

ACP-EU COTONOU AGREEMENT

**AFRICAN, CARIBBEAN AND
PACIFIC GROUP OF STATES**

**COUNCIL OF
THE EUROPEAN UNION**

**Brussels, 2 April 2019
(OR. en)**

ACP/21/001/19

ACP-UE 2104/19

OUTCOME OF PROCEEDINGS

Subject: Outcome of proceeding of the 43rd session of the ACP-EU Council of Ministers in Lomé, Togo, on 31 May and 1 June 2018

The ACP-EU Council of Ministers held its 43rd meeting in Lomé, Togo, on 31 May and 1 June 2018, under the chairmanship of H.E. Ms Kamina JOHNSON SMITH, Minister of Foreign Affairs and Foreign Trade of Jamaica, President-in-Office of the ACP Council of Ministers.

The meeting was co-chaired for the European Union by H.E. Ms Ekaterina ZAHARIEVA, Deputy Prime Minister for Judicial Reform and Minister of Foreign Affairs of Bulgaria, President-in-Office of the Council of the European Union.

The European Commission was represented by Mr Neven MIMICA, Commissioner for International Cooperation and Development.

The EEAS was represented by Mr Christian LEFFLER, Deputy Secretary General for economic and global issues.

The European Investment Bank was represented by Ms Heike RÜTTGERS, Head of Division, Development and Impact Finance.

ITEM 1

ADOPTION OF THE PROVISIONAL AGENDA

[ACP/21/003/18 - ACP-UE 2111/18]

The Council adopted the agenda.

"A" ITEMS

ITEM 2

ADOPTION OF

- **Outcome of proceedings of the 42nd session of the ACP-EU Council of Ministers on 5 May 2017**

[ACP/21/001/18 - ACP-UE 2104/18]

The Council approved the outcome of proceedings of the 42nd session of the ACP-EU Council of Ministers.

ITEM 3

RELATIONS WITH THE ACP-EU JOINT PARLIAMENTARY ASSEMBLY

- **Information on the activities of the Assembly in 2017**
- **Adoption of a report to the Joint Parliamentary Assembly**

[ACP/21/004/18 - ACP-UE 2112/18]

The Council welcomed the results of the ACP-EU Joint Parliamentary Assembly sessions which took place in 2017 in St. Julian's in Malta and in Port-au-Prince in Haiti, and adopted the report to the ACP-EU Joint Parliamentary Assembly on the implementation of the ACP-EU Partnership Agreement in 2017.

"B" ITEMS

ITEM 4

RELATIONS BETWEEN ACP COUNTRIES AND THE EU POST-2020

- Exchange of views

The ACP side informed the Council that, at the 107th session held on 29 and 30 May 2018, the ACP Council of Ministers adopted its negotiating mandate for the Post-Cotonou Partnership Agreement with the EU. The negotiating mandate confirms the three ACP priority areas: (1) trade, investment, industrialisation and services, (2) development cooperation, technology, science and innovation/research and (3) political dialogue and advocacy. In addition, it includes cross-cutting issues that the ACP Group considers fundamental for the definition, elaboration, design and implementation of development policies and programs.

The EU side informed the Council of the EU negotiating mandate being in the final stage of adoption and of the EU's commitment to be prepared for the start of the negotiations, as foreseen under the Cotonou Agreement. For instance, the ACP-EU cooperation on climate change has been exemplary and helped shaping a global consensus at COP 21. It underlined the importance of agreeing on a modernised and ambitious framework that, on the one hand, allows for responding to new challenges and shape the international landscape, and on the other hand, takes into account the divergent interests, needs and challenges of the different ACP regions.

In conclusion, the Council recalled that the Post-Cotonou Agreement must result in a strengthened partnership between the ACP and the EU, one which responds to the current and future priorities of its citizens, and enhances the collective role and influence of the partnership in global governance. At the same time, the Post-Cotonou Agreement must provide for the support of regional and continental integration.

ITEM 5

STRENGTHENING COOPERATION IN INTERNATIONAL FORA

- Exchange of views

The ACP side pointed out the potential of the ACP Group and the EU together to continue to play a decisive role in shaping global governance and decision making in international fora, which must be leveraged in a more consistent and institutionalised manner, based on mutual interests and priorities. It referred to its proposal for a calendar of joint ACP-EU activities in 2018, which intended to identify appropriate international events at the global or regional levels for undertaking joint activities.

The EU side emphasised that joint ACP-EU cooperation in international fora was always in the EU's centre of attention, and it gained even more importance during the EU internal discussions on the Post-Cotonou Partnership. It suggested the use of the ACP-EU cooperation in a more systematic way, based on shared values and interests in order to bring about a real change in the international political landscape.

