration. Project funding may be spread over several years, or just a few months, or may be earmarked to enable our staff to attend key international events.

Increasingly such funding comes through tender processes, particularly for large projects. We are particularly careful to engage in projects in a specific and limited way, in line with our mandate, strategy and available capacity. Those providing project funding in 2008 included BMZ/GTZ (Germany), Particip (Germany), the Trade.com project management unit (Belgium), the Danish International Development Agency (DANIDA) and Nils Boesen (also of Denmark), the Charles Léopold Mayer Foundation for Human Progress (FPH, Switzerland), Agence Française de Développement (AFD, France), Transtec (Australia), Austrian Development Aid, DFID (UK), CTA, MDF Training and Consultancy, and the International Centre for Development-Oriented Research in Agriculture (ICRA, all three of the Netherlands), as well as the Ministries of Foreign Affairs of the Netherlands, Luxemburg, Sweden, France and Spain.

4. Financial Report

Balance sheet after allocation of result 2008, as per December 31, 2008

in thousands of Euros

	31-12-2008	31-12-2007	31-12-2006
ASSETS			
I Financial fixed assets			
1.1 Debentures	21,869	19,878	22,430
1.2 Participation in EDCS share fund	11	10	10
1.3 Participation in OneWorld Europe B.V.	0	0	2
Total financial fixed assets	21,880	19,888	22,442
II Tangible fixed assets	1,310	0	0
Total tangible fixed assets	1,310	0	0
III Current assets			
3.1 Payments in advance	49	80	67
3.2 Receivables	625	596	587
3.3 Debtors	1,000	1,133	1,280
3.4 Tax contributions	26	6	0
3.5 Cash	2,084	3,773	1,111
Total current assets	3,784	5,588	3,045
TOTAL ASSETS	26,974	25,476	25,487
LIABILITIES			
IV Long-term liabilities			
4.1 Commitment to the Netherlands' Government	18,378	18,378	18,378
4.2 PNL-contribution for housing and installation	2,269	2,269	2,269
Total long-term liabilities	20,647	20,647	20,647
V Current liabilities			
5.1 Creditors	179	292	273
5.2 Tax, pension and social security contributions	108	97	93
5.3 Current debts	1,500	1,256	1,002
Total current liabilities	1,787	1,645	1,368
VI Provisions	0	0	0
TOTAL LIABILITIES	22,434	22,292	22,015
EQUITY			
General reserve	3,941	3,164	3,369
Revaluation reserve	599	20	103
	4,540	3,184	3,472

Income and expenditure account from January 1 until December 31, 2008

in thousands of Euros					
	Realisation 2008	Revised Budget 2008	Original Budget 2008	Realisation 2007	Realisation 2006
INCOME					
I Funding					
1.1 Core funding	968	955	890	897	929
1.2 Institutional funding	2,614	2,712	2,750	2,394	737
1.3 Programme and project funding.	1,298	1,558	2,132	1,955	2,410
Total funding	4,880	5,225	5,772	5,246	4,076
II Result from debentures and participations					
2.1 Result on sales debentures	7	p.m.	p.m.	-23	-121
2.2 Result on market value debenture	701	p.m.	p.m.	-485	-269
2.3 Result from profit/loss in participations	-2	p.m.	p.m.	-2	-2
Total result from debentures and participations	706	p.m.	p.m.	-510	-392
TOTAL INCOME	5,586	5,225	5,772	4,736	3,684
EXPENDITURE					
III Operational expenses	1,117	1,231	1,700	1,271	1,329
IV Other costs					
4.1 Salaries and other personnel costs	3,017	3,242	3,170	3,097	2,402
4.2 Accommodation expenses	195	192	294	162	164
4.3 General and administrative expenses	277	292	268	263	244
4.4 Investments	1	2	50	0	1
4.5 Information Technology	143	182	140	149	125
4.6 Depreciation	16	21	0	0	0
4.7 Miscellaneous	43	40	50	-1	57
Total other costs	3,692	3,971	3,972	3,670	2,994
TOTAL EXPENDITURE	4,809	5,202	5,672	4,941	4,323
TOTAL RESULT	777	23	100	-205	-639
<i>Results from debentures and participations:</i>					
- difference realised interest income and budgetted interest	13	p.m.	p.m.	1	-152
- result on sales and market debenture	708	p.m.	p.m.	-508	-390
- result from participations	-2	p.m.	p.m.	-2	-2
Total	719	p.m.	p.m.	-509	-544
Total result excl. results from debentures	58	23	100	304	-95