The Council mandated the Co-Secretariat to continue close engagement on this subject, in order to organise as many joint events as possible during the rest of the year.

ITEM 6

CLIMATE CHANGE

- **Exchange of views**
- **Adoption of a joint declaration**

The ACP side welcomed the outcomes of COP 23 and stressed its support to the revision and implementation of Nationally Determined Contributions, to the Intergovernmental Panel on Climate Change Special Report on Global Warming of 1.5°, and to monitor and contribute to the discussions at the global level as part of the Talanoa Dialogue, in collaboration with all partners, including the EU. It also informed the Council that it considered climate change as a cross-cutting issue which, in the Post-Cotonou Agreement, must be addressed holistically and comprehensively, from an economic, social and environmental perspective in all sectors, to ensure development at national, regional and Intra-ACP levels.

The EU side confirmed its intention to continue working with the ACP side to maintain the issue of climate change high on the agenda of international discussions. It further stressed its commitment to a successful implementation of the Paris Agreement and welcomed the most fortunate opportunity of Poland taking over the chairmanship of UNFCCC from Fiji.

The Council noted the commitments of ACP and EU Members States to continue to play a leading role in the fight against Climate Change. It congratulated Fiji for its leading role as President of UNFCCC COP 23 and pledged its full support to Poland, as country to take over the Presidency at COP 24 in Katowice, Poland, in December 2018.

- **Adoption of a joint declaration**

To reiterate ACP and EU countries' commitment to fully and effectively implement the Paris Agreement on climate change, the Council adopted a Joint ACP-EU Declaration on Climate Change (ACP/21/006/18 - ACP-UE 2114/18).

ITEM 7

MIGRATION

- Exchange of views

The ACP side underlined its continued high motivation to follow up on the different processes of migration, as it sees the many commonalities that exist between the ACP-EU Dialogue on Migration and the Africa–EU Partnership on Migration. It called for the consideration of joint ACP-EU efforts for the Global Compact for safe, orderly, and regular migration, as well as to further explore avenues to build on the positive lessons to be learnt from the ACP-EU technical dialogue meetings. It reiterated its commitment to a collaborative approach to collectively strengthen actions that positively address the challenges and opportunities of migration, both at the North-South and South-South levels.

The EU side welcomed the permanent monitoring of the implementation of the common objectives of the Joint Valletta Action Plan through the regular dialogues in the framework of the Rabat and Khartoum processes, as well as the impetus given to the cooperation on migration by the Abidjan Declaration, which calls for deepening the cooperation and dialogue at continental level on migration and mobility, in a strengthened and regular manner.

In conclusion, the Council agreed to carry forward work on this important area.

ITEM 8

DEVELOPMENT FINANCE COOPERATION

- **Oral Report and follow-up to the meeting of the Development Finance Cooperation Committee (Ministers) (31 May 2018)**

The EU President of the ACP-EU Ministerial Development Finance Cooperation Committee presented the report on the meeting, which took place on 31 May 2018 in Lomé (see Annex).

The Council took note of the report from the ACP-EU Ministerial Development Finance Cooperation Committee and agreed with the recommendations made by the Committee.

ITEM 9

REVISION OF ANNEX IC TO THE ACP-EU PARTNERSHIP AGREEMENT

Both sides welcomed the recommendation made by the Development Finance Cooperation Committee to help finance the Spotlight Initiative and the Global Partnership for Education.

The Council adopted the decision on the Revision of Annex I C of the ACP-EU Partnership Agreement.

ITEM 10

ECONOMIC ISSUES

- Trade Cooperation:

a) Report from the 15th Joint Ministerial Trade Committee

The ACP side provided an oral report on the 15th meeting of the Joint ACP-EU Ministerial Trade Committee (JMTC), which was held on 20 October 2017 in Brussels. It reported that the ACP States and the EU had exchanged views on a broad range of issues affecting the ACP-EU trading regime, at multilateral and bilateral levels, including preparations for the 11th WTO Ministerial Conference, the impact of EU trade agreements with third parties and commodities.

In conclusion, the Council extended its thanks to the ACP Ministers of Trade, and the European Union under the leadership of the European Commissioner for Trade, for the work carried out during the 15th JMTC. It took good note of the various issues discussed and requested the JMTC to pursue outstanding issues at its next meeting.

b) State of play of EPAs

The Commission informed the Council of the good progress regarding the implementation of the EPAs in the Caribbean, the Pacific, the Southern African Development Community (SADC), the Eastern and Southern African (ESA) sub-region and with Cameroon in Central Africa as well as with Ghana and Côte d'Ivoire. It welcomed the progress regarding the upcoming accession of Solomon Islands and Samoa to the Pacific EPA. It also pointed out the importance of monitoring the operation and the outcomes of each EPA. This should be part of the partnership approach that has to be conducted EPA-by-EPA with full transparency at all-ACP level.

The ACP side welcomed the progress in EPA implementation, as well as the prospects for deepening the EPA with the ESA region. At the same time it reiterated its concerns that a majority of ACP States remain outside the EPA framework. It called for more efforts in addressing the issues that are preventing more ACP States from joining the EPAs and requested technical and financial support to help ACP States in that endeavour. The ACP side welcomed the launch of the African Continental Free Trade Area (AfCFTA). Regarding monitoring and evaluation, the ACP side proposed that parameters for monitoring be mutually agreed and jointly implemented by the EPA parties and that the monitoring report be considered by the Joint ACP-EU Ministerial Trade Committee.

In conclusion, the Council took note of the state of play of the EPA process, invited both the ACP and EU Parties in the EPA process to remain engaged in a cooperative spirit, in order to ensure that the EPAs become true instruments of development for ACP States and agreed to define a common framework for monitoring of the various EPAs.

- **European External Investment Plan**

The EU side informed the Council about the results of the first phase of implementation of the European External Investment Plan (EIP), with many proposals for selection. It pointed out that the efficiency of the implementation of the European Fund for Sustainable Development (EFSD) will be closely monitored by the EU and its Member States. The EIP is in line with intra-ACP programming for private sector development, which aims at promoting a competitive local private sector and an enabled business environment that will promote sustainable and inclusive growth in the ACP partner countries.

The ACP side recalled the ACP Private sector development strategy and the ACP New Approach on support to the development of agricultural value chains. In order to render the EIP successful, the ACP side proposed to give more attention to its second and third pillars. It also suggested to ensure that ACP financing institutions are given a role to play in the delivery mechanism and, if there is any reason which would prevent them to be given such a role, to work together to remove those barriers. In addition, the ACP side would support any consideration to be given to the expansion of the EIP for Caribbean and Pacific countries.

The Council noted the development of strategic policy frameworks aiming at facilitating and promoting social and economic transformation in ACP countries and the opportunities for decent job creation identified in these policy frameworks. It welcomed the launching of the European External Investment Plan as an instrument capable to respond adequately to the needs and priorities identified in ACP countries and endeavour to work towards associating all relevant stakeholders to the implementation of all three pillars of the EIP. Furthermore, it requested the ACP-EU Committee of Ambassadors to consider measures to enhance the capacity of actors to contribute adequately to the implementation of the strategic policy frameworks, particularly through the EIP.

ITEM 11

DATE AND PLACE OF THE NEXT SESSION OF THE ACP-EU COUNCIL OF MINISTERS

The Council agreed that the date of the next session of the Council, to be held in Brussels, would be confirmed by the Co-secretariats.

"C" ITEMS

ITEM 12

SITUATION OF MIDDLE INCOME COUNTRIES (MIC)

The Council held an informal exchange of views on the situation of middle income countries (MIC).

ITEM 13

EXPLOITATION OF NATURAL RESOURCES

The Council held an informal exchange of views on exploitation of natural resources.

ITEM 14

VULNERABILITY AND DISASTER RISK REDUCTION

The Council held an informal exchange of views on vulnerability and disaster risk reduction.

ITEM 15

ANY OTHER BUSINESS

(none).

ORAL REPORT
ON THE OUTCOME OF THE 27th MEETING
OF THE DEVELOPMENT FINANCE COOPERATION COMMITTEE
(MINISTERS)
HELD IN LOMÉ ON 31 MAY 2018

(Presented to the ACP-EU Council of Ministers
Lomé, 1 June 2018)

Co-chair, Ministers, Commissioner, Ladies and Gentlemen

I have the task of presenting to you a summary of the results of the 27th meeting of the ACP-EU Development Finance Cooperation Committee, which took place here in Lomé at Ministerial level on 31 May 2018.

Regarding the main questions, the outcome of the meeting can be summarised as follows:

The Committee started its session by taking note of the **Report of the 35th session** of the ACP-EU Development Finance Cooperation Committee, which took place in Brussels at Authorised Representatives' level on 4 April 2018. The report was presented by the EU side on behalf of both Parties.

Let me now summarize the main discussions at the meeting.

1. Under the first item on the agenda the ACP and the EU sides discussed the **progress report on the mid-term review of the 11th EDF**.

The ACP side underlined the importance of the mid-term review of national and regional indicative programmes, which was carried out in relation to all ACP countries. The review ensures a flexibility to adapt the actions to the objectives and to take into account possible changes in the priorities of states. The ACP side expressed its concerns that in the case of certain regions there was not enough time for implementation for an accurate assessment. It called on the Commission to work more closely with NAOs and RAOs during the end-term review process and to ensure that NAOs and RAOs truly take ownership of it.