4. Financial Report

Consolidated balance sheet after allocation of result 2008

in thousands of Euros

	31-12-2008	31-12-2007	31-12-2006
ASSETS			
I Financial fixed assets			
1.1 Debentures	21,869	19,878	22,430
1.2 Participation in EDCS share fund	11	10	10
Total financial fixed assets	21,880	19,888	22,440
II Tangible fixed assets	1,310	0	0
Total tangible fixed assets	1,310	0	0
III Current assets			
3.1 Payments in advance	49	80	67
3.2 Receivables	625	596	587
3.3 Debtors	1,000	1,133	1,280
3.4 Tax, pension and social security contributions	26	7	0
3.5 Cash	2,084	3,774	1,113
Total current assets	3,784	5,590	3,048
TOTAL ASSETS	26,974	25,478	25,488
LIABILITIES			
IV Long-term liabilities			
4.1 Commitment to the Netherlands' Government	18,378	18,378	18,378
4.2 PNL-contribution for housing and installation	2,269	2,269	2,269
Total long-term liabilities	20,647	20,647	20,647
V Current liabilities			
5.1 Creditors	177	292	273
5.2 Tax, pension and social security contributions	108	97	93
5.3 Current debts	1,500	1,258	1,003
Total current liabilities	1,785	1,647	1,369
VI Provisions	0	0	0
TOTAL LIABILITIES	22,432	22,294	22,016
EQUITY			
General reserve	3,943	3,164	3,369
Revaluation reserve	599	20	103

Consolidated income and expenditure account from January 1 until December 31, 2008

in thousands of Euros			
	Realisation 2008	Realisation 2007	Realisation 2006
INCOME			
I Funding			
1.1 Interest	968	897	929
1.2 Additional funding	3,912	4,349	3,147
Total funding	4,880	5,246	4,076
II Result from debentures			
2.1 Result on sales debentures	7	-23	-121
2.2 Result on market value debentures	701	-485	-269
Total result from debentures	708	-508	-390
TOTAL INCOME	5,588	4,738	3,686
EXPENDITURE			
III Operational expenses	1,117	1,209	1,329
IV Other costs			
4.1 Salaries and other personnel costs	3,017	3,097	2,402
4.2 Accommodation expenses	195	162	164
4.3 General and administrative expenses	278	265	246
4.4 Investments	1	0	1
4.5 Information Technology	143	211	125
4.6 Depreciation	16	0	0
4.7 Miscellaneous	44	-1	57
Total other costs	3,694	3,734	2,996
TOTAL EXPENDITURE	4,811	4,943	4,325
TOTAL RESULT	777	-205	-639

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2008 of the European Centre for Development Policy Management, Maastricht as set out on pages 14 to 37 of the ECDPM Financial Report 2008 which comprise the consolidated and company balance sheet as of 31 December 2008, the consolidated and company profit and loss account for the year then ended and the notes.

Management's responsibility

The management of the foundation is responsible for the preparation and fair presentation of the financial statements and for the preparation of the directors' report, both in accordance with the Guideline for the Annual Report 640. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance of whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control.

An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluation of the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the European Centre for Development Policy Management as of 31 December 2008, and of its result for the year then ended in accordance with the Guideline for the Annual Report 640.