The EU stressed that the objective of the mid-term review was to align the programming to the 2030 Agenda and the European Consensus on Development, in particular by strengthening focus on growth and job creation, renewable energy, climate change and the nexuses between development and security and migration and mobility. The priorities mentioned will be reinforced by transfer of funds for more efficiency and coherence.

The Committee took note of the progress report.

2. Under the second item on the agenda, the **state-of-play of the implementation of the Intra-ACP Cooperation**, the ACP side underlined its importance on the basis of the principles of co-management and ownership, as well as the role of the ACP Committee of Ambassadors as Authorising Officer. The assessment conducted demonstrated its relevance and capacity to meet the needs of ACP countries in the core areas that were jointly adopted.

The EU side outlined the state-of-play of implementation, highlighting that 69% of the initially allocated amount has been committed by the end of 2017. Intra-ACP cooperation is important for the implementation of the 2030 Agenda of Sustainable Development. At the same time, several challenges slow down the implementation in the field of climate change and private sector development. Specifically on private sector development, both sides need to act jointly to accelerate contracting processes urgently in order to see contracting by the end of 2018.

The Committee took note of the state-of-play of the implementation of the Intra-ACP cooperation.

3. Turning to the item on the **state-of-play of the implementation of the 11th EDF**, the Commission informed of the latest developments: 74 national indicative programmes and 6 regional indicative programmes are being implemented, with 73% of the total amount being contracted and 31% already disbursed.

The Committee took note of the information provided.

4. As regards **the revision of Annex IC to the ACP-EU Partnership Agreement**, the ACP side confirmed its approval of the proposal regarding the financing of the two initiatives concerned, which are in line with the ACP-EU Partnership Agreement and the 2030 Sustainable Development Agenda. At the same time, the ACP side requested the start of a financial process with a view to mobilising resources of the EDF reserve for the implementation of the ACP Framework Programme supporting the development of value chains.

The EU side confirmed its readiness to agree on the proposal for a revision of Annex IC. Regarding the support to value chains, it stressed that in accordance with the relevant provisions of Annex IV to the Cotonou Partnership Agreement, such request should be part of a review process for the Intra-ACP multiannual indicative programme, and eventually the result of an exchange of views between the Commission and the ACP Committee of Ambassadors, in light of the developments in the implementation of private sector programmes.

The Committee agreed on recommending the adoption of the decision on a revision of Annex IC. On the support to value chains the Committee agreed that the relevant procedure under Annex IV should be followed.

5. Concerning the **implementation of the Investment Facility in 2017**, the EIB presented a detailed overview. It indicated that 2017 had been a particularly active year for the Bank. Migration, demographic and environmental challenges remained the main focus of its actions. The EIB informed about the initiatives it has undertaken in the context of the implementation of 2030 Agenda, as well projects addressing the root causes of migration.

The ACP side underlined the importance of being regularly informed about the Investment Facility activities. The ACP side raised its concerns that some countries and regions have not benefitted fully from the IF and that the implementation of the IF should be made more comprehensible. The evaluation of the IF will be finalised on time for presentation to the ACP Council in November or December 2018.

The EIB suggested to include this on the agenda of its yearly meeting with ACP representatives.

The Committee took note of the report.

6. The Committee had a thorough discussion on **Improving Domestic Resource Mobilization (DRM)**, given its acknowledged importance for financing of development. As regards fighting tax avoidance, tax evasion and tax fraud, the EU recalled the importance of the implementation of the Addis Ababa Action Agenda which is also a key to deliver on the 2030 Agenda. In this context the EU supports and promotes the principles of the Addis Tax Initiative. The EU also informed the Committee about the new rules in this field at international level. Under the sub-item on the situation of ACP countries regarding the EU list of non-cooperative jurisdictions for tax purposes, the EU underlined the transparent, intergovernmental nature of the process and the fact that the EU list has been amended several times since its adoption on 5 December 2017. The EU supports partner countries on DRM.

The ACP side raised its concerns regretting the unilateral approach by the EU on this matter, which contradicts the partnership principle and called for consultation and dialogue. The ACP side does not disagree with the content and overall objective, namely the need for good tax governance, but criticised the EU approach on the establishment of the list.

The EU side acknowledged that communication needs to be strengthened and additional efforts have been made in this regard. The EU intention is to make sure that partner countries on the list of non-cooperative tax jurisdictions can improve their regime so that they are taken off the list, and support those who made commitments to implement them.

Both sides agreed on the need for a strengthened partnership on this matter.

The Committee took note of the information provided.

At the end of the meeting, both parties agreed on the proposed Work Programme for 2018-2019.

Co-chair,

This concludes the Report. Thank you for the privilege and pleasure of presenting it to you today.