Maastricht, March 12, 2009
PricewaterhouseCoopers
Accountants N.V.

Original was signed by
R.W.J.M. Dohmen RA

ACP	Africa, the Caribbean and Pacific
AFD	Agence Française de Développement
AIDCO	EuropeAid Co-Operation Office
APRM	African Peer Review Mechanism
Aprodev	Association of World Council of Churches related Development Organisations in Europe
AU	African Union
BMZ	Federal Ministry for Economic Cooperation and Development (Germany)
CDI	Commissariat au Développement Institutionnel (Mali)
CEEAC	Communauté Économique des États de l'Afrique Centrale
CLGF	Commonwealth Local Government Forum
CODEV	European Council Working Party on Development
COMESA	Common Market for Eastern and Southern Africa
CONCORD	Confederation of European NGOs for Relief and Development
COTED	Council for Trade and Economic Development (Caribbean)
CTA	Technical Centre for Rural and Agricultural Cooperation ACP-EU
CUTS	Consumer Unity & Trust Society
DAC	Development Assistance Committee (OECD)
DFC	Development Finance Committee
DFID	Department for International Development (UK)
DGIS	Directorate General for International Cooperation (Netherlands)
DG RELEX	Directorate General for External Relations (EU)
DPIR	Development Policy and International Relations (ECDPM programme)
DANIDA	Danish International Development Agency
EAC	East African Community
EADI	European Association of Development Research and Training Institutes
EARN	Europe-Africa Policy Research Network
EC	European Commission
ECDPM	European Centre for Development Policy Management
ECOSOC	United Nations Economic and Social Council
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EISA	Electoral Institute for Southern Africa
EPA	Economic Partnership Agreement
EPLO	European Peacebuilding Liaison Office
ESAMI	Eastern and Southern Africa Management Institute
ETC	Economic and Trade Cooperation (ECDPM programme)
EU	European Union
FDI	foreign direct investment
FPH	Charles Léopold Mayer Foundation for Human Progress (Switzerland)
GAERC	General Affairs and External Relations Council (EU)
GNI	gross national income
GOVNET	Network on Governance (DAC)
GTZ	international cooperation agency (Germany)
ICRA	International Centre for Development-Oriented Research in Agriculture (Netherlands)
ICT	information and communication technology
ICTSD	International Centre for Trade and Sustainable Development
IEEI	Institute for Strategic and International Studies (Portugal)
IIIS	Institute for International Integration Studies (Ireland)
IIR	Institute of International Relations (University of the West Indies, Trinidad)
ILEAP	International Lawyers and Economists Against Poverty
IMF	International Monetary Fund
IPAD	Instituto Português de Apoio ao Desenvolvimento (Portugal)
ITC	International Trade Centre
JEGs	Joint Expert Groups (Joint Africa-EU Strategy)
KIT	Royal Tropical Institute (Netherlands)
LC	Laboratoire Citoyenneté
LenCD	Learning Network on Capacity Development
MDF	Management for Development Foundation (Netherlands)
MoU	memorandum of understanding
NETRIS	Network for Regional Integration Studies
NGO	non-governmental organisation
ODA	official development assistance
ODI	Overseas Development Institute (UK)
OECD	Organisation for Economic Co-operation and Development
PMG	Politico-Military Working Group
RTFP	Southern Africa Regional Trade Facilitation Programme
SADC	Southern African Development Community
SAIIA	South African Institute of International Affairs
SNV	Netherlands Development Organisation
SN2	South-North Network
SUCO	Solidarité – Union – Coopération (Canada-based NGO)
TNI	Trade Negotiations Insights
Trapca	Trade Policy Training Centre in Africa
UCLGA	United Cities and Local Governments of Africa
UEMOA	West African Economic and Monetary Union
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNU-CRIS	United Nations University Centre for Comparative Regional Integration Studies
WTO	World Trade Organization
ZEI	European Integration Studies

